As filed with the Securities and Exchange Commission on June 12, 2017

Registration No. 333-217078

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

AMENDMENT NO. 4
TO
FORM S-1
REGISTRATION STATEMENT

Under
The Securities Act of 1933

Frontier Group Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware	4512	46-3681866
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Frontier Center One
7001 Tower Road
Denver, CO 80249
(720) 374-4200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Barry L. Biffle
President and Chief Executive Officer
Frontier Group Holdings, Inc.
Frontier Center One
7001 Tower Road
Denver, CO 80249
(720) 374-4200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Anthony J. Richmond, Esq. Brian D. Paulson, Esq. Latham & Watkins LLP 140 Scott Drive Menlo Park, CA 94025 Telephone: (650) 328-4600 Facsimile: (650) 463-2600	Howard M. Diamond General Counsel & Secretary Frontier Group Holdings, Inc. Frontier Center One 7001 Tower Road Denver, CO 80249 Telephone: (720) 374-4200	Alan F. Denenberg Davis Polk & Wardwell LLP 1600 El Camino Real Menlo Park, CA 94025 Telephone: (650) 752-2000 Facsimile: (650) 752-2115

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (do not check if a smaller reporting company)	Smaller reporting company	☐
Emerging growth company	☐		

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

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED , 2017.

Shares

Frontier Group Holdings, Inc.

Common Stock

This is the initial public offering of shares of our common stock. We are offering shares. The selling stockholder identified in this prospectus is offering shares of our common stock. We will not receive any of the proceeds from the sale of any shares by the selling stockholder.

It is currently estimated that the public offering price per share will be between $ and $. Currently, no public market exists for our shares. We have applied to have our common stock listed on the NASDAQ Global Select Market under the symbol "FRNT."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 18.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
	$	$
Public offering price		
Underwriting discounts and commissions(1)		
Proceeds to us (before expenses)		
Proceeds to the selling stockholder		

(1) See the "Underwriting" section beginning on page 169 for additional information regarding underwriting compensation.

The selling stockholder named herein has granted the underwriters an option to purchase up to additional shares of common stock, at the initial public offering price, less the underwriting discount, for 30 days from the date of this prospectus. We will not receive any of the proceeds from the sale of shares by the selling stockholder upon any such exercise.

The underwriters expect to deliver the shares to purchasers on or about , 2017.

Citigroup **Deutsche Bank Securities** **Evercore ISI** **J.P. Morgan**

BofA Merrill Lynch **Barclays** **Cowen and Company** **Credit Suisse**

Goldman Sachs & Co. LLC **Raymond James** **UBS Investment Bank**

, 2017

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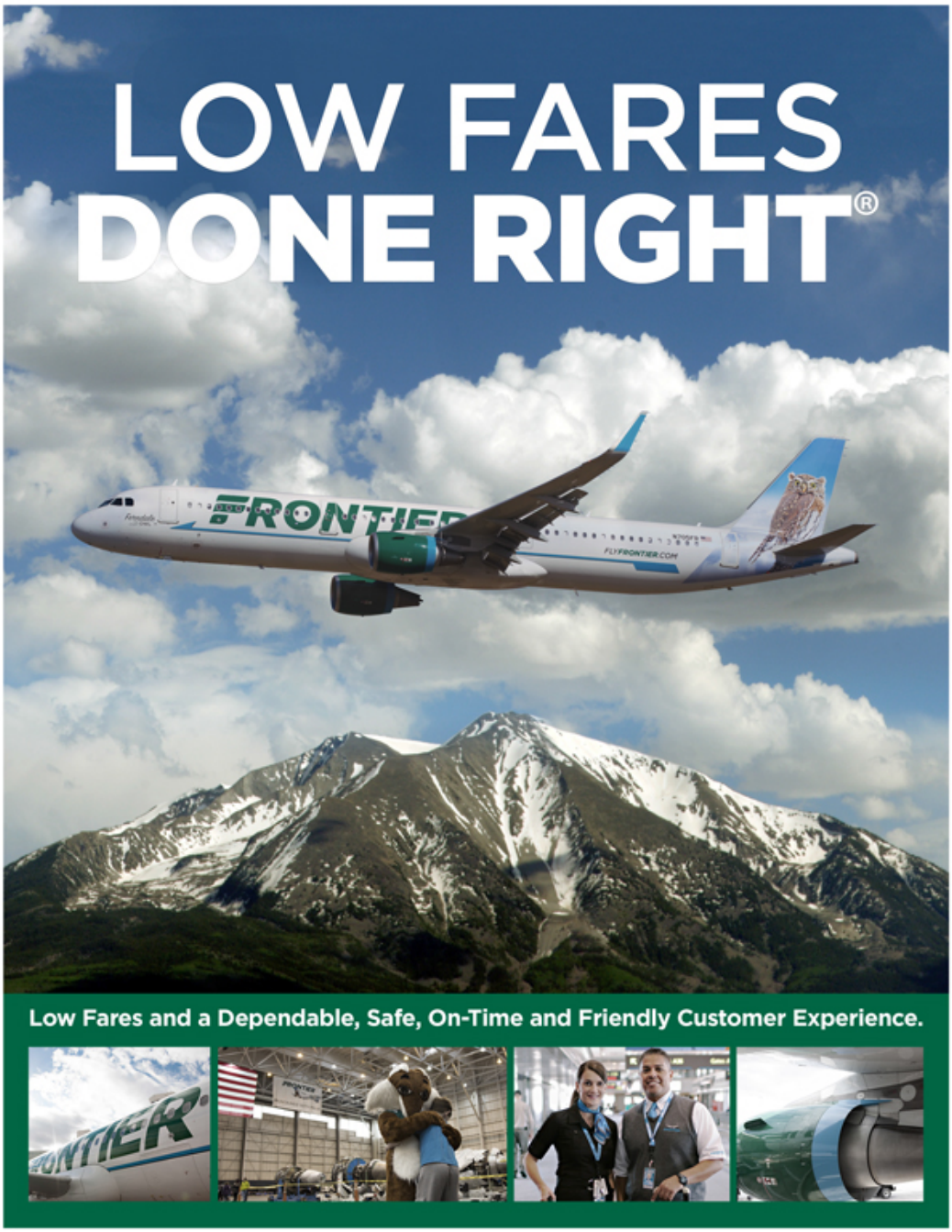

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LEGEND

- Year-round service
- Winter seasonal service
- Summer seasonal service

Routes operated in 2016.

CONTENTS

We are responsible for the information contained in this prospectus or contained in any free writing prospectus prepared by or on behalf of us to which we have referred you. Neither we, the underwriters, nor the selling stockholder have authorized anyone to provide you with additional information or information different from that contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission and we take no responsibility for any other information that others may give you. We and the selling stockholder are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, operating results or financial condition may have changed since such date.

Until , 2017 (25 days after the date of this prospectus), all dealers that buy, sell, or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: Neither we nor any of the underwriters have taken any action that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

SUMMARY

This summary highlights selected information about us and the common stock being offered by us and the selling stockholder. It may not contain all of the information that is important to you. Before investing in our common stock, you should read this entire prospectus carefully for a more complete understanding of our business and this offering, including our consolidated financial statements and the accompanying notes and the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Overview

Frontier Airlines is an ultra low-cost carrier whose business strategy is focused on *Low Fares Done Right*®. We offer flights throughout the United States and to select international destinations in Mexico and the Caribbean. Our unique and sustainable strategy is underpinned by our low cost structure and superior ULCC brand. As of March 31, 2017, we operated a fleet of 68 narrow-body Airbus A320 family aircraft, which we expect to grow to 121, including 80 A320neo (New Engine Option) family aircraft, by the end of 2021. In the 12 months ended March 31, 2017, we served approximately 15.4 million passengers across a network of 61 airports.

In December 2013, we were acquired by an investment fund managed by Indigo Denver Management Company, LLC, or Indigo, an affiliate of Indigo Partners, LLC, or Indigo Partners, an experienced and successful global investor in ultra low-cost carriers, or ULCCs. Following the acquisition, Indigo reshaped our management team to include experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique *Low Fares Done Right* strategy, which significantly reduced our unit costs, introduced low fares, provided the choice of optional services, enhanced our operational performance and improved the customer experience. Through the implementation of our new operating model, we have positioned our brand as a premier ULCC in the United States and have seen a dramatic improvement to our profitability.

The implementation of *Low Fares Done Right* has significantly reduced our cost base over the past three years by increasing aircraft utilization, transitioning to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our reservation system, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.74¢ in the year ended December 31, 2016, and our Adjusted CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.43¢ in the year ended December 31, 2016, an improvement of 27% and 31%, respectively. In 2016, this was one of the U.S. industry's lowest unit operating costs. For the three months ended March 31, 2017 and 2016, our Adjusted CASM (excluding fuel) was 5.50¢ and 5.90¢, respectively. We believe that we are well positioned to maintain our relatively low unit operating costs through on-going strategic initiatives, including continuing our cost optimization efforts and further realizing economies of scale. For a discussion and reconciliation of Adjusted CASM to CASM, please see "Glossary of Airline Terms" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

In addition to low unit costs, a key component of our *Low Fares Done Right* success was establishing Frontier as a premier ULCC in the United States by attracting customers with low fares and garnering repeat business by delivering a high-quality, family-friendly customer experience with a more upscale look and feel than historically experienced on ULCCs globally.

We currently offer flexible optional services through both unbundled and bundled service options. In 2015, we introduced *The Works*, a hassle-free option that includes a guaranteed seat assignment, carry-on and checked

baggage, ticket refundability and changes, and priority boarding, all at an attractive low price and available only on our website. In 2016, we expanded our bundled product offering with *The Perks*, which enables customers to book the same amenities included in *The Works*, excluding refundability and ticket changes, through third parties. We operate a customer-friendly digital platform that includes our website and mobile app, which makes booking and travel easy and more enjoyable for our customers. We also promote and sell products in-flight to enhance the customer experience. Our brand and product are also family-friendly, featuring popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families. We reward our repeat customers through our *Early Returns* frequent flyer program and also offer our *Discount Den* membership program, which provides subscribers with exclusive access to some of our lowest fares.

Low Fares Done Right differentiates Frontier from the historical ULCC model by providing a dependable and higher quality customer service experience than traditionally offered by such carriers. We pioneered this concept in the United States through our disciplined approach to operational reliability, modern fleet and comfortable cabin seating, including extra seat padding, and our *Stretch* seating option. Our focus on reliability and service allowed us to achieve a lower ratio of cancelled flights and a higher percentage of on-time arrivals as compared to Spirit Airlines (another U.S. ULCC), according to the Department of Transportation, or DOT, for the year ended December 31, 2016. This high level of operational performance resulted in a reduction in the rate of our customers' complaints for the year ended December 31, 2016 as compared to 2015, according to DOT data. Our commitment to operational reliability is also reflected in our approach to recruiting, workforce training and employee engagement, which we believe enables us to offer a standardized and predictable travel experience. As an example of our rigorous training programs and focus on reliability, we were recently awarded the FAA's Aviation Maintenance Technician Diamond Award of Excellence for the fourth year in a row. We believe the association of our brand with a high level of operational performance differentiates us from the other U.S. ULCCs and enables us to generate greater customer loyalty. In addition, as a result of our *Low Fares Done Right* strategy of distinguishing our service offering from other airlines, including other ULCC airlines, we were able to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the 12 months ended March 31, 2017.

The low unit cost, high quality of service and dependability that make *Low Fares Done Right* successful have enabled us to implement a network strategy that primarily targets high fare or underserved markets, where our low fares stimulate new traffic flows. In addition, we also focus on providing air transportation from medium-sized markets (population between one and 4.7 million) to a wide range of VFR (visiting friends and relatives) and leisure destinations. As of March 2017, we served 28 of the 43 medium-sized markets in the United States, including Denver. Through this network strategy, we have built our current network around flights to and from airports that complement our Denver franchise, including Orlando, Las Vegas, Philadelphia, Cincinnati, Cleveland, Atlanta, Trenton, Chicago and Phoenix. This current network reflects significant diversification and a proactive effort to reduce our concentration in Denver. We reduced the number of our flights with either an origin or destination in Denver from over 90% as of December 2013 to approximately 40% as of March 2017. The diversification of our network since the beginning of 2014 has enabled us to reduce the impact of seasonality, increase revenue, increase utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016.

We believe that our business model, including our focus on medium-sized markets and the use of low fares to stimulate demand, positions us to benefit from significant growth opportunities in the United States. According to the DOT, there were over 500 million domestic passengers in the United States during the 12 months ended September 30, 2016. Of these passengers, over 300 million paid a fare that was at least 30% above our cost basis per passenger during the same period, for the stage length associated with such fares. As a result, we believe that there are a significant number of markets in which we could operate profitably with our low fares, and we believe our entry into such markets could drive substantial passenger volume growth in those markets. For example, according to the DOT, in the 11 markets we entered in March and April 2015, industry passenger volumes increased by an average of approximately 41% in the six months ended September 30, 2016 as compared to the same period in

2014. During the six months ended September 30, 2016, we directly increased seat capacity in such markets by an average of 11% and we were the only ULCC operating in eight of the 11 markets, with Allegiant Travel Company offering service in one of the 11 markets (both before and after such periods) and Spirit Airlines commencing operations in two of the 11 markets during 2015.

According to the DOT, the 25-year (1991 to 2016) compound annual growth rate for domestic passenger traffic in the United States was approximately 2.1%. Based on this information, we believe that over the next 25 years, low fare offerings, such as those offered by ULCCs, could stimulate growth for over 850 additional narrow body aircraft covering over 2,000 domestic and international routes we can serve with A320 family aircraft. Of these routes, we believe there is an opportunity for over 650 new routes from medium-sized markets in the United States. As an additional indication of potential domestic passenger growth in North America, Boeing's "2016 Current Market Outlook" estimated that 2,620 new narrow body aircraft (net of retirements) would be added in North America by 2035, resulting in a total of 6,630 narrow body aircraft in operation.

The ULCC operating strategy is more mature in Europe than it is in the United States. For example, at the time Spirit Airlines adopted a ULCC model in 2007, three European ULCC airlines, EasyJet, Ryanair and Wizz Air, already had more than 4.5 times the number of aircraft in operation as did Allegiant Travel Company and Spirit Airlines. The size of the European ULCC airlines' operations is evidence of the substantial increases in passenger volumes they have been able to drive since their adoption of ULCC operating models, which first started in the mid-1990s. In particular, over the 15-year period from 2000 to 2014, according to World Bank and public filings of other carriers, total passenger volumes in Europe had a compound annual growth rate of approximately 4%, of which approximately 80% was attributable to ULCC growth and stimulation. According to World Bank and other public filings, over the same 15-year period, ULCCs in Europe grew their market share from approximately 5% of total domestic passengers in 2000 to approximately 38% of total domestic passengers in 2014, whereas in the United States, ULCCs only had a market share of approximately 3% of total domestic passengers in 2014.

Our Competitive Strengths

Our competitive strengths include:

Our Low-Cost Structure. Our low-cost structure has allowed us to reduce our unit operating costs, measured by our Adjusted CASM (excluding fuel), from 7.89¢ for the year ending December 31, 2013 to 5.43¢ for the year ending December 31, 2016, which is among the lowest of all airlines operating in the United States and compares to an average of 9.08¢ for legacy network carriers, which include American Airlines, Delta Air Lines, United Airlines, Alaska Airlines and Hawaiian Airlines, an average of 7.85¢ for LCCs, which include JetBlue Airways and Southwest Airlines, and 5.94¢ and 5.45¢ for Allegiant Travel Company and Spirit Airlines, respectively. Our low-cost structure is driven by several factors:

- *High Aircraft Utilization*. We have high aircraft utilization, which during 2016 averaged 12.6 hours per day. This compares to an average during 2016 of 10.1 hours per day for legacy network carriers, an average of 11.3 hours per day for LCCs, and 12.4 and 6.3 hours per day for Spirit Airlines and Allegiant Travel Company, respectively.
- *Modern Fleet and Attractive Order Book*. We operate a modern fleet composed solely of Airbus A320 family aircraft, which are recognized as having high reliability and low operating costs. Operating a single family of aircraft provides us with several operational and cost advantages, including the ability to optimize crew scheduling and training, and maintenance. Since 2013, we have steadily reduced the number of A319 aircraft in our fleet, replacing them with larger and more cost-efficient A320ceo and A320neo aircraft (180 to 186 seats) and A321ceo aircraft (230 seats). As of March 31, 2017, the average age of our fleet was approximately six years and we have taken delivery of over 25 new aircraft since the start of 2015. In addition, we have an attractive order book of new, fuel-efficient

aircraft, including, as of March 31, 2017, 75 A320neo family aircraft. As a result of our order book, we believe that the average age of our fleet will be approximately 4 years during 2019 and that once all A320neo aircraft are delivered through 2021, we will have the fastest adoption rate of A320neo aircraft (as a percentage of total fleet) among U.S. carriers.

- *Fuel Efficient Fleet.* In 2015, we were named one of the industry's most fuel-efficient airlines operating in 2014 by The International Council on Clean Transportation as a result of superior technology and operational efficiencies. Furthermore, the A320neo family aircraft that we have begun to place in service are estimated to deliver approximately 15% improved fuel efficiency compared to the prior generation of A320 aircraft.
- *High Capacity Fleet*. We have increased the seat density on our A319ceo aircraft from 138 seats to 150 seats and the seat density on our prior generation of A320 aircraft from 168 seats to 180 seats during 2015. Across our entire fleet, we have grown from an average of 145 seats per aircraft in 2013 to 176 seats per aircraft in the 12 months ended March 31, 2017, a 21% growth in the average number of seats per aircraft. Our fleet features new and lightweight slim-line seats, which eliminate excess weight and reduce fuel consumption per seat. As of March 31, 2017, we had the highest seat density per A320ceo/neo and A321ceo aircraft operated by any U.S. airline.
- *Low Cost Distribution Model*. For the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016 and 2015, approximately 67%, 62%, 63% and 58%, respectively, of our tickets were sold directly to customers through our direct distribution channels, including our website and mobile app, our lowest cost distribution channels, versus approximately 51% for the year ended December 31, 2014. We also reduced our distribution costs per passenger following the renegotiation of our distribution agreements.
- *Highly Productive Workforce and Specialist Providers*. We have a highly productive workforce with 4,692 passengers per full-time equivalent employee for the 12 months ended March 31, 2017. Where it is efficient for us to do so, we contract with third-party specialists to provide us with select operating and other services.

Our Superior Brand. We believe establishing our brand as a premier ULCC positions us to generate greater customer loyalty, which enabled us to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the 12 months ended March 31, 2017. Our superior brand is demonstrated by our significant number of repeat customers. According to a survey we conducted in February 2017, over 85% of our passengers surveyed were repeat customers and 61% had flown with us two or more times during the previous 12 months. The key features of our brand include:

- Significant customer value delivered through low fares with the choice of reasonably priced unbundled and bundled options, including *The Works* and *The Perks*.
- Family-friendly elements that appeal to a large audience, such as an attentive staff, popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families.
- A carefully designed look and feel, which is more upscale than traditional ULCCs, including our livery, our website and mobile applications, uniforms, seat design, on-board products and other graphical brand marketing components.
- A strong online presence with a customer-friendly digital platform that includes a new passenger reservation system, improved website and our mobile app.
- Our modern fleet with amenities such as extra seat padding, the widest economy middle seat on a narrow-body aircraft of any U.S. ULCC or LCC and our *Stretch* seating option, which provides a comfortable 33 inch seat pitch.

- In the year ended December 31, 2016, we achieved a lower ratio of cancelled flights and a higher percentage of on-time arrivals as compared to Spirit Airlines (another U.S. ULCC), according to DOT.

Our Network Management. We plan our route network and airport footprint to focus on profitable existing routes and new routes where we believe our business model will stimulate demand and grow profitability. This has enabled us to reduce the seasonality of our revenue, increase revenues, improve utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016. The key features of our network include:

- A broad geographic footprint, which enables us to service a wide range of VFR and leisure destinations.
- A strong presence in medium-sized markets.
- A disciplined and methodical approach to both route selection and the removal of underperforming routes, which as of May 1, 2017, had resulted in our retention of over 78% of the new routes we started during 2016.
- An operational platform that includes nationwide crew and maintenance bases, creating access to lower risk growth opportunities while maintaining high operational standards and enabling high utilization.

Our Talented ULCC Leadership Team. Our management team has extensive day-to-day experience operating ULCCs and other airlines.

- Barry L. Biffle, our President and Chief Executive Officer, previously served as Chief Executive Officer of VivaColombia, Executive Vice President for Spirit Airlines and held various management roles with US Airways and American Eagle Airlines, a regional airline subsidiary of American Airlines, Inc.
- James G. Dempsey, our Chief Financial Officer, previously served as Treasurer and Head of Investor Relations for Ryanair after serving in management roles with PricewaterhouseCoopers.
- James E. Nides, our Chief Operating Officer, previously served as Chief Operating Officer of Volaris and has extensive prior experience at Continental Express.
- Daniel M. Shurz, our Senior Vice President, Commercial, previously served in various roles with United Airlines and Air Canada.

***Low Fares Done Right*—Our Business Strategy**

Our goal is to offer the most attractive option for air travel with a compelling combination of value, product and service, and, in so doing, to grow profitably and enhance our position among airlines in the United States. Through the key elements of our business strategy, we seek to achieve:

Low Unit Costs. We intend to maintain our cost advantage, including by:

- Maintaining the high utilization levels we achieved in 2016.
- Utilizing new generation, fuel-efficient aircraft that deliver lower operating costs compared to prior generation aircraft.
- Increasing the average size and seat capacity of the aircraft in our fleet through the continued introduction and operation of new 186-seat A320neo and 230-seat A321ceo aircraft and the retirement of additional A319 aircraft.
- Taking a disciplined approach to our operational performance in order to reduce disruption.

A Superior ULCC Brand and High Unit Revenues. In order to enhance our brand and drive revenue growth, we intend to continue to deliver a higher-quality flight experience than historically offered by ULCCs globally and generate customer loyalty by:

- Continuing to offer attractive low fares.
- Expanding our marketing efforts, including through the addition of new animals for each of our new aircraft, to position our brand as a family-friendly ULCC.
- Continuing to improve penetration of our bundling options, including *The Works* and *The Perks*.
- Enhancing our *Early Returns* offering to improve reward opportunities for our branded credit card customers.
- Providing our customers a dependable, reliable, on-time and friendly experience.

Strong Growth Driven by an Expanding and Efficient Network. We intend to continue to utilize our disciplined and methodical approach to expand our network in an efficient manner, including by:

- Continuing to exploit overpriced and/or underserved markets across the U.S. and select international destinations in the Americas, including medium-sized markets, where a majority of our seat capacity was deployed during 2016.
- Leveraging our diverse geographic footprint and existing crew and maintenance base infrastructure to take advantage of lower risk network growth opportunities while maintaining high operational standards.
- Utilizing our low cost structure to offer low fares which organically drive growth through market stimulation.
- Continuing to rebalance our network to mitigate seasonality fluctuations.

Strong Capital Structure. We intend to maintain our strong capital structure, which enables us to obtain financing for our aircraft pursuant to attractive operating leases, in order to support our growth strategies and expansion of our fleet and network. Our capital structure is comprised of:

- Our cash and cash equivalents, of which we had a balance of $535 million as of March 31, 2017.
- Our $150 million pre-delivery financing facility, which we recently extended to 2019 and from which we had drawn $133 million as of March 31, 2017.
- Our $50 million pre-purchased miles facility, from which we had drawn $39 million of the amount available as of March 31, 2017.

Our Relationship with Indigo Partners

Indigo Partners, our principal stockholder, is an established and successful investor in ULCCs around the world. Indigo Partners has previously invested in several ULCC companies, including Spirit Airlines, Tigerair (formerly Tiger Airways), Volaris and Wizz Air, that completed initial public offerings following the successful implementation of a ULCC strategy under the guidance of Indigo Partners and while Indigo Partners was a significant investor.

Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in the section entitled “Risk Factors” following this prospectus summary, that represent challenges we face in connection with the successful implementation of our strategy and the growth of our business. We expect a number of factors to

cause our operating results to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance. Such factors include:

- the ability to operate in an exceedingly competitive industry;
- the price and availability of aircraft fuel;
- any restrictions on or increased taxes applicable to charges for non-ticket products and services;
- changes in economic conditions;
- threatened or actual terrorist attacks or security concerns;
- factors beyond our control, including air traffic congestion, adverse weather or increased security measures;
- our failure to implement our business strategy;
- our ability to control our costs;
- our ability to grow or maintain our unit revenues or maintain our non-ticket revenues;
- any increased labor costs, union disputes and other labor-related disruptions;
- our inability to expand or operate reliably and efficiently out of airports where we maintain a large presence;
- our inability to maintain a high daily aircraft utilization rate;
- any changes in governmental regulation;
- our reputation and business being adversely affected in the event of an emergency, accident or similar public incident involving our aircraft or personnel or by negative publicity regarding our customer service;
- our ability to obtain financing or access capital markets;
- our ability to maintain our liquidity in the event one or more of our credit card processors were to impose holdback restrictions;
- the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book;
- our maintenance obligations;
- aircraft-related fixed obligations that could impair our liquidity; or
- our reliance on third-party specialists and other commercial partners to perform functions integral to our operations.

Our History

Our indirect, wholly-owned subsidiary, Frontier Airlines, Inc., or Frontier, was incorporated in 1994 to operate as an airline based in Denver, Colorado. In April 2008, Frontier filed for protection under the federal bankruptcy laws and ultimately emerged from bankruptcy in October 2009 through the acquisition of Frontier by a subsidiary of Republic Airways Holdings, Inc., or Republic. We were incorporated in September 2013 as a newly-formed corporation initially wholly-owned by an investment fund managed by Indigo to facilitate the acquisition of Frontier from Republic. That acquisition was completed on December 3, 2013.

Corporate Information

Our principal executive offices are presently located at Frontier Center One, 7001 Tower Road, Denver, Colorado 80249. In the fourth quarter of 2017, we expect to relocate our headquarters to 4545 Airport Way, Denver, Colorado 80239. Our general telephone number is (720) 374-4200 and our website address is www.FlyFrontier.com. We have not incorporated by reference into this prospectus any of the information on our website and you should not consider our website to be a part of this document. Our website address is included in this document for reference only.

Frontier Airlines®, Frontier®, the Frontier Flying F logo, *Low Fares Done Right*®, FlyFrontier.com®, *Early Returns*®, *Discount Den*®, *Stretch*SM, *The Works*SM and *The Perks*SM are trademarks of Frontier in the United States and other countries. This prospectus also contains trademarks and tradenames of other companies.

THE OFFERING

Common stock offered by us	shares.
Common stock offered by the selling stockholder	shares.
Common stock to be outstanding after the offering	shares
Underwriters' option to purchase additional shares	The selling stockholder may sell up to additional shares if the underwriters exercise their option to purchase additional shares.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting estimated underwriting discounts and estimated expenses of this offering payable by us. We intend to use the net proceeds to be received by us from this offering to fund the cash portion of our expected obligations under the Amended and Restated Phantom Equity Investment Agreement, dated as of December 31, 2013, or our Pilot Phantom Equity Plan, for the benefit of certain current and former pilots, who we refer to as the Participating Pilots, with the remaining net proceeds for general corporate purposes, including cash reserves, working capital, capital expenditures, including flight equipment acquisitions, sales and marketing activities and general and administrative matters. Please see "Use of Proceeds." An investment fund managed by Indigo is our controlling stockholder and the selling stockholder in this offering. We will not receive any of the proceeds from the sale of any shares by the selling stockholder. Please see "Principal and Selling Stockholder."
Dividends	Immediately prior to the consummation of this offering, we intend to declare a dividend in the amount of $ per share (representing an aggregate distribution of $ million). Investors in this offering will not be entitled to participate in such dividend. We do not presently anticipate paying cash dividends after the completion of this offering.
Risk factors	Please see "Risk Factors" beginning on page 18 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed NASDAQ Global Select Market symbol	"FRNT"

The number of shares of our common stock outstanding after this offering is based on 5,237,756 shares outstanding as of March 31, 2017, and excludes:

- an aggregate of 262,856 shares of common stock issuable upon the exercise of outstanding stock options as of March 31, 2017 having a weighted-average exercise price of $63.86 per share;
- an aggregate of 699,388 shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of March 31, 2017, which will become available for issuance under our 2017 Equity Incentive Annual Plan after consummation of this offering;
- an aggregate of shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- an aggregate of 231,000 shares of common stock reserved for issuance to the Participating Pilots pursuant to the Pilot Phantom Equity Plan (in connection with the offering contemplated hereby, 50% of the foregoing shares will be settled in cash through the establishment of a trust); see "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

Except as otherwise indicated, information in this prospectus reflects or assumes the following:

- a -for- split of our outstanding common stock, which will occur prior to the effectiveness of the registration statement of which this prospectus is a part;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the consummation of this offering;
- no exercise of outstanding stock options subsequent to March 31, 2017; and
- no exercise of the underwriters' option to purchase up to additional shares of our common stock from the selling stockholder.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables summarize the financial and operating data for our business for the periods presented. You should read this summary consolidated financial data in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, all included elsewhere in this prospectus.

We derived the summary consolidated statements of operations data for the years ended December 31, 2016, 2015 and 2014 from our audited consolidated financial statements included in this prospectus. We derived the summary consolidated statements of operations data for the three months ended March 31, 2017 and 2016 and the summary consolidated balance sheet data as of March 31, 2017 from our unaudited financial statements included in this prospectus. The unaudited summary consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals and non-recurring adjustments that have been separately disclosed) necessary to present fairly our financial position as of March 31, 2017 and the results of operations for the three months ended March 31, 2017 and 2016. Our historical results are not necessarily indicative of the results to be expected in the future, and results for the three months ended March 31, 2017 are not necessarily indicative of results to be expected for the full year.

	Year Ended December 31			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
	(in millions, except for share and per share data)				
Consolidated Statements of Operations Data:					
Operating revenues:					
Passenger	$ 1,328	$ 1,203	$ 988	$ 219	$ 234
Non-ticket	265	401	726	149	196
Total operating revenues	**1,593**	**1,604**	**1,714**	**368**	**430**
Operating expenses:					
Aircraft fuel	538	369	343	63	102
Salaries, wages and benefits	258	285	287	71	133
Station operations	162	202	228	53	53
Aircraft rent	147	171	209	50	59
Sales and marketing	87	79	72	17	19
Maintenance materials and repairs	39	50	48	14	14
Depreciation and amortization	29	54	75	18	13
Special charge	—	43	—	—	—
Other operating	105	118	135	32	39
Total operating expenses	**1,365**	**1,371**	**1,397**	**318**	**432**
Operating income (loss)	**228**	**233**	**317**	**50**	**(2)**
Other expense (income):					
Interest expense	5	8	9	2	2
Capitalized interest	(1)	(3)	(6)	(1)	(1)
Interest income and other	—	—	(2)	—	(1)
Total other expense	**4**	**5**	**1**	**1**	**—**
Income (loss) before income taxes	224	228	316	49	(2)
Income tax expense (benefit)	84	82	116	19	(2)
Net income	**$ 140**	**$ 146**	**$ 200**	**$ 30**	**$ —**
Earnings per share:					
Basic	$ 26.12	$ 26.60	$ 36.76	$ 5.59	$ (0.65)
Diluted	25.75	26.15	36.23	5.48	(0.65)
Weighted average shares outstanding:					
Basic	5,203,058	5,247,477	5,236,978	5,243,374	5,236,301
Diluted	5,278,034	5,341,049	5,315,653	5,348,778	5,236,301
Unaudited Pro Forma Data(1):					
Pro forma earnings per share:					
Basic	$	$	$	$	$
Diluted					
Pro forma weighted average shares outstanding:					
Basic					
Diluted					

(1) Immediately prior to the consummation of this offering, we intend to pay a dividend of $ per share (representing an aggregate distribution of $). Investors in this offering will not be entitled to participate in such dividend. Staff Accounting Bulletin Topic 1.B.3 requires that pro forma basic and diluted earnings per share be presented giving effect to the number of shares whose proceeds would be used to replace capital when dividends exceed current year earnings. The pro forma as adjusted earnings per share and pro forma as adjusted equivalent shares which give effect to the deemed issuance of the number of shares that would be required to generate net proceeds sufficient to make the dividend payment of $ million in the aggregate to our pre-IPO stockholders. The number of incremental shares that would be required to be issued to pay the dividend is based on the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and estimated offering expenses payable by us, resulting in net proceeds of $ per share. On this basis, the incremental shares were determined to be and for the three months ended March 31, 2017 and 2016, respectively, and , and for the year ended December 31, 2016, 2015 and 2014, respectively.

	Years Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in millions)		
Non-GAAP financial data (unaudited):					
Adjusted net income(1)	$168	$194	$236	$ 41	$ 39
EBITDA(1)	257	287	392	68	11
Adjusted EBITDA(1)	301	345	436	79	73
Adjusted EBITDAR(1)	448	509	641	128	132

(1) Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR are included as supplemental disclosures because we believe they are useful indicators of our operating performance. Derivations of net income and EBITDA are well recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR have limitations as analytical tools. Some of the limitations applicable to these measures include: Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect changes in, or cash requirements for, our working capital needs; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect any cash requirements for such replacements; and other companies in our industry may calculate Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Further, we believe Adjusted EBITDAR is useful in evaluating our operating performance compared to our competitors because its calculation isolates the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, directly subject to acquisition debt, by capital lease or by operating lease, each of which is presented differently for accounting purposes), and income taxes, which may vary significantly between periods and for different companies for reasons unrelated to overall operating performance. However, because derivations of Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR are not determined in accordance with GAAP, such measures are susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, derivations of Net income and EBITDA, including Adjusted Net Income, Adjusted EBITDA and Adjusted EBITDAR, as presented may not be directly comparable to similarly titled measures presented by other companies. In addition, Adjusted EBITDAR should not be viewed as a measure of overall performance since it excludes aircraft rent, which is a normal, recurring cash operating expense that is necessary to operate our business. For the foregoing reasons, each of Adjusted Net income, EBITDA, Adjusted EBITDA or Adjusted EBITDAR has significant limitations which affect its use as an indicator of our profitability. Accordingly, you are cautioned not to place undue reliance on this information.

The following table presents the reconciliation of Net income and Adjusted net income for the periods presented below.

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in millions)		
Net income reconciliation (unaudited):					
Net income	$140	$146	$200	$ 30	$ —
Unrealized hedging (gains) losses(a)	35	(35)	—	—	—
Lease Modification Program(b)	—	67	16	7	—
Pilot phantom equity(c)	6	43	40	10	18
Salaries, wages and benefits—severance(d)	3	—	—	—	—
Salaries, wages and benefits—flight attendant settlement(e)	—	—	—	—	43
Salaries, wages and benefits—other(f)	—	—	—	—	1
Adjusted net income before income taxes	**184**	**221**	**256**	**47**	**62**
Tax benefit related to underlying adjustments	(16)	(27)	(20)	(6)	(23)
Adjusted net income	**$168**	**$194**	**$236**	**$ 41**	**$ 39**

The following table presents the reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDAR to Net income for the periods indicated below.

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in millions)		
EBITDA reconciliation (unaudited)					
Net income	$ 140	$ 146	$ 200	$ 30	$ —
Plus (minus):					
Interest expense	5	8	9	2	2
Capitalized interest	(1)	(3)	(6)	(1)	(1)
Interest income and other	—	—	(2)	—	(1)
Provision for income taxes	84	82	116	19	(2)
Depreciation and amortization	29	54	75	18	13
EBITDA	**$ 257**	**$ 287**	**$ 392**	**$ 68**	**$ 11**
Unrealized hedging (gains) losses(a)	35	(35)	—	—	—
Lease Modification Program (excluding depreciation)(b)	—	50	4	1	—
Pilot phantom equity(c)	6	43	40	10	18
Salaries, wages and benefits—severance(d)	3	—	—	—	—
Salaries, wages and benefits—flight attendant settlement(e)	—	—	—	—	43
Salaries, wages and benefits—other(f)	—	—	—	—	1
Adjusted EBITDA	**$ 301**	**$ 345**	**$ 436**	**$ 79**	**$ 73**
Aircraft rent(g)	147	164	205	49	59
Adjusted EBITDAR	**$ 448**	**$ 509**	**$ 641**	**$ 128**	**$ 132**

(a) Represents adjustments for unrealized (gains) losses on our hedging contracts for anticipated fuel purchases as a result of hedge accounting on these cash flow hedges not being achieved.

(b) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation of $12 million and $17 million for the years ended 2016 and 2015, respectively, and $0 million and $6 million for the three months ended March 31, 2017 and 2016, respectively, and aircraft rent of $4 million and $7 million for the years ended 2016 and 2015, respectively, and $0 million and $1 million for the three months ended March 31, 2017 and 2016, respectively, as a result of significantly shortened lease terms with respect to such aircraft.

(c) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

(d) Represents severance costs related to outsourcing of certain functions integral to our operations to third-party vendors as a part of the implementation of our new operating model.

(e) Represents the $40 million settlement and $3 million of payroll taxes relating to the Letter of Agreement entered into with the union representing our flight attendants (AFA-CWA) on March 15, 2017. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates—Stock Based Compensation.”

(f) Represents expenses associated with the ratification of labor agreements.

(g) Represents aircraft rent expense included in Adjusted EBITDA. Excludes aircraft rent of $4 million and $7 million for the years ended 2016 and 2015, respectively, and $0 million and $1 million for the three months ended March 31, 2017 and 2016, respectively, included in Lease Modification Program (excluding depreciation).

The following table presents our historical balance sheet data as of March 31, 2017, and on a pro forma as adjusted basis to give effect to (i) this offering and the application of the net proceeds received by us and (ii) a dividend expected to be paid immediately prior to the consummation of this offering.

	As of March 31, 2017	
	Actual	Pro forma As Adjusted(1)(2)
	(in millions)	
Balance Sheet Data (unaudited):		
Cash and cash equivalents	$ 535	
Total assets	1,295	
Long-term debt, including current portion	224	
Stockholders' equity	278	

(1) The unaudited adjusted pro forma consolidated balance sheet gives effect to (i) the receipt of the estimated net proceeds by us from the sale of shares of our common stock offered by us (based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds received by us, including the application of $ million to fund into a trust the expected cash portion of our obligations under the Pilot Phantom Equity Agreement in connection with the completion of this offering (based on an assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover of this prospectus), and (ii) a dividend of $ per share (representing an aggregate distribution of $) expected to be paid immediately prior to the consummation of this offering. Please see "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

(2) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, respectively, the amount of pro forma as adjusted cash and cash equivalents, total assets and stockholders' equity by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the amount of pro forma as adjusted cash and cash equivalents, assets and stockholders' equity by approximately $ million (based on an assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover of this prospectus). The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

OPERATING STATISTICS

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
Operating Statistics (unaudited)[a]					
Available seat miles (ASMs) (millions)	12,332	15,229	18,366	4,034	4,882
Departures	92,184	97,222	99,369	22,248	23,647
Average stage length (statute miles)	897	1,002	1,060	1,074	1,124
Block hours	222,982	259,261	279,347	63,136	69,857
Average aircraft in service	54	56	61	59	65
Aircraft in service—end of period	54	61	66	59	68
Average daily aircraft utilization (hours)	11.4	12.6	12.6	11.8	11.9
Passengers (thousands)	12,203	13,184	14,937	3,263	3,711
Average seats per departure	147	154	173	167	182
Revenue passenger miles (RPMs) (millions)	11,152	13,400	16,015	3,534	4,201
Load factor (%)	90.4%	88.0%	87.2%	87.6%	86.0%
Passenger revenue per available seat mile (PRASM) (¢)	10.77	7.90	5.38	5.44	4.78
Non-ticket revenue per available seat mile (¢)	2.15	2.63	3.95	3.69	4.03
Total revenue per available seat mile (RASM) (¢)	12.92	10.53	9.33	9.13	8.81
Cost per available seat mile (CASM) (¢)	11.07	9.01	7.61	7.89	8.86
CASM (excluding fuel) (¢)	6.71	6.58	5.74	6.32	6.78
Adjusted CASM (¢)	10.71	8.51	7.30	7.47	7.58
Adjusted CASM (excluding fuel) (¢)[b]	6.63	5.86	5.43	5.90	5.50
Fuel cost per gallon ($'s)	3.26	1.90	1.59	1.32	1.88
Fuel gallons consumed (thousands)	164,845	194,846	215,830	47,812	54,187
Employees (FTE)	3,653	2,981	3,163	3,008	3,473

(a) See "Glossary of Airline Terms" for definitions of terms used in this table.

(b) For a reconciliation of Adjusted CASM to CASM, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

GLOSSARY OF AIRLINE TERMS

Set forth below is a glossary of industry terms used in this prospectus:

"Adjusted CASM" means operating expenses, excluding special items, divided by ASMs. For a discussion of such special items and a reconciliation of Adjusted CASM to CASM, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

"Adjusted CASM (excluding fuel)" means operating expenses less aircraft fuel expense and excluding special items, divided by ASMs. For a discussion of such special items and a reconciliation of Adjusted CASM to CASM, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

"Air traffic liability" or "ATL" means the value of tickets sold in advance of travel.

"Available seat miles" or "ASMs" means the number of seats available for passengers multiplied by the number of miles the seats are flown.

"Average aircraft" means the average number of aircraft used in flight operations, as calculated on a daily basis.

"Average daily aircraft utilization" means block hours divided by number of days in the period divided by average aircraft.

"Average stage length" means the average number of statute miles flown per flight segment.

"Block hours" means the number of hours during which the aircraft is in revenue service, measured from the time of gate departure before take-off until the time of gate arrival at the destination.

"CASM" or "unit costs" means operating expenses divided by ASMs.

"CBA" means a collective bargaining agreement.

"DOT" means the United States Department of Transportation.

"EPA" means the United States Environmental Protection Agency.

"FAA" means the United States Federal Aviation Administration.

"FTE" means full-time equivalent employee.

"GDS" means a Global Distribution System such as Amadeus, Sabre and Travelport, used by travel agencies and corporations to purchase tickets on participating airlines.

"Load factor" means the percentage of aircraft seat miles actually occupied on a flight (RPMs divided by ASMs).

"NMB" means the National Mediation Board.

"Non-ticket revenue" consists primarily of revenue generated from air travel-related services such as baggage fees, seat selection fees, itinerary service fees, booking fees and on-board sales.

"Operating revenue per ASM," "RASM" or "unit revenue" means total operating revenue divided by ASMs.

"Passengers" means the total number of passengers flown on all flight segments.

"Passenger revenue" consists of base fares for air travel, including miles redeemed under our frequent flyer program, unused and expired passenger credits, other redeemed or expired travel credits and revenue derived from charter flights.

"PDP" means pre-delivery deposit payments, which are payments required by aircraft manufacturers in advance of delivery of the aircraft.

"PRASM" means passenger revenue divided by ASMs.

"RASM" means total revenue divided by ASMs.

"Revenue passenger miles" or "RPMs" means the number of miles flown by passengers.

"RLA" means the United States Railway Labor Act.

"Stage-length adjustment" refers to an adjustment that can be utilized to compare CASM and RASM across airlines with varying stage lengths. All other things being equal, the same airline will have lower CASM and RASM as stage length increases since fixed and departure related costs are spread over increasingly longer average flight lengths. Therefore, as one method to facilitate comparison of these quantities across airlines (or even across the same airline for two different periods if the airline's average stage length has changed significantly), it is common in the airline industry to settle on a common assumed stage length and then to adjust CASM and RASM appropriately. Stage-length adjusted comparisons are achieved by multiplying base CASM or RASM by a quotient, the numerator of which is the square root of the carrier's stage length and the denominator of which is the square root of the common stage length. Stage-length adjustment techniques require judgment and different observers may use different techniques. For stage-length adjusted CASM and RASM comparisons in this prospectus, the stage length being utilized is the aircraft stage length.

"TSA" means the United States Transportation Security Administration.

"ULCC" means ultra low-cost carrier.

"VFR" means visiting friends and relatives.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of these risks should occur, our business, results of operations, financial condition or growth prospects could be adversely affected. In those cases, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Industry

The airline industry is exceedingly competitive, and we compete against legacy network airlines, low-cost carriers and other ultra low-cost carriers; if we are not able to compete successfully in our markets, our business will be materially adversely affected.

We face significant competition with respect to routes, fares and services. Within the airline industry, we compete with legacy network airlines, low-cost carriers, or LCCs, and other ultra low-cost carriers, or ULCCs, for airline passengers traveling on the routes we serve, particularly customers traveling in economy or similar classes of service. Competition on most of the routes we presently serve is intense, due to the large number of carriers in those markets. Furthermore, other airlines may begin service or increase existing service on routes where we currently face no or little competition. In almost all instances, our competitors are larger than us and possess significantly greater financial and other resources than us.

The airline industry is particularly susceptible to price discounting because, once a flight is scheduled, airlines incur only nominal additional costs to provide service to passengers occupying otherwise unsold seats. Increased fare or other price competition could adversely affect our operations. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to increase revenue per available seat mile. The prevalence of discount fares can be particularly acute when a competitor has excess capacity to sell. Moreover, many other airlines have unbundled their services, at least in part, by charging separately for services such as baggage and advance seat selection which previously were offered as a component of base fares. This unbundling and other cost-reducing measures could enable competitor airlines to reduce fares on routes that we serve.

In addition, airlines increase or decrease capacity in markets based on perceived profitability. If our competitors increase overall industry capacity, or capacity dedicated to a particular domestic or foreign region, market or route that we serve, it could have a material adverse impact on our business. For instance, Southwest Airlines and United Airlines have recently announced that they are adding capacity in Denver in 2017. If a legacy network airline were to successfully develop a low-cost product or if we were to experience increased competition from LCCs or other ULCCs, our business could be materially adversely affected. Regardless of cost structure, the domestic airline industry has often been the source of fare wars undertaken to grow market share or for other reasons, including, for example, actions by American Airlines in 2015 to match fares offered in many of its markets by ULCC carriers with resulting material adverse effects on the revenues of the airlines involved. Additionally, each of American Airlines, Delta Air Lines and United Airlines has begun to offer a so-called "basic economy" offering with reduced amenities designed specifically to compete against ULCC carriers which, if successfully implemented, could present a significant form of competition for us.

Our growth and the success of our ULCC business model could stimulate competition in our markets through our competitors' development of their own ULCC strategies or new market entrants. For example, certain legacy network airlines have recently begun further segmenting the cabins of their aircraft in order to enable them to offer a new tier of reduced base fares designed to be competitive with those offered by us and other ULCCs. A competitor adopting a ULCC strategy may have greater financial resources and access to lower cost sources of capital than we do, which could enable them to operate their business with a lower cost structure than we can. If these competitors adopt and successfully execute a ULCC business model, our business could be materially adversely affected.

There has been significant consolidation within the airline industry, including, for example, the combinations of American Airlines and US Airways, Delta Air Lines and Northwest Airlines, United Airlines and Continental Airlines, Southwest Airlines and AirTran Airways, and Alaska Airlines and Virgin America. In the future, there may be additional consolidation in our industry. Business combinations could significantly alter industry conditions and competition within the airline industry and could permit our competitors to reduce their fares.

The extremely competitive nature of the airline industry could prevent us from attaining the level of passenger traffic or maintaining the level of fares or revenues related to non-ticket services required to sustain profitable operations in new and existing markets and could impede our growth strategy, which could harm our operating results. Due to our relatively small size, we are susceptible to a fare war or other competitive activities in one or more of the markets we serve, which could have a material adverse effect on our business, results of operations and financial condition.

Our business has been and in the future may be materially adversely affected by the price and availability of aircraft fuel. Unexpected pricing of aircraft fuel or a shortage or disruption in the supply of aircraft fuel could have a material adverse effect on our business, results of operations and financial condition.

The cost of aircraft fuel is highly volatile and in recent years has been our largest individual operating expense, accounting for 24%, 20%, 25%, 27% and 39% of our operating expenses for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, respectively. High fuel prices or increases in fuel costs (or in the price of crude oil) could have a material adverse effect on our business, results of operations and financial condition. Since August 2014, the price of aircraft fuel has fallen substantially, which has benefited us by lowering our expenses. However, because fuel prices are highly volatile, the price of jet fuel may increase significantly at any time. In addition, prolonged low fuel prices could limit our ability to differentiate our product and low fares from those of the legacy network airlines and LCCs, as prolonged low fuel prices could enable such carriers to, among other things, substantially decrease their costs, fly longer stages or utilize older aircraft. Furthermore, prolonged low fuel prices could also reduce the benefit we expect to receive from the new-technology, more fuel efficient A320neo aircraft we have on order and have begun placing into service. See also “Risks Related to Our Business—We may be subject to competitive risks due to the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book.”

Our business is also dependent on the availability of aircraft fuel (or crude oil), which is not predictable. Weather-related events, natural disasters, terrorism, wars, political disruption or instability involving oil-producing countries, changes in governmental or cartel policy concerning crude oil or aircraft fuel production, labor strikes or other events affecting refinery production, transportation, taxes or marketing, environmental concerns, market manipulation, price speculation and other unpredictable events may drive actual or perceived fuel supply shortages. Shortages in the availability of, or increases in demand for, crude oil in general, other crude oil-based fuel derivatives and aircraft fuel in particular could result in increased fuel prices and could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to increase ticket prices sufficiently to cover increased fuel costs, particularly when fuel prices rise quickly. We sell a significant number of tickets to passengers well in advance of travel, and, as a result, fares sold for future travel may not reflect increased fuel costs. In addition, our ability to increase ticket prices to offset an increase in fuel costs is limited by the competitive nature of the airline industry and the price sensitivity associated with air travel, particularly leisure travel, and any increases in fares may reduce the general demand for air travel.

As of March 31, 2017, we had hedges in place for approximately 71% of our projected fuel requirements for the remainder of 2017 and approximately 31% of our projected fuel requirements for 2018, with all of our then existing call options expected to be exercised or expire by the end of 2018. As of that date, our hedges consisted

solely of out-of-the-money call options, although we have in the past and may in the future use other instruments such as options and collar contracts on jet fuel or highly correlated commodities, and fixed forward price contracts, or FFPs, which allow us to lock in the price of jet fuel for specified quantities and at specified locations in future periods. We cannot assure you our fuel hedging program will be effective or that we will maintain a fuel hedging program. Even if we are able to hedge portions of our future fuel requirements, we cannot guarantee that our hedge contracts will provide an adequate level of protection against increased fuel costs or that the counterparties to our hedge contracts will be able to perform. In the future, our fuel hedge contracts could also contain margin funding requirements that could require us to post collateral to counterparties in the event of a significant drop in fuel prices. Additionally, our ability to realize the benefit of declining fuel prices will be delayed by the impact of any fuel hedges in place, and we may record significant losses on fuel hedges during periods of declining prices. A failure of our fuel hedging strategy, significant margin funding requirements, overpaying for fuel through the use of hedging arrangements or our failure to maintain a fuel hedging program could prevent us from adequately mitigating the risk of fuel price increases and could have a material adverse effect on our business, results of operations and financial condition.

Restrictions on or increased taxes applicable to charges for non-ticket products and services paid by airline passengers and burdensome consumer protection regulations or laws could harm our business, results of operations and financial condition.

For the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, we generated non-ticket revenues of $196 million, $149 million, $726 million, $401 million and $265 million, respectively. Our non-ticket revenue consists primarily of revenue generated from air travel-related services such as baggage fees, seat selection fees, itinerary service fees, booking fees and on-board sales. The Department of Transportation, or DOT, has rules governing many facets of the airline-consumer relationship, including, for instance, handling of consumer complaints, price advertising, tarmac delays, oversales and denied boarding process/compensation, ticket refunds, liability for loss, delay or damage to baggage, customer service commitments, contracts of carriage, and the transportation of passengers with disabilities. The DOT periodically audits airlines to determine whether such airlines have violated any of the DOT rules. The DOT has conducted audits of our business and routine post-audit investigations of our business are ongoing. If the DOT determines that we are not, or have not been, in compliance with these rules or if we are unable to remain compliant, the DOT may subject us to fines or other enforcement action. The DOT may also impose additional consumer protection requirements, including adding requirements to modify our websites and computer reservations system, which could have a material adverse effect on our business, results of operations and financial condition. The U.S. Congress and the DOT have investigated the increasingly common airline industry practice of unbundling the pricing of certain products and ancillary services, a practice that is a core component of our business strategy. If new laws or regulations are adopted that make unbundling of airline products and services impermissible, or more cumbersome or expensive, or if new taxes are imposed on non-ticket revenues, our business, results of operations and financial condition could be harmed. Congressional, Federal agency and other government scrutiny may also change industry practice or the public's willingness to pay for non-ticket ancillary services. See also "—We are subject to extensive and increasing regulation by the Federal Aviation Administration, the Department of Transportation, Transportation Security Administration and other U.S. and foreign governmental agencies, compliance with which could cause us to incur increased costs and adversely affect our business and financial results."

The demand for airline services is highly sensitive to changes in economic conditions, and another recession or similar economic downturn in the United States would weaken demand for our services and have a material adverse effect on our business, results of operations and financial condition, particularly since a substantial portion of our customers travel for leisure or other non-essential purposes.

The demand for travel services is affected by U.S. and global economic conditions. Unfavorable economic conditions have historically reduced airline travel spending. For most passengers visiting friends and relatives, or VFRs, and cost-conscious leisure travelers, travel is a discretionary expense, and though we believe ULCCs are

best suited to attract travelers during periods of unfavorable economic conditions as a result of such carriers' low base fares, travelers have often elected to replace air travel at such times with car travel or other forms of ground transportation or have opted not to travel at all. Likewise, during periods of unfavorable economic conditions businesses have deferred air travel or forgone it altogether. Travelers have also reduced spending by purchasing fewer non-ticket services, which can result in a decrease in average revenue per seat. Because airlines typically have relatively high fixed costs as a percentage of total costs, much of which cannot be mitigated during periods of lower demand for air travel, the airline business is particularly sensitive to changes in U.S. economic conditions. A reduction in the demand for air travel due to unfavorable economic conditions also limits our ability to raise fares to counteract increased fuel, labor and other costs. If U.S. or global economic conditions are unfavorable or uncertain for an extended period of time, it would have a material adverse effect on our business, results of operations and financial condition.

We face competition from air travel substitutes.

In addition to airline competition from legacy network airlines, LCCs and other ULCCs, we also face competition from air travel substitutes. On our domestic routes, particularly those with shorter stage lengths, we face competition from some other transportation alternatives, such as bus, train or automobile. In addition, technology advancements may limit the demand for air travel. For example, video teleconferencing and other methods of electronic communication may reduce the need for in-person communication and add a new dimension of competition to the industry as travelers seek lower-cost substitutes for air travel. If we are unable to stimulate demand for air travel with our low base fares or if we are unable to adjust rapidly in the event the basis of competition in our markets changes, it could have a material adverse effect on our business, results of operations and financial condition.

Threatened or actual terrorist attacks or security concerns involving airlines could have a material adverse effect on our business, results of operations and financial condition.

Past terrorist attacks or attempted attacks, particularly those against airlines, have caused substantial revenue losses and increased security costs, and any actual or threatened terrorist attack or security breach, even if not directly against an airline, could have a material adverse effect on our business, results of operations and financial condition. For instance, enhanced passenger screening, increased regulation governing carry-on baggage and other similar restrictions on passenger travel may further increase passenger inconvenience and reduce the demand for air travel. In addition, increased or enhanced security measures have tended to result in higher governmental fees imposed on airlines, resulting in higher operating costs for airlines, which we may not be able to pass on to consumers in the form of higher prices. Terrorist attacks made directly on a domestic airline, or the fear of such attacks or other hostilities (including elevated national threat warnings or selective cancellation or redirection of flights due to terror threats), would have a negative impact on the airline industry and have a material adverse effect on our business, results of operations and financial condition.

Airlines are often affected by factors beyond their control including: air traffic congestion at airports; air traffic control inefficiencies; adverse weather conditions, such as hurricanes or blizzards; increased security measures; new travel related taxes or the outbreak of disease, any of which could have a material adverse effect on our business, results of operations and financial condition.

Like other airlines, our business is affected by factors beyond our control, including air traffic congestion at airports, air traffic control inefficiencies, increased security measures, new travel-related taxes and fees, adverse weather conditions, natural disasters and the outbreak of disease. Factors that cause flight delays frustrate passengers and increase costs and decrease revenues, which in turn could adversely affect profitability. The federal government singularly controls all U.S. airspace, and airlines are completely dependent on the FAA to operate that airspace in a safe, efficient and affordable manner. The air traffic control system, which is operated by the FAA, faces challenges in managing the growing demand for U.S. air travel. U.S. and foreign air-traffic controllers often rely on outdated technologies that routinely overwhelm the system and compel airlines to fly

inefficient, indirect routes resulting in delays. In addition, there are currently proposals before Congress that could potentially lead to the privatization of the United States' air traffic control system, which could adversely affect our business. Further, implementation of the Next Generation Air Transport System, or NextGen, by the FAA would result in changes to aircraft routings and flight paths that could lead to increased noise complaints and lawsuits, resulting in increased costs. There are additional proposals before Congress that would treat a wide range of consumer protection issues, including, among other things, proposals to regulate seat size, which could increase the costs of doing business.

Adverse weather conditions and natural disasters, such as hurricanes, winter snowstorms or earthquakes, can cause flight cancellations or significant delays. Cancellations or delays due to adverse weather conditions or natural disasters, air traffic control problems or inefficiencies, breaches in security or other factors may affect us to a greater degree than other, larger airlines that may be able to recover more quickly from these events, and therefore could have a material adverse effect on our business, results of operations and financial condition to a greater degree than other air carriers. Because of our high utilization, point-to-point network, operational disruptions can have a disproportionate impact on our ability to recover. In addition, many airlines reaccommodate their disrupted passengers on other airlines at prearranged rates under flight interruption manifest agreements. We have been unsuccessful in procuring any of these agreements with our peers, which makes our recovery from disruption more challenging than for larger airlines that have these agreements in place. Similarly, outbreaks of pandemic or contagious diseases, such as ebola, measles, avian flu, severe acute respiratory syndrome (SARS), H1N1 (swine) flu, pertussis (whooping cough) and zika virus, could result in significant decreases in passenger traffic and the imposition of government restrictions in service and could have a material adverse impact on the airline industry. Increased travel taxes, such as those provided in the Travel Promotion Act, enacted in March 2010, which charges visitors from certain countries a $10 fee every two years to travel into the United States to subsidize certain travel promotion efforts, could also result in decreases in passenger traffic. Any general reduction in airline passenger traffic could have a material adverse effect on our business, results of operations and financial condition.

Risks associated with our presence in international emerging markets, including political or economic instability, and failure to adequately comply with existing legal requirements, may materially adversely affect us.

Some of our target growth markets include countries with less developed economies, legal systems, financial markets and business and political environments are vulnerable to economic and political disruptions, such as significant fluctuations in gross domestic product, interest and currency exchange rates, civil disturbances, government instability, nationalization and expropriation of private assets, trafficking and the imposition of taxes or other charges by governments. The occurrence of any of these events in markets served by us now or in the future and the resulting instability may have a material adverse effect on our business, results of operations and financial condition.

We emphasize compliance with all applicable laws and regulations and have implemented and continue to implement and refresh policies, procedures and certain ongoing training of our employees, third-party specialists and partners with regard to business ethics and key legal requirements; however, we cannot assure you that our employees, third-party specialists or partners will adhere to our code of ethics, other policies or other legal requirements. If we fail to enforce our policies and procedures properly or maintain adequate recordkeeping and internal accounting practices to record our transactions accurately, we may be subject to sanctions. In the event we believe or have reason to believe our employees, third-party specialists or partners have or may have violated applicable laws or regulations, we may incur investigation costs, potential penalties and other related costs which in turn may materially adversely affect our reputation and could have a material adverse effect on our business, results of operations and financial condition.

Increases in insurance costs or reductions in insurance coverage may have a material adverse effect on our business, results of operations and financial condition.

If any of our aircraft were to be involved in a significant accident or if our property or operations were to be affected by a significant natural catastrophe or other event, we could be exposed to material liability or loss. If we are unable to obtain sufficient insurance (including aviation hull and liability insurance and property and business interruption coverage) to cover such liabilities or losses, whether due to insurance market conditions or otherwise, our business could be materially adversely affected.

We currently obtain third-party war risk (terrorism) insurance as part of our commercial aviation hull and liability policy and additional third-party war risk (terrorism) insurance through a separate policy with a different private insurance company. Our current war risk insurance from commercial underwriters excludes nuclear, radiological and certain other events. If we are unable to obtain adequate third-party war risk (terrorism) insurance or if an event not covered by the insurance we maintain were to take place, our business could be materially adversely affected.

Risks Related to Our Business

If we fail to implement our business strategy successfully, our business will be materially adversely affected.

Our growth strategy includes significantly expanding our fleet, increasing the frequency of flights and size of aircraft used in markets we currently serve, and expanding the number of markets we serve. We select target markets and routes where we believe we can achieve profitability within a reasonable timeframe, and we only continue operating on routes where we believe we can achieve and maintain our desired level of profitability. When developing our route network, we focus on gaining market share on routes that have been underserved or are served primarily by higher cost airlines where we have a competitive cost advantage. Effectively implementing our growth strategy is critical for our business to achieve economies of scale and to sustain or increase our profitability. We face numerous challenges in implementing our growth strategy, including our ability to:

- sustain our relatively low unit operating costs, continue to realize attractive revenue performance and maintain profitability;
- maintain a high level of aircraft utilization; and
- access airports located in our targeted geographic markets where we can operate routes in a manner that is consistent with our cost strategy.

In addition, in order to successfully implement our growth strategy, which includes the planned growth of our fleet from 68 aircraft as of March 31, 2017 to a fleet of 121 by the end of 2021, we will require access to a large number of gates and other services at airports we currently serve or may seek to serve. We believe there are currently significant restraints on gates and related ground facilities at many of the most heavily utilized airports in the United States, in addition to the fact that three major domestic airports (JFK and LaGuardia in New York and Reagan National in Washington, D.C.) require government-controlled take-off or landing “slots” to operate at those airports. As a result, if we are unable to obtain access to a sufficient number of slots, gates or related ground facilities at desirable airports to accommodate our growing fleet, we may be unable to compete in desirable markets, our aircraft utilization rate could decrease, and we could suffer a material adverse effect on our business, results of operations and financial condition.

Our growth is also dependent upon our ability to maintain a safe and secure operation and will require additional personnel, equipment and facilities as we induct new aircraft and continue to execute our growth plan. In addition, we’ll require additional third-party personnel for services we do not undertake ourselves. An inability to hire and retain personnel, timely secure the required equipment and facilities in a cost-effective manner, efficiently operate our

expanded facilities or obtain the necessary regulatory approvals may adversely affect our ability to achieve our growth strategy, which could harm our business. Furthermore, expansion to new markets may have other risks due to factors specific to those markets. We may be unable to foresee all of the existing risks upon entering certain new markets or respond adequately to these risks, and our growth strategy and our business may suffer as a result. In addition, our competitors may reduce their fares and/or offer special promotions following our entry into a new market. We cannot assure you that we will be able to profitably expand our existing markets or establish new markets.

Some of our target growth markets outside of the United States include countries with less developed economies that may be vulnerable to unstable economic and political conditions, such as significant fluctuations in gross domestic product, interest and currency exchange rates, civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by governments. The occurrence of any of these events in markets served by us and the resulting instability may adversely affect our ability to implement our growth strategy.

Our low cost structure is one of our primary competitive advantages, and many factors could affect our ability to control our costs.

Our low cost structure is one of our primary competitive advantages. However, we have limited control over some of our costs. For example, we have limited control over the price and availability of aircraft fuel, aviation insurance, the acquisition and cost of aircraft, airport and related infrastructure costs, taxes, the cost of meeting changing regulatory requirements and our cost to access capital or financing. In addition, the compensation and benefit costs applicable to a significant portion of our employees are established by the terms of collective bargaining agreements, substantially all of which are currently open and are being negotiated. See "— Increased labor costs, union disputes, employee strikes and other labor-related disruption, including in connection with our current negotiations with the unions representing our pilots, flight attendants, maintenance controllers and aircraft appearance agents, may adversely affect our business, results of operations and financial condition." We cannot guarantee we will be able to maintain our relatively low costs. If our cost structure increases and we are no longer able to maintain a competitive cost structure, it could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to grow or maintain our unit revenues or maintain our non-ticket revenues.

A key component of our *Low Fares Done Right* strategy was establishing Frontier as a premier ULCC in the United States by attracting customers with low fares and garnering repeat business by delivering a high-quality, family-friendly customer experience with a more upscale look and feel than traditionally experienced on ULCCs in the United States. We intend to continue to differentiate our brand and product in order to expand our loyal customer base and grow or maintain our unit revenues and maintain our non-ticket revenues. Differentiating our brand and product has required and will continue to require significant investment, and we cannot assure you that the initiatives we have implemented will continue to be successful or that the initiatives we intend to implement will be successful. If we are unable to maintain or further differentiate our brand and product from the other U.S. ULCCs, our market share could decline, which could have a material adverse effect on our business, results of operations and financial condition. We may also not be successful in leveraging our brand and product to stimulate new demand with low base fares or gain market share from the legacy airlines.

In addition, our business strategy includes maintaining our portfolio of desirable, value-oriented, non-ticket products and services. However, we cannot assure you that passengers will continue to perceive value in the non-ticket products and services we currently offer and regulatory initiatives could adversely affect non-ticket revenue opportunities. Failure to maintain our non-ticket revenues would have a material adverse effect on our business, results of operations and financial condition. Furthermore, if we are unable to maintain our non-ticket revenues, we may not be able to execute our strategy to continue to lower base fares in order to stimulate demand for air travel.

Increased labor costs, union disputes, employee strikes and other labor-related disruption, may adversely affect our business, results of operations and financial condition.

Our business is labor intensive, with labor costs representing approximately 31%, 22%, 21%, 21% and 19% of our total operating costs for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, respectively. As of March 31, 2017, approximately 85% of our workforce was represented by labor unions and our labor agreements with our pilots, flight attendants, maintenance controllers and aircraft appearance agents are currently under negotiation with the unions representing such employees. We cannot assure you that our labor costs going forward will remain competitive or that any new agreements into which we enter will not have terms with higher labor costs or that the negotiations of such labor agreements will not result in any work stoppages. In addition, one or more of our competitors may significantly reduce their labor costs, thereby providing them with a competitive advantage over us. Furthermore, our labor costs may increase in connection with our growth. We may also become subject to additional collective bargaining agreements in the future as non-unionized workers may unionize.

Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, or the RLA. Under the RLA, collective bargaining agreements generally contain “amendable dates” rather than expiration dates, and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board, or the NMB. This process continues until either the parties have reached agreement on a new collective bargaining agreement, or the parties have been released to “self-help” by the NMB. In most circumstances, the RLA prohibits strikes; however, after release by the NMB, carriers and unions are free to engage in self-help measures such as lockouts and strikes.

Each of our collective bargaining agreements with our pilots, flight attendants, maintenance controllers and aircraft appearance agents are currently amendable and we are in negotiations with the union representing each group. We entered into NMB mediation with the union representing our pilots on September 30, 2016 and the mediation is ongoing. See also “Business—Employees.” The outcome of our collective bargaining negotiations cannot presently be determined and the terms and conditions of our future collective bargaining agreements may be affected by the results of collective bargaining negotiations at other airlines that may have a greater ability, due to larger scale, greater efficiency or other factors, to bear higher costs than we can. In addition, if we are unable to reach agreement with any of our unionized work groups in current or future negotiations regarding the terms of their collective bargaining agreements, we may be subject to work interruptions, stoppages or shortages. Any such action or other labor dispute with unionized employees could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies. As a result, our business, results of operations and financial condition may be materially adversely affected based on the outcome of our negotiations with the unions representing our employees.

Our inability to expand or operate reliably or efficiently out of airports where we maintain a large presence could have a material adverse effect on our business, results of operations and financial condition and brand.

We are highly dependent on markets served from airports where we maintain a large presence, including our operations in Denver as well as our operations in Orlando, Las Vegas, Chicago, Atlanta and Philadelphia. Our results of operations may be affected by actions taken by governmental or other agencies or authorities having jurisdiction over our operations at these and other airports, including, but not limited to:

- increases in airport rates and charges;
- limitations on take-off and landing slots, airport gate capacity or other use of airport facilities;
- termination of our airport use agreements, some of which can be terminated by airport authorities with little notice to us;
- increases in airport capacity that could facilitate increased competition;

- international travel regulations such as customs and immigration;
- increases in taxes;
- changes in the law that affect the services that can be offered by airlines in particular markets and at particular airports;
- restrictions on competitive practices;
- the adoption of statutes or regulations that impact customer service standards, including security standards; and
- the adoption of more restrictive locally-imposed noise regulations or curfews.

Our existing lease at Denver International Airport terminates in December 2018. We cannot assure you that renewal of the lease will occur on acceptable terms or at all, or that the new lease will not include additional or increased fees. In general, any changes in airport operations could have a material adverse effect on our business, results of operations and financial condition.

Negative publicity regarding our customer service could have a material adverse effect on our business, results of operations and financial condition.

Our business strategy includes the differentiation of our brand and product from the other U.S. airlines, including other ULCCs, in order to increase customer loyalty and drive future ticket sales. We intend to accomplish this by continuing to offer passengers dependable customer service. However, in the past, we have experienced a relatively high number of customer complaints related to, among other things, our customer service and reservations and ticketing systems. In particular, we have generally experienced a higher volume of complaints when we implemented changes to our unbundling policies, such as charging for baggage. These complaints, together with reports of lost baggage, delayed and cancelled flights, and other service issues, are reported to the public by the Department of Transportation. In addition, we could become subject to complaints about our booking practices. If we do not meet our customers' expectations with respect to reliability and service, our brand and product could be negatively impacted, which could result in customers deciding not to fly with us and adversely affect our business and reputation.

We rely on maintaining a high daily aircraft utilization rate to implement our low cost structure, which makes us especially vulnerable to flight delays, flight cancellations or aircraft unavailability.

We maintain a high daily aircraft utilization rate. Our average daily aircraft utilization was 11.9 hours, 11.8 hours, 12.6 hours, 12.6 hours and 11.4 hours for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, respectively. Aircraft utilization is the average amount of time per day that our aircraft spend carrying passengers. Part of our business strategy is to maximize revenue per aircraft through high daily aircraft utilization, which is achieved in part by quick turnaround times at airports so we can fly more hours on average in a day. Aircraft utilization is reduced by delays and cancellations from various factors, many of which are beyond our control, including air traffic congestion at airports or other air traffic control problems or outages, adverse weather conditions, increased security measures or breaches in security, international or domestic conflicts, terrorist activity, or other changes in business conditions. A significant portion of our operations are concentrated in markets such as Denver, the Northeast and northern Midwest regions of the United States, which are particularly vulnerable to weather, airport traffic constraints and other delays, particularly in the winter months. In addition, pulling aircraft out of service for unscheduled and scheduled maintenance may materially reduce our average fleet utilization and require that we reaccommodate passengers or seek short-term substitute capacity at increased costs. Due to the relatively small size of our fleet, our point-to-point network and high daily aircraft utilization rate, the unexpected unavailability of one or more aircraft and resulting reduced capacity could have a material adverse effect on our business, results of operations and financial condition.

It has only been a limited period since our current business and operating strategy has been implemented.

Following our acquisition by an investment fund managed by Indigo Denver Management Company, LLC, or Indigo, an affiliate of Indigo Partners, LLC, or Indigo Partners, in 2013 and the implementation of our current business and operating strategy in 2014, we recorded net income of $0 million, $30 million, $200 million, $146 million and $140 million for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, respectively, which are higher levels of net income than we had previously achieved. For the year ended December 31, 2013, during which our predecessor owned Frontier for the first 11 months of the year, we recorded net income of $12 million during the successor period and a loss of $1 million during the predecessor period. While we recorded an annual profit for the years ended December 31, 2016, 2015 and 2014, we cannot assure you that we will be able to sustain or increase profitability on a quarterly or an annual basis. In turn, this may cause the trading price of our common stock to decline and may materially adversely affect our business.

We are subject to various environmental and noise laws and regulations, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to increasingly stringent federal, state, local and foreign laws, regulations and ordinances relating to the protection of the environment and noise, including those relating to emissions to the air, discharges (including storm water discharges) to surface and subsurface waters, safe drinking water and the use, management, disposal and release of, and exposure to, hazardous substances, oils and waste materials. We are or may be subject to new or proposed laws and regulations that may have a direct effect (or indirect effect through our third-party specialists or airport facilities at which we operate) on our operations. In addition, U.S. airport authorities are exploring ways to limit de-icing fluid discharges. Any such existing, future, new or potential laws and regulations could have an adverse impact on our business, results of operations and financial condition.

Similarly, we are subject to environmental laws and regulations that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under certain laws, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of wastes directly attributable to us.

In addition, the International Civil Aviation Organization, or ICAO, and jurisdictions around the world have adopted noise regulations that require all aircraft to comply with noise level standards, and governmental authorities in several U.S. and foreign cities are considering or have already implemented aircraft noise reduction programs, including the imposition of overnight curfews and limitations on daytime take-offs and landings. Compliance with existing and future environmental laws and regulations, including emissions limitations and more restrictive or widespread noise regulations, that may be applicable to us could require significant expenditures, increase our cost base and have a material adverse effect on our business, results of operations and financial condition, and violations thereof can lead to significant fines and penalties, among other sanctions.

We generally participate with other airlines in fuel consortia and fuel committees at our airports, which agreements generally include cost-sharing provisions and environmental indemnities that are generally joint and several among the participating airlines. Any costs (including remediation and spill response costs) incurred by such fuel consortia could also have an adverse impact on our business, results of operations and financial condition.

We are subject to risks associated with climate change, including increased regulation to reduce emissions of greenhouse gases.

Concern about climate change and greenhouse gases may result in additional regulation or taxation of aircraft emissions in the United States and abroad. In particular, in June 2015, the EPA announced a proposed

endangerment finding that aircraft engine green house gas, or GHG, emissions cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. If the EPA makes a final, positive endangerment finding, the EPA is obligated under the Clean Air Act to set GHG emissions standards for aircraft. Several states are also considering or have adopted initiatives to regulate emissions of GHGs, primarily through the planned development of GHG emissions inventories and/or regional cap-and-trade programs. On March 6, 2017, ICAO adopted new carbon dioxide certification standards for new aircraft beginning in 2020. The new CO2 standards will apply to new aircraft type designs from 2020, and to aircraft type designs already in production as of 2023. In-production aircraft that do not meet the standard by 2028 will no longer be able to be produced unless their designs are modified to meet the new standards.

In the event that such legislation or regulation is enacted in the United States or in the event similar legislation or regulation is enacted in jurisdictions where we operate or where we may operate in the future, it could result in significant costs for us and the airline industry. In addition to direct costs, such regulation may have a greater effect on the airline industry through increases in fuel costs that could result from fuel suppliers passing on increased costs that they incur under such a system.

Our reputation and business could be adversely affected in the event of an emergency, accident or similar public incident involving our aircraft or personnel.

We are exposed to potential significant losses and adverse publicity in the event that any of our aircraft or personnel is involved in an emergency, accident, terrorist incident or other similar public incident, which could expose us to significant reputational harm and potential legal liability. In addition, we could face significant costs related to repairs or replacement of a damaged aircraft and its temporary or permanent loss from service. We cannot assure you that we will not be affected by such events or that the amount of our insurance coverage will be adequate in the event such circumstances arise and any such event could cause a substantial increase in our insurance premiums. In addition, any future emergency, accident or similar incident involving our aircraft or personnel, even if fully covered by insurance or even if it does not involve our airline, may create an adverse public perception about our airline or that the equipment we fly is less safe or reliable than other transportation alternatives, or, in the case of our aircraft, could cause us to perform time-consuming and costly inspections on our aircraft or engines, any of which could have a material adverse effect on our business, results of operations and financial condition.

We are highly dependent upon our cash balances and operating cash flows.

As of March 31, 2017, our principal sources of liquidity were cash and cash equivalents of $535 million. In addition, we had restricted cash of $6 million as of March 31, 2017. Restricted cash includes certificates of deposit that secure letters of credit issued for particular airport authorities as required in certain lease agreements. Furthermore, as of March 31, 2017, we had access to a $50 million pre-purchased miles facility from which we had drawn $39 million of the amount available as of such date and we also had access to a $150 million facility to finance a portion of certain pre-delivery payments, or PDPs, from which we had drawn $133 million as of such date. The dollar amount available under the pre-purchased miles facility is based on the aggregate amount of fees payable by Barclays Bank to us for pre-purchased miles on a calendar year basis, up to an aggregate maximum amount of $50 million. These facilities are not adequate to finance our operations, and thus we will continue to be dependent on our operating cash flows and cash balances to fund our operations, provide capital reserves and to make scheduled payments on our aircraft-related fixed obligations, including substantial PDPs, on the aircraft we have on order. As of March 31, 2017, we were not subject to any credit card holdbacks, although if we fail to maintain certain liquidity and other financial covenants, our credit card processors have the right to hold back credit card remittances to cover our obligations to them, which would result in a reduction of unrestricted cash that could be material. In addition, while we recently have been able to arrange aircraft lease financing that does not require that we maintain a maintenance reserve account, we are required by some of our aircraft lessors, and could in the future be required, to fund reserves in cash in advance for scheduled maintenance to act as collateral for the benefit of lessors. In those circumstances a portion of our cash is therefore unavailable until after we have completed the scheduled maintenance in accordance with the terms of the operating leases. Based on the age of our fleet and our growth strategy, we expect these maintenance deposits to decrease as we enter into operating

leases for newly-acquired aircraft that do not require reserves. If we fail to generate sufficient funds from operations to meet our operating cash requirements or do not obtain a line of credit, other borrowing facility or equity financing, we could default on our operating lease and fixed obligations. Our inability to meet our obligations as they become due would have a material adverse effect on our business, results of operations and financial condition.

Our ability to obtain financing or access capital markets may be limited.

We have significant obligations to purchase aircraft and spare engines that we have on order from Airbus and CFM International, an affiliate of General Electric Company, and our current strategy is to rely on lessors to provide financing for our aircraft acquisition needs. As of March 31, 2017, we had an obligation to acquire 78 aircraft, including 75 A320neo family aircraft and three A321ceo aircraft by 2021, the first 45 of which we intend to finance with operating leases, including seven which are currently subject to committed operating leases and 38 which are subject to non-binding letters of intent. We intend to evaluate financing options for the remaining 33 aircraft. There are a number of factors that may affect our ability to raise financing or access the capital markets in the future, including our liquidity and credit status, our operating cash flows, market conditions in the airline industry, U.S. and global economic conditions, the general state of the capital markets and the financial position of the major providers of commercial aircraft financing. We cannot assure you that we will be able to source external financing for our planned aircraft acquisitions or for other significant capital needs, and if we are unable to source financing on acceptable terms, or unable to source financing at all, our business could be materially adversely affected. To the extent we finance our activities with additional debt, we may become subject to financial and other covenants that may restrict our ability to pursue our business strategy or otherwise constrain our growth and operations.

Our liquidity would be adversely impacted, potentially materially, in the event one or more of our credit card processors were to impose holdback restrictions for payments due to us from credit card transactions.

We currently have agreements with organizations that process credit card transactions arising from purchases of air travel tickets by our customers. Credit card processors may have financial risk associated with tickets purchased for travel which can occur several weeks after the purchase. As of March 31, 2017, we were not subject to any credit card holdbacks under our credit card processing agreements, although if we fail to meet certain liquidity and other financial covenants, our credit card processors have the right to hold back credit card remittances to cover our obligations to them. If our credit card processors were to impose holdback restrictions on us, the negative impact on our liquidity could be significant which could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to competitive risks due to the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book.

At present, we have existing aircraft commitments through 2021, the substantial majority of which are for Airbus' A320neo family aircraft equipped with the Leap engine manufactured by CFM International, an affiliate of General Electric Company. The A320neo includes next generation engine technology as well as aerodynamic refinements, large curved winglets, weight savings, a new aircraft cabin with larger hand luggage spaces and an improved air purification system. While the A320neo represents the latest step in the modernization of the A320 family of aircraft, the aircraft only entered commercial service in January 2016 and we are one of the first airlines to utilize the A320neo and Leap engine. As a result, we are subject to those risks commonly associated with the initial introduction of a new aircraft type including with respect to the A320neo's actual, sustained fuel efficiency and other projected cost savings, which may not be realized, as well as the reliability and maintenance costs associated with a new aircraft and engine. If we are unable to realize the potential competitive advantages we expect to achieve through the implementation of the A320neo aircraft into our fleet, our business, results of operations and financial condition could be materially adversely affected. While we have the option to convert

the A319neo aircraft in our order book to A320neo aircraft, we have not yet exercised this option. If we are unable to convert these A319neos to A320neos on acceptable terms or at all, our business could be adversely affected if the A319neo, none of which has yet been delivered, proves to be an undesirable configuration. Furthermore, as technological evolution occurs in our industry, through the use of composites and other innovations, we may be competitively disadvantaged because we have existing extensive fleet commitments that would prohibit us from adopting new technologies on an expedited basis.

Our maintenance costs will increase over the near term, we will periodically incur substantial maintenance costs due to the maintenance schedules of our aircraft fleet and obligations to the lessors and we could incur significant maintenance expenses outside of such maintenance schedules in the future.

As of March 31, 2017, the operating leases for five, 13 and three aircraft in our fleet are scheduled to terminate in the remainder of 2017, 2018 and 2019, respectively. In certain circumstances, such operating leases may be extended. Prior to such aircraft being returned, we will incur costs to restore these aircraft to the condition required by the terms of the underlying operating leases. The amount and timing of these so-called “return conditions” costs can prove unpredictable due to uncertainty regarding the maintenance status of each particular aircraft at the time it is to be returned and it is not unusual for disagreements to ensue between the airline and the leasing company as to the required maintenance on a given aircraft or engine.

In addition, we currently have an obligation to acquire 78 aircraft by the end of 2021. We expect that these new aircraft will require less maintenance when they are first placed in service (sometimes called a “maintenance holiday”) because the aircraft will benefit from manufacturer warranties and also will be able to operate for a significant period of time, generally measured in years, before the most expensive scheduled maintenance obligations, known as heavy maintenance, are first required. Following these new initial maintenance holiday periods, the new aircraft we have an obligation to acquire will require more maintenance as they age and our maintenance and repair expenses for each newly purchased aircraft will be incurred at approximately the same intervals. Moreover, because a large portion of our future fleet will be acquired over a relatively short period, significant maintenance to be scheduled on each of these planes will likely occur at roughly the same time, meaning we will likely incur our heavy maintenance obligations across our fleet around the same time. These more significant maintenance activities result in out-of-service periods during which our aircraft are dedicated to maintenance activities and unavailable to fly revenue service.

Outside of scheduled maintenance, we incur from time to time unscheduled maintenance which is not forecast in our operating plan or financial forecasts, and which can impose material unplanned costs and the loss of flight equipment from revenue service for a significant period of time. For example, a single unplanned engine event can require a shop visit costing several million dollars and cause the engine to be out of service for a number of weeks.

Furthermore, the terms of some of our lease agreements require us to pay maintenance reserves to the lessor in advance of the performance of major maintenance, resulting in our recording significant prepaid deposits on our balance sheet. In addition, the terms of any lease agreements that we enter into the future could also require maintenance reserves in excess of our current requirements. We expect scheduled and unscheduled aircraft maintenance expenses to increase over the next several years. Any significant increase in maintenance and repair expenses would have a material adverse effect on our business, results of operations and financial condition. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Aircraft Maintenance.”

We have a significant amount of aircraft-related fixed obligations that could impair our liquidity and thereby harm our business, results of operations and financial condition.

The airline business is capital intensive and, as a result, many airline companies are highly leveraged. As of March 31, 2017, our 68 aircraft fleet consisted of 62 aircraft financed under operating leases and six aircraft financed under secured debt arrangements. For the three months ended March 31, 2017 and 2016 and the years

ended December 31, 2016, 2015 and 2014, we incurred aircraft rent of $59 million, $50 million, $209 million, $171 million and $147 million, respectively, and paid maintenance deposits net of reimbursements of $9 million, $3 million, $32 million, $23 million and $15 million, respectively. As of March 31, 2017, we had future operating lease obligations of approximately $2 billion and future principal debt obligations of $228 million. For the year ended December 31, 2016, we made cash payments for interest related to debt of $6 million. In addition, we have significant obligations for aircraft and spare engines that we have ordered from Airbus and CFM International for delivery over the next several years. Our ability to pay the fixed costs associated with our contractual obligations will depend on our operating performance, cash flow and our ability to secure adequate financing, which will in turn depend on, among other things, the success of our current business strategy, fuel price volatility, any significant weakening or improving in the U.S. economy, availability and cost of financing, as well as general economic and political conditions and other factors that are, to some extent, beyond our control. The amount of our aircraft related fixed obligations could have a material adverse effect on our business, results of operations and financial condition and could:

- require a substantial portion of cash flow from operations be used for operating lease and maintenance deposit payments, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our ability to make required PDPs, including those payable to our aircraft and engine manufacturers for our aircraft and spare engines on order;
- limit our ability to obtain additional financing to support our expansion plans and for working capital and other purposes on acceptable terms or at all;
- make it more difficult for us to pay our other obligations as they become due during adverse general economic and market industry conditions because any related decrease in revenues could cause us to not have sufficient cash flows from operations to make our scheduled payments;
- reduce our flexibility in planning for, or reacting to, changes in our business and the airline industry and, consequently, place us at a competitive disadvantage to our competitors with lower fixed payment obligations; and
- cause us to lose access to one or more aircraft and forfeit our maintenance and other deposits if we are unable to make our required aircraft lease rental payments and our lessors exercise their remedies under the lease agreement including cross default provisions in certain of our leases.

A failure to pay our operating lease, debt and other fixed cost obligations or a breach of our contractual obligations could result in a variety of adverse consequences, including the exercise of remedies by our creditors and lessors. In such a situation, it is unlikely that we would be able to cure our breach, fulfill our obligations, make required lease payments or otherwise cover our fixed costs, which would have a material adverse effect on our business, results of operations and financial condition.

We rely on third-party specialists and other commercial partners to perform functions integral to our operations.

We have entered into agreements with third-party specialists to furnish certain facilities and services required for our operations, including ground handling, catering, passenger handling, engineering, maintenance, refueling, reservations and airport facilities as well as administrative and support services. We are likely to enter into similar service agreements in new markets we decide to enter, and we cannot assure you that we will be able to obtain the necessary services at acceptable rates.

Although we seek to monitor the performance of third parties that furnish certain facilities or provide us with our ground handling, catering, passenger handling, engineering, maintenance, refueling, reservations and airport facilities, the efficiency, timeliness and quality of contract performance by third-party specialists are often beyond our control, and any failure by our third-party specialists to perform up to our expectations may have an

adverse impact on our business, reputation with customers, our brand and our operations. In addition, we could experience a significant business disruption if we were to change vendors or if an existing provider ceased to be able to serve us. We expect to be dependent on such third-party arrangements for the foreseeable future.

We rely on third-party distribution channels to distribute a portion of our airline tickets.

We rely on third-party distribution channels, including those provided by or through global distribution systems, or GDSs, conventional travel agents and online travel agents, or OTAs, to distribute a portion of our airline tickets, and we expect in the future to rely on these channels to collect a portion of our non-ticket revenues. These distribution channels are more expensive and at present have less functionality in respect of non-ticket revenues than those we operate ourselves, such as our website. Certain of these distribution channels also effectively restrict the manner in which we distribute our products generally. To remain competitive, we will need to successfully manage our distribution costs and rights, and improve the functionality of third-party distribution channels, while maintaining an industry-competitive cost structure. Negotiations with key GDSs and OTAs designed to manage our costs, increase our distribution flexibility, and improve functionality could be contentious, could result in diminished or less favorable distribution of our tickets, and may not provide the functionality we require to maximize non-ticket revenues. In addition, in the last several years there has been significant consolidation among GDSs and OTAs, including the acquisition by Expedia of both Orbitz and Travelocity, and the acquisition by Amadeus of Navitaire (the reservations system that we use). This consolidation and any further consolidation could affect our ability to manage our distribution costs due to a reduction in competition or other industry factors. Any inability to manage such costs, rights and functionality at a competitive level or any material diminishment in the distribution of our tickets could have a material adverse effect on our competitive position and our results of operations. Moreover, our ability to compete in the markets we serve may be threatened by changes in technology or other factors that may make our existing third-party sales channels impractical, uncompetitive or obsolete.

We rely heavily on technology and automated systems to operate our business, and any failure of these technologies or systems or any failure on our part to implement any new technologies or systems could materially adversely affect our business.

We are highly dependent on technology and computer systems and networks to operate our business. These technologies and systems include our computerized airline reservation system provided by Navitaire, now a unit of Amadeus, flight operations systems, telecommunications systems, mobile phone application, airline website, maintenance systems and check-in kiosks. In order for our operations to work efficiently, our website and reservation system must be able to accommodate a high volume of traffic, maintain secure information and deliver flight information. The Navitaire reservations system, which is hosted and maintained under a long-term contract by a third-party specialist, is critical to our ability to issue, track and accept electronic tickets, conduct check-in, board and manage our passengers through the airports we serve and provide us with access to global distribution systems, which enlarge our pool of potential passengers. There are many instances in the past where a reservations system malfunctioned, whether due to the fault of the system provider or the airline, with a highly adverse effect on the airline’s operations, and such a malfunction has in the past and could in the future occur on our system, or in connection with any system upgrade or migration in the future. We also rely on third-party specialists to maintain our flight operations systems, and if those systems are not functioning, we could experience service disruptions, which could result in the loss of important data, increase our expenses, decrease our operational performance and temporarily stall our operations.

Any failure of the technologies and systems we use could materially adversely affect our business. In particular, if our reservation system fails or experiences interruptions, and we are unable to book seats for a period of time, we could lose a significant amount of revenue as customers book seats on other airlines, and our reputation could be harmed. In addition, replacement technologies and systems for any service we currently utilize that experiences failures or interruptions may not be readily available on a timely basis, at competitive rates or at all. Furthermore, our current technologies and systems are heavily integrated with our day-to-day

operations and any transition to a new technology or system could be complex and time-consuming. In the event that one or more of our primary technology or systems vendors fails to perform and a replacement system is not available or if we fail to implement a replacement system in a timely and efficient manner, our business could be materially adversely affected.

Unauthorized incursions of our information technology infrastructure could compromise the personally identifiable information of our passengers, prospective passengers or personnel and expose us to liability, damage our reputation and have a material adverse effect on our business, results of operations and financial condition.

In the processing of our customer transactions and as part of our ordinary business operations, we and certain of our third-party specialists collect, process, transmit and store a large volume of personally identifiable information, including email addresses and home addresses and financial data such as credit and debit card information. The security of the systems and network where we and our third-party specialists store this data is a critical element of our business, and these systems and our network may be vulnerable to computer viruses, hackers and other security issues. Recently, several high profile consumer-oriented companies have experienced significant data breaches, which have caused those companies to suffer substantial financial and reputational harm. While we have taken precautions to avoid an unauthorized incursion of our computer systems, we cannot assure you that our precautions are either adequate or implemented properly to prevent a data breach and its adverse financial and reputational consequences to our business. We are also subject to laws relating to privacy of personal data. The compromise of our technology systems resulting in the loss, disclosure, misappropriation of or access to the personally identifiable information of our passengers, prospective passengers or personnel could result in governmental investigation, civil liability or regulatory penalties under laws protecting the privacy of personal information, any or all of which could disrupt our operations and have a material adverse effect on our business, results of operations and financial condition. Additionally, any material failure by us or our third-party specialists to maintain compliance with the Payment Card Industry security requirements or to rectify a data security issue may result in fines and restrictions on our ability to accept credit and debit cards as a form of payment.

We are subject to increasing legislative, regulatory and customer focus on privacy issues and data security in the United States and abroad. In addition, a number of our commercial partners, including credit card companies, have imposed data security standards on us, and these standards continue to evolve. We will continue our efforts to meet our privacy and data security obligations; however, it is possible that certain new obligations may be difficult to meet and could increase our costs. Additionally, we must manage evolving cybersecurity risks. The loss, disclosure, misappropriation of or access to the information of our customers, personnel or business partners or any failure by us to meet our obligations could result in legal claims or proceedings, liability or regulatory penalties.

We depend on a sole-source supplier for our aircraft and engines.

A critical cost-saving element of our business strategy is to operate a single-family aircraft fleet; however, our dependence on the Airbus A320-family aircraft and CFM International engines for all of our aircraft makes us vulnerable to any design defects or mechanical problems associated with this aircraft type or these engines. In the event of any actual or suspected design defects or mechanical problems with the Airbus A320-family aircraft or CFM International engines, whether involving our aircraft or that of another airline, we may choose or be required to suspend or restrict the use of our aircraft. Our business could also be materially adversely affected if the public avoids flying on our aircraft due to an adverse perception of the Airbus A320-family aircraft or CFM International engines, whether because of safety concerns or other problems, real or perceived, or in the event of an accident involving such aircraft or engines. Separately, if Airbus or CFM International becomes unable to perform its contractual obligations and we must lease or purchase aircraft from another supplier, we would incur substantial transition costs, including expenses related to acquiring new aircraft, engines, spare parts, maintenance facilities and training activities, and we would lose the cost benefits from our current single-fleet

composition, any of which would have a material adverse effect on our business, results of operations and financial condition. See also "—We may be subject to competitive risks due to the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book."

Although we have significantly reconfigured our network since 2013, our business remains dependent on the Denver market and increases in competition or congestion or a reduction in demand for air travel in this market would harm our business.

We are highly dependent on the Denver market where we maintain a large presence with approximately 40% of flights as of March 2017 having Denver International Airport as either their origin or destination. We have experienced an increase in flight delays and cancellations at this airport due to airport congestion which has adversely affected our operating performance and results of operations. Also, flight operations in Denver can face extreme weather challenges in the winter which at times has resulted in severe disruptions in our operation and the incurrence of material costs as a consequence of such disruptions. Our business could be further harmed by an increase in the amount of direct competition we face in the Denver market or by continued or increased congestion, delays or cancellations. Our business would also be harmed by any circumstances causing a reduction in demand for air transportation in the Denver area, such as adverse changes in local economic conditions, health concerns, adverse weather conditions, negative public perception of Denver, terrorist attacks or significant price or tax increases linked to increases in airport access costs and fees imposed on passengers.

We are subject to extensive regulation by the Federal Aviation Administration, the Department of Transportation, Transportation Security Administration and other U.S. and foreign governmental agencies, compliance with which could cause us to incur increased costs and adversely affect our business, results of operations and financial condition.

Airlines are subject to extensive regulatory and legal compliance requirements, both domestically and internationally, that involve significant costs. In the last several years, Congress has passed laws and the FAA, DOT and TSA have issued regulations, orders, rulings and guidance relating to the operation, safety, and security of airlines that have required significant expenditures. We expect to continue to incur expenses in connection with complying with such laws and government regulations, orders, rulings and guidance. Additional laws, regulations, taxes and increased airport rates and charges have been proposed from time to time that could significantly increase the cost of airline operations or reduce the demand for air travel. If adopted, these measures could have the effect of raising ticket prices, reducing revenue, and increasing costs. For example, the DOT has broad authority over airlines and their consumer and competitive practices, and has used this authority to issue numerous regulations and pursue enforcement actions, including rules and fines relating to the handling of extended tarmac delays, consumer complaints, price and airline advertising, oversales and involuntary denied boarding process, ticket refunds, liability for loss, delay or damage to baggage, customer service commitments, contracts of carriage and the transportation of passengers with disabilities. Among these is the series of Enhanced Airline Passenger Protection rules issued by the DOT. In addition, the FAA issued its final regulations governing pilot rest periods and work hours for all airlines certificated under Part 121 of the Federal Aviation Regulations. The rule known as FAR 117, which became effective January 4, 2014, impacts the required amount and timing of rest periods for pilots between work assignments and modifies duty and rest requirements based on the time of day, number of scheduled segments, time zones and other factors. In addition, Congress enacted a law and the FAA issued regulations requiring U.S. airline pilots to have a minimum number of hours as a pilot in order to qualify for an Air Transport Pilot license which all pilots on U.S. airlines must obtain. Compliance with these rules may increase our costs, while failure to remain in full compliance with these rules may subject us to fines or other enforcement action. FAR 117 and the minimum pilot hour requirements may also reduce our ability to meet flight crew staffing requirements.

We cannot assure you that compliance with these and other laws, regulations, orders, rulings and guidance will not have a material adverse effect on our business, results of operations and financial condition.

In addition, the TSA mandates the federalization of certain airport security procedures and imposes additional security requirements on airports and airlines, most of which are funded by a per ticket tax on passengers and a tax on airlines. We cannot forecast what additional security and safety requirements may be imposed in the future or the costs or revenue impact that would be associated with complying with such requirements.

Our ability to operate as an airline is dependent on our maintaining authorizations issued to us by the DOT and the FAA. The FAA has the authority to issue mandatory orders relating to, among other things, operating aircraft, the grounding of aircraft, maintenance and inspection of aircraft, installation of new safety-related items, and removal and replacement of aircraft parts that have failed or may fail in the future. A decision by the FAA to ground, or require time-consuming inspections of or maintenance on, our aircraft, for any reason, could negatively affect our business, results of operations and financial condition. Federal law requires that air carriers operating scheduled service be continuously "fit, willing and able" to provide the services for which they are licensed. Our "fitness" is monitored by the DOT, which considers managerial competence, operations, finances, and compliance record. In addition, under federal law, we must be a U.S. citizen (as determined under applicable law). Please see "Business—Foreign Ownership." While the DOT has seldom revoked a carrier's certification for lack of fitness, such an occurrence would render it impossible for us to continue operating as an airline. The DOT may also institute investigations or administrative proceedings against airlines for violations of regulations. The DOT has several ongoing investigations of our compliance with consumer protection requirements.

International routes are regulated by air transport agreements and related agreements between the United States and foreign governments. Our ability to operate international routes is subject to change because the applicable agreements between the United States and foreign governments may be amended from time to time. Our access to new international markets may be limited by the applicable air transport agreements between the U.S. and foreign governments and our ability to obtain the necessary authority from the U.S. and foreign governments to fly the international routes. In addition, our operations in foreign countries are subject to regulation by foreign governments and our business may be affected by changes in law and future actions taken by such governments, including granting or withdrawal of government approvals and restrictions on competitive practices. We are subject to numerous foreign regulations in the countries outside the United States where we currently provide service. If we are not able to comply with this complex regulatory regime, our business could be significantly harmed. Please see "Business—Government Regulation."

If we are unable to attract and retain qualified personnel at reasonable costs or fail to maintain our company culture, our business could be harmed.

Our business is labor intensive. We require large numbers of pilots, flight attendants, maintenance technicians and other personnel. We compete against other U.S. airlines for pilots, mechanics and other skilled labor and certain U.S. airlines offer wage and benefit packages exceeding ours. The airline industry has from time to time experienced a shortage of qualified personnel. In particular, as more pilots in the industry approach mandatory retirement age, the U.S. airline industry is being affected by a pilot shortage. As is common with most of our competitors, we have faced considerable turnover of our employees. As a result of the foregoing, we may not be able to attract or retain qualified personnel or may be required to increase wages and/or benefits in order to do so. If we are unable to hire, train and retain qualified employees, our business could be harmed and we may be unable to implement our growth plans.

In addition, as we hire more people and grow, we believe it may be increasingly challenging to continue to hire people who will maintain our company culture. Our company culture, which we believe is one of our competitive strengths, is important to providing dependable customer service and having a productive, accountable workforce that helps keep our costs low. As we continue to grow, we may be unable to identify, hire or retain enough people who meet the above criteria, including those in management or other key positions. Our company culture could otherwise be adversely affected by our growing operations and geographic diversity. If we fail to maintain the strength of our company culture, our competitive ability and our business, results of operations and financial condition could be harmed.

Our business could be materially adversely affected if we lose the services of our key personnel.

Our success depends to a significant extent upon the efforts and abilities of our senior management team and key financial and operating personnel. In particular, we depend on the services of our senior management team, particularly Barry L. Biffle, our President and Chief Executive Officer, and James G. Dempsey, our Chief Financial Officer. Competition for highly qualified personnel is intense, and the loss of any executive officer, senior manager, or other key employee without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect on our business, results of operations and financial condition. We do not maintain key-man life insurance on our management team.

We rely on our private equity sponsor.

Our majority stockholder is presently an investment fund managed by Indigo, an affiliate of Indigo Partners, a private equity fund with significant expertise in the ultra low-cost airline industry. This expertise has been available to us through the representatives Indigo has on our board of directors and through a Professional Services Agreement that was put in place in connection with the 2013 acquisition from Republic and pursuant to which we pay Indigo Partners a fee of $1.5 million per year, plus expenses. Our engagement of Indigo Partners pursuant to the Professional Services Agreement will continue until the date that Indigo Partners and its affiliates own less than 10% of the 5.2 million shares of our common stock acquired by an affiliate of Indigo Partners in December 2013. After this offering, Indigo Partners may nonetheless elect to reduce its ownership in our company or reduce its involvement on our board of directors, which could reduce or eliminate the benefits we have historically achieved through our relationship with Indigo Partners. For a further description of our Professional Services Agreement, please see “Certain Relationships and Related Party Transactions—Management Services.” See also “—Risks Related to Owning Our Common Stock—Indigo’s current control of the Company severely limits the ability of our stockholders to influence matters requiring stockholder approval and could adversely affect our other stockholders and the interests of Indigo could conflict with the interests of other stockholders.”

The requirements of being a public company may strain our resources, divert management’s attention and affect our ability to attract and retain qualified board members or executive officers.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with the Sarbanes-Oxley Act of 2002, as amended, the Dodd-Frank Wall Street Reform and Consumer Protection Act, related rules implemented or to be implemented by the Securities and Exchange Commission, or the SEC, and the listing rules of the NASDAQ Stock Market. The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. These laws and regulations could also make it more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as our executive officers and may divert management’s attention. Furthermore, if we are unable to satisfy our obligations as a public company, our common stock could be delisted, and we could be subject to fines, sanctions and other regulatory action and potentially civil litigation.

Our quarterly results of operations fluctuate due to a number of factors, including seasonality.

We expect our quarterly results of operations to continue to fluctuate due to a number of factors, including actions by our competitors, price changes in aircraft fuel and the timing and amount of maintenance expenses. As a result of these and other factors, quarter-to-quarter comparisons of our results of operations and month-to-month comparisons of our key operating statistics may not be reliable indicators of our future

performance. In addition, seasonality may cause our quarterly and monthly results to fluctuate since passengers tend to fly more during the summer months and less in the winter months. We cannot assure you that we will find profitable markets in which to operate during the winter season. Lower demand for air travel during the winter months could have a material adverse effect on our business, results of operations and financial condition.

We will be required to assess our internal control over financial reporting on an annual basis, and any future adverse findings from such assessment could result in a loss of investor confidence in our financial reports, result in significant expenses to remediate any internal control deficiencies and have a material adverse effect on our business, results of operations and financial condition.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, and beginning with our Annual Report on Form 10-K for the year ending December 31, 2018, our management will be required to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting. The rules governing management's assessment of our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We are currently in the process of reviewing, documenting and testing our internal control over financial reporting. We may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal control over financial reporting. In connection with the attestation process by our independent registered public accounting firm, we may encounter problems or delays in implementing any requested improvements and receiving a favorable attestation. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the NASDAQ Stock Market, regulatory investigations, civil or criminal sanctions and litigation, any of which would have a material adverse effect on our business, results of operations and financial condition.

We may become involved in litigation that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including patent, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. In particular, in recent years, there has been significant litigation in the United States and abroad involving patents and other intellectual property rights. We have in the past faced, and may face in the future, claims by third parties that we infringe upon their intellectual property rights. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, results of operations and financial condition.

Our lack of membership in a marketing alliance could harm our business and competitive position.

Many airlines, including the domestic legacy network airlines (American, Delta and United) have marketing alliances with other airlines, under which they market and advertise their status as marketing alliance partners. These alliances, such as **one**world, SkyTeam and Star Alliance, generally provide for code-sharing, frequent flyer program reciprocity, coordinated scheduling of flights to permit convenient connections and other joint marketing activities. Such arrangements permit an airline to market flights operated by other alliance members as its own. This increases the destinations, connections and frequencies offered by the airline and provides an opportunity to increase traffic on that airline's segment of flights connecting with alliance partners. We currently

do not have any alliances with U.S. or foreign airlines. Our lack of membership in any marketing alliances puts us at a competitive disadvantage to traditional network carriers who are able to attract passengers through more widespread alliances, particularly on international routes, and that disadvantage may result in a material adverse effect on our business, results of operations and financial condition.

Risks Related to Owning Our Common Stock

The market price of our common stock may be volatile, which could cause the value of an investment in our stock to decline.

Prior to this offering, there has been no public market for shares of our common stock, and an active public market for these shares may not develop or be sustained after this offering. We and the representatives of the underwriters determined the initial public offering price of our common stock through negotiation. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell our shares following this offering. In addition, the market price of our common stock may fluctuate substantially due to a variety of factors, many of which are beyond our control, including:

- announcements concerning our competitors, the airline industry or the economy in general;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- media reports and publications about the safety of our aircraft or the aircraft type we operate;
- new regulatory pronouncements and changes in regulatory guidelines;
- changes in the price of aircraft fuel;
- announcements concerning the availability of the type of aircraft we use;
- general and industry-specific economic conditions;
- changes in financial estimates or recommendations by securities analysts or failure to meet analysts' performance expectations;
- sales of our common stock or other actions by investors with significant shareholdings, including sales by our principal stockholders;
- trading strategies related to changes in fuel or oil prices; and
- general market, political and other economic conditions.

The stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of particular companies. Broad market fluctuations may materially adversely affect the trading price of our common stock.

In the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management's attention and resources and have a material adverse effect on our business, results of operations and financial condition.

If securities or industry analysts do not publish research or reports about our business or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities and industry analysts may publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, the trading price of our common stock would likely decline. If one or more of these analysts ceases to cover our company or fails to publish reports on us regularly, demand for our stock could decrease, which may cause the trading price of our common stock and the trading volume of our common stock to decline.

Purchasers of our common stock in this offering will experience immediate and substantial dilution in the tangible net book value of their investment.

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock immediately after this offering. Therefore, if you purchase our common stock in this offering, you will incur an immediate dilution of $ in net tangible book value per share from the price you paid. In addition, as of March 31, 2017, we had outstanding options to purchase 262,856 shares of our capital stock, an aggregate of 699,388 shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, an aggregate of shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan and an aggregate of 231,000 shares of common stock reserved for issuance to the Participating Pilots pursuant to the Pilot Phantom Equity Plan (in connection with the offering contemplated hereby, 50% of the foregoing shares will be settled in cash through the establishment of a trust). The exercise of these outstanding options or the issuance of such reserved shares will result in further dilution. For a further description of the dilution that you will experience immediately after this offering, see "Dilution" elsewhere in this prospectus.

The value of our common stock may be materially adversely affected by additional issuances of common stock or preferred stock by us or sales by our principal stockholder.

Any future issuances or sales of our common stock by us will be dilutive to our existing common stockholders. We had 5,237,756 million shares of common stock outstanding as of March 31, 2017. All of the shares of common stock sold in this offering will be freely tradeable without restrictions or further registration under the Securities Act. The holders of substantially all of our outstanding shares of our common stock have signed lock-up agreements with the underwriters of this offering, under which they have agreed, subject to certain exceptions, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, without the prior written consent of certain of the underwriters, for a period of 180 days after the date of this prospectus. After this offering, an investment fund managed by Indigo, the holder of approximately 5.2 million shares of our common stock as of March 31, 2017, will be entitled to rights with respect to registration of such shares under the Securities Act pursuant to a registration rights agreement. Please see "Certain Relationships and Related Transactions—Registration Rights" elsewhere in this prospectus. Sales of substantial amounts of our common stock in the public or private market, a perception in the market that such sales could occur, or the issuance of securities exercisable or convertible into our common stock, could adversely affect the prevailing price of our common stock.

Indigo's current control of the Company severely limits the ability of our stockholders to influence matters requiring stockholder approval and could adversely affect our other stockholders and the interests of Indigo could conflict with the interests of other stockholders.

When this offering is completed, an investment fund managed by Indigo will beneficially own approximately % of our outstanding common stock, assuming no exercise of the underwriters' option to purchase additional shares of our common stock from Indigo as the selling stockholder. As a result, Indigo will be able to exert a significant degree of influence or actual control over our management and affairs and over matters requiring stockholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets and other significant business or corporate transactions.

Until such time as Indigo and its affiliates beneficially own shares of our common stock representing less than a majority of the voting rights of our common stock, Indigo will have the ability to take stockholder action by written consent without calling a stockholder meeting and to approve amendments to our amended and restated certificate of incorporation and amended and restated bylaws and to take other actions without the vote of any other stockholder. Investors in this offering will not be able to affect the outcome of any stockholder vote during such time. As a result, Indigo will have the ability to control all such matters affecting us, including:

- the composition of our board of directors and, through our board of directors, any determination with respect to our business plans and policies;
- our acquisition or disposition of assets;
- our financing activities, including the issuance of additional equity securities;
- any determinations with respect to mergers, acquisitions and other business combinations;
- corporate opportunities that may be suitable for us and Indigo;
- the payment of dividends on our common stock; and
- the number of shares available for issuance under our stock plans for our existing and prospective employees.

This concentrated control will limit the ability of other stockholders to influence corporate matters and, as a result, we may take actions that our other stockholders do not view as beneficial. Indigo's voting control may also discourage or block transactions involving a change of control of Frontier, including transactions in which you, as a stockholder, might otherwise receive a premium for your shares over the then-current market price. For example, this concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which in turn could cause the market price of our common stock to decline or prevent our stockholders from realizing a premium over the market price for their common stock. Moreover, Indigo is not prohibited from selling a controlling interest in us to a third party and may do so without your approval and without providing for a purchase of your shares of common stock. Accordingly, your shares of common stock may be worth less than they would be if Indigo did not maintain voting control over us.

In addition, the interests of Indigo could conflict with the interests of other stockholders. According to a Form 20-F filed by Controladora Vuela Compañía de Aviación, S.A.B. de C.V. (an airline based in Mexico doing business as Volaris) with the SEC in April 2017, investment funds managed by Indigo Partners hold approximately 15.9% of the outstanding Series A Common Stock and 32.2% of the outstanding Series B Common Stock of Volaris and two of our directors, William A. Franke and Brian H. Franke, are members of the board of directors of Volaris. As of March 31, 2016, we did not compete directly with Volaris on any of our routes, but there can be no assurances that we will not do so in the future. Furthermore, neither Indigo Partners, its portfolio companies, funds or other affiliates, nor any of their officers, directors, agents, stockholders, members or partners will have any duty to refrain from engaging, directly or indirectly, in the same business activities, similar business activities or lines of business in which we operate. See "—Our certificate of incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities."

For additional information about our relationship with Indigo and Indigo Partners, please see "Certain Relationships and Related Party Transactions" and "Principal and Selling Stockholder" elsewhere in this prospectus.

Our anti-takeover provisions may delay or prevent a change of control, which could adversely affect the price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering contain provisions that may make it difficult to remove

our board of directors and management and may discourage or delay "change of control" transactions, which could adversely affect the price of our common stock. These provisions include, among others:

- our board of directors is divided into three classes, with each class serving for a staggered three-year term, which prevents stockholders from electing an entirely new board of directors at an annual meeting;
- no cumulative voting in the election of directors, which prevents the minority stockholders from electing director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors
- from and after such time as Indigo and its affiliates no longer hold a majority of the voting rights of our common stock, actions to be taken by our stockholders may only be effected at an annual or special meeting of our stockholders and not by written consent;
- from and after such time as Indigo and its affiliates no longer hold a majority of the voting rights of our common stock, special meetings of our stockholders can be called only by the Chairman of the Board or by our corporate secretary at the direction of our board of directors;
- advance notice procedures that stockholders, other than Indigo for so long as it and its affiliates hold a majority of the voting rights of our common stock, must comply with in order to nominate candidates to our board of directors and propose matters to be brought before an annual meeting of our stockholders may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company;
- from and after such time as Indigo and its affiliates hold less than a majority of the voting rights of our common stock, a majority stockholder vote is required for removal of a director only for cause (and a director may only be removed for cause), and a 66 ⅔% stockholder vote is required for the amendment, repeal or modification of certain provisions of our certificate of incorporation and bylaws; and
- our board of directors may, without stockholder approval, issue series of Preferred Stock, or rights to acquire Preferred Stock, that could dilute the interest of, or impair the voting power of, holders of our common stock or could also be used as a method of discouraging, delaying or preventing a change of control.

Certain anti-takeover provisions under Delaware law also apply to our company. We are subject to Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its voting stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Furthermore, our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering of this offering specifies that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. We believe this provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors and officers.

Our certificate of incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities.

Our certificate of incorporation will provide for the allocation of certain corporate opportunities between us and Indigo. Under these provisions, neither Indigo, its portfolio companies, funds or other affiliates, nor any of their officers, directors, agents, stockholders, members or partners will have any duty to refrain from engaging,

directly or indirectly, in the same business activities, similar business activities or lines of business in which we operate. For instance, a director of our company who also serves as a director, officer, partner or employee of Indigo or any of its portfolio companies, funds or other affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisitions or other opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, results of operations or financial condition, if attractive corporate opportunities are allocated by Indigo to itself or its portfolio companies, funds or other affiliates instead of to us. The terms of our certificate of incorporation are more fully described in "Description of Capital Stock."

Our corporate charter and bylaws include provisions limiting ownership and voting by non-U.S. citizens.

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering restrict voting and control of shares of our common stock by non-U.S. citizens. The restrictions imposed by federal law currently require that no more than 24.9% of our stock be voted, directly or indirectly, or controlled by persons who are not U.S. citizens, that no more than 49.0% of our stock be held, directly or indirectly, by persons who are not U.S. citizens and that our president and at least two-thirds of the members of our board of directors and senior management be U.S. citizens. Our amended and restated certificate of incorporation and bylaws to be in effect immediately prior to the consummation of this offering provide that the failure of non-U.S. citizens to register their shares on a separate stock record, which we refer to as the "foreign stock record," would result in a loss of their voting rights in the event and to the extent that the aggregate foreign ownership of the outstanding common stock exceeds the foreign ownership restrictions imposed by federal law. Our amended and restated bylaws further provide that no shares of our common stock will be registered on the foreign stock record if the amount so registered would exceed the foreign ownership restrictions imposed by federal law. If it is determined that the amount registered in the foreign stock record exceeds the foreign ownership restrictions imposed by federal law, shares will be removed from the foreign stock record in reverse chronological order based on the date of registration therein, until the number of shares registered therein does not exceed the foreign ownership restrictions imposed by federal law. We are currently in compliance with these ownership restrictions. See "Business—Foreign Ownership" and "Description of Capital Stock—Anti-Takeover Provisions of Our Certificate of Incorporation and Bylaws—Limited Ownership and Voting by Foreign Owners."

We expect to be a "controlled company" within the meaning of the NASDAQ Stock Market rules, and, as a result, expect to qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Following the consummation of this offering, we expect that Indigo will continue to control approximately % of our outstanding common stock. As a result, we expect to be a "controlled company" within the meaning of the NASDAQ Stock Market rules and exempt from the obligation to comply with certain corporate governance requirements, including the requirements that a majority of our board of directors consists of "independent directors," as defined under the rules of the NASDAQ Stock Market, and that we have a compensation committee and a nominating and corporate governance committee that are composed entirely of independent directors. These exemptions do not modify the requirement for a fully independent audit committee, which is permitted to be phased-in as follows: (1) one independent committee member at the time of our initial public offering; (2) a majority of independent committee members within 90 days of our initial public offering; and (3) all independent committee members within one year of our initial public offering. Similarly, once we are no longer a "controlled company," we must comply with the independent board committee requirements as they relate to the compensation committee and the nominating and corporate governance committee, on the same phase-in schedule as set forth above, with the trigger date being the date we are no longer a "controlled company" as opposed to our initial public offering date. Additionally, we will have 12 months from the date we cease to be a "controlled company" to have a majority of independent directors on our board of directors.

If we utilize the “controlled company” exemption, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NASDAQ Stock Market. Our status as a controlled company could make our common stock less attractive to some investors or otherwise adversely affect its trading price.

After the consummation of this offering, we do not intend to pay cash dividends for the foreseeable future.

Immediately prior to the consummation of this offering, we intend to declare a dividend in the amount of $ per share (representing an aggregate distribution of $). Investors in this offering will not be entitled to participate in such dividend. We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our results of operations, financial condition, capital requirements, restrictions contained in current or future financing instruments, business prospects and such other factors as our board of directors deems relevant.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- the competitive environment in our industry;
- changes in our fuel cost;
- changes in restrictions on, or increased taxes applicable to charges for, non-ticket products and services;
- the impact of worldwide economic conditions;
- air travel substitutes;
- threatened or actual terrorist attacks, global instability and potential U.S. military actions or activities;
- factors beyond our control, including air traffic congestion, weather, security measures, travel related taxes and outbreak of disease;
- our presence in international emerging markets;
- insurance costs;
- our ability to implement our business strategy successfully;
- our ability to keep costs low;
- our ability to grow or maintain our unit revenues or maintain our non-ticket revenues;
- increased labor costs, union disputes, employee strikes and other labor-related disruptions;
- our inability to expand or operate reliably and efficiently out of airports where we maintain a large presence;
- negative publicity regarding our customer service;
- our inability to maintain a high daily aircraft utilization rate;
- environmental and noise laws and regulations;
- our reputation and business being adversely affected in the event of an emergency, accident or similar public incident involving our aircraft or personnel;
- our liquidity and dependence on cash balances and operating cash flows;
- our ability to obtain financing or access capital markets;
- our ability to maintain our liquidity in the event one or more of our credit card processors were to impose holdback restrictions;
- the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book;
- our maintenance obligations;

- aircraft-related fixed obligations that could impair our liquidity;
- our reliance on third-party specialists and other commercial partners to perform functions integral to our operations.
- our reliance on automated systems and the risks associated with changes made to those systems;
- use of personal data;
- our sole-source supplier for our aircraft and engines;
- our reliance on the Denver market;
- governmental regulation;
- our ability to attract and retain qualified personnel;
- loss of key personnel;
- reliance on private equity sponsor;
- operational disruptions;
- lack of marketing alliances; and
- other risk factors included under “Risk Factors” in this prospectus.

In addition, in this prospectus, the words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “predict,” “potential” and similar expressions, as they relate to our company, our business and our management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this prospectus. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $ million, based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from any sale of shares in this offering by the selling stockholder, whether in the firm offering or upon any exercise of the underwriters' option to purchase additional shares. Each $1.00 increase (decrease) in the assumed public offering price of $ per share would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming that the assumed offering price stays the same. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

We currently expect to use the net proceeds from this offering as follows:

- approximately $ million to fund into a trust the expected cash portion of our obligations under the Pilot Phantom Equity Agreement for the benefit of the Participating Pilots in connection with the completion of this offering (assuming the mid-point of the price range set forth on the cover page of this prospectus); and
- the remainder for general corporate purposes, including cash reserves, working capital, capital expenditures, including flight equipment acquisitions, sales and marketing activities, and general and administrative matters.

Our expected use of the net proceeds to us from this offering represents our current intentions based upon our present plans and business condition. As such, our management will retain discretion over the use of the net proceeds from this offering.

Pending the use of the proceeds to be received by us from this offering, we intend to invest the net proceeds in interest-bearing, investment-grade securities, certificates of deposit or government securities.

DIVIDEND POLICY

Immediately prior to the consummation of this offering, we intend to declare a dividend in the amount of $ per share (representing an aggregate distribution of $ after giving effect to related adjustments for the benefit of holders of stock options and phantom equity units). Investors in this offering will not be entitled to participate in such dividend.

In February 2016 and February 2017, we paid cash dividends with respect to our common stock in the amounts of $18.95 and $28.85 per share, respectively (representing aggregate obligations of $108 million and $165 million, respectively, after giving effect to related adjustments for the benefit of holders of stock options and phantom equity units).

We do not presently anticipate paying cash dividends after the completion of this offering. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash and cash equivalents, current maturities of long-term debt and capitalization as of March 31, 2017:

- on an actual basis; and
- on a pro forma as adjusted basis to give effect to (i) this offering and the application of the net proceeds to be received by us and (ii) a dividend expected to be paid immediately prior to the consummation of this offering.

You should read this capitalization table together with our financial statements and the related notes appearing at the end of this prospectus, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, and other financial information included in this prospectus.

	As of March 31, 2017	
	Actual	Pro Forma As Adjusted(1)(2)
	(unaudited) (in millions)	
Cash and cash equivalents	$ 535	$
Current maturities of long-term debt	$ 131	
Long-term debt, less current maturities	$ 93	
Stockholders' equity:		
Common stock (voting), $0.001 par value, 12,000,000 shares of common stock (voting) authorized, 5,237,756 shares issued and outstanding; shares authorized, shares issued and outstanding pro forma as adjusted		
Common stock (non-voting), $0.001 par value, 2,000,000 shares of common stock (non-voting) authorized, no shares issued and outstanding; shares authorized, issued and outstanding pro forma as adjusted	—	
Preferred stock (non-voting), $0.001 par value, 1,000,000 shares of common stock (non-voting) authorized, no shares issued and outstanding; shares authorized, issued and outstanding pro forma as adjusted	—	
Additional paid-in capital	$ 46	
Retained earnings	$ 237	
Accumulated other comprehensive income (loss)	$ (5)	
Total stockholders' equity	$ 278	
Total capitalization	$ 502	

(1) The unaudited adjusted pro forma capitalization table gives effect to (i) the receipt of the estimated net proceeds by us from the sale of shares of our common stock offered by us (based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds received by us, including the application of $ million to fund into a trust the expected cash portion of our obligations under the Pilots' Phantom Equity Agreement dated December 3, 2013, or the Pilot Phantom Equity Plan, for the benefit of certain current and former pilots, who we refer to as the Participating Pilots, in connection with the completion of this offering (based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), and (ii) a dividend of $ per share (representing an aggregate distribution of $) expected to be paid immediately prior to the consummation of this offering. See "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

(2) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, respectively, the amount of cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by $ million (assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, stockholders' equity and total capitalization by approximately $ million (based on an assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

The outstanding share information in the table above is based on 5,237,756 shares outstanding as of March 31, 2017, and excludes:

- an aggregate of 262,856 shares of common stock issuable upon the exercise of outstanding stock options as of March 31, 2017 having a weighted-average exercise price of $63.86 per share;
- an aggregate of 699,388 shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of March 31, 2017, which will become available for issuance under our 2017 Equity Incentive Annual Plan after consummation of this offering;
- an aggregate of shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- an aggregate of 231,000 shares of common stock reserved for issuance to the Participating Pilots pursuant to the Pilot Phantom Equity Plan (in connection with the offering contemplated hereby, 50% of the foregoing shares will be settled in cash through the establishment of a trust); please see "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock immediately after the offering.

The historical net tangible book value (deficit) of our common stock as of March 31, 2017 was $ million, or $ per share. Historical net tangible book value per share is determined by dividing the net tangible book value by the number of shares of outstanding common stock. If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common stock.

After giving effect to our issuance of shares of common stock at an assumed initial public offering price of $ per share of common stock, the mid-point of the range of the estimated initial offering price of between $ and $ as set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and estimated offering expenses payable by us, our pro forma net tangible book value as adjusted as of March 31, 2017 would have been approximately $ million, or approximately $ per pro forma share of common stock. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to new investors in this offering.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price		$
Historical net tangible book value per share as of March 31, 2017	$	
Pro forma decrease in net tangible book value per share		
Pro forma net tangible book value per share as of March 31, 2017		
Increase in pro forma net tangible book value per share attributable to this offering		
Pro forma net tangible book value per share, as adjusted(1)		
Dilution in pro forma net tangible book value per share to new investors in this offering		$

(1) Pro forma net tangible book value per share, as adjusted, gives effect to (i) this offering and the application of $ million of the net proceeds to be received by us to fund into a trust the cash portion of our expected obligations under the Amended and Restated Phantom Equity Investment Agreement, dated December 3, 2013, or the Pilot Phantom Equity Plan, for the benefit of certain current and former pilots, who we refer to as the Participating Pilots, in connection with the completion of this offering (based on the assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus), and (ii) a $ million dividend expected to be paid immediately prior to the consummation of this offering. Please see “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

Each $1.00 increase or decrease in the assumed public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, our pro forma net tangible book value, as adjusted to give effect to this offering, by $ million, or $ per share, and the dilution per share to investors participating in this offering by $ per share (assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. At the assumed public offering price per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, an increase of 1,000,000 in the number of shares we are offering would increase our pro forma net tangible book

value, as adjusted to give effect to this offering, by approximately $ million, or $ per share, and decrease the dilution per share to investors participating in this offering by $ per share, and a decrease of 1,000,000 in the number of shares we are offering would decrease our pro forma net tangible book value, as adjusted to give effect to this offering, by approximately $ million, or $ per share, and increase the dilution per share to investors participating in this offering by $ per share. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing. We will not receive any of the proceeds from any sale of shares of our common stock in this offering by the selling stockholder, including if the underwriters exercise their option to purchase additional shares of our common stock from the selling stockholder; accordingly, there is no dilutive impact as a result of these sales.

The table below summarizes as of March 31, 2017, on a pro forma as adjusted basis described above, the number of shares of our common stock, the total consideration and the average price per share (i) paid to us by existing stockholders, and (ii) to be paid by new investors purchasing our common stock in this offering at an assumed initial public offering price of $ per share (in thousands except per share and percentage data).

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing Stockholders		%	$	%	$
New investors		%	$	%	$
Total		100%	$	100%	

The outstanding share information in the table above is based on 5,237,756 shares outstanding as of March 31, 2017, and excludes:

- an aggregate of 262,856 shares of common stock issuable upon the exercise of outstanding stock options as of March 31, 2017 having a weighted-average exercise price of $63.86 per share;
- an aggregate of 699,388 shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of March 31, 2017, which will become available for issuance under our 2017 Equity Incentive Annual Plan after consummation of this offering;
- an aggregate of shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- an aggregate of 231,000 shares of common stock reserved for issuance to the Participating Pilots pursuant to the Pilot Phantom Equity Plan (in connection with the offering contemplated hereby, 50% of the foregoing shares will be settled in cash through the establishment of a trust); see “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

If the underwriters exercise in full their option to purchase additional shares of our common stock from the selling stockholder, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon completion of this offering. The total consideration paid by our existing stockholders would be approximately $ million, or %, and the total consideration paid by investors purchasing shares in this offering would be $ million, or %.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

You should read the following selected consolidated historical financial and operating data below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements, related notes and other financial information included in this prospectus. The selected consolidated financial data in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the financial statements and related notes included in this prospectus.

We derived the selected consolidated statements of operations data for the years ended December 31, 2016, 2015 and 2014 and the selected consolidated balance sheet data as of December 31, 2016 and 2015 from our audited consolidated financial statements included in this prospectus. We derived the selected consolidated statements of operations data for the one-month period ended December 31, 2013 (Successor) and 11-month period ended November 30, 2013 (Predecessor) and the selected consolidated balance sheet data as of December 31, 2014 and 2013 from our consolidated financial statements not included in this prospectus. We derived the selected consolidated statement of operations and balance sheet data for 2012 from the unaudited consolidated financial statements of our Predecessor, not included in this prospectus. The vertical line is intended to separate the predecessor and successor periods to indicate that such data may not be directly comparable. We derived the selected consolidated statements of operations data for the three months ended March 31, 2017 and 2016 and the selected consolidated balance sheet data as of March 31, 2017 from our unaudited consolidated financial statements included in this prospectus. The unaudited financial statements have been prepared on the same basis as the audited consolidated financial statements and, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals and non-recurring adjustments that have been separately disclosed) necessary to present fairly our financial position as of March 31, 2017 and the results of operations for the three months ended March 31, 2017 and 2016. Our historical results are not necessarily indicative of the results to be expected in the future, and results for the three months ended March 31, 2017 are not necessarily indicative of results to be expected for the full year.

	Year ended December 31, 2012	2013 Predecessor (from January 1, 2013 to November 30, 2013)	2013 Successor (from December 1, 2013 to December 31, 2013)	Year Ended December 31,			Three Months Ended March 31,	
				2014	2015	2016	2016	2017
	(unaudited)						*(unaudited)*	*(unaudited)*
	(in millions)			(in millions, except for share and per share data)				
Consolidated Statements of Operations Data:								
Operating revenues:								
Passenger	$ 1,311	$ 1,093	$ 118	$ 1,328	$ 1,203	$ 988	$ 219	$ 234
Non-ticket	127	125	13	265	401	726	149	196
Total operating revenues	**1,438**	**1,218**	**131**	**1,593**	**1,604**	**1,714**	**368**	**430**
Operating expenses:								
Aircraft fuel	532	426	41	538	369	343	63	102
Salaries, wages and benefits	264	228	20	258	285	287	71	133
Station operations	108	132	14	162	202	228	53	53
Aircraft rent	148	160	11	147	171	209	50	59
Sales and marketing	98	78	7	87	79	72	17	19
Maintenance materials and repairs	61	61	4	39	50	48	14	14
Depreciation and amortization	29	28	2	29	54	75	18	13
Special charge	—	—	—	—	43	—	—	—
Other operating	181	103	11	105	118	135	32	39
Total operating expenses	**1,421**	**1,216**	**110**	**1,365**	**1,371**	**1,397**	**318**	**432**
Operating income (loss)	**17**	**2**	**21**	**228**	**233**	**317**	**50**	**(2)**
Other expense (income):								
Interest expense	7	4	—	5	8	9	2	2
Capitalized interest	—	(1)	—	(1)	(3)	(6)	(1)	(1)
Interest income and other	—	—	—	—	—	(2)	—	(1)
Total other expense	**7**	**3**	**—**	**4**	**5**	**1**	**1**	**—**
Income (loss) before income taxes	10	(1)	21	224	228	316	49	(2)
Income tax expense (benefit)	7	—	9	84	82	116	19	(2)
Net income (loss)	**$ 3**	**$ (1)**	**$ 12**	**$ 140**	**$ 146**	**$ 200**	**$ 30**	**$ —**
Earnings per share:								
Basic				$ 26.12	$ 26.60	$ 36.76	$ 5.59	$ (0.65)
Diluted				25.75	26.15	36.23	5.48	(0.65)
Weighted-average shares outstanding:								
Basic				5,203,058	5,247,477	5,236,978	5,243,374	5,236,301
Diluted				5,278,034	5,341,049	5,315,653	5,348,778	5,236,301

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in millions)		
Non-GAAP financial data (unaudited):					
Adjusted net income(1)	$ 168	$ 194	$ 236	$ 41	$ 39
EBITDA(1)	257	287	392	68	11
Adjusted EBITDA(1)	301	345	436	79	73
Adjusted EBITDAR(1)	448	509	641	128	132

(1) Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR are included as supplemental disclosures because we believe they are useful indicators of our operating performance. Derivations of net income and EBITDA are well recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR have limitations as analytical tools. Some of the limitations applicable to these measures include: Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect changes in, or cash requirements for, our working capital needs; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect any cash requirements for such replacements; and other companies in our industry may calculate Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR differently than we do, limiting its usefulness as a comparative measure. Because of these limitations; Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Further, we believe Adjusted EBITDAR is useful in evaluating our operating performance compared to our competitors because its calculation isolates the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, directly subject to acquisition debt, by capital lease or by operating lease, each of which is presented differently for accounting purposes), and income taxes, which may vary significantly between periods and for different companies for reasons unrelated to overall operating performance. However, because derivations of Adjusted net income; EBITDA, Adjusted EBITDA and Adjusted EBITDAR are not determined in accordance with GAAP, such measures are susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, derivations of Net income and EBITDA, including Adjusted Net Income, Adjusted EBITDA and Adjusted EBITDAR, as presented may not be directly comparable to similarly titled measures presented by other companies. In addition, Adjusted EBITDAR should not be viewed as a measure of overall performance since it excludes aircraft rent, which is a normal, recurring cash operating expense that is necessary to operate our business. For the foregoing reasons, each of Adjusted Net income, EBITDA, Adjusted EBITDA or Adjusted EBITDAR has significant limitations which affect its use as an indicator of our profitability. Accordingly, you are cautioned not to place undue reliance on this information.

The following table presents the reconciliation of Net income and Adjusted net income for the periods presented below.

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in millions)		
Net income reconciliation (unaudited):					
Net income	$ 140	$ 146	$ 200	$ 30	$ —
Unrealized hedging (gains) losses(a)	35	(35)	—	—	—
Lease Modification Program(b)	—	67	16	7	—
Pilot phantom equity(c)	6	43	40	10	18
Salaries, wages and benefits—severance(d)	3	—	—	—	—
Salaries, wages and benefit—flight attendant settlement(e)	—	—	—	—	43
Salaries, wages and benefit—other(f)	—	—	—	—	1
Adjusted net income before income taxes	**184**	**221**	**256**	**47**	**62**
Tax benefit related to underlying adjustments	(16)	(27)	(20)	(6)	(23)
Adjusted net income	**$ 168**	**$ 194**	**$ 236**	**41**	**39**

The following table presents the reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDAR to net income for the periods indicated below.

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
			(in millions)		
EBITDA reconciliation (unaudited):					
Net income	$ 140	$ 146	$ 200	$ 30	$ —
Plus (minus):					
Interest expense	5	8	9	2	2
Capitalized interest	(1)	(3)	(6)	(1)	(1)
Interest income and other	—	—	(2)	—	(1)
Provision for income taxes	84	82	116	19	(2)
Depreciation and amortization	29	54	75	18	13
EBITDA	**$ 257**	**$ 287**	**$ 392**	**$ 68**	**$ 11**
Unrealized hedging (gains) losses(a)	35	(35)	—	—	—
Lease Modification Program (excluding depreciation)(b)	—	50	4	1	—
Pilot phantom equity(c)	6	43	40	10	18
Salaries, wages and benefits—severance(d)	3	—	—	—	—
Salaries, wages and benefits—flight attendant settlement(e)	—	—	—	—	43
Salaries, wages and benefits—other(f)	—	—	—	—	1
Adjusted EBITDA	**$ 301**	**$ 345**	**$ 436**	**$ 79**	**$ 73**
Aircraft rent(g)	147	164	205	49	59
Adjusted EBITDAR	**$ 448**	**$ 509**	**$ 641**	**$ 128**	**$ 132**

(a) Represents adjustments for unrealized (gains) losses on our hedging contracts for anticipated fuel purchases as a result of hedge accounting on these cash flow hedges not being achieved.
(b) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation of $12 million and $17 million for the years ended 2016 and 2015, respectively, and $0 million and $6 million for the three months ended March 31, 2017 and 2016, respectively, and aircraft rent of $4 million and $7 million for the years ended 2016 and 2015, respectively, and $0 million and $1 million for the three months ended March 31, 2017 and 2016, respectively, as a result of significantly shortened lease terms with respect to such aircraft.
(c) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”
(d) Represents severance costs related to outsourcing of certain functions integral to our operations to third-party vendors as a part of the implementation of our new operating model.
(e) Represents the $40 million settlement and $3 million of payroll taxes relating to the Letter of Agreement, or LOA, entered into with the union representing our flight attendants (AFA-CWA) on March 15, 2017. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates—Stock Based Compensation.”
(f) Represents expenses associated with the ratification of labor agreements.
(g) Represents aircraft rent expense included in Adjusted EBITDA. Excludes aircraft rent of $4 million and $7 million for the years ended 2016 and 2015, respectively, and $0 million (unaudited) and $1 million (unaudited) for the three months ended March 31, 2017 and 2016, respectively, included in Lease Modification Program (excluding depreciation).

The following table presents our historical consolidated balance sheet data as of the dates presented.

	As of December 31,	As of December 31,				As of March 31,
	2012	2013	2014	2015	2016	2017
	(unaudited)			(in millions)		(unaudited)
Balance Sheet Data:						
Cash and cash equivalents	$ 36	$127	$263	$ 419	$ 612	$ 535
Total assets	753	682	847	1,128	1,341	1,295
Long-term debt, including current portion	147	146	157	221	237	224
Stockholders’ equity	176	65	205	342	446	278

OPERATING STATISTICS

	Year Ended December 31,					Three Months Ended March 31,	
	2012	2013	2014	2015	2016	2016	2017
Operating Statistics (unaudited)[a]							
Available seat miles (ASMs) (millions)	11,908	10,880	12,332	15,229	18,366	4,034	4,882
Departures	85,328	81,940	92,184	97,222	99,369	22,248	23,647
Average stage length (statute miles)	976	903	897	1,002	1,060	1,074	1,124
Block hours	214,494	195,242	222,982	259,261	279,347	63,136	69,857
Average aircraft in service	55	52	54	56	61	59	65
Aircraft in service—end of period	55	53	54	61	66	59	68
Average daily aircraft utilization (hours)	11.0	10.2	11.4	12.6	12.6	11.8	11.9
Passengers (thousands)	10,700	10,783	12,203	13,184	14,937	3,263	3,711
Average seats per departure	143	145	147	154	173	167	182
Revenue passenger miles (RPMs) (millions)	10,579	9,854	11,152	13,400	16,015	3,534	4,201
Load factor (%)	88.8%	90.6%	90.4%	88.0%	87.2%	87.6%	86.0%
Passenger revenue per available seat mile (PRASM) (¢)	11.01	11.13	10.77	7.90	5.38	5.44	4.78
Non-ticket revenue per available seat mile (¢)	1.03	1.26	2.15	2.63	3.95	3.69	4.03
Total revenue per available seat mile (RASM) (¢)	12.04	12.39	12.92	10.53	9.33	9.13	8.81
Cost per available seat mile (CASM) (¢)	11.93	12.19	11.07	9.01	7.61	7.89	8.86
CASM (excluding fuel) (¢)	7.47	7.89	6.71	6.58	5.74	6.32	6.78
Adjusted CASM (¢)	11.93	12.19	10.71	8.51	7.30	7.47	7.58
Adjusted CASM (excluding fuel) (¢)[b]	7.47	7.89	6.63	5.86	5.43	5.90	5.50
Fuel cost per gallon ($'s)	3.36	3.23	3.26	1.90	1.59	1.32	1.88
Fuel gallons consumed (thousands)	158,362	144,448	164,845	194,846	215,830	47,812	54,187
Employees (FTE)	~4,500	3,614	3,653	2,981	3,163	3,008	3,473

(a) See "Glossary of Airline Terms" for definitions of terms used in this table.

(b) For a reconciliation of Adjusted CASM to CASM, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors."

Overview

Frontier Airlines is an ultra low-cost carrier whose business strategy is focused on *Low Fares Done Right*®. We offer flights throughout the United States and to select international destinations in Mexico and the Caribbean. Our unique and sustainable strategy is underpinned by our low cost structure and superior ULCC brand. As of March 31, 2017, we operated a fleet of 68 narrow-body Airbus A320 family aircraft, which we expect to grow to 121, including 80 A320neo (New Engine Option) family aircraft, by the end of 2021. In the 12 months ended March 31, 2017, we served approximately 15.4 million passengers across a network of 61 airports.

In December 2013, we were acquired by an investment fund managed by Indigo Denver Management Company, LLC, or Indigo, an affiliate of Indigo Partners, LLC, or Indigo Partners, an experienced and successful global investor in ultra low-cost carriers, or ULCCs. Following the acquisition, Indigo reshaped our management team to experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique *Low Fares Done Right* strategy, which significantly reduced our unit costs, introduced low fares, provided the choice of optional services, enhanced our operational performance and improved the customer experience. Through the implementation of our new operating model, we have positioned our brand as a premier ULCC in the United States and have seen a dramatic improvement to our profitability.

The implementation of *Low Fares Done Right* has significantly reduced our cost base over the past three years by increasing aircraft utilization, transitioning to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our call center, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our adjusted cost per available seat mile, or Adjusted CASM (excluding fuel), from 7.89¢ for the year ended December 31, 2013 to 5.43¢ for the year ended December 31, 2016, an improvement of 31%. In 2016, this was one of the industry's lowest unit operating costs in the United States. For the three months ended March 31, 2017 and 2016, our Adjusted CASM (excluding fuel) was 5.50¢ and 5.90¢, respectively. We believe that we are well positioned to maintain our low unit operating costs relative to our competitors through on-going strategic initiatives, including continuing our cost optimization efforts and further realizing economies of scale. For a discussion and reconciliation of Adjusted CASM to CASM, please see "Glossary of Airline Terms" and "—Results of Operations."

Fleet Plan

As of March 31, 2017, we had a fleet of 68 narrow-body Airbus A320-family aircraft, which we expect to grow to 121, including 80 A320neo family aircraft, by the end of 2021. We commenced operations with the A320neo family aircraft in October 2016. The A320neo is estimated to deliver approximately 15% improved fuel efficiency as compared to the prior generation of A320 aircraft. As of March 31, 2017, we had an obligation to acquire 78 aircraft, including 75 A320neo family aircraft and three A321ceo aircraft by 2021, the first 45 of which we intend to finance with operating leases, including seven which are currently subject to committed operating leases and 38 which are subject to non-binding letters of intent. We intend to evaluate financing options for the remaining 33 aircraft. Of the 68 aircraft in our fleet, 62 are financed with operating leases, the last of which is scheduled to expire by the end of 2030, and the remaining six are financed with debt. The operating

leases for five, 13 and three aircraft in our fleet are scheduled to terminate in the remainder of 2017, 2018 and 2019, respectively. In certain circumstances, such operating leases may be extended. Our fleet plan results in a reduced number of A319 aircraft, which we expect to replace with larger and higher density A320neo aircraft (186 seats) and A321ceo aircraft (230 seats).

During 2015, we entered into an agreement, which we refer to as the Lease Modification Program, to amend our then-existing operating leases for 10 A319 aircraft, reducing their average remaining lease term from 41 months to 11 months, with no change in our base rent payments. As a result of the Lease Modification Program, in 2015 we incurred a one-time special charge of $43 million primarily related to aircraft maintenance deposits on aircraft to be returned earlier than we had previously planned. In addition, during 2016 and 2015, we accelerated depreciation expense of $12 million and $17 million, respectively, and rent expense of $4 million and $7 million, respectively.

We also entered into sale-leaseback transactions during 2016 and 2015 with six third-party lessors in order to finance deliveries of 30 of our A320 family aircraft purchase commitments, 14 and five of which were delivered during 2016 and 2015, respectively. Any gains on completed sale-leaseback transactions are deferred and recognized as a reduction in aircraft rent expense over the lease term for each aircraft.

Operating Revenues

Our operating revenue consists of passenger and non-ticket revenue.

Passenger Revenue. Passenger revenue consists of base fares for air travel, including miles redeemed under our frequent flyer program, unused and expired passenger credits, other redeemed or expired travel credits and revenue derived from charter flights. We had largely exited the charter business by the end of 2016.

Non-ticket Revenue. Non-ticket revenue consists primarily of revenue generated from air travel-related services such as baggage fees, seat selection fees, itinerary service fees, booking fees and on-board sales. We also include services not directly related to providing transportation such as the advertising, marketing and brand elements resulting from our *Early Returns* affinity credit card program and revenue associated with our *Discount Den* membership program.

Operating Expenses

Our operating expenses consist of the following items:

Aircraft Fuel. Aircraft fuel expense is our single largest operating expense. It includes jet fuel and associated into-plane costs, federal and state taxes, and gains and losses associated with fuel hedge contracts.

Salaries, Wages and Benefits. Salaries, wages and benefits expense includes salaries, hourly wages, bonuses, equity-based compensation and profit sharing paid to employees for their services, as well as related expenses associated with employee benefit plans, employer payroll taxes and other employee related costs.

Station Operations. Station operations expense includes the fixed and variable fees charged by airports for the use or lease of airport facilities and fees charged by third-party vendors for ground handling, interrupted trip expenses and other related services.

Aircraft Rent. Aircraft rent expense consists of monthly lease charges for aircraft and spare engines under the terms of the related operating leases and is recognized on a straight-line basis. Aircraft rent expense also includes that portion of maintenance reserves, also referred to as supplemental rent, which is paid monthly to aircraft lessors for the cost of future heavy maintenance events and which is not probable of being reimbursed to us by the lessor during the lease term, as well as lease return costs, which consist of all costs that would be incurred at the return of the aircraft, including costs incurred to return the airframe and engines to the condition

required by the lease. Aircraft rent expense is recognized net of any amortization of deferred gains and losses on sale-leaseback transactions on our flight equipment. As of March 31, 2017, 62 of our 68 aircraft and all of our eight spare engines were financed under operating leases.

Sales and Marketing. Sales and marketing expense includes credit card processing fees, travel agent commissions and related global distribution systems, or GDS, fees, advertising, sponsorship and distribution costs such as the costs of our call center and costs associated with our frequent flyer program.

Maintenance Materials and Repairs. Aircraft maintenance expense includes the cost of all parts, materials and fees for repairs performed by us and our third-party vendors to maintain our fleet, excluding heavy maintenance events. It excludes direct labor cost related to our own mechanics, which are included in salaries, wages and benefits.

Depreciation and Amortization. Depreciation and amortization expense includes depreciation of fixed assets we own and depreciation of leasehold improvements and finite-lived intangible assets. It also includes the amortization of heavy maintenance expenses we defer under the deferral method of accounting for heavy maintenance events and recognize as expense on a straight-line basis until the earlier of the next estimated heavy maintenance event or the remaining lease term.

Other Operating Expenses. Other operating expenses include outside services such as our third-party call center, crew and other employee travel, information technology, property taxes and all insurance, including hull-liability insurance, supplies, legal and other professional fees, facilities and all other administrative and operational overhead expenses. In addition, other operating expenses includes the annual fee of $1.5 million as well as expenses that we pay to Indigo Partners on a quarterly basis pursuant to the Professional Services Agreement. No individual item included in this category represented more than 5% of our total operating expenses for any period presented.

Other Expense (Income)

Interest Expense. Interest expense is related to our pre-delivery payment credit facility and our fixed and floating rate equipment notes.

Capitalized Interest. We capitalize interest attributable to pre-delivery payments as an additional cost of the related asset beginning two years prior to the intended delivery date, when we estimate the related aircraft has begun to be manufactured and when pre-delivery payments are required to be paid under the terms of our existing aircraft purchase contracts until the asset is ready for its intended use. We capitalize interest at our weighted-average interest rate on long-term debt or, where applicable, the interest rate related to specific borrowings.

Interest Income and Other. Interest income and other includes interest income on our cash and cash equivalent balances, as well as activity not classified in any other area of the consolidated statements of operations.

Trends and Uncertainties Affecting Our Business

We believe our operating and business performance is driven by various factors that typically affect airlines and their markets, including trends which affect the broader travel industry, as well as trends which affect the specific markets and customer base that we target. The following key factors may affect our future performance:

Competition. The airline industry is highly competitive. The principal competitive factors in the airline industry are the fare and total price, flight schedules, number of routes served from a city, frequent flyer programs, product and passenger amenities, customer service, fleet type and reputation. The airline industry is

particularly susceptible to price discounting because, once a flight is scheduled, airlines incur only nominal incremental costs to provide service to passengers occupying otherwise unsold seats. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to increase revenue per available seat mile, or RASM. Discount fares are often prevalent when a competitor has excess capacity to sell.

During 2015 and 2016, the airline industry saw greater and more persistent price discounting than in the preceding several years. A major factor enabling price discounting was the sharp decline in oil prices on world markets, which significantly decreased airline operating costs. As a result, some of the legacy network carriers began seeking to match low-cost carrier and ULCC pricing on portions of their network. We believe that fare discounts have and will continue to stimulate demand for Frontier due to our *Low Fares Done Right* strategy.

Our *Low Fares Done Right* strategy is underpinned by our low cost structure, and we have significantly reduced our cost base over the past three years by increasing aircraft utilization and size, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our call center, enhancing our website, boosting employee productivity and contracting with leading specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our unit operating costs, as measured by our CASM (excluding fuel), from 7.89¢ in 2013 to 6.71¢ in 2014 to 6.58¢ in 2015 and to 5.74¢ in 2016, and our Adjusted CASM (excluding fuel) from 7.89¢ in 2013 to 6.63¢ in 2014 to 5.86¢ in 2015 and to 5.43¢ in 2016 and currently have one of the industry's lowest unit operating costs in the United States. For the three months ended March 31, 2017 and 2016, our CASM (excluding fuel) was 6.78¢ and 6.32¢, respectively, and Adjusted CASM (excluding fuel) was 5.50¢ and 5.90¢, respectively. For a reconciliation of CASM to Adjusted CASM (excluding fuel), see "—Results of Operations." Our unit operating costs in the first three months of 2017 were comparable to the other U.S. ULCCs, Spirit Airlines and Allegiant Travel Company, and were substantially lower than U.S. low-cost carriers, or LCCs, which include JetBlue Airways, Southwest Airlines and Virgin America and approximately half of the legacy airlines, which include American Airlines, Delta Air Lines, and United Airlines. See "Industry Background." Our cost structure has allowed us to achieve strong results from operations during these periods of competitive pricing and price discounts. While we have already completed the substantial majority of strategic initiatives to reduce our unit operating costs, we believe that we are well positioned to maintain our low unit operating costs relative to our competitors through on-going strategic initiatives, including continuing our cost optimization efforts and further realizing economies of scale. To the extent that we are unable to maintain our low cost structure, our ability to compete effectively may be impaired. In addition, if our competitors engage in fare wars or similar behavior, our financial performance could be adversely impacted.

Aircraft Fuel. Fuel expense represents the single largest operating expense for most airlines, including ours. Jet fuel prices and availability are subject to market fluctuations, refining capacity, periods of market surplus and shortage and demand for heating oil, gasoline and other petroleum products, as well as meteorological, economic and political factors and events occurring throughout the world, which we can neither control nor accurately predict. The future cost and availability of jet fuel cannot be predicted with any degree of certainty.

We currently hedge our exposure to jet fuel prices using out-of-the-money call options, although we may utilize other instruments such as swaps and collar contracts on jet fuel or highly correlated commodities and fixed forward price contracts, or FFPs, which allow us to lock in the price of jet fuel for specific quantities and at specified locations in future periods. Although the use of collar structures and swap agreements can reduce the overall cost of hedging, these instruments carry more risk than call options in that we could end up in a liability position when the collar structure or swap agreement settles. Our fuel hedging policy considers many factors, including our assessment of market conditions for fuel, competitor hedging activity, our access to the capital necessary to purchase coverage and support margin requirements, the pricing of hedges and other derivative products in the market and applicable regulatory policies. As of March 31, 2017, we had hedges in place for approximately 71% of our projected fuel requirements for the remainder of 2017 and approximately 31% of our projected fuel requirements for 2018, with all of our then existing call options expected to be exercised or expire by the end of 2018.

Volatility. The air transportation business is volatile and highly affected by economic cycles and trends. Consumer confidence and discretionary spending, fear of terrorism or war, weakening economic conditions, fare initiatives, fluctuations in fuel prices, labor actions, changes in governmental regulations on taxes and fees, weather and other factors have resulted in significant fluctuations in revenue and results of operations in the past. We believe, however, demand for business travel historically has been more sensitive to economic conditions than demand for low-price leisure and VFR travel. Therefore, we believe our business model is more resilient through economic cycles.

Seasonality. Our results of operations for any interim period are not necessarily indicative of those for the entire year because the air transportation business and our route network are subject to seasonal fluctuations. We generally expect demand to be greater in the calendar second and third quarters compared to the rest of the year. While we are reducing our concentration in Denver to decrease the impact of seasonality in our business, approximately 40% of flights as of March 2017 had Denver International Airport as either their origin or destination.

Labor. The airline industry is heavily unionized. The wages, benefits and work rules of unionized airline industry employees are determined by collective bargaining agreements, or CBAs. Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, or RLA. Under the RLA, CBAs generally contain “amendable dates” rather than expiration dates and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board, or NMB. This process continues until either the parties have reached agreement on a new CBA or the parties have been released to “self-help” by the NMB. In most circumstances, the RLA prohibits strikes. However, after release by the NMB, carriers and unions are free to engage in self-help measures such as lockouts and strikes.

We have seven union-represented employee groups comprising approximately 85% of our employees as of March 31, 2017. Our pilots are represented by the Air Line Pilots Association, or ALPA; our flight attendants are represented by the Association of Flight Attendants, or AFA-CWA; our maintenance, aircraft appearance agents, material specialists and maintenance control employees are all represented by the International Brotherhood of Teamsters, or IBT; and our dispatchers are represented by the Transport Workers Union, or TWU. Conflicts between airlines and their unions can lead to work stoppages. Except for the dispatchers, aircraft technicians and materials specialists, we are in negotiations with the union representing each group. During the fourth quarter of 2016, a new five-year collective bargaining agreement was reached with the dispatchers. On February 20, 2017 and March 17, 2017, the maintenance and material specialists contracts, respectively, were ratified to include new amendable dates of February 2022 and March 2022, respectively. We entered into NMB mediation with the union representing our pilots, ALPA, on September 30, 2016 and the mediation is ongoing. Any agreements we do reach could increase our labor and related expenses. Please see “Business—Employees.”

On March 15, 2017, we entered into a Letter of Agreement, or the LOA, with the Association of Flight Attendants—CWA, AFL-CIO, or the AFA, the union representing our flight attendants. The LOA was the result of a negotiation between us and the AFA and extinguishes the flight attendants’ contingent equity participation contained in their collective bargaining agreement by providing for a $40 million aggregate cash settlement, payable by us to participating flight attendants over a six-month period commencing June 1, 2017. The $40 million settlement and related payroll taxes of $3 million are reflected within salaries, wages and benefits in the consolidated statement of operations for the three months ended March 31, 2017. The resulting $43 million charge is accrued for within other current liabilities in the consolidated balance sheet as of March 31, 2017.

Maintenance Materials and Repairs. The amount of total maintenance costs and related depreciation of heavy maintenance expense is subject to variables such as estimated usage, government regulations, the size, age and makeup of the fleet in future periods and the level of unscheduled maintenance events and their actual costs. Accordingly, we cannot reliably quantify future maintenance-related expenses for any significant period of time.

As of March 31, 2017, the average age of our aircraft was approximately six years and we have taken delivery of over 25 new aircraft since the start of 2015. As of such date, our 68 aircraft fleet consisted of 62 aircraft financed under operating leases and six aircraft financed under secured debt arrangements. The operating leases for five, 13 and three aircraft in our fleet are scheduled to terminate in 2017, 2018 and 2019, respectively. In certain circumstances, such operating leases may be extended. We have a firm purchase commitment with Airbus to acquire 78 aircraft by the end of 2021. We also have a firm purchase commitment for 12 additional spare aircraft engines. We expect that our new aircraft will require less maintenance when they are first placed in service because the aircraft will benefit from manufacturer warranties and also will be able to operate for a significant period of time, generally measured in years, before heavy maintenance is required. Once these maintenance holidays expire, our fleet will require more maintenance as it ages and our maintenance and repair expenses for each of our aircraft will be incurred at approximately the same intervals. When these more significant maintenance activities occur, this will result in out-of-service periods during which our aircraft are dedicated to maintenance activities and unavailable to generate revenue.

We account for heavy maintenance events under the deferral method. Accordingly, heavy maintenance is depreciated over the shorter of either the remaining lease term or the period until the next estimated heavy maintenance event. As a result, maintenance events occurring closer to the end of the lease term will generally have shorter depreciation periods than those occurring earlier in the lease term. This will create higher depreciation expense specific to any aircraft related to heavy maintenance during the final years of the lease as compared to earlier periods. Please see "—Critical Accounting Estimates—Aircraft Maintenance."

Maintenance Reserve Obligations. The terms of certain of our aircraft lease agreements require us to post deposits for future maintenance, also known as maintenance reserves, to the lessor in advance of and as collateral for the performance of heavy maintenance events, resulting in us recording significant prepaid deposits on our balance sheet. As a result, for leases requiring maintenance reserves, the cash costs of scheduled heavy maintenance events are paid in advance of the recognition of the maintenance event in our results of operations. Please see "—Critical Accounting Estimates—Aircraft Maintenance."

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. In doing so, we have to make estimates and assumptions that affect our reported amounts of assets, liabilities, revenue and expenses, as well as related disclosure of contingent assets and liabilities. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. We refer to accounting estimates of this type as critical accounting estimates, which we discuss below.

Revenue Recognition

Passenger Revenue. We generate the majority of our revenue from sales of passenger tickets. We initially defer ticket sales as an air traffic liability and recognize passenger revenue when the passenger flight occurs. An unused nonrefundable ticket expires at the date of scheduled travel and is recognized as revenue at that date. Customers may elect to change their itinerary prior to the date of departure. A service fee is assessed and recognized as non-ticket revenue on the date the change is initiated and deducted from the face value of the original purchase price of the ticket. The original ticket becomes invalid. The amount remaining after deducting the service fee is a credit that can be used towards the purchase of a new ticket. The recorded value of the credit is calculated based on the original value less the service fee and estimated breakage, which is based on historical experience and is recognized at the original date of departure. Estimating the amount of breakage involves some level of subjectivity and judgment. Charter revenue is recognized at the time of departure when transportation is provided.

Non-ticket Revenue. We recognize non-ticket revenue for baggage fees, seat selection fees and on-board sales when the associated flight occurs and change and booking fee revenue as the transactions occur. We also recognize non-ticket revenue for our bundled products, *The Works* and *The Perks*. Fees sold in advance of the flight date are initially recorded as an air traffic liability. Non-ticket revenue also includes services not directly related to providing transportation, such as revenue from our *Early Returns* affinity credit card program, as described in "—Frequent Flyer Program," and our *Discount Den* membership program.

Frequent Flyer Program

Our *Early Returns* frequent flyer program provides frequent flyer travel awards to program members based on accumulated miles. Miles are accumulated as a result of travel, purchases using the co-branded credit card and purchases from other participating partners. The program has a six-month expiration period for unused miles from the month of last account activity, excluding redemption activity. For all miles earned under the *Early Returns* program, we have an obligation to provide future travel when these reward miles are redeemed.

With respect to miles earned as a result of travel, or flown miles, we recognize a liability, representing the incremental cost associated with the obligation to provide travel in the future, as miles are earned by passengers. Incremental cost for miles to be redeemed on our flights is estimated based on historical costs, which include the cost of aircraft fuel, insurance, security, ticketing and reservation costs, net of redemption fees. We adjust our liability periodically for changes in our estimate of incremental cost, average miles to redeem and breakage estimates.

We sell award miles to participating companies, including credit card and car rental companies. We account for member miles sold to our partners as multiple-element arrangements. These arrangements consist of three elements: (i) travel miles to be awarded, (ii) licensing of brand and access to member lists, and (iii) advertising and marketing efforts. We established the estimated selling price for all deliverables that qualify for separation and allocated arrangement consideration based on relative selling price. In establishing the selling price, we first determined whether vendor-specific objective evidence of selling price or third-party evidence of selling price existed. We determined that neither vendor-specific objective evidence of selling price nor third-party evidence existed due to the uniqueness of our program. As such, we developed our best estimate of the selling price for all deliverables. For the selling price of travel, we considered a number of entity-specific factors including the number of miles needed to redeem an award, average fare of comparable segments, breakage, restrictions and other charges. For licensing of brand and access to member lists, we considered both market-specific factors and entity-specific factors, including general profit margins realized in the marketplace/industry, brand power, market royalty rates and size of customer base. For the advertising and marketing element, we considered market-specific factors and entity-specific factors including our internal costs of providing services, volume of marketing efforts and overall advertising plan. Consideration allocated based on the relative selling price to both brand licensing and advertising elements is recognized as non-ticket revenue in the month of sale.

The consideration allocated to the transportation portion of these mileage sales is deferred and recognized as passenger revenue based on the redemption method. Breakage is recorded under the redemption method using miles expected to be redeemed and the recorded deferred revenue balance to determine a weighted-average rate, which is then applied to the actual miles redeemed. Redemptions are allocated between sold and flown miles based on historical patterns. Current and future changes to the expiration policy or to program rules and program redemption opportunities may result in material changes to the frequent flyer liability balance, as well as recognized revenue from the program. In addition, there are pending significant changes in the manner in which airlines account for frequent flyer programs. For instance, see "Recent Accounting Pronouncements."

Aircraft Maintenance

Under our aircraft operating lease agreements and FAA operating regulations, we are obligated to perform all required maintenance activities on our fleet, including component repairs, scheduled air frame checks and

major engine restoration events. Heavy maintenance events include six-year and 12-year airframe checks, engine overhauls, limited life parts replacement and overhauls to major components. Certain maintenance functions are performed by third-party specialists under contracts that require payment based on a utilization measure such as flight hours.

We account for heavy maintenance under the deferral method wherein the cost of heavy maintenance is deferred in flight equipment and depreciated over the earlier of the period until the next estimated heavy maintenance event or the remaining lease term or useful life of the aircraft. Heavy maintenance events occurring closer to the end of the lease term will be depreciated over the remaining lease term rather than over the period to the next estimated heavy maintenance event. Costs incurred for maintenance and repair under flight hour maintenance contracts, where labor and materials price risks have been transferred to the third-party service provider, are expensed based on contractual payment terms. Routine cost for maintaining the airframes and engines and line maintenance are charged to maintenance materials and repairs expense as performed.

The timing and cost of the next heavy maintenance event is estimated based on assumptions including estimated usage, FAA-mandated maintenance intervals, current condition of the related component, the age of the related component and average removal times as suggested by the manufacturer. These assumptions may change based on changes in the utilization of our aircraft, changes in government regulations and suggested manufacturer maintenance intervals. In addition, these assumptions can be affected by unplanned incidents that could damage an airframe, engine or major component to a level that would require a heavy maintenance event prior to a scheduled maintenance event. To the extent the estimated timing of the next maintenance event is extended or shortened, the related depreciation period would be lengthened or shortened prospectively, resulting in lower depreciation expense over a longer period or higher depreciation expense over a shorter period, respectively.

The following table summarizes information regarding our maintenance expense for the periods presented (in millions):

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
Maintenance materials and repairs	$ 39	$ 50	$ 48	$ 14	$ 14
Depreciation of heavy maintenance(1)	6	32	49	9	7
Total maintenance expense	**$ 45**	**$ 82**	**$ 97**	**$ 23**	**$ 21**

(1) Includes accelerated depreciation expense of $12 million and $17 million for the years ended December 31, 2016 and 2015, respectively, related to the Lease Modification Program.

Maintenance Reserves

Certain of our aircraft and spare engine lease agreements provide that we pay maintenance reserves to aircraft lessors to be held as collateral in advance of our required performance of heavy maintenance events. As of March 31, 2017, our scheduled lease returns and the applicability of maintenance reserves for our leased aircraft were as follows:

	A319	A320ceo	A320neo	A321	Total
Scheduled Lease Returns:					
Remainder of 2017	3	2	—	—	5
2018	10	3	—	—	13
2019	2	1	—	—	3
2020	2	1	—	—	3
2021	—	1	—	—	1
2022	—	4	—	—	4
Thereafter	—	12	5	16	33
Total	**17**	**24**	**5**	**16**	**62**
Maintenance Reserves:					
Not subject to maintenance reserves	—	5	—	16	21
Subject to maintenance reserves if certain thresholds are not met[a]	—	4	5	—	9
Subject to maintenance reserves[b]	17	15	—	—	32
Total	**17**	**24**	**5**	**16**	**62**

(a) At December 31, 2016, the thresholds were not met for the five A320neo aircraft and, therefore, we are paying maintenance reserves until the thresholds are met. The leases for the five A320neo aircraft expire by 2030. The thresholds were met for the four A320ceos.

(b) Leases requiring maintenance reserves to be paid are scheduled to expire at the end of 2022.

Our lease agreements with maintenance reserve requirements provide that maintenance reserves are reimbursable to us upon completion of the maintenance event in an amount equal to the lesser of either (1) the amount of the maintenance reserve held by the lessor associated with the specific maintenance event or (2) the qualifying costs related to the specific maintenance event. Substantially all of these maintenance reserve payments are calculated based on a utilization measure, such as flight hours or cycles and are used solely to collateralize the lessor for maintenance time run off the aircraft until the completion of the maintenance of the aircraft. We retain the risk for the actual cause of the event.

At lease inception and at each balance sheet date, we assess whether the maintenance reserve payments required by the lease agreements are substantively and contractually related to the maintenance of the leased asset. Maintenance reserve payments that are substantively and contractually related to the maintenance of the leased asset are accounted for as maintenance deposits. Maintenance reserves expected to be recovered from lessors are reflected as aircraft maintenance deposits on our balance sheets. When it is not probable we will recover amounts currently on deposit with a lessor, such amounts are expensed as supplemental rent.

We make various assumptions to determine the recoverability of maintenance reserves, such as the estimated time between the maintenance events, the date the aircraft is due to be returned to the lessor and the number of flight hours and cycles the aircraft is estimated to be utilized before it is returned to the lessor. Changes in estimates are accounted for on a cumulative catch-up basis.

Certain of our lease agreements also provide that some or all of the maintenance reserves held by the lessor at the expiration of the lease are nonrefundable to us and will be retained by the lessor. Consequently, we have determined that any usage-based maintenance reserve payments after the last major maintenance event are not

substantively related to the maintenance of the leased asset and, therefore, are accounted for as supplemental rent. We expect to incur maintenance reserves after the last major maintenance events resulting in higher rent expense in the final years of applicable leases. Maintenance reserves held by lessors that are refundable to us at the expiration of the lease are accounted for as aircraft maintenance deposits on the balance sheet when they are paid and offset any related lease return costs.

Leased Aircraft Return Costs

Our aircraft lease agreements often contain provisions that require us to return aircraft airframes and engines to the lessor in a specified condition or pay an amount to the lessor based on the actual return condition of the equipment. Leased return costs are recorded as a component of aircraft rent and are characterized as maintenance reserves. Our accrual is based on the time remaining on the lease, planned aircraft usage and the provisions included in the lease agreement, although the actual amount due to any lessor upon return will not be known with certainty until lease termination.

Lease return costs include all costs that would be incurred at the return of the aircraft including costs incurred to repair the airframe and engines to the required condition as specified by the lease. Lease return costs could include, but are not limited to, redelivery cost, redelivery crew cost, final inspections, reconfiguration of the cabin, repairs to the airframe and airframe overhauls, painting, overhaul of engines, replacement of components and fuel. Such estimated costs exclude the costs of maintenance events that are covered by reserves on deposit with the relevant lessor or routine maintenance costs that are recorded in maintenance expense.

Lease return costs are recognized beginning when it is probable that such costs will be incurred and they can be estimated. Incurrence of lease return costs becomes probable and the amount of those costs can typically be estimated near the end of the lease term. When determining probability and estimated cost, there are various factors that need to be considered such as the current condition of the aircraft, the age of the aircraft at lease expiration, the number of hours run on the engines, the number of cycles run on the airframe, the projected number of hours run on the engine at the time of return, the number of projected cycles run on the airframe at the time of return, the extent of repairs needed, if any, at return, the return location, the current configuration of the aircraft, the current paint of the aircraft, the estimated escalation of cost of repairs and materials at the time of return and the current flight hour agreement rates.

In addition, typically near the lease return date, the lessors may allow reserves to be applied as return condition consideration or pass on certain return provisions if they do not align with their current plans to remarket the aircraft. When costs become both probable and estimable, they are accrued on a straight-line basis as contingent rent through the remaining lease term. Because we expect return costs to be estimable near the end of the lease term, contingent rent for related aircraft will be higher near the end of the lease term. We expect to incur significant return costs in the remainder of 2017 and 2018 because the leases for five and 13, respectively, of our aircraft that we acquired from our predecessor are scheduled to terminate. In certain circumstances, such operating leases may be extended. We cannot estimate such costs with precision because they depend on a number of operating and other factors, including aircraft utilization, the result of aircraft inspections and the actual cost of maintenance events or other costs related to the return of a given aircraft.

Measurement of Asset Impairment

Our indefinite-lived intangible assets consist of take-off and landing slots at LaGuardia Airport (LGA) and Ronald Reagan Washington National Airport (DCA) and trademarks. Because we have determined these are intangible assets with indefinite lives, we apply a fair value-based impairment test to the carrying value of such intangible assets annually on October 1st, or more frequently if certain events or circumstances indicate that an impairment loss may have been incurred. We assess the value of indefinite-lived assets under either a qualitative or quantitative approach. Under a qualitative approach, we consider various market factors, including applicable key assumptions listed below. These factors are analyzed to determine if events and circumstances have affected

the fair value of indefinite-lived intangible assets. If we determine that it is more likely than not that the value of an indefinite-lived intangible asset is impaired, the quantitative approach is used to assess the asset's fair value and the amount of the impairment. If the asset's carrying value exceeds its fair value calculated using the quantitative approach, an impairment charge is recorded for the difference in fair value and carrying value.

Factors which could result in future impairment of owned landing slots include, but are not limited to, an unfavorable change in competition in the slotted airport or a nearby airport and significantly higher prices for jet fuel. As part of this evaluation, we assess whether changes in macroeconomic conditions, industry and market conditions, cost factors, overall financial performance and certain events specific to us have occurred which would impact the use and/or fair value of these assets.

Based on our unaudited qualitative analysis performed during the first quarter of 2017, we concluded it is more likely than not that the fair values of our indefinite-lived intangibles assets are greater than the carrying amount. Therefore, a quantitative analysis was not necessary and no impairment was recorded.

Finite-lived intangible assets consist primarily of our affinity credit card program relationship established in connection with our acquisition by Indigo and are amortized over their estimated economic useful lives.

We record impairment charges on long-lived assets used in operations and finite-lived intangible assets when events and circumstances indicate that the assets may be impaired, the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets and the net book value of the assets exceeds their estimated fair value. In making these determinations, we use certain assumptions, including, but not limited to, estimated fair value of the assets and estimated undiscounted future cash flows expected to be generated by these assets, which are based on additional assumptions, such as expected asset utilization, expected length of service the asset will be used in our operations and estimated salvage values. No impairment charges were recorded in the three months ended March 31, 2017 or 2016, or the years ended December 31, 2016, 2015 or 2014.

Derivative Instruments

Our results of operations can vary materially due to changes in the price and availability of aircraft fuel. We may enter into derivative contracts, such as purchased call options, collars or swaps, in order to reduce our exposure to fuel price increases. Derivative instruments are stated at fair value, net of any collateral postings.

Beginning in 2015, we formally designated and accounted for the derivative instruments that met established accounting criteria under U.S. GAAP as cash flow hedges. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instruments is recorded in accumulated other comprehensive income/loss, or AOCI/L, a component of stockholders' equity in the consolidated balance sheets. In general, we recognize the associated gains or losses deferred in AOCI/L as a component of aircraft fuel expense in the period that the jet fuel is consumed. Ineffectiveness, if any, related to our changes in estimates about the forecasted transaction is recognized directly in earnings during the period incurred. For derivative instruments that are not designated as cash flow hedges, the gain or loss on the instrument is recognized in current period earnings. We did not have any derivative instruments designated as cash flow hedges during the year ended December 31, 2014.

Stock-Based Compensation

On December 3, 2013, to give effect to the reorganization of our corporate structure in connection with the acquisition by Indigo, an agreement was reached to amend and restate a phantom equity agreement that was in place with our predecessor and Frontier pre-acquisition. Under the terms of this agreement, the pilots employed by Frontier in June 2011, when an amendment to the underlying collective bargaining agreement was approved, who we refer to as the Participating Pilots, through their agent, FAPAInvest, LLC, received phantom equity units

which were the economic equivalent of 231,000 shares of our common stock, representing 4% of our common stock as of June 30, 2014. Each unit constitutes the right to receive common stock or cash in connection with certain events, including a qualifying initial public offering, such stock to be distributed or cash paid to the Participating Pilots in installments in 2020 and 2022 (such as this offering) based on a predetermined formula. The phantom equity units are required to be paid in cash absent a qualifying initial public offering. The phantom equity units were fully vested at December 31, 2016 and are subject to adjustment for certain events, including cash dividends declared with respect to our common stock.

In August 2011, Frontier obtained concessions from its flight attendants in exchange for a contingent contractual equity participation in Frontier, which was subject to performance conditions. At December 31, 2016 and 2015, the performance conditions giving rise to the contingent equity participation in Frontier for the flight attendants had not been achieved. Therefore, no liability or corresponding stock-based compensation had been recorded for these periods. On March 15, 2017, Frontier entered into the LOA with the union representing our flight attendants (AFA-CWA). The LOA was the result of a negotiation between Frontier and the AFA-CWA and extinguishes the flight attendants' contingent contractual equity participation in Frontier by providing a $40 million aggregate cash settlement of their contingent contractual equity participation in Frontier, payable by Frontier to participating flight attendants over a six-month period commencing June 1, 2017. The $40 million settlement and related payroll taxes of $3 million are reflected within salaries, wages and benefits in the consolidated statement of operations for the three months ended March 31, 2017. The resulting $43 million charge is accrued for within other current liabilities in the consolidated balance sheet as of March 31, 2017.

We also grant stock options and restricted stock awards to the members of our board of directors and certain employees and consultants. Our policy is to grant options with an exercise price equal to the fair market value of the underlying common stock on the date of grant. During the three months ended March 31, 2017 and 2016, 5,375 and 49,250 stock options were granted, respectively, and no restricted stock awards were issued. During the year ended December 31, 2016, 53,475 stock options were granted and 1,455 shares of restricted stock awards were issued. Generally, stock options vest over four years. As of March 31, 2017, there was $5 million of total unrecognized compensation cost related to share-based grants to be recognized over approximately two years.

We measure and recognize compensation expense related to all stock-based awards, including stock options, based on their estimated fair value on the grant date for awards to employees. The fair value of each stock-based award is estimated on the grant date using the Black-Scholes option-pricing model. Restricted stock awards are valued at the fair value of the shares on the date of grant. We recognize stock-based compensation expense, net of forfeitures, on a straight-line basis over the requisite service periods of the awards, which are generally four years. Forfeitures are recognized as they occur. We account for phantom stock units using the liability method because our phantom stock units can be redeemed for either cash or common stock. Fair value is re-measured at the end of each reporting period and is based on our common stock valuation. Compensation expense for phantom stock units is recognized on a straight-line basis over the vesting period based on the award's estimated fair value.

Common Stock Valuation

We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. As described below, the exercise price of our stock-based awards was determined by our board of directors based, in part, on the most recent third-party valuation report obtained by our board of directors as of the grant date. There were significant judgments and estimates inherent in these valuations, which included assumptions regarding our future operating performance, the time to complete an initial public offering or other liquidity event and the determinations of the appropriate valuation methods to be applied. If we had made different estimates or assumptions, our stock-based compensation expense, net income and net income per share could have been significantly different.

Given the absence of a public trading market for our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation, our board of directors exercised judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock, including the most recent third-party valuation report obtained by our board of directors as of the grant date, the value of our tangible and intangible assets, the present value of future cash flows, the market value of similar companies engaged in substantially similar business, particularly those which are at similar stages of development, discounts for lack of common stock liquidity, our development stage and our anticipated operating results.

Our enterprise value was estimated by using market multiples and a discounted cash flow analysis based on plans and estimates used by management to manage the business. We evaluated comparable publicly-traded companies in the airline industry. We used market multiples after considering the risks associated with the strategic shift in our business, the availability of financing, labor relations and an intensely competitive industry. The estimated value was then discounted by a non-marketability factor due to the fact that stockholders of private companies do not have access to trading markets similar to those available to stockholders of public companies, which impacts liquidity.

The determination of the fair values of our non-public common stock and stock-based awards are based on estimates and forecasts described above that may not reflect actual market results. These estimates and forecasts require us to make judgments that are highly complex and subjective. Additionally, past valuations relied on reference to other companies for the determination of certain inputs. After completion of this offering, future stock-based grant values will be based on quoted market prices.

Results of Operations

Three Months Ended March 31, 2017 Compared to Three Months Ended March 31, 2016

Our capacity, as measured by ASMs, increased by 21% for the three months ended March 31, 2017, as compared to the corresponding prior year period, as a result of changes to our seat density, a strategic shift toward larger aircraft in our fleet and an increase in our average number of aircraft in service, from 59 in the three months ended March 31, 2016 to 65 in the three months ended March 31, 2017. Our total revenue per available seat mile declined from 9.13¢ to 8.81¢, or 4%, reflecting competitive pricing actions as a result of capacity growth, relatively low fuel prices and Easter weekend falling in April. While fuel prices have remained historically low, our fuel costs increased by $39 million, or 32% on a per ASM basis, due primarily to an increase in the fuel cost per gallon from $1.32 to $1.88 per gallon. Our fuel gallons consumed increased by 13%, significantly less than our 21% increase in available seat miles, due to the impact of larger aircraft, more fuel-efficient aircraft and higher seat density. As a result of the continuation of our disciplined approach to cost control, we reduced our Adjusted CASM (excluding fuel) from 5.90¢ to 5.50¢.

The results for the three months ended March 31, 2017 include a charge of $43 million related to the negotiated settlement of our flight attendants' contingent contractual equity participation in Frontier. The results for the three months ended March 31, 2017 includes $18 million of expenses related to the pilot's phantom equity resulting from an increase in our equity valuation as well as the expense associated with the $7 million they were entitled to receive pursuant to the Pilot Phantom Equity Agreement as a result of the $165 million dividend declared in February 2017. During the three months ended March 31, 2016, the pilot phantom equity related expenses totaled $10 million and we incurred $7 million of costs related to our Lease Modification Program. The aforementioned expenses incurred during the three months ended March 31, 2017 generated a breakeven result for the quarter as compared to net income of $30 million during the prior year period. Adjusted net income totaled $39 million and $41 million for the three months ended March 31, 2017 and 2016, respectively. The decrease of $2 million in our Adjusted net income is primarily the result of the $39 million higher fuel costs in the three months ended March 31, 2017 as compared to the prior year and total revenue per available seat mile declined by 4% reflecting competitive pricing actions. These impacts were substantially offset

by a $62 million, or 17%, increase in total revenue less a $30 million, or 13%, increase in operating expenses (excluding fuel) resulting from capacity growth of 21% in the three months ended March 31, 2017 as compared to the prior year period.

Operating Revenues

	Three Months Ended March 31,			
Operating revenues ($ in millions):	**2016**	**2017**	**Change**	
Passenger	$ 219	$ 234	$ 15	7%
Non-ticket	149	196	47	32%
Total operating revenues	**$ 368**	**$ 430**	**$ 62**	**17%**
Operating statistics:				
Available seat miles (millions)	4,034	4,882	848	21%
Revenue passenger miles (millions)	3,534	4,201	667	19%
Average stage length (statute miles)	1,074	1,124	50	5%
Load factor	87.6%	86.0%	(1.6) pts	N/A
Total revenue per available seat mile (RASM)	9.13¢	8.81¢	(0.32)¢	(4%)
Total revenue per passenger	$ 112.83	$ 115.85	$ 3.02	3%
Passengers (thousands)	3,263	3,711	448	14%

Total revenue increased $62 million, or 17%, for the three months ended March 31, 2017 as compared to the corresponding prior year period. The increase was due to a $47 million, or 32%, increase in non-ticket revenue and a $15 million, or 7%, increase in passenger revenue. Total revenue per available seat mile declined by 4% reflecting competitive pricing actions as a result of 21% capacity growth and Easter weekend falling in April. The increase in our non-ticket revenue was due to higher convenience booking fees in the first quarter of 2017 as compared to the prior year along with higher baggage and seat revenue. For a further discussion of non-ticket revenue, see Note 1 to our consolidated financial statements.

During the first quarter of 2017, we added a net of two new aircraft to the fleet, opened two new routes and announced new routes to San Juan, Puerto Rico beginning in June 2017. In March 2017, we announced that we intend to discontinue service to Cuba in June 2017 due to inadequate traffic.

Our capacity, as measured by ASMs, increased by 21% for the three months ended March 31, 2017, as compared to the corresponding prior year period, as a result of changes to our seat density, a strategic shift toward larger aircraft in the fleet and an increase in our average aircraft in service from 59 in the three months ended March 31, 2016 to 65 in the three months ended March 31, 2017.

Operating Expenses

Operating expenses ($ in millions):	Three months Ended March 31, 2016	2017	Change		Cost per ASM 2016	2017	Change %
Aircraft fuel	$ 63	$ 102	$ 39	62%	1.57¢	2.08¢	32%
Salaries, wages and benefits	71	133	62	87%	1.76	2.72	55%
Station operations	53	53	—	—	1.31	1.09	(17%)
Aircraft rent	50	59	9	18%	1.24	1.21	(2%)
Sales and marketing	17	19	2	12%	0.42	0.39	(7%)
Maintenance materials and repairs	14	14	—	—	0.35	0.29	(17%)
Depreciation and amortization	18	13	(5)	(28%)	0.45	0.27	(40%)
Other operating expenses	32	39	7	22%	0.79	0.81	3%
Total operating expenses	**$ 318**	**$ 432**	**$ 114**	**36%**	**7.89¢**	**8.86¢**	**12%**
Operating statistics:							
Available seat miles (millions)	4,034	4,882	848	21%			
Average stage length (statute miles)	1,074	1,124	50	5%			
Departures	22,248	23,647	1,399	6%			
CASM (excluding fuel)	6.32¢	6.78¢	0.46¢	7%			
Adjusted CASM (excluding fuel)	5.90¢	5.50¢	(0.40)¢	(7%)			
Fuel cost per gallon	$ 1.32	$ 1.88	$ 0.56	42%			
Fuel gallons consumed (thousands)	47,812	54,187	6,375	13%			

Reconciliation of CASM to Adjusted CASM (excluding fuel):

	Three months Ended March 31, 2016 (in millions)	Per ASM	2017 (in millions)	Per ASM
CASM		**7.89¢**		**8.86¢**
Aircraft fuel	$ (63)	(1.57)	$ (102)	(2.08)
CASM (excluding fuel)		**6.32¢**		**6.78¢**
Pilot phantom equity[a]	(10)	(0.25)	(18)	(0.37)
Salaries, wages and benefits—flight attendant settlement[b]	—	—	(43)	(0.89)
Salaries, wages and benefits—other[c]	—	—	(1)	(0.02)
Lease Modification Program[d]:				
Depreciation	(6)	(0.15)	—	—
Aircraft rent	(1)	(0.02)	—	—
Adjusted CASM (excluding fuel)		**5.90¢**		**5.50¢**

(a) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."
(b) Represents the $43 million expense relating to the LOA entered into with the union representing our flight attendants (AFA-CWA) on March 15, 2017. See "—Critical Accounting Estimates—Stock Based Compensation."
(c) Represents expenses associated with the ratification of labor agreements.
(d) Represents depreciation of $6 million and aircraft rent of $1 million for the three months ended March 31, 2016 related to the Lease Modification Program. See "Fleet Plan."

Aircraft Fuel. Aircraft fuel expense increased by $39 million, or 62%, during the three months ended March 31, 2017, as compared to the corresponding prior year period. On a per-ASM basis, aircraft fuel expense increased by 32%. The increase was primarily due to a 42% increase in the fuel cost per gallon, which was partly

offset by the introduction of more fuel efficient aircraft. Our fuel gallons consumed increased by 13%, significantly less than our 21% increase in available seat miles, due to the impact of larger aircraft, more fuel-efficient aircraft, higher seat density and lighter weight seats.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by $62 million, or 87%, during the three months ended March 31, 2017, as compared to the corresponding prior year period. Salaries, wages and benefits include a $43 million expense related to the negotiated settlement of our flight attendants' equity participation in Frontier and $1 million of one-time expenses related to the ratification of the maintenance contract in February 2017. In addition, we incurred charges of $18 million and $10 million during the three months ended March 31, 2017 and 2016, respectively, for pilot phantom equity based upon valuation adjustments in both periods and incremental vesting during the prior year period. Excluding the impact of the settlement with the flight attendants, ratification of the maintenance contract and the pilot phantom equity, salaries, wages and benefits increased by $10 million, or 16%, largely reflecting new hire pilots and flight attendants to support capacity growth.

Station Operations. Station operations expense did not change during the three months ended March 31, 2017, as compared to the corresponding prior year period, and station operations expense per ASM decreased by 17%, as a result of more favorable weather and our continued focus on cost control.

Aircraft Rent. Aircraft rent expense increased by $9 million, or 18%, during the three months ended March 31, 2017, as compared to the corresponding prior year period, primarily as a result of the addition of new, larger aircraft. As of March 31, 2017, our fleet size totaled 68 aircraft and was comprised of 26 A320s, 21 A319s, 16 A321s and five A320neos. During the three months ended March 31, 2016, our fleet size totaled 59 aircraft and was comprised of 30 A319s, 23 A320s and six A321s.

Sales and Marketing. Sales and marketing expense increased by $2 million, or 12%, and decreased on a per ASM basis by 7% during the three months ended March 31, 2017, as compared to the corresponding prior year period, primarily due to a decrease in booking fees as a result of a higher proportion of bookings on our website, our lowest cost distribution channel, this decrease was partly offset by credit card fees relating to higher sales. The following table presents our distribution channel mix:

	Three months Ended March 31,		
Distribution Channel	**2016**	**2017**	**Change**
Our website, mobile app and other direct channels	62%	67%	5 pts
Third-party channels	38	33	(5)

Maintenance Materials and Repairs. Maintenance materials and repair costs did not change during the three months ended March 31, 2017, as compared to the corresponding prior year period. These costs decreased by 17% on an ASM basis. This decrease was primarily due to the timing and mix of maintenance events as well as the timing of new aircraft deliveries, which resulted in lower cost events in the three months ended March 31, 2017 as compared to the corresponding prior year period.

Depreciation and Amortization. Depreciation and amortization expense decreased by $5 million, or 28%, and decreased on a per ASM basis by 40% during the three months ended March 31, 2017, as compared to the corresponding prior year period. This decrease was primarily due to the impact of our Lease Modification Program during 2016, which was partly offset by increased heavy maintenance activity. Our Lease Modification Program resulted in additional depreciation of $6 million during the three months ended March 31, 2016 due to our accelerated lease returns.

Other Operating Expenses. Other operating expenses increased by $7 million, or 22%, and increased on a per ASM basis by 3% during the three months ended March 31, 2017, as compared to the corresponding prior year period, due to higher aircraft utilization and larger and higher density aircraft.

Other Expense

Other expense decreased from $1 million in the three months ended March 31, 2016 to $0 million in the three months ended March 31, 2017 due to interest earned on a larger cash balance in the three months ended March 31, 2017.

Income Taxes

In the three months ended March 31, 2017, our effective tax rate was 89.3% as compared to 38.6% in the three months ended March 31, 2016. The tax benefit during the three months ended March 31, 2017 that was applied to our $2 million loss before taxes included a $1 million excess tax benefit associated with stock option repurchases during the quarter. Our tax rate will vary depending on the amount of income we earn in each state and the state tax rate applicable to such income.

Year ended December 31, 2016 Compared to Year ended December 31, 2015

We had net income of $200 million in 2016 as compared to net income of $146 million in 2015. In 2016, we had operating income of $317 million as compared to operating income of $233 million in 2015. Our 2016 results reflected the full year impact of our strategic decisions to change our route network and revenue management strategy by reducing our Denver concentration to mitigate seasonality, change in our pricing and fee structure, increase our seat density using lightweight, slim-line seats, execute our fleet plan, transition to third-party specialists for services such as our ground handling, call center and catering, and change our hedging strategy to use out-of-the-money call options.

Our 2016 financial results reflect the execution of our strategy to stimulate demand by passing on a portion of our cost reductions to our customers. As we executed on our strategy, we incurred a number of special charges during 2015 and 2016. Our Lease Modification Program, pursuant to which we amended the operating leases for 10 A319 aircraft, resulted in a special charge of $43 million during 2015 as well as accelerated depreciation of $12 million and $17 million and rent-related expenses of $4 million and $7 million during 2016 and 2015, respectively, due to the significantly shortened lease terms on the 10 A319 aircraft included in this program. We also incurred $40 million and $43 million in non-cash compensation expense in 2016 and 2015, respectively, related to the increased value in and incremental vesting of phantom stock units awarded to the Participating Pilots.

In 2016, we continued our disciplined and aggressive approach to cost control. Our increased seat density in 2016 resulted in lower unit costs. From 2015 to 2016, our Adjusted CASM (excluding fuel) decreased by 7% to 5.43¢ as a result of our strategic initiative implementation. In addition, we had a 16% reduction in fuel cost per gallon.

Operating Revenues

Operating revenues ($ in millions):	Year ended December 31, 2015	2016	Change	
Passenger	$ 1,203	$ 988	$ (215)	(18%)
Non-ticket	401	726	325	81%
Total operating revenues	**$ 1,604**	**$ 1,714**	**$ 110**	**7%**
Operating statistics:				
Available seat miles (millions)	15,229	18,366	3,137	21%
Revenue passenger miles (millions)	13,400	16,015	2,615	20%
Average stage length (statute miles)	1,002	1,060	58	6%
Load factor	88.0%	87.2%	(0.8) pts	N/A
Total revenue per available seat mile (RASM)	10.53¢	9.33¢	(1.20)¢	(11%)
Total revenue per passenger	$ 121.66	$ 114.72	$ (6.94)	(6%)
Passengers (thousands)	13,184	14,937	1,753	13%

Total revenue increased by $110 million, or 7%, from 2015 to 2016 due to a $325 million or 81% increase in non-ticket revenue from 2015 to 2016, partially offset by a $215 million, or 18%, decrease in passenger revenue. Total revenue per available seat mile declined by 11% reflecting competitive pricing actions as a result of capacity growth and lower fuel prices, along with a $71 million decrease in our charter revenue due to our decision to largely exit the charter business by the end of 2016. The impact of the competitive pricing actions along with the decrease in charter revenue were the primary contributors to the 18% decrease in passenger revenue.

The increase in our non-ticket revenue was primarily due to the full-year impact of changes made in 2015 to our pricing and fee structure and product offerings that resulted in a $185 million increase in service fees and an $87 million increase in baggage fees. These changes included the introduction of convenience booking fees in the second half of 2015 as well as changes to our baggage pricing structure during the first half of 2015. The remaining increase in non-ticket revenue was driven by an increase in seat selection fees and various other non-ticket revenue sources. Our capacity, as measured by ASMs, increased by 21% in 2016 as compared to 2015 as a result of changes to our seat density, a strategic shift toward larger aircraft in the fleet and an increase in our average aircraft in service from 56 in 2015 to 61 in 2016. For a further discussion of non-ticket revenue, see Note 1 to our consolidated financial statements.

During 2016, we added a net of five new aircraft to the fleet, opened over 80 new routes and introduced routes to Colorado Springs, Columbus, San Antonio, Havana and Pittsburgh. This change has not only diversified our revenue sources but provided us with the network footprint which we believe will allow us to stimulate demand over time in underserved markets. In March 2017, we announced that we intend to discontinue service to Cuba in June 2017 due to inadequate traffic.

Operating Expenses

Operating expenses ($ in millions):	Year Ended December 31, 2015	2016	Change		Cost per ASM 2015	2016	Change %
Aircraft fuel	$ 369	$ 343	$ (26)	(7%)	2.43¢	1.87¢	(23%)
Salaries, wages and benefits	285	287	2	1%	1.87	1.56	(17%)
Station operations	202	228	26	13%	1.33	1.24	(7%)
Aircraft rent	171	209	38	22%	1.12	1.14	2%
Sales and marketing	79	72	(7)	(9%)	0.52	0.39	(25%)
Maintenance materials and repairs	50	48	(2)	(4%)	0.33	0.26	(21%)
Depreciation and amortization	54	75	21	39%	0.35	0.41	17%
Special charges	43	—	(43)	(100%)	0.28	—	(100%)
Other operating expenses	118	135	17	14%	0.78	0.74	(5%)
Total operating expenses	**$ 1,371**	**$ 1,397**	**$ 26**	**2%**	**9.01¢**	**7.61¢**	**(16%)**
Operating statistics:							
Available seat miles (millions)	15,229	18,366	3,137	21%			
Average stage length (statute miles)	1,002	1,060	58	6%			
Departures	97,222	99,369	2,147	2%			
CASM (excluding fuel)	6.58¢	5.74¢	(0.84)¢	(13%)			
Adjusted CASM (excluding fuel)	5.86¢	5.43¢	(0.43)¢	(7%)			
Fuel cost per gallon	$ 1.90	$ 1.59	$ (0.31)	(16%)			
Fuel gallons consumed (thousands)	194,846	215,830	20,984	11%			

Reconciliation of CASM to Adjusted CASM (excluding fuel):

	2015 *(in millions)*	2015 Per ASM	2016 *(in millions)*	2016 Per ASM
CASM		**9.01¢**		**7.61¢**
Aircraft fuel	$ (369)	(2.43)	$ (343)	(1.87)
CASM (excluding fuel)		**6.58¢**		**5.74¢**
Pilot phantom equity[a]	(43)	(0.28)	(40)	(0.22)
Lease Modification Program[b]:				
Special charge	(43)	(0.28)	—	—
Depreciation	(17)	(0.11)	(12)	(0.07)
Aircraft rent	(7)	(0.05)	(4)	(0.02)
Adjusted CASM (excluding fuel)		**5.86¢**		**5.43¢**

(a) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

(b) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation of $12 million and $17 million in 2016 and 2015, respectively, and aircraft rent of $4 million and $7 million in 2016 and 2015, respectively, as a result of significantly shortened lease terms with respect to such aircraft.

Aircraft Fuel. Aircraft fuel expense decreased by $26 million, or 7%, from 2015 to 2016. On a per-ASM basis, aircraft fuel expense decreased by 23% from 2015 to 2016. The decrease was primarily due to a 16% decline in the fuel cost per gallon offset, in part, by an increase in our fuel consumption. Our fuel gallons

consumed increased by 11%, significantly less than our 21% increase in available seat miles, due to the impact of larger aircraft, more fuel-efficient aircraft, higher seat density and lighter weight seats.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by $2 million, or 1%, from 2015 to 2016. Salaries, wages and benefits expense per ASM decreased by 17% from 2015 to 2016. We incurred charges of $40 million and $43 million during 2016 and 2015, respectively, for pilot phantom stock units based upon incremental vesting and valuation adjustments. Excluding the impact of pilot phantom equity, salaries, wages and benefits increased by $5 million, or 2%, largely reflecting new hire pilots and flight attendants to support capacity growth.

Station Operations. Station operations expense increased by $26 million, or 13%, from 2015 to 2016, primarily due to increases in passenger volume and aircraft size and changes to our route network to reduce our concentration in Denver, which resulted in an increase in the overall number of ground handlers required across our route network. Station expense per ASM decreased by 7% from 2015 to 2016.

Aircraft Rent. Aircraft rent expense increased by $38 million, or 22%, from 2015 to 2016 primarily as a result of increased lease return costs as more of our fleet approached the end of lease term along with the associated higher unrecoverable maintenance costs and higher rent associated with larger aircraft. In addition, our fleet size increased by five aircraft during 2016 to 66 aircraft, comprised of 27 A320s, 22 A319s, 13 A321s and four A320neos in 2016 compared to 33 A319s, 23 A320s, and five A321s in 2015. Aircraft rent expense per ASM increased by 2% from 2015 to 2016 due to our increased utilization.

Sales and Marketing. Sales and marketing expense decreased by $7 million, or 9%, and decreased on a per ASM basis by 25% from 2015 to 2016, primarily due to the full-year impact of new distribution contracts executed during 2015 and a decrease in booking fees as a result of a higher proportion of bookings on our website, our lowest cost distribution channel. These benefits were offset, in part, by credit card fees relating to higher sales. The following table presents our distribution channel mix:

	Year Ended December 31,		
Distribution Channel	**2015**	**2016**	**Change**
Our website, mobile app and other direct channels	58%	63%	5 pts
Third-party channels	42	37	(5)

Maintenance Materials and Repairs. Aircraft maintenance costs decreased by $2 million, or 4%, from 2015 to 2016 and aircraft maintenance expense per ASM decreased by 21% from 2015 to 2016. This decrease was primarily due to a slight reduction in the average age of our fleet, which resulted in a favorable timing and mix of maintenance events.

Depreciation and Amortization. Depreciation and amortization expense increased by $21 million, or 39%, from 2015 to 2016. Depreciation and amortization per ASM increased by 17% from 2015 to 2016. This increase was primarily due to increased heavy maintenance activity relating to aircraft being returned to our lessors. Our Lease Modification Program resulted in additional depreciation of $12 million and $17 million in 2016 and 2015, respectively, for our accelerated lease returns.

Special Charges. We incurred special charges of $43 million during 2015 related to our Lease Modification Program as described in “—Fleet Plan.” Special charges were 0.28¢ per ASM in 2015.

Other Operating Expenses. Other operating expenses increased by $17 million, or 14%, from 2015 to 2016 while other operating expenses per ASM decreased by 5% from 2015 to 2016 due to higher aircraft utilization and larger and higher density aircraft.

Other Expense

Other expense decreased from $5 million in 2015 to $1 million in 2016 due to interest earned on our growing cash balance and lower net interest expense in 2016 compared to 2015 due to higher amounts of capitalized interest in 2016.

Income Taxes

In 2016, our effective tax rate was 36.6% as compared to 36.2% in 2015. Our tax rate can vary depending on the amount of income we earn in each state and the state tax rate applicable to such income.

Year ended December 31, 2015 Compared to Year ended December 31, 2014

Following the 2013 acquisition, we implemented our strategy of *Low Fares Done Right*, which significantly reduced our cost base in 2015 over 2014 by increasing aircraft utilization, transitioning our fleet to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our reservation system, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services.

Our 2015 financial results reflect the execution of our *Low Fares Done Right* strategy to stimulate demand by passing on a portion of our cost reductions to our customers. As we executed our strategic shift, we incurred a number of special charges during 2014 and 2015. Our Lease Modification Program resulted in a special charge of $43 million during 2015 as well as accelerated depreciation of $17 million and rent-related expenses of $7 million during 2015 due to the significantly shorter lease terms. We incurred $43 million in non-cash compensation expense related to the increased value in and incremental vesting of phantom stock units awarded to our pilots in 2015 as compared to $6 million in 2014.

In 2015, we continued our disciplined approach to cost control. Our increased seat density in 2015 resulted in lower unit costs. From 2014 to 2015, our Adjusted CASM (excluding fuel) decreased by 12% to 5.86¢ as a result of our strategic initiative implementation. In addition, we had a 42% reduction in fuel cost per gallon.

Operating Revenues

	Year ended December 31,			
Operating revenues ($ in millions):	**2014**	**2015**	**Change**	
Passenger	$ 1,328	$ 1,203	$ (125)	(9%)
Non-ticket	265	401	136	51%
Total operating revenues	**$ 1,593**	**$ 1,604**	**$ 11**	**1%**
Operating statistics:				
Available seat miles (millions)	12,332	15,229	2,897	23%
Revenue passenger miles (millions)	11,152	13,400	2,248	20%
Average stage length (statute miles)	897	1,002	105	12%
Load factor	90.4%	88.0%	(2.4) pts	N/A
Total revenue per available seat mile (RASM)	12.92¢	10.53¢	(2.39)¢	(18%)
Total revenue per passenger	$ 130.52	$ 121.66	$ (8.86)	(7%)
Passengers (thousands)	12,203	13,184	981	8%

Total revenue remained relatively consistent from 2014 to 2015, with the $136 million, or 51%, increase in non-ticket revenue substantially offset by a $125 million, or 9%, decrease in passenger revenue. Total revenue per ASM declined by 18% reflecting competitive pricing actions, capacity growth, and lower fuel prices.

During 2015, we changed our route network to reduce our concentration in the Denver area and increase our presence in Philadelphia, Chicago O'Hare, Cleveland, Cincinnati and Washington Dulles. This change has not only diversified our revenue sources but provided us with the network footprint which we believe will allow us to stimulate demand over time in underserved markets.

The increase in our non-ticket revenue was due in part to the changes to our pricing and fee structure and product offerings. We changed our baggage pricing structure in the first half of 2015 and introduced convenience booking fees in the second half of 2015, both of which resulted in increased non-ticket revenue in 2015. In addition, we increased our non-ticket revenue as a result of changes in our baggage, booking and *Stretch* seat fees. In 2015, we had a full-year of carry-on baggage fee revenue, which we introduced in the second half of 2014. Our capacity, as measured by ASMs, increased by 23% in 2015 as compared to 2014 as a result of changes to our seat density, a strategic shift toward larger aircraft in the fleet and an increase in our average aircraft in service from 54 in 2014 to 56 in 2015. In the second half of 2015, we began flying five 230 seat A321 aircraft. The increase was partially offset by a decrease in charter revenue from 7% of our revenue in 2014 to 5% of our revenue in 2015 due to our decision to significantly reduce our charter business. For a further discussion of non-ticket revenue, see Note 1 to our consolidated financial statements.

Operating Expenses

	Year Ended December 31,				Cost per ASM		Change
Operating expenses ($ in millions):	**2014**	**2015**	**Change**		**2014**	**2015**	**%**
Aircraft fuel	$ 538	$ 369	$ (169)	(31%)	4.36¢	2.43¢	(44%)
Salaries, wages and benefits	258	285	27	10%	2.09	1.87	(11%)
Station operations	162	202	40	25%	1.31	1.33	2%
Aircraft rent	147	171	24	16%	1.19	1.12	(6%)
Sales and marketing	87	79	(8)	(9%)	0.71	0.52	(27%)
Maintenance materials and repairs	39	50	11	28%	0.32	0.33	3%
Depreciation and amortization	29	54	25	86%	0.24	0.35	46%
Special charges	—	43	43	N/A	—	0.28	N/A
Other operating expenses	105	118	13	12%	0.85	0.78	(8%)
Total operating expenses	**$ 1,365**	**$ 1,371**	**$ 6**	**0%**	**11.07¢**	**9.01¢**	**(19%)**
Operating statistics:							
Available seat miles (millions)	12,332	15,229	2,897	23%			
Average stage length (statute miles)	897	1,002	105	12%			
Departures	92,184	97,222	5,038	5%			
CASM (excluding fuel)	6.71¢	6.58¢	(0.13)¢	(2%)			
Adjusted CASM (excluding fuel)	6.63¢	5.86¢	(0.77)¢	(12%)			
Fuel cost per gallon	$ 3.26	$ 1.90	$ (1.36)	(42%)			
Fuel gallons consumed (thousands)	164,845	194,846	30,001	18%			

(1) Reconciliation of CASM to Adjusted CASM (excluding fuel):

	Year Ended December 31,			
	2014		2015	
	(in millions)	Per ASM	*(in millions)*	Per ASM
CASM		**11.07¢**		**9.01¢**
Aircraft fuel	$ (538)	(4.36)	$ (369)	(2.43)
CASM (excluding fuel)		**6.71¢**		**6.58¢**
Pilot phantom equity[a]	(6)	(0.05)	(43)	(0.28)
Salaries, wages and benefits—severance[b]	(3)	(0.03)	—	—
Lease Modification Program[c]:				
Special charge	—	—	(43)	(0.28)
Depreciation	—	—	(17)	(0.11)
Aircraft rent	—	—	(7)	(0.05)
Adjusted CASM (excluding fuel)		**6.63¢**		**5.86¢**

(a) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See "Executive Compensation —Equity Compensation Plans—Pilot Phantom Equity Plan."

(b) Represents severance costs related to outsourcing of certain functions integral to our operations to third-party vendors as a part of the implementation of our new operating model.

(c) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation and aircraft rent of $17 million and $7 million, respectively, in 2015, as a result of significantly shortened lease terms with respect to such aircraft.

Aircraft Fuel. Aircraft fuel expense decreased by $169 million, or 31%, from 2014 to 2015. Aircraft fuel expense per ASM decreased by 44% from 2014 to 2015. The decrease was primarily due to a 42% decline in the fuel cost per gallon offset, in part, by an increase in our fuel consumption due to increased capacity. The decrease in our fuel cost per gallon was impacted by $35 million of unrealized losses on collars entered into during 2015 to hedge anticipated fuel purchases in 2016. Our fuel gallons consumed increased by 18%, less than our 23% increase in available seat miles, due to the impact of our new higher seating density, lighter weight seats and the continued introduction of larger aircraft.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by $27 million, or 10%, from 2014 to 2015. Salaries, wages and benefits expense per ASM decreased by 11% from 2014 to 2015. We incurred a non-cash charge of $43 million for pilot phantom stock units, an increase of $37 million as compared to 2014, based upon mark-to-market adjustments and incremental vesting. Excluding the impact of pilot equity, salaries, wages and benefits decreased by $10 million, or 4%, largely as a result of using a third-party vendor for ground handling services beginning in first quarter 2015.

Station Operations. Station operations expense increased by $40 million, or 25%, from 2014 to 2015, primarily due to higher capacity and increased utilization and use of the third-party vendors in Denver for customer service and ground handling. Station expense per ASM increased by 2% from 2015 to 2016 as a result of these changes.

Aircraft Rent. Aircraft rent expense increased by $24 million, or 16%, from 2014 to 2015 primarily as a result of increased lease return costs as more of our fleet approached the end of their lease term along with the associated higher unrecoverable maintenance costs and higher rent associated with larger aircraft introduced into the fleet. In addition, our fleet size increased by seven aircraft to 61 aircraft, comprised of 33 A319s, 23 A320s, and five A321s in 2015 compared to 54 aircraft, comprised of 34 A319s and 20 A320s in 2014. Aircraft rent expense per ASM decreased by 6% from 2014 to 2015 due to our increased utilization.

Sales and Marketing. Sales and marketing expense decreased by $8 million, or 9%, from 2014 to 2015, primarily due to the conversion of our call center to a different vendor, renegotiation of certain distribution agreements and rationalization of our sponsorships and media spending. This was offset, in part, by credit card fees relating to higher sales. Sales and marketing expense per ASM decreased by 27% from 2014 to 2015.

Maintenance Materials and Repairs. Aircraft maintenance costs increased by $11 million, or 28%, from 2014 to 2015 and aircraft maintenance expense per ASM increased by 3% from 2014 to 2015. This was primarily because of our timing and mix of maintenance events resulting in higher cost events in the current year period as compared to the prior year.

Depreciation and Amortization. Depreciation and amortization expense increased by $25 million, or 86%, from 2014 to 2015. Depreciation and amortization per ASM increased by 46% from 2014 to 2015. Our Lease Modification Program resulted in an additional $17 million of accelerated depreciation for our early lease returns. Additionally, there was an increase in heavy maintenance activity and the resulting depreciation relating to our aircraft redeliveries.

Special Charges. We incurred one-time special charges of $43 million related to our Lease Modification Program as described in "—Fleet Plan." Special charges were 0.28¢ per ASM in 2015.

Other Operating Expenses. Other operating expenses increased by $13 million, or 12%, from 2014 to 2015 while other operating expenses per ASM decreased by 8% from 2014 to 2015. This was primarily due to our cost focus while the capacity in the business increased from 2014 to 2015.

Other (Income) Expense

Other (income) expense remained relatively consistent from 2014 to 2015.

Income Taxes

In 2015, our effective tax rate was 36.2% as compared to 37.5% in 2014. Our tax rate can vary depending on recurring items such as the amount of income we earn in each state and the state tax rate applicable to such income.

Quarterly Financial Data and Operating Statistics (unaudited)

	Three months ended				
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017
	(in millions, except for share and per share data)				
Total operating revenue	**$ 368**	**$ 420**	**$ 490**	**$ 436**	**$ 430**
Passenger	219	251	281	237	234
Non-ticket	149	169	209	199	196
Operating income	**50**	**85**	**129**	**53**	**(2)**
Net Income	**$ 30**	**$ 53**	**$ 81**	**$ 36**	**$ —**
Earnings per share:					
Basic	$ 5.59	9.65	14.63	6.44	$ (0.65)
Diluted	$ 5.48	9.48	14.39	6.34	$ (0.65)
Weighted-average shares outstanding:					
Basic	5,243,374	5,231,951	5,236,301	5,236,301	5,236,301
Diluted	5,348,778	5,330,052	5,324,386	5,319,243	5,236,301

	Three months ended				
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017
			(in millions)		
Net income reconciliation (unaudited):					
Net income	30	53	81	36	—
Lease Modification Program	7	4	3	2	—
Pilot phantom equity	10	1	3	26	18
Salaries, wages and benefits—flight attendant settlement	—	—	—	—	43
Salaries, wages and benefits—other	—	—	—	—	1
Adjusted net income before income taxes	**$ 47**	**$ 58**	**$ 87**	**$ 64**	**$ 62**
Tax benefit related to underlying adjustments	(6)	(2)	(2)	(10)	(23)
Adjusted net income(1)	**$ 41**	**$ 56**	**$ 85**	**$ 54**	**$ 39**

(1) Adjusted net income is included as a supplemental disclosure because we believe it is a useful indicator of our operating performance. This derivation of net income is a well recognized performance measurement in the airline industry that is frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

Adjusted net income has limitations as an analytical tool. Some of the limitations applicable to this measure include: Adjusted net income does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations and other companies in our industry may calculate Adjusted net income differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, Adjusted net income should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Further, because derivations of Adjusted net income are not determined in accordance with GAAP, such measures are susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, derivations of Net income, including Adjusted net income, as presented may not be directly comparable to similarly titled measures presented by other companies. For the foregoing reasons, Adjusted net income has significant limitations which affect its use as an indicator of our profitability. Accordingly, you are cautioned not to place undue reliance on this information.

	Three months ended				
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016	March 31, 2017
Operating Statistics (unaudited)[a]					
Available seat miles (ASMs) (millions)	4,034	4,346	5,001	4,985	4,882
Departures	22,248	24,307	27,506	25,308	23,647
Average stage length (statute miles)	1,074	1,039	1,036	1,093	1,124
Block hours	63,136	67,347	76,021	72,843	69,857
Average aircraft in service	59	58	62	63	65
Aircraft in service—end of period	59	60	63	66	68
Average daily aircraft utilization (hours)	11.8	12.8	13.3	12.5	11.9
Passengers (thousands)	3,263	3,614	4,203	3,857	3,711
Average seats per departure	167	171	174	178	182
Revenue passenger miles (RPMs) (millions)	3,534	3,809	4,410	4,262	4,201
Load factor (%)	87.6%	87.6%	88.2%	85.5%	86.0%
Passenger revenue per available seat mile (PRASM) (¢)	5.44	5.77	5.62	4.75	4.78
Non-ticket revenue per available seat mile (¢)	3.69	3.90	4.18	3.97	4.03
Total revenue per available seat mile (RASM) (¢)	9.13	9.67	9.80	8.72	8.81
Cost per available seat mile (CASM) (¢)	7.89	7.71	7.22	7.68	8.86
CASM, excluding fuel (¢)	6.32	5.80	5.28	5.68	6.78
Adjusted CASM (¢)	7.47	7.59	7.09	7.13	7.58
Adjusted CASM ex fuel (¢)[b]	5.90	5.68	5.15	5.13	5.50
Fuel cost per gallon ($'s)	1.32	1.62	1.62	1.76	1.88
Fuel gallons consumed (thousands)	47,812	51,476	59,807	56,735	54,187
Employees (FTE)	3,008	3,088	3,196	3,360	3,473

(a) See "Glossary of Airline Terms" for definitions of terms used in this table.

(b) Reconciliation of CASM to Adjusted CASM (excluding fuel):

	Three months ended									
	March 31, 2016		June 30, 2016		September 30, 2016		December 31, 2016		March 31, 2017	
	(in millions)	Per ASM	(in millions)	Per ASM	(in millions)	Per ASM	(in millions)	Per ASM	(in millions)	Per ASM
CASM		7.89¢		7.71¢		7.22¢		7.68¢		8.86¢
Aircraft fuel	$ (63)	(1.57)	$ (83)	(1.91)	$ (97)	(1.94)	$ (100)	(2.00)	$ (102)	(2.08)
CASM (excluding fuel)		6.32¢		5.80¢		5.28¢		5.68¢		6.78¢
Pilot phantom equity(a)	(10)	(0.25)	(1)	(0.02)	(3)	(0.06)	(26)	(0.51)	(18)	(0.37)
Salaries, wages and benefits—flight attendant settlement(b)	—	—	—	—	—	—	—	—	(43)	(0.89)
Salaries, wages and benefits—other(c)	—	—	—	—	—	—	—	—	(1)	(0.02)
Lease Modification Program(d)										
Depreciation	(6)	(0.15)	(3)	(0.07)	(2)	(0.05)	(1)	(0.02)	—	—
Aircraft rent	(1)	(0.02)	(1)	(0.03)	(1)	(0.02)	(1)	(0.02)	—	—
Adjusted CASM (excluding fuel)		5.90¢		5.68¢		5.15¢		5.13¢		5.50¢

(a) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”
(b) Represents the $40 million settlement and $3 million of payroll taxes relating to the Letter of Agreement entered into with the union representing our flight attendants (AFA-CWA) on March 15, 2017. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates—Stock Based Compensation.”
(c) Represents expenses associated with the ratification of labor agreements.
(d) Represents depreciation and aircraft rent related to the Lease Modification Program. See “Fleet Plan”.

Liquidity and Capital Resources

As of March 31, 2017, our principal sources of liquidity were cash and cash equivalents of $535 million. In addition, we had restricted cash of $6 million as of March 31, 2017. Restricted cash includes certificates of deposit that secure letters of credit issued for particular airport authorities as required in certain lease agreements. Furthermore, as of March 31, 2017, we also had outstanding $39 million of the amount available under our $50 million pre-purchased miles facility, $133 million drawn under our $150 million pre-delivery payments facility and $56 million in secured indebtedness incurred in connection with the financing of six aircraft. The dollar amount available under the pre-purchased miles facility is based on the aggregate amount of fees payable by Barclays Bank to us for pre-purchased miles on a calendar year basis, up to an aggregate maximum amount of $50 million. We also hold a certificate of deposit to secure workers’ compensation claim reserves. Primary uses of liquidity are for working capital needs, capital expenditures, aircraft pre-delivery payments, maintenance reserve deposits, and debt repayments. As of March 31, 2017, we had $131 million of short-term debt and $93 million of long-term debt.

Our single largest capital commitment relates to the acquisition of aircraft. As of March 31, 2017, we operated 62 of our 68 aircraft under operating leases. Pre-delivery payments relating to future deliveries under our agreement with Airbus are required at various times prior to each aircraft’s delivery date. As of March 31, 2017, we had $192 million of pre-delivery payments held by Airbus, $133 million of which was outstanding under our pre-delivery payments facility. As of March 31, 2017, we had an obligation to acquire 78 aircraft, including 75 A320neo family aircraft and three A321ceo aircraft by 2021, the first 45 of which we intend to finance with operating leases, including seven which are currently subject to committed operating leases and 38 which are subject to non-binding letters of intent. We intend to evaluate financing options for the remaining 33 aircraft.

In addition, while we recently have been able to arrange aircraft sale-leaseback financing that does not require that we maintain a maintenance reserve account, we are required by some of our aircraft lessors, and could in the future be required to, fund reserves in cash in advance for scheduled maintenance to act as collateral for the benefit of lessors. Qualifying payments that are expected to be recovered from lessors are recorded as aircraft maintenance deposits in our consolidated balance sheets. A portion of our cash is, therefore, unavailable until after we have completed the scheduled maintenance in accordance with the terms of the operating leases. Based on the age of our fleet and our growth strategy, we expect these maintenance deposits to decrease as we enter into new operating leases that do not require reserves. In the three months ended March 31, 2017 and 2016, and the years ended December 31, 2016 and 2015, we made $9 million, $3 million, $32 million and $23 million, respectively, in net maintenance deposit payments to our lessors. As of March 31, 2017, we had $70 million in recoverable aircraft maintenance deposits on our consolidated balance sheets, of which $21 million is included in accounts receivable because the eligible maintenance had been performed.

As of March 31, 2017, we were compliant with our credit card processing agreements and not subject to any credit card holdbacks. Although as of March 31, 2017 we were not subject to any credit card holdbacks, if we fail to maintain certain liquidity and other financial metrics, our credit card processors have the right to hold back credit card reimbursements to cover our obligations to them.

We expect to meet our obligations as they become due through available cash, internally generated funds from our operating cash flows, supplemented by financing activities as necessary and as they may become available to us. However, we cannot predict what the effect on our business and financial position might be from a change in the competitive environment in which we operate or from events beyond our control, such as volatile fuel prices, economic conditions, weather-related disruptions, the impact of airline bankruptcies, restructurings or consolidations, U.S. military actions or acts of terrorism. We believe the working capital available to us will be sufficient to meet our cash requirements for at least the next 12 months.

Cash Flows

The following table presents information regarding our cash flows in the three months ended March 31, 2017 and 2016, and the years ended December 31, 2016, 2015 and 2014:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
Net cash provided by operating activities	$184	$ 208	$ 238	$ 66	$ 82
Net cash used in investing activities	(57)	(143)	(39)	(33)	(5)
Net cash provided by (used in) financing activities	9	91	(6)	(83)	(154)
Net increase (decrease) in cash and cash equivalents	**136**	**156**	**193**	**(50)**	**(77)**
Cash and cash equivalents at beginning of period	127	263	419	419	612
Cash and cash equivalents at end of period	**$263**	**$ 419**	**$ 612**	**$ 369**	**$ 535**

Net Cash Flow Provided By Operating Activities

During the three months ended March 31, 2017, our cash flow provided by operating activities totaled $82 million and reflected our continued growth, execution of our strategic initiatives and our improved credit position evidenced by increase in our cash balance. We had zero net income, which included the following significant non-cash items: flight attendant cash settlement of $43 million accrued as a current liability, pilot phantom equity stock-based compensation expense of $18 million, depreciation and amortization of $13 million, and deferred taxes of $(23) million. We had $8 million of payments related to premiums paid for new call

options for our fuel hedging program. We had net inflows of $39 million within other net operating assets and liabilities, which was largely driven by an increase in our air traffic liability of $52 million as a result of seasonality in bookings partly offset by a decrease in accounts payable of $25 million due to timing of payments.

During the three months ended March 31, 2016, our cash flow provided by operating activities totaled $66 million. We had net income of $30 million, which included the following significant non-cash items: depreciation and amortization of $18 million, stock-based compensation expense of $11 million, and deferred taxes of $3 million. We had $12 million of payments primarily related to premiums paid for new call options for our fuel hedging program. We had net inflows of $16 million within other net operating assets and liabilities, which was largely driven by an increase in our air traffic liability of $56 million as a result of seasonality in bookings, and partly offset by a decrease in other current liabilities of $38 million due to timing of payment.

During 2016, cash flow provided by operating activities of $238 million reflects our growth, execution of our strategic initiatives and our improved credit position. We had net income of $200 million, which included the following significant non-cash items: depreciation and amortization of $75 million, stock-based compensation expense of $42 million, and deferred taxes of $(23) million. We had $13 million of payments primarily related to premiums paid for new call options for our fuel hedging program during 2016. We had net outflows of $43 million within other net operating assets and liabilities, which was largely driven by heavy maintenance events during 2016, and partly offset by a $39 million increase in our air traffic liability as a result of our growth.

During 2015, net cash flow provided by operating activities was $208 million driven by our growth, execution of our strategic initiatives and our improved credit position. We had net income of $146 million, which included the following non-cash items: depreciation and amortization of $54 million, stock-based compensation expense of $44 million, special charge related to our Lease Modification Program of $43 million and deferred taxes of $14 million. We had $43 million net outflows related to premiums paid for new call options and collateral returned for collars for our fuel hedging program during 2015. Due to our improved liquidity, our credit card processor reduced our holdback from 50% of air traffic liability to zero. As a result, the holdback decreased by $59 million during 2015. We had net outflows of $109 million within other net operating assets and liabilities, which was largely driven by an increase in our costs related to heavy maintenance of $55 million, an increase in net cash paid for maintenance deposits of $23 million and a decrease in air traffic liability of $11 million.

During 2014, net cash flow provided by operating activities was $184 million. We had net income of $140 million, which included the following non-cash items: depreciation and amortization of $29 million, unrealized loss on fuel derivative instruments of $35 million and deferred income taxes of $22 million. Due to our improved credit position, our credit card processor reduced our holdback from 95% of air traffic liability to 50% of our air traffic liability. As a result, the holdback decreased by $55 million during 2014. We used $25 million in cash related to our hedging program. We had net outflows of $78 million within other net operating assets and liabilities, which was largely driven by an increase in other long-term assets of $60 million, primarily driven by deferred heavy maintenance costs, a decrease in long-term liabilities of $24 million primarily due to a change in long-term frequent flyer liability, an increase in net cash paid for maintenance deposits of $15 million and a decrease in restricted cash of $10 million due to station letters of credit, and was partially offset by a decrease in accounts receivable of $29 million due to maintenance deposit refunds.

Net Cash Flows Used In Investing Activities

During the three months ended March 31, 2017, net cash flow used in investing activities totaled $5 million. We invested $7 million in fixed assets and paid net $3 million in security deposits primarily for aircraft and engine commitments, and received $5 million of net refunds of pre-delivery deposits related to our aircraft deliveries.

During the three months ended March 31, 2016, net cash flow used in investing activities totaled $33 million. We made $27 million of net pre-delivery payments for future aircraft deliveries and invested $3 million in fixed assets and paid net $3 million in security deposits for aircraft and engine commitments.

During 2016, net cash flow used in investing activities totaled $39 million. We invested $26 million in fixed assets, paid net $9 million in security deposits for aircraft and engine commitments, and made net pre-delivery payments of $4 million for future aircraft deliveries.

During 2015, net cash flow used in investing activities was $143 million. We invested $39 million in fixed assets and equipment upgrades, primarily related to increasing the seating density on our aircraft. We also made net pre-delivery payments of $107 million for future aircraft deliveries and $5 million net payments for security deposits for aircraft and engine commitments. We received proceeds of $8 million from the sale of fixed assets.

During 2014, net cash flow used in investing activities was $57 million. We made net pre-delivery payments of $54 million for future aircraft deliveries and invested $15 million in fixed assets. We received proceeds of $12 million from the sale of fixed assets.

Net Cash Flows Provided By (Used In) Financing Activities

During three months ended March 31, 2017, net cash flow used in financing activities was $154 million. We made a distribution of $154 million to common stockholders and others with participating rights in February 2017. We also made $40 million of principal repayments on long-term debt during the quarter. These outflows were partly offset by $27 million in proceeds received from debt primarily related to the pre-delivery payment facility and $17 million of net proceeds received from sale-leaseback transactions relating to A320-family aircraft and spare engines delivered during the three months end March 31, 2017.

During the three months ended March 31, 2016, net cash flow used in financing activities was $83 million. We made a distribution of $99 million during the first quarter of 2016 to common stockholders and others with participating rights with respect to the dividend declared in February 2016. We also made $10 million of principal repayments on long-term debt during the quarter. These outflows were partly offset by $27 million in proceeds received from debt primarily related to our pre-delivery payment facility and $4 million of net proceeds received from sale-leaseback transactions.

During 2016, net cash flow used in financing activities was $6 million. We received $113 million in proceeds from debt primarily related to the pre-delivery payment facility to finance the pre-delivery payments for our aircraft orders. We made $97 million of principal repayments on long-term debt during the year. We also received $84 million of net proceeds from sale-leaseback transactions relating to A320-family aircraft and spare engines delivered during 2016. These net inflows were offset by a distribution of $101 million to common stockholders and others with participating rights with respect to the dividend declared in February 2016 and other items.

During 2015, net cash flow provided by financing activities was $91 million. We received $130 million in proceeds from debt, primarily the pre-delivery payment facility, to finance the pre-delivery payments for our aircraft orders. We made $67 million of principal repayments on long-term debt during the year. We received $28 million of net proceeds from sale-leaseback transactions on five A320-family aircraft, a spare engine, and a simulator delivered during 2015.

During 2014, net cash flow provided by financing activities was $9 million. We received $39 million in proceeds from debt, primarily the pre-delivery payment facility, to finance the pre-delivery payments for our aircraft orders. We made $11 million of principal repayments on long-term aircraft debt and $18 million of principal payments to retire a short-term working capital note payable from our parent during the year.

Commitments and Contractual Obligations

Our contractual purchase commitments consist of aircraft and engine acquisitions. As of March 31, 2017, our firm aircraft and engine orders consisted of the following:

	A319neo	A320neo	A321	Total Aircraft	Engines
Remainder of 2017	—	10	3	13	3
2018	—	16	—	16	2
2019	—	18	—	18	2
2020	5	13	—	18	2
2021	13	—	—	13	2
Thereafter	—	—	—	—	1
Total	**18**	**57**	**3**	**78**	**12**

We have contractual obligations comprised of aircraft and engine purchases, payment of debt and lease arrangements. The following table includes our contractual obligations as of March 31, 2017 for the periods in which payments are due:

	Remainder of 2017	2018-2019	2020-2021	Thereafter	Total
			(in millions)		
Long-term debt(1)	$ 101	$ 75	$ 52	$ —	$ 228
Interest commitments(2)	4	6	1	—	11
Operating lease obligations	198	499	423	924	2,044
Flight equipment purchase obligations	626	1,684	1,512	15	3,837
Maintenance deposit obligations(3)	5	9	8	20	42
Total	**$ 934**	**$ 2,273**	**$ 1,996**	**$ 959**	**$6,162**

(1) Includes principal only associated with our secured pre-delivery credit facility due through 2019, our floating and fixed rate equipment notes due through 2020 and 2021 and affinity card unsecured debt due through 2020. See Note 8 to our consolidated financial statements.
(2) Represents interest on long-term debt.
(3) Represents fixed maintenance reserve payments for aircraft and spare engines, including estimated amounts for contractual price escalations.

Off-Balance Sheet Arrangements

We have significant obligations for aircraft that are classified as operating leases and therefore are not reflected in our consolidated balance sheets. As of March 31, 2017, 62 of our 68 aircraft in our fleet were subject to operating leases. These leases expire between 2017 and the end of 2030. Leases for six of our aircraft can generally be renewed at rates based on fair market value at the end of the lease term for three years and five of our aircraft can be renewed for four years. For the three months ended March 31, 2017 and 2016, aircraft rent expense was $59 million and $50 million, respectively, including supplemental rent expense of $5 million and $9 million, respectively. Aircraft rent expense related to operating leases was $209 million and $171 million in 2016 and 2015, respectively, including supplemental rent expense of $36 million and $27 million in 2016 and 2015, respectively, for maintenance-related reserves as required by our lessors that were deemed non-recoverable. The portion of supplemental rent expense related to probable lease return condition obligations was $24 million and $20 million for 2016 and 2015, respectively.

We have various leases with respect to real property as well as various agreements among airlines relating to fuel consortia or fuel farms at airports. Under some of these contracts, we are party to joint and several liability

regarding damages. Under others, where we are a member of an LLC or other entity that contracts directly with the airport operator, liabilities are borne through the fuel consortia structure.

Our aircraft, services, equipment lease and sale and financing agreements typically contain provisions requiring us, as the lessee, obligor or recipient of services, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or such other equipment. We believe that our insurance would cover most of our exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft, services, equipment lease and sale and financing agreements described above.

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

Certain of these indemnities survive the length of the related financing or lease. We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered and the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

We have also made certain guarantees and indemnities to other unrelated parties that are not reflected on our consolidated balance sheets which we believe will not have a significant impact on our results of operations, financial condition or cash flows.

We have no other off-balance sheet arrangements.

Quantitative and Qualitative Disclosure About Market Risk

We are subject to market risks in the ordinary course of our business. These risks include commodity price risk, specifically with respect to aircraft fuel, as well as interest and foreign exchange rate risk. The adverse effects of changes in these markets could pose a potential loss as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Aircraft Fuel. Our results of operations can vary materially, due to changes in the price and availability of aircraft fuel and are also impacted by the number of aircraft in use and the number of flights we operate. Aircraft fuel represented approximately 24% 20%, 25%, 27% and 39% of total operating expenses for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, respectively. Unexpected pricing of aircraft fuel or a shortage or disruption in the supply could have a material adverse effect on our business, results of operations and financial condition. Our strategy has been to purchase out-of-the-money call options which are intended to provide protection against a large upward movement in oil prices, while also allowing us to participate in any material fall in oil prices. Based on December 2016 aircraft fuel market prices and our projected 2017 fuel consumption, a 10% increase in the average price per gallon would increase our annual aircraft fuel expense, net of our hedge portfolio, by approximately $39 million. To manage economic risks associated with the fluctuations of aircraft fuel prices, we periodically enter into call options, collar or fixed forward price contracts for jet fuel or highly correlated commodities. As of March 31, 2017, we had out-of-the-money call options covering approximately 71% of our projected aircraft fuel requirements for the remainder of 2017 and approximately 31% of our projected aircraft fuel requirements for 2018, with all of our then existing fuel hedge contracts expected to be exercised or expire by the end of 2018. The fair value of our fuel derivative contracts as of March 31, 2017, December 31, 2016 and 2015 was a net asset of $10 million, $15 million and $4 million, respectively. We had no collateral posted against fuel-related derivatives as of March 31, 2017, December 31, 2016 and 2015.

We measure our fuel derivative instruments at fair value, which is determined using standard option valuation models that use observable market inputs including contractual terms, market prices, yield curves, fuel price curves and measures of volatility. Changes in the related commodity derivative instrument cash flows may change by more or less than the fair value based on further fluctuations in futures prices. Outstanding financial derivative instruments expose us to credit loss in the event of non-performance by the counterparties to the agreements. As of March 31, 2017, we believe the credit exposure related to these call options was minimal and do not expect the counterparties to fail to meet their obligations.

Interest Rates. We are subject to market risk associated with changing interest rates, due to LIBOR-based interest rates on an applicable portion of our floating rate equipment notes and our PDP credit facility.

Foreign Exchange. We have *de minimis* foreign currency risks related to our station operating expenses denominated in currencies other than the U.S. dollar, primarily the Mexican peso, Jamaican dollar and Dominican Republic peso. Our revenue is U.S. dollar denominated.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers that will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all contracts with customers except for those within the scope of other topics in the FASB Accounting Standard Codification. The new guidance is effective for our annual reporting periods, and interim reporting periods within those years, beginning after December 15, 2017. Early adoption is permitted, but not before the first quarter of 2017. Entities have the option of using either a full retrospective or modified approach to adopt ASU 2014-09. We are currently evaluating the new guidance and have neither determined the method we will adopt this standard under, nor the full impact this standard may have on our financial statements. We expect this pronouncement to impact the accounting for our frequent flyer program as the standard no longer allows the use of the incremental cost method when recording revenue related to the frequent flyer program. As a result, we expect our deferred frequent flyer liability balance to increase. In addition, we expect changes related to the timing of recognition of certain non-ticket related fees such as change and cancellation fees that would further increase our revenue deferrals. Furthermore, as certain non-ticket related fees cannot be separated from the fare as a separate performance obligation under the new guidance, we expect that many of these fees will be reclassified out of non-ticket revenue into passenger revenue within our statement of operations.

In April 2015, the FASB issued ASU No. 2015-03, *Interest-Imputation of Interest* ("ASU 2015-03"). The standard requires debt issuance costs to be presented on the balance sheet as a direct deduction from the related debt liability rather than as a separate asset. We have adopted and applied the new guidance to all periods presented.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"). The standard requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. We have adopted and applied the new guidance to all periods presented.

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"). The new standard will require all leases with terms greater than twelve months to be recognized on the balance sheet. The ASU is effective for fiscal years beginning after December 15, 2018 and interim reporting periods within those fiscal years. Although we are currently evaluating the guidance, we expect adoption to have a significant impact on our consolidated balance sheet due to the recognition of lease liabilities, along with corresponding right-to-use assets, for aircraft

and certain non-aircraft leases currently accounted for as operating leases and thus not reflected on our consolidated balance sheet.

In March 2016, the FASB issued ASU 2016-05, *Effective of Derivative Contract Novations on Existing Hedge Accounting Relationships* ("ASU 2016-05"). This standard clarifies that a change in the counterparty to a derivative instrument that has been designated as the hedging instrument under Topic 815 does not, in and of itself, require de-designation of that hedging relationship provided that all other hedge accounting criteria continue to be met. The new guidance is effective for financial statements issued for fiscal years beginning after December 15, 2016 and interim reporting periods within those fiscal years. We adopted this standard in 2016 with no financial statement impact and it has not novated any options to new counterparties.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). The new guidance is effective for annual periods beginning after December 15, 2016 and interim periods within those annual periods. We adopted this standard on January 1, 2017. This standard aims to simplify several aspects of the accounting for and presentation of employee share-based payment transactions. Furthermore, this standard requires all excess tax benefits and tax deficiencies to be recognized as income tax expense (benefit) in the income statement and that excess tax benefits be included as an operating activity for the cash flow statement. In addition, these tax benefits must be removed from the dilutive weighted-average shares outstanding calculation as these assumed proceeds will have already been recognized in the income statement. The adoption of this standard resulted in a $1 million tax benefit during the three months ended March 31, 2017 that reduced our income tax expense for the period.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, ("ASU 2016-13"). This standard replaces the incurred loss impairment methodology in current GAAP with an "expected loss" model which requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new guidance is effective for annual periods beginning after December 15, 2019 and interim reporting periods within those fiscal years. We are evaluating this guidance but do not expect it to have a significant impact on our financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). This standard addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. We are currently evaluating this guidance but do not expect it to have a significant impact on our financial statements.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, ("ASU 2016-18"). This standard addresses diversity in practice when presenting restricted cash within the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2017 and interim reporting periods within those fiscal years. We are currently evaluating this guidance but do not expect it to have a significant impact on our financial statements assuming no material changes to the relatively insignificant restricted cash balance.

INDUSTRY BACKGROUND

There are three main categories of passenger airlines that offer scheduled airline service in the markets in which we compete: the legacy network airlines, low-cost carriers and the ultra low-cost carriers. While each major airline based in the United States competes broadly with each other for airline passengers traveling on the routes they serve, particularly customers traveling in economy or similar classes of service, these categories identify the operating strategy of these airlines. As of December 31, 2016, there were 10 scheduled airlines of significant size operating across these three categories, each with a market share as provided in the table below.

Carrier	Market Share for the year ended December 31, 2016(1)
Legacy Network Carriers	
Alaska Airlines(2)	7.1%
American Airlines	22.2%
Delta Air Lines	19.1%
United Airlines	17.5%
Hawaiian Airlines	2.3%
Low-Cost Carriers	
JetBlue Airways	6.7%
Southwest Airlines	18.2%
Ultra Low-Cost Carriers	
Frontier Airlines	**2.3%**
Allegiant Travel Company	1.5%
Spirit Airlines	3.1%

(1) Only includes the identified carriers listed above and based on total domestic revenue passenger miles for the year ended December 31, 2016 according to public filings of each respective carrier.

(2) Pro forma for acquisition of Virgin America.

As a result of a series of merger transactions, there are presently three very large legacy network carriers in the United States, American Airlines, Delta Air Lines and United Airlines. These airlines offer scheduled flights to most large cities within the United States and abroad (directly or through membership in one of the global airline alliances: **one**world, SkyTeam or Star Alliance) and also serve numerous smaller cities. These airlines operate predominantly through a "hub-and-spoke" network route system. This system concentrates most of an airline's operations in a limited number of hub cities, serving other destinations in the system by providing one-stop or connecting service through hub airports to end destinations on the spokes. Such an arrangement permits travelers to fly from a given point of origin to more destinations without switching airlines. While hub-and-spoke systems result in low marginal costs for each additional passenger, they also result in high fixed costs. The unit costs incurred by legacy network carriers to provide the gates, airport ground operations and maintenance facilities needed to support a hub-and-spoke operation are generally higher than those of the point-to-point network typically operated by low-cost carriers and ultra low-cost carriers. Aircraft schedules at legacy network carriers also tend to be inefficient to meet the requirements of connecting banks of flights in hubs, resulting in lower aircraft utilization and crew productivity. Serving a large number of markets of different sizes requires the legacy carriers to have multiple fleets with multiple aircraft types along with the related complexities and additional costs for crew scheduling, crew training and maintenance. As a result, legacy network carriers typically have higher cost structures than other airlines due to, among other things, higher labor costs, flight crew and aircraft scheduling inefficiencies, concentration of operations in higher cost airports, and the offering of multiple classes of services, including multiple premium classes of service.

The legacy network carriers supplement their networks by contracting with regional airlines, such as Air Wisconsin Airlines, Envoy Air (formerly American Eagle), ExpressJet Airlines, Horizon Air, Mesa Airlines, Republic Airline, SkyWest Airlines and Trans States Airlines. Several regional airlines are wholly-owned

subsidiaries of legacy network carriers. Regional airlines generally enter into capacity purchase agreements with one or more major airlines under which the regional airline agrees to use its smaller aircraft to carry passengers booked and ticketed by the major airline between a city served by a major airline and a smaller outlying location. In exchange for such services, the regional airline's capacity purchase agreement with the legacy network carrier typically provides an agreed upon margin on the regional airline's fixed operating costs and passes through variable costs, such as fuel, to the major airline scheduling and selling the seats on the flight. Less commonly, regional airlines receive a pro rata portion of the total fare generated in a given market. While the use of a regional carrier provides a legacy network carrier with the ability to outsource labor at lower rates and access smaller aircraft on less traveled routes, such operations tend to operate with higher unit costs than the mainline operations of the legacy network airlines.

In addition to American Airlines, Delta Air Lines and United Airlines, Alaska Airlines and Hawaiian Airlines, while smaller, have a similar product offering to the legacy network carriers and primarily serve particular regions of the United States with a service offering that includes network hubs and multiple classes of service. On December 14, 2016, Alaska Airlines acquired Virgin America making it the fifth largest airline in the United States in terms of total domestic revenue passenger miles.

Low-cost carriers largely developed in the wake of deregulation of the U.S. airline industry in 1978, which permitted competition on many routes for the first time and thereby introduced fare competition on those routes. Low-cost carriers generally have lower cost structures than legacy network carriers, which permits them to offer flights to and from many of the same markets as the legacy network carriers, but at lower prices. As initially conceived, low-cost carriers flew direct, point-to-point flights, a system that tends to improve aircraft and crew scheduling efficiency, but results in somewhat less convenient flight schedules and services to fewer markets compared to the hub-and-spoke system used by legacy network carriers. In addition, low-cost carriers historically served major markets through secondary, lower cost airports in the same region as those major population markets, provided only a single class of service, thereby avoiding the significant incremental cost of offering premium-class services, and operated fleets with only one or at most two aircraft families in order to maximize the utilization of flight crews across the fleet, improve aircraft scheduling flexibility and minimize aircraft maintenance costs. As the low-cost carrier model has developed in the United States, carriers in this category have begun to exhibit some of the characteristics of the legacy network airlines such as, depending on the carrier, a premium class of service, schedules that accommodate connecting traffic and service to high-cost airports in major markets, including slot-controlled airports. The largest airlines based in the United States that define themselves as low-cost carriers are Southwest Airlines, JetBlue Airways and Virgin America (acquired by Alaska Airlines in December 2016).

The emerging category of airlines operating in the United States are carriers that have developed a business model as an ultra low-cost carrier, or ULCC. This operating strategy was pioneered by Ryanair in Europe and was built on the model initially adopted by the low-cost carriers, but combined with a focus on increased aircraft utilization, increased seat density and the unbundling of revenue sources aside from ticket prices with multiple products and services offered for additional cost. ULCCs have significantly lower unit costs than the legacy network carriers or the low-cost carriers. In addition, ULCCs are capable of driving significant increases in passenger volumes as a result of their low fares.

According to the DOT, the 25-year (1991 to 2016) compound annual growth rate for domestic passenger traffic in the United States was approximately 2.1%. Based on this information, we believe that over the next 25 years, low fare offerings, such as those offered by ULCCs, could stimulate growth for over 850 additional narrow body aircraft covering over 2,000 domestic and international routes we can serve with A320 family aircraft. As an additional indication of potential domestic passenger growth in North America, Boeing's "2016 Current Market Outlook" estimated that 2,620 new narrow body aircraft (net of retirements) would be added in North America by 2035, resulting in a total of 6,630 narrow body aircraft in operation.

The ULCC operating strategy is more mature in Europe than it is in the United States. For example, at the time Spirit Airlines adopted a ULCC model in 2007, three European ULCC airlines, EasyJet, Ryanair and Wizz

Air, already had more than 4.5 times the number of aircraft in operation as did Allegiant Travel Company and Spirit Airlines. The size of the European ULCC airlines' operations is evidence of the substantial increases in passenger volumes they have been able to drive since their adoption of ULCC operating models, which first started in the mid-1990s. In particular, over the 15-year period from 2000 to 2014, according to World Bank and public filings of other carriers, total passenger volumes in Europe had a compound annual growth rate of approximately 4%, of which approximately 80% was attributable to ULCC growth and stimulation. According to World Bank and other public filings, over the same 15-year period, ULCCs in Europe grew their market share from approximately 5% of total domestic passengers in 2000 to approximately 38% of total domestic passengers in 2014, whereas in the United States, ULCCs only had a market share of approximately 3% of total domestic passengers in 2014. In addition, according to each airline's most recent fiscal year public filings, European ULCCs, including Ryanair, Easyjet and Wizz Air, had 696 aircraft in operation in 2016 and have had an 9.3% compound annual growth rate since 2007. By comparison, U.S. ULCCs had 245 aircraft in 2016 and have had a higher compound growth rate of 15.3% since 2007.

The airlines executing ULCC operating strategies in the United States are Allegiant Travel Company and Spirit Airlines, in addition to ourselves. For the year ended December 31, 2016, Allegiant Travel Company had revenue of $1.4 billion and Spirit Airlines had revenue of $2.3 billion, compared to our revenue of $1.7 billion. Allegiant Travel Company, Spirit Airlines and we ended the year with fleets of 84, 95 and 66 aircraft, respectively. Of the three U.S.-based ULCCs, Spirit Airlines is the most similar operationally to our airline. For example, through the operation of a single type of aircraft in a high-utilization, point-to-point model. Allegiant Travel Company focuses on leisure travel, with less frequent service primarily linking small markets to vacation destinations, such as Las Vegas and Orlando, often with a package including lodging and other services.

BUSINESS

Overview

Frontier Airlines is an ultra low-cost carrier whose business strategy is focused on *Low Fares Done Right*®. We offer flights throughout the United States and to select international destinations in Mexico and the Caribbean. Our unique and sustainable strategy is underpinned by our low cost structure and superior ULCC brand. As of March 31, 2017 we operated a fleet of 68 narrow-body Airbus A320 family aircraft, which we expect to grow to 121, including 80 A320neo (New Engine Option) family aircraft, by the end of 2021. In the 12 months ended March 31, 2017 we served approximately 15.4 million passengers across a network of 61 airports.

In December 2013, we were acquired by an investment fund managed by Indigo Denver Management Company, LLC, or Indigo, an affiliate of Indigo Partners, LLC, or Indigo Partners, an experienced and successful global investor in ultra low-cost carriers, or ULCCs. Following the acquisition, Indigo reshaped our management team to include experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique *Low Fares Done Right* strategy, which significantly reduced our unit costs, introduced low fares, provided the choice of optional services, enhanced our operational performance and improved the customer experience. Through the implementation of our new operating model, we have positioned our brand as a premier ULCC in the United States and have seen a dramatic improvement to our profitability.

The implementation of *Low Fares Done Right* has significantly reduced our cost base over the past three years by increasing aircraft utilization, transitioning to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our reservation system, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.74¢ in the year ended December 31, 2016, and our Adjusted CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.43¢ in the year ended December 31, 2016, an improvement of 27% and 31%, respectively. In 2016, this was one of the U.S. industry's lowest unit operating costs. For the three months ended March 31, 2017 and 2016, our Adjusted CASM (excluding fuel) was 5.50¢ and 5.90¢, respectively. We believe that we are well positioned to maintain our relatively low unit operating costs through on-going strategic initiatives, including continuing our cost optimization efforts and further realizing economies of scale. For a discussion and reconciliation of Adjusted CASM to CASM, please see "Glossary of Airline Terms" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

In addition to low unit costs, a key component of our *Low Fares Done Right* success was establishing Frontier as a premier ULCC in the United States by attracting customers with low fares and garnering repeat business by delivering a high-quality, family-friendly customer experience with a more upscale look and feel than historically experienced on ULCCs globally.

We currently offer flexible optional services through both unbundled and bundled service options. In 2015, we introduced *The Works*, a hassle-free option that includes a guaranteed seat assignment, carry-on and checked baggage, ticket refundability and changes, and priority boarding, all at an attractive low price and available only on our website. In 2016, we expanded our bundled product offering with *The Perks*, which enables customers to book the same amenities included in *The Works*, excluding refundability and ticket changes, through third parties. We operate a customer-friendly digital platform that includes our website and mobile app, which makes booking and travel easy and more enjoyable for our customers. We also promote and sell products in-flight to enhance the customer experience. Our brand and product are also family-friendly, featuring popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families. We reward our repeat customers through our *Early Returns* frequent flyer program and also offer our *Discount Den* membership program, which provides subscribers with exclusive access to some of our lowest fares.

Low Fares Done Right differentiates Frontier from the historical ULCC model by providing a dependable and higher quality customer service experience than traditionally offered by such carriers. We pioneered this concept in the United States through our disciplined approach to operational reliability, modern fleet and comfortable cabin seating, including extra seat padding, and our *Stretch* seating option. Our focus on reliability and service allowed us to achieve a lower ratio of cancelled flights and a higher percentage of on-time arrivals as compared to Spirit Airlines (another U.S. ULCC), according to the Department of Transportation, or DOT, for the year ended December 31, 2016. This high level of operational performance resulted in a reduction in the rate of our customers' complaints for the year ended December 31, 2016 as compared to 2015, according to DOT data. Our commitment to operational reliability is also reflected in our approach to recruiting, workforce training and employee engagement, which we believe enables us to offer a standardized and predictable travel experience. As an example of our rigorous training programs and focus on reliability, we were recently awarded the FAA's Aviation Maintenance Technician Diamond Award of Excellence for the fourth year in a row. We believe the association of our brand with a high level of operational performance differentiates us from the other U.S. ULCCs and enables us to generate greater customer loyalty. In addition, as a result of our *Low Fares Done Right* strategy of distinguishing our service offering from other airlines, including other ULCC airlines, we were able to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the 12 months ended March 31, 2017.

The low unit cost, high quality of service and dependability that make *Low Fares Done Right* successful have enabled us to implement a network strategy that primarily targets high fare or underserved markets, where our low fares stimulate new traffic flows. In addition, we also focus on providing air transportation from medium-sized markets (population between one and 4.7 million) to a wide range of VFR (visiting friends and relatives) and leisure destinations. As of March 2017, we served 28 of the 43 medium-sized markets in the United States, including Denver. Through this network strategy, we have built our current network around flights to and from airports that complement our Denver franchise, including Orlando, Las Vegas, Philadelphia, Cincinnati, Cleveland, Atlanta, Trenton, Chicago and Phoenix. This current network reflects significant diversification and a proactive effort to reduce our concentration in Denver. We reduced the number of our flights with either an origin or destination in Denver from over 90% as of December 2013 to approximately 40% as of March 2017. The diversification of our network since the beginning of 2014 has enabled us to reduce the impact of seasonality, increase revenue, increase utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016.

We believe that our business model, including our focus on medium-sized markets and the use of low fares to stimulate demand, positions us to benefit from significant growth opportunities in the United States. According to the DOT, there were over 500 million domestic passengers in the United States during the 12 months ended September 30, 2016. Of these passengers, over 300 million paid a fare that was at least 30% above our cost basis per passenger during the same period, for the stage length associated with such fares. As a result, we believe that there are a significant number of markets in which we could operate profitably with our low fares, and we believe our entry into such markets could drive substantial passenger volume growth in those markets. For example, according to the DOT, in the 11 markets we entered in March and April 2015 passenger volumes increased by an average of approximately 41% in the six months ended September 30, 2016 as compared to the same period in 2014. During the six months ended September 30, 2016, we directly increased seat capacity in such markets by an average of 11% and we were the only ULCC operating in eight of the 11 markets, with Allegiant Travel Company offering service in one of the 11 markets (both before and after such periods) and Spirit Airlines commencing operations in two of the 11 markets during 2015.

According to the DOT, the 25-year (1991 to 2016) compound annual growth rate for domestic passenger traffic in the United States was approximately 2.1%. Based on this information, we believe that over the next 25 years, low fare offerings, such as those offered by ULCCs, could stimulate growth for over 850 additional narrow body aircraft covering over 2,000 domestic and international routes we can serve with A320 family aircraft. Of these routes, we believe there is an opportunity for over 650 new routes from medium-sized markets in the United States. As an additional indication of potential domestic passenger growth in North America, Boeing's

"2016 Current Market Outlook" estimated that 2,620 new narrow body aircraft (net of retirements) would be added in North America by 2035, resulting in a total of 6,630 narrow body aircraft in operation.

The ULCC operating strategy is more mature in Europe than it is in the United States. For example, at the time Spirit Airlines adopted a ULCC model in 2007, three European ULCC airlines, EasyJet, Ryanair and Wizz Air, already had more than 4.5 times the number of aircraft in operation as did Allegiant Travel Company and Spirit Airlines. The size of the European ULCC airlines' operations is evidence of the substantial increases in passenger volumes they have been able to drive since their adoption of ULCC operating models, which first started in the mid-1990s. In particular, over the 15-year period from 2000 to 2014, according to World Bank and public filings of other carriers, total passenger volumes in Europe had a compound annual growth rate of approximately 4%, of which approximately 80% was attributable to ULCC growth and stimulation. According to World Bank and other public filings, over the same 15-year period, ULCCs in Europe grew their market share from approximately 5% of total domestic passengers in 2000 to approximately 38% of total domestic passengers in 2014, whereas in the United States, ULCCs only had a market share of approximately 3% of total domestic passengers in 2014.

Our History

We were incorporated in September 2013 as a newly-formed corporation initially wholly-owned by an investment fund managed by Indigo to facilitate the acquisition of Frontier and its holding company from Republic. That acquisition was completed on December 3, 2013. Following the acquisition, Indigo reshaped our management team to include experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique strategy, *Low Fares Done Right*.

Indigo Partners is a private equity fund focused on investing in air transportation companies, with past or current investments in six other ULCC airlines, including Spirit Airlines based in the United States, Tiger Airways based in Singapore and Australia, Volaris based in Mexico, Wizz Air based in Central and Eastern Europe, Avianova which operated in Russia from 2009 to 2011, and Mandala Airlines which operated in Indonesia until 2011. In February 2017, Indigo Partners announced an investment in JetSMART, a start-up airline that plans to provide air transportation services in South America.

Our Business Model

Our business model is based on our unique *Low Fares Done Right* strategy. While our strategy is similar to the business models utilized by other ULCCs, including with respect to low cost structure, low fares and flexible optional services, we believe *Low Fares Done Right* differentiates us from other U.S. ULCCs as a result of our focus on delivering a higher quality, family-friendly customer experience with a more upscale look and feel than traditionally than historically experienced on ULCCs globally. From the perspective of our customers, our business model provides a product offering that combines low base fares with dependable customer service, a customer-friendly digital platform, a modern fleet, comfortable cabin seating, flexible optional services and operational reliability.

Our Competitive Strengths

Our competitive strengths include:

Our Low-Cost Structure. Our low-cost structure has allowed us to reduce our unit operating costs, measured by our Adjusted CASM (excluding fuel), from 7.89¢ for the year ending December 31, 2013 to 5.43¢ for the year ending December 31, 2016, which is among the lowest of all airlines operating in the United States and compares to an average of 9.08¢ for legacy network carriers, which include American Airlines, Delta Air Lines, United Airlines, Alaska Airlines and Hawaiian Airlines, an average of 7.85¢ for LCCs, which include JetBlue Airways and Southwest Airlines, and 5.94¢ and 5.45¢ for Allegiant Travel Company and Spirit Airlines, respectively. Our low-cost structure is driven by several factors:

- *High Aircraft Utilization*. We have high aircraft utilization, which during 2016 averaged 12.6 hours per day. This compares to an average during 2016 of 10.1 hours per day for legacy network carriers, an average of 11.3 hours per day for LCCs, and 12.4 and 6.3 hours per day for Spirit Airlines and Allegiant Travel Company, respectively.
- *Modern Fleet and Attractive Order Book*. We operate a modern fleet composed solely of Airbus A320 family aircraft, which are recognized as having high reliability and low operating costs. Operating a single family of aircraft provides us with several operational and cost advantages, including the ability to optimize crew scheduling and training, and maintenance. Since 2013, we have steadily reduced the number of A319 aircraft in our fleet, replacing them with larger and more cost-efficient A320ceo and A320neo aircraft (180 to 186 seats) and A321ceo aircraft (230 seats). As of March 31, 2017, the average age of our fleet was approximately six years and we have taken delivery of over 25 new aircraft since the start of 2015. In addition, we have an attractive order book of new, fuel-efficient aircraft, including, as of March 31, 2017, 75 A320neo family aircraft. As a result of our order book, we believe that the average age of our fleet will be approximately 4 years during 2019 and that once all A320neo aircraft are delivered through 2021, we will have the fastest adoption rate of A320neo aircraft (as a percentage of total fleet) among U.S. carriers.
- *Fuel Efficient Fleet.* In 2015, we were named one of the industry's most fuel-efficient airlines operating in 2014 by The International Council on Clean Transportation as a result of superior technology and operational efficiencies. Furthermore, the A320neo family aircraft that we have begun to place in service are estimated to deliver approximately 15% improved fuel efficiency compared to the prior generation of A320 aircraft.
- *High Capacity Fleet*. We have increased the seat density on our A319ceo aircraft from 138 seats to 150 seats and the seat density on our prior generation of A320 aircraft from 168 seats to 180 seats during 2015. Across our entire fleet, we have grown from an average of 145 seats per aircraft in 2013 to 176 seats per aircraft in the 12 months ended March 31, 2017, a 21% growth in the average number of seats per aircraft. Our fleet features new and lightweight slim-line seats, which eliminate excess weight and reduce fuel consumption per seat. As of March 31, 2017, we had the highest seat density per A320ceo/neo and A321ceo aircraft operated by any U.S. airline.
- *Low Cost Distribution Model*. For the three months ended March 31, 2017 and 2016 and for the years ended December 31, 2016 and 2015, approximately 67%, 62%, 63% and 58%, respectively, of our tickets were sold directly to customers through our direct distribution channels, including our website and mobile app, our lowest cost distribution channels, versus approximately 51% for the year ended December 31, 2014. We also reduced our distribution costs per passenger following the renegotiation of our distribution agreements.
- *Highly Productive Workforce and Specialist Providers*. We have a highly productive workforce with 4,692 passengers per full-time equivalent employee for the 12 months ended March 31, 2017. Where it is efficient for us to do so, we contract with third-party specialists to provide us with select operating and other services.

Our Superior Brand. We believe establishing our brand as a premier ULCC positions us to generate greater customer loyalty, which enabled us to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the 12 months ended March 31, 2017. Our superior brand is demonstrated by our significant number of repeat customers. According to a survey we conducted in February 2017, over 85% of our passengers surveyed were repeat customers and 61% had flown with us two or more times during the previous 12 months. The key features of our brand include:

- Significant customer value delivered through low fares with the choice of reasonably priced unbundled and bundled options, including *The Works* and *The Perks*.
- Family-friendly elements that appeal to a large audience, such as an attentive staff, popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families.
- A carefully designed look and feel, which is more upscale than traditional ULCCs, including our livery, our website and mobile applications, uniforms, seat design, on-board products and other graphical brand marketing components.
- A strong online presence with a customer-friendly digital platform that includes a new passenger reservation system, improved website and our mobile app.
- Our modern fleet with amenities such as extra seat padding, the widest economy middle seat on a narrow-body aircraft of any U.S. ULCC or LCC and our *Stretch* seating option, which provides a comfortable 33 inch seat pitch.
- In the year ended December 31, 2016, we achieved a lower ratio of cancelled flights and a higher percentage of on-time arrivals as compared to Spirit Airlines (another U.S. ULCC), according to DOT.

Our Network Management. We plan our route network and airport footprint to focus on profitable existing routes and new routes where we believe our business model will stimulate demand and grow profitability. This has enabled us to reduce the seasonality of our revenue, increase revenues, improve utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016. The key features of our network include:

- A broad geographic footprint, which enables us to service a wide range of VFR and leisure destinations.
- A strong presence in medium-sized markets.
- A disciplined and methodical approach to both route selection and the removal of underperforming routes, which as of May 1, 2017, had resulted in our retention of over 78% of the new routes we started during 2016.
- An operational platform that includes nationwide crew and maintenance bases, creating access to lower risk growth opportunities while maintaining high operational standards and enabling high utilization.

Our Talented ULCC Leadership Team. Our management team has extensive day-to-day experience operating ULCCs and other airlines.

- Barry L. Biffle, our President and Chief Executive Officer, previously served as Chief Executive Officer of VivaColombia, Executive Vice President for Spirit Airlines and held various management roles with US Airways and American Eagle Airlines, a regional airline subsidiary of American Airlines, Inc.
- James G. Dempsey, our Chief Financial Officer, previously served as Treasurer and Head of Investor Relations for Ryanair after serving in management roles with PricewaterhouseCoopers.
- James E. Nides, our Chief Operating Officer, previously served as Chief Operating Officer of Volaris and has extensive prior experience at Continental Express.
- Daniel M. Shurz, our Senior Vice President, Commercial, previously served in various roles with United Airlines and Air Canada.

***Low Fares Done Right*—Our Business Strategy**

Our goal is to offer the most attractive option for air travel with a compelling combination of value, product and service, and, in so doing, to grow profitably and enhance our position among airlines in the United States. Through the key elements of our business strategy, we seek to achieve:

Low Unit Costs. We intend to maintain our cost advantage, including by:

- Maintaining the high utilization levels we achieved in 2016.
- Utilizing new generation, fuel-efficient aircraft that deliver lower operating costs compared to prior generation aircraft.
- Increasing the average size and seat capacity of the aircraft in our fleet through the continued introduction and operation of new 186-seat A320neo and 230-seat A321ceo aircraft and the retirement of additional A319 aircraft.
- Taking a disciplined approach to our operational performance in order to reduce disruption.

A Superior ULCC Brand and High Unit Revenues. In order to enhance our brand and drive revenue growth, we intend to continue to deliver a higher-quality flight experience than historically offered by ULCCs globally and generate customer loyalty by:

- Continuing to offer attractive low fares.
- Expanding our marketing efforts, including through the addition of new animals for each of our new aircraft, to position our brand as a family-friendly ULCC.
- Continuing to improve penetration of our bundling options, including *The Works* and *The Perks*.
- Enhancing our *Early Returns* offering to improve reward opportunities for our branded credit card customers.
- Providing our customers a dependable, reliable, on-time and friendly experience.

Strong Growth Driven by an Expanding and Efficient Network. We intend to continue to utilize our disciplined and methodical approach to expand our network in an efficient manner, including by:

- Continuing to exploit overpriced and/or underserved markets across the U.S. and select international destinations in the Americas, including medium-sized markets, where a majority of our seat capacity was deployed during 2016.
- Leveraging our diverse geographic footprint and existing crew and maintenance base infrastructure to take advantage of lower risk network growth opportunities while maintaining high operational standards.
- Utilizing our low cost structure to offer low fares which organically drive growth through market stimulation.
- Continuing to rebalance our network to mitigate seasonality fluctuations.

Strong Capital Structure. We intend to maintain our strong capital structure, which enables us to obtain financing for our aircraft pursuant to attractive operating leases in order to support our growth strategies and expansion of our fleet and network. Our capital structure is comprised of:

- Our cash and cash equivalents, of which we had a balance of $535 million as of March 31, 2017.
- Our $150 million pre-delivery financing facility, which we recently extended to 2019 and from which we had drawn $133 million as of March 31, 2017.
- Our $50 million pre-purchased miles facility, from which we had drawn $39 million of the amount available as of March 31, 2017.

Our Fares and the Choices We Offer

We provide low-fare passenger airline service primarily to travelers or VFRs and leisure travelers. Our low fares are designed to stimulate demand from price-sensitive travelers and consist of a base fare, plus taxes and governmental fees. For the three months ended March 31, 2017 and for the year ended December 31, 2016, our total revenue per passenger was approximately $115.85 and $114.72, respectively.

We combine our low fares with flexible optional services for an additional cost. Such additional options include carry-on and checked baggage, advance seat selection, our extended-legroom *Stretch* seats, ticket changes and cancellations, refundability, and commissions from the sale of hotel rooms, rental cars and trip insurance. In 2015, we introduced *The Works*, a hassle-free option that includes a guaranteed seat assignment, carry-on and checked baggage, ticket refundability and changes and priority boarding, all at an attractive low price and available only on our website. In 2016, we expanded our bundled product offering with *The Perks*, which enables customers to book the same amenities included in *The Works*, excluding refundability and ticket changes, through third parties. We also promote and sell products in-flight to enhance the customer experience, including snacks and alcoholic and non-alcoholic beverages. In 2016, we introduced a new convenient onboard payment system that enables customers to bundle products together to save money, make multiple purchases with a single credit card transaction and provide gratuities to our flight attendants. Our other revenues also include services such as our *Early Returns* affinity credit card program and our *Discount Den* ultra low-fare subscription service. For the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, our average non-ticket revenue per passenger was $52.90, $45.58, $48.57, $30.45 and $21.69, respectively, and non-ticket revenue represented 46%, 40%, 42%, 25% and 17%, respectively, of our total revenue.

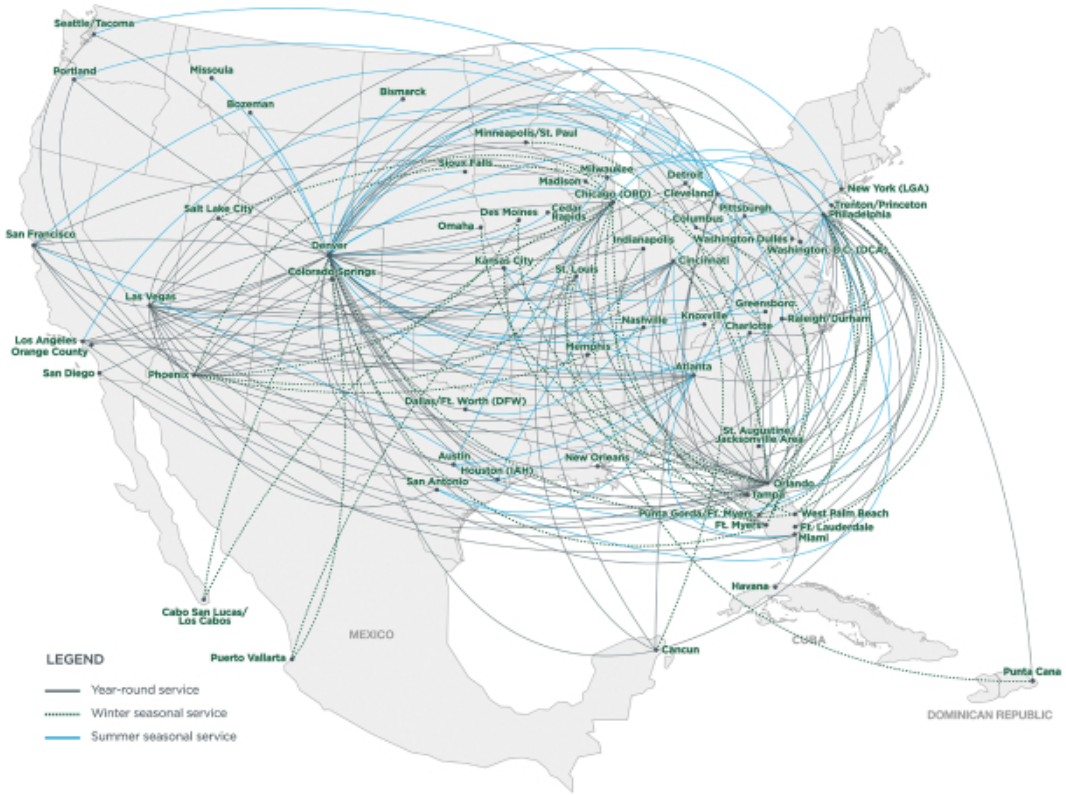
Route Network

The low unit cost, high quality of service and dependability that make *Low Fares Done Right* successful have enabled us to implement a network strategy that primarily targets high fare or underserved markets, where our low fares stimulate new traffic flows. As of May 1, 2017, we have retained over 78% of the new routes we started during 2016. In addition, we also focus on providing air transportation from medium-sized markets (as categorized by the Office of Management and Budget) to a wide range of VFR and leisure destinations.

As of March 2017, we served 52 airports throughout the United States, the Caribbean and Mexico, and we served 28 of the 43 medium-sized markets in the United States, including Denver. During this period, approximately 40% of our flights had Denver International Airport as its origin or destination and approximately 17% of our ASMs were produced on flights departing Denver. The following five cities were the next most significant in terms of share of our ASMs: Orlando (11%), Las Vegas (9%), Chicago (7%), Phoenix (4%) and Philadelphia (4%). Together these six cities made up a majority of our ASMs.

We are focused on developing our route network in cities where our fares can stimulate growth. For example, according to the DOT, in the 11 markets we entered in March and April 2015 passenger volumes increased by an average of approximately 41% in the six months ended September 30, 2016 as compared to the same period in 2014. During the six months ended September 30, 2016, we directly increased seat capacity in such markets by an average of 11% and we were the only ULCC operating in eight of the 11 markets, with Allegiant Travel Company offering service in one of the 11 markets (both before and after such periods) and Spirit Airlines commencing operations in two of the 11 markets during 2015. In particular, in the Orlando to Las Vegas market, the average fare of other airlines decreased from $225 during April to September 2014 to $180 during the same period in 2016, while our fare during the 2016 period was $108. In addition, the average number of daily passengers grew from 398 per day from April to September 2014 to an average of 575 per day during the same period in 2016, with Frontier accounting for an average of 158 passengers per day during the 2016 period.

Below is a map of routes we operated in 2016 (including routes we operate on a seasonal basis):



We use publicly available data related to existing traffic, fares and capacity in domestic markets as well as other data sources to identify growth opportunities. To monitor the profitability of each route, we analyze monthly profitability reports as well as actual and forecast advanced bookings. We routinely make capacity adjustments within our network based on the financial performance of our markets, and we discontinue service in markets where we determine that long-term profitability is not likely to meet our expectations.

Since our acquisition in December 2013, we have significantly diversified our markets exposure by expanding our presence in U.S. markets that complement our Denver franchise, including Orlando, Las Vegas, Philadelphia, Cincinnati, Cleveland, Atlanta, Trenton, Chicago and Phoenix. By continuing to add routes between other markets, we expect to leverage our brand and our existing base of loyal customers in these markets to enable us to grow our share of revenue in such markets. We expect to utilize our current footprint to further diversify our route network, provide growth into additional strategic markets and expand our customer base as we gain new customers in such markets. We are not currently pursuing the expansion of our network to, or our existing operations at, any of the three federally slot controlled airports (New York LaGuardia, New York Kennedy, and Washington Reagan National) or any of the locally slot controlled airports in southern California (Orange County and Long Beach). However, if any slots at such airports were to become available on attractive terms, we would assess the viability of our expansion in such markets in a manner consistent with our broader network strategy.

Competition

The airline industry is highly competitive. The principal competitive factors in the airline industry are fare pricing, total price, flight schedules, aircraft type, passenger amenities, number of routes served from a city, customer service, safety record and reputation, code-sharing relationships, and frequent flyer programs and redemption opportunities. Our competitors and potential competitors include legacy network carriers, low-cost carriers, ULCCs and new entrant airlines. We typically compete in markets served by traditional network airlines, low-cost carriers, the other U.S. ULCCs and regional airlines.

Our principal competitors on domestic routes are Alaska Airlines, Allegiant Travel Company, American Airlines, Delta Air Lines, JetBlue Airways, Southwest Airlines, Spirit Airlines, United Airlines and Virgin America (acquired by Alaska Airlines in December 2016). With respect to the legacy network carriers and LCCs, our principal competitive advantage is our low cost structure, low base fares and our focus on the VFR and leisure traveler. We believe our low cost structure allows us to price our fares at levels where we can be profitable while the legacy network carriers and our LCC competitors cannot. We believe the association of our brand with a high level of operational performance differentiates us from the other U.S. ULCCs and enables us to generate greater customer loyalty. In addition, as a result of our *Low Fares Done Right* strategy of distinguishing our service offering from other airlines, including other ULCC airlines, we have been able to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the 12 months ended March 31, 2017.

Overall, for the year ended December 31, 2016, on a stage-length adjustment to 1,000 miles basis, the average Adjusted CASM (excluding fuel) for legacy network carriers was 12.49¢, for low-cost carriers was 9.85¢ and for ultra low-cost carriers was 7.40¢. In addition, for the three months ended March 31, 2017 and the year ended December 31, 2016, on a stage-length adjustment to 1,000 miles basis, our RASM was 9.34¢ and 9.61¢, respectively, as compared to Spirit Airlines' RASM of 8.55¢ and 9.01¢. The following table summarizes the RASM and Adjusted CASM (excluding fuel) of the legacy network airlines, LCCs and ULCCs of significant size in the United States for the year ended December 31, 2016 and the three months ended March 31, 2017:

	Adj. CASM (Ex. Fuel)(1)(3)		RASM(1)	
Carrier	Year Ended December 31, 2016	Three Months Ended March 31, 2017	Year Ended December 31, 2016	Three Months Ended March 31, 2017
Legacy Network Carriers				
Alaska Airlines (pro forma for acquisition of Virgin America)	8.04¢	8.37¢	12.93¢	12.15¢
American Airlines(2)	9.54¢	10.48¢	13.86¢	14.28¢
Delta Airlines(2)	9.75¢	10.54¢	15.08¢	15.27¢
United Airlines(2)	9.38¢	10.53¢	13.58¢	13.34¢
Hawaiian Airlines	8.71¢	9.39¢	13.33¢	13.58¢
Low Cost Carriers				
JetBlue Airways	7.59¢	8.35¢	12.37¢	11.81¢
Southwest Airlines	8.10¢	8.71¢	13.75¢	13.30¢
Ultra Low Cost Carriers				
Frontier Airlines	**5.43¢**	**5.50¢**	**9.33¢**	**8.81¢**
Allegiant Travel Company	5.94¢	6.46¢	11.01¢	11.61¢
Spirit Airlines	5.45¢	5.62¢	9.11¢	8.61¢

(1) See "Glossary of Airline Terms."
(2) Mainline only.
(3) As formulated by each carrier in its public reports, excluding, among other things, special charges, third-party business expenses, fuel and profit sharing. These measures may not be comparable across all airlines.

The airline industry is particularly susceptible to price discounting because, once a flight is scheduled, airlines incur only nominal incremental costs to provide service to passengers occupying otherwise unsold seats.

Price competition occurs on a market-by-market basis through price discounts, changes in pricing structures, fare matching, target promotions and frequent flyer initiatives. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to maximize RASM. The prevalence of discount fares can be particularly acute when a competitor has excess capacity that it is under financial pressure to sell. A key element of our competitive strategy is to maintain very low unit costs in order to permit us to compete successfully in price-sensitive markets. See also "Risk Factors—Risks Related to Our Industry—The airline industry is exceedingly competitive, and we compete against legacy network carriers, low-cost carriers and other ultra low-cost carriers; if we are not able to compete successfully in our markets, our business will be materially adversely affected."

Many airlines have marketing alliances with other airlines, under which they market and advertise their status as marketing alliance partners. Such alliances generally provide for code-sharing, frequent flyer program reciprocity, coordinated scheduling of flights to permit convenient connections and other joint marketing activities. We currently do not have any alliances with U.S. or foreign airlines. Please see "Risk Factors—Risks Related to Our Industry—Our lack of membership in a marketing alliance could harm our business and competitive position."

Distribution

We primarily sell our product through direct distribution channels, including our website, mobile app and our call center with our website and mobile app serving as the primary platforms for ticket sales. Approximately 67%, 62%, 63% and 58% of our total tickets sold for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016 and 2015, respectively, were sold directly to our customers through these distribution channels. Sales through our website and mobile app represent our lowest cost distribution channels.

We also offer the option to purchase tickets through third parties, such as travel agents who access us through GDS companies (e.g., Amadeus, Galileo, Sabre and Worldspan) and select online travel agents, or OTAs (e.g., Priceline and websites owned by Expedia, including Orbitz and Travelocity). Third-party channels represented approximately 33%, 38%, 37% and 42% of sales for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016 and 2015, respectively. We maintain a zero percent standard commission policy for travel agency bookings worldwide unless local regulations mandate that we pay a commission. We also have agreements with all the leading GDS companies. GDSs provide flight schedules and pricing information and allow travel agents to electronically book a flight reservation without separately contacting our reservations facility.

Marketing and Brand

We are focused on direct-to-consumer marketing targeted at our core VFR and leisure travelers. According to a survey we conducted in February 2017, leisure, VFRs and business travelers represented 51%, 42% and 7%, respectively, of our total passengers over the previous 12 months. Our principal marketing message to our customers is our *Low Fares Done Right* strategy. Consistent with our ULCC business model, we use a simple marketing message to keep marketing costs low and we regularly offer promotional base fares of $29 or less.

Our principal marketing tools are our proprietary email distribution list consisting of over seven million email addresses, our *Early Returns* frequent flyer program and our *Discount Den* subscription service as well as advertisements in online, television, radio and other channels. Our objective is to use our low prices, superior customer service, price-based promotions and creativity to produce viral marketing programs that are cost effective.

In 2014, we redesigned the livery of our aircraft in order to enhance our brand. Our new and improved livery includes our unique and Frontier stylized "F" that was first introduced in 1978, our website address, a large arrow that was first adopted on a fleet of our predecessor's DC-3s and signature Frontier green color scheme. In addition, each of our aircraft features one of our widely-recognized animals on its tail and is named after such

bird or animal. We utilize these animals in several of our online marketing campaigns and on the novelty cards we distribute to children onboard.

We spent approximately 4.5%, 4.7%, 4.2% and 4.9% as a percentage of total revenues on marketing, brand and distribution for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016 and 2015, respectively.

Loyalty and Membership Programs

Our *Early Returns* frequent flyer program rewards and encourages customer loyalty and enables sales of miles to marketing partners. In 2015, we enhanced the *Early Returns* program by adding a new elite tier, Frontier Elite, and retiring our legacy tier structure. The *Early Returns* MasterCard is the primary vehicle whereby customers earn miles and our frequent flyer program is geared specifically towards supporting adoption and continued use of the credit card.

Early Returns offers award travel on every flight without blackout dates. All award tickets are subject to redemption fees, which are waived for all Frontier Elite Members, all Frontier MasterCard holders (if they redeem 21 days prior to departure) and *Early Returns* Base Members who purchase tickets 180 days prior to departure. There are three types of travel awards: Economy Award Tickets require the lowest mileage, Choice Award Tickets are more widely available at double the mileage requirement and Last Seat Availability Award Tickets are exclusively available to Frontier Elite Members. One-way awards require as few as 10,000 miles. The program also calculates a year-end status level, and currently miles never expire as long as a customer earns miles at least every six months.

The *Discount Den* is an annual subscription based service that allows members exclusive access to the lowest fares on offer and first access to seats when our selling schedule is extended. Members pay $49.99 per year to become a member of the *Discount Den*.

Customers

We believe our product appeals to price-sensitive customers because we give them the choice to pay only for the products and services they want. In addition, we believe our product is particularly attractive to families because our fleet features popular and widely-recognized animals on our aircraft tails, we provide children with novelty cards on each flight, we offer amenity packages tailored for families on board and our staff are committed to our goal of providing excellent customer service. Overall, our business model is designed to deliver what we believe our customers want: low fares and a high quality flight experience. While we are not focused on stimulating business travel, we believe our low fares do attract a significant number of small business travelers who bear their own travel costs.

Operational Performance

We are committed to delivering excellent operational performance, which we believe will strengthen customer loyalty and attract new customers. The DOT publishes statistics regarding measures of customer satisfaction for domestic airlines, including on-time performance and completion factor. While the airlines covered by the DOT's reports are not categorized by operating strategy, all three U.S. ULCCs are included in such reports. In addition, the DOT can assess civil penalties for failure to comply with certain customer service obligations. We are also periodically subject to audit by the DOT and an audit is currently ongoing. According to the DOT, our performance under operational performance measures for the years ended December 31, 2016, 2015 and 2014 was as follows:

	Year Ended December 31,		
	2014	2015	2016
On-Time Performance(1)	74.1%	73.2%	76.0%
Completion Factor(2)	99.6%	99.4%	98.8%

(1) Percentage of our scheduled flights that were operated by us that were on-time (within 15 minutes).
(2) Percentage of our scheduled flights that were completed by us, whether or not delayed (i.e., not cancelled), derived from DOT cancellation statistics.

For the year ended December 31, 2016, our on-time performance was ranked 10th and our completion factor was ranked 8th out of 12 domestic airlines for which the DOT analyzes and publishes statistics. While the DOT does not categorize airlines by operating strategy, our operational performance during such period resulted in us achieving year ended December 31, 2016 a lower ratio of cancelled flights and a higher percentage of on-time arrivals as compared to Spirit Airlines (another U.S. ULCC), according to DOT. Our significantly improved operational performance has led to a 25% reduction in the rate of DOT customer complaints for the year ended December 31, 2016 as compared to 2015.

The following table summarizes the completion factor and on-time performance of the legacy network airlines, LCCs and ULCCs of significant size in the United States for the year ended December 31, 2016, according to masFlight Data:

Carrier(1)	On-Time Performance(2)	Completion Factor(3)
Hawaiian Airlines	90.7%	99.5%
Delta Airlines	85.2%	99.1%
Frontier Airlines	**77.2%**	**98.9%**
Alaska Airlines (pro forma for acquisition of Virgin America)	85.3%	98.9%
Southwest Airlines	81.9%	98.8%
JetBlue Airways	76.0%	98.7%
Spirit Airlines	75.9%	98.1%
American Airlines	80.4%	97.8%
United Airlines	81.8%	97.8%

(1) Domestic routes only.
(2) Percentage of scheduled flights that were on-time (within 15 minutes).
(3) Percentage of scheduled flights that were completed, whether or not delayed (i.e., not cancelled).

Fleet

We fly only Airbus A320 family aircraft, which provides us significant operational and cost advantages compared to airlines that operate multiple fleet types. Flight crews are entirely interchangeable across all of our aircraft, and maintenance, spare parts inventories and other operational support are highly simplified relative to more complex fleets. Due to this commonality among Airbus single-aisle aircraft, we can retain the benefits of a fleet composed of a single type of aircraft while still having the flexibility to match the capacity and range of the aircraft to the demands of each route.

As of March 31, 2017, we had a fleet of 68 Airbus single-aisle aircraft, consisting of 21 A319s, 26 A320s, five A320neos and 16 A321s. The average age of the fleet was approximately six years as of March 31, 2017 and we have taken delivery of over 25 new aircraft since the start of 2015. Of the existing aircraft, 62 were financed under operating leases. The operating leases for five, 13 and three aircraft in our fleet are scheduled to terminate in the remainder of 2017, 2018 and 2019, respectively. We intend to replace those 21 aircraft with A320neo family aircraft. Our current fleet plan calls for growth to 121 aircraft by the end of 2021. We have a firm purchase commitment with Airbus to acquire 75 A320neo family aircraft and three A321ceo aircraft by 2021. We also have a firm purchase commitment for 12 additional spare aircraft engines. We may elect to supplement these deliveries by additional acquisitions from the manufacturer or in the open market if demand conditions merit. We are also assessing our potential needs in 2021 and beyond to replace aircraft scheduled to come off of lease and provide additional capacity. Our order book as of March 31, 2017 was comprised of the following aircraft:

	A319neo	A320neo	A321	Total Aircraft	Engines
Remainder of 2017	—	10	3	13	3
2018	—	16	—	16	2
2019	—	18	—	18	2
2020	5	13	—	18	2
2021	13	—	—	13	2
Thereafter	—	—	—	—	1
Total	**18**	**57**	**3**	**78**	**12**

Consistent with our ULCC business model, each of our aircraft is configured with a high density seating configuration. Our A319s equipped with two over-wing exits accommodate 150 passengers (compared to 145 on Spirit Airlines, 119 on Virgin America, 128 on United Airlines and up to 128 on American Airlines), our A320s accommodate up to 186 passengers (compared to up to 182 on Spirit Airlines, up to 162 on JetBlue Airways, 149 on Virgin America and 150 on United Airlines and American Airlines) and our A321s accommodate 230 passengers (compared to up to 228 on Spirit Airlines, up to 200 on JetBlue Airways, up to 192 on Delta Air Lines and up to 187 on American Airlines).

Aircraft Fuel

Aircraft fuel is our largest expense representing 24%, 20%, 25%, 27% and 39% of our total operating costs for the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, respectively. The price and availability of jet fuel are volatile due to global economic and geopolitical factors as well as domestic and local supply factors. Our historical fuel consumption and costs were as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
Gallons consumed (millions)	165	195	216	48	54
Average price per gallon	$ 3.26	$ 1.90	$ 1.59	$ 1.32	$ 1.88

Average price per gallon includes related fuel fees and taxes as well as effective fuel-hedging gains and losses.

We maintain an active hedging program designed to reduce our exposure to sudden, sharp increases in fuel prices. We regularly review our fuel hedging program and, accordingly, the specific hedging instruments we use, the amount of our future hedges and the time period covered by our hedge portfolio vary from time to time depending on our view of market conditions and other factors. Among the hedging instruments we have used in the past and may use in the future include options and collar contracts on jet fuel, fixed forward price contracts, or FFPs, which allow us to lock in the price of jet fuel for specified quantities and at specified locations in future

periods, and call options. As of March 31, 2017, we had hedges in place for approximately 71% of our projected fuel requirements for the remainder of 2017 at an average strike price of $1.78 per gallon and approximately 31% of our projected fuel requirements in 2018 at a strike price of $1.80 per gallon, with all of our then existing call options expected to be exercised or expire by the end of 2018.

Maintenance and Repairs

We have a FAA mandated and approved maintenance program, which is administered by our technical operations department. Our maintenance technicians undergo extensive initial and recurrent training. Aircraft maintenance and repair consists of routine and non-routine maintenance, and work performed is divided into three general categories: line maintenance, heavy maintenance and component service.

Line maintenance consists of routine daily and weekly scheduled maintenance checks on our aircraft. We categorize our line maintenance into four stations and each line maintenance station is categorized by the scope and complexity of work performed. Line maintenance is performed in Denver, Chicago, Cleveland, Orlando and Atlanta and represents the majority of and most extensive maintenance we perform.

Major airframe maintenance checks consist of a series of more complex tasks that can take from one to four weeks to accomplish and typically are required approximately every 20 months. Engine overhauls and engine performance restoration events are quite extensive and can take two months. We maintain an inventory of spare engines to provide for continued operations during engine maintenance events. We expect to begin the initial planned engine maintenance overhauls on our new engine fleet approximately four to six years after the date of manufacture and introduction into our fleet, with subsequent engine maintenance every four to six years thereafter. Due to our relatively small fleet size and projected fleet growth, we believe outsourcing all of our heavy maintenance, engine restoration and major part repair, is more economical. We have entered into a long-term flight hour agreement for our engine overhaul services and an hour-by-hour basis agreement for component services. We also outsource heavy airframe maintenance. These contracts cover the majority of our aircraft component inventory acquisition, replacement and repairs, thereby eliminating the need to carry expensive spare parts inventory.

As of March 31, 2017, the operating leases for five, 13 and three aircraft in our fleet are scheduled to terminate in the remainder of 2017, 2018 and 2019, respectively. In certain circumstances, such operating leases may be extended. Prior to such aircraft being returned, we will incur costs to restore these aircraft to the condition required by the terms of the underlying operating leases.

We currently have an obligation to purchase 78 aircraft by the end of 2021. We expect that these new aircraft will require less maintenance when they are first placed in service (sometimes called a “maintenance holiday”) because the aircraft will benefit from manufacturer warranties and also will be able to operate for a significant period of time, generally measured in years, before the most expensive scheduled maintenance obligations, known as heavy maintenance, are required. Once these maintenance holidays expire, these aircraft will require more maintenance as it ages and our maintenance and repair expenses for each of our aircraft will be incurred at approximately the same intervals. See “Risk Factors—Risks Relating to Our Business—Our maintenance costs will increase over the near term, and we will periodically incur substantial maintenance costs due to the maintenance schedules of our aircraft fleet.”

Employees

As of March 31, 2017, we had 3,551 employees, consisting of 1,150 pilots, 1,692 flight attendants, 21 flight dispatchers, 88 maintenance, 37 aircraft appearance agents, 22 material specialists, 9 maintenance controllers and 532 employees in administrative roles.

FAA regulations require pilots to have commercial licenses with specific ratings for the aircraft to be flown, and to be medically certified as physically fit to fly. FAA and medical certifications are subject to periodic renewal requirements including recurrent training and recent flying experience. Mechanics, quality-control inspectors, and flight dispatchers must be certificated and qualified for specific aircraft. Flight attendants must have initial and periodic competency training and qualification. Training programs are subject to approval and monitoring by the FAA. Management personnel directly involved in the supervision of flight operations, training, maintenance, and aircraft inspection must also meet experience standards prescribed by FAA regulations. All safety-sensitive employees are subject to pre-employment, random, and post-accident drug testing.

We focus on hiring highly productive employees and, where feasible, designing systems and processes around automation and the utilization of third-party specialists in order to maintain our low-cost base. With respect to pilots, given the pilot shortage being experienced by parts of the industry, particularly regional airlines, one of our operational priorities is to maintain a robust pipeline of qualified pilot candidates. In 2016, we received approximately 10 pilot applications for every one pilot hired. This pipeline is partially the result of recruiting and selection arrangements we have recently entered into with several regional airlines that are not affiliated with any of the legacy network airlines. Under these mutual recruiting and selection arrangements, we jointly recruit, interview and select candidates to become Frontier pilots after successfully meeting defined training and flight experience requirements with one of the feeder regional airlines. We have found these arrangements to be beneficial to our company because we are able to identify an attractive flow of pilot candidates and to be beneficial to the feeder regional airline because it is better able to recruit entry level pilots if it is able to offer those candidates an opportunity to graduate to a mainline airline, such as Frontier. In addition, under these arrangements, once we have selected a regional airline's pilot for our career development program, the regional airline will not provide such pilot with an opportunity to participate in any similar programs with any other airline. Each of these arrangements is terminable at will by either party upon 60 days notice. In addition, we believe we are an attractive employer for pilots as a result of our strong growth, which provides our pilots with career progression opportunities and enables them to achieve substantial pay increases within the first three years of employment under the collective bargaining agreement with our pilots. For example, as a result of our continuing fleet expansion, all of our First Officers hired since late-2013 have been eligible for upgrade to Captain within 24 to 36 months of joining the company. As of December 31, 2016, our median pilot and flight attendant seniority was approximately 9 and 2 years, respectively.

As of March 31, 2017, approximately 85% of our employees were represented by labor unions under collective-bargaining agreements, as follows:

Employee Groups	Number of Employees	Representative	Status of Agreement/Amendable Date
Pilots	1,150	Air Line Pilots Association (ALPA)	Became amendable in March 2016. In negotiation.
Flight Attendants	1,692	Association of Flight Attendants (AFA-CWA)	Became amendable in July 2015. In negotiation.
Dispatchers	21	Transport Workers Union (TWU)	New Contract ratified in December 2016.
Material Specialists	22	International Brotherhood of Teamsters (IBT)	New Contract ratified in March 2017.
Aircraft Appearance Agents	37	IBT	Became amendable in July 2015. In negotiation.
Maintenance Controllers	9	IBT	Became amendable in August 2014. In negotiation.
Maintenance	88	IBT	New Contract ratified in February 2017

The Railway Labor Act, or RLA, governs our relations with labor organizations. Under the RLA, the collective bargaining agreements generally do not expire, but instead become amendable as of a stated date. If either party wishes to modify the terms of any such agreement, they must notify the other party in the manner agreed to by the parties. Under the RLA, after receipt of such notice, the parties must meet for direct negotiations, and if no agreement is reached, either party may request the National Mediation Board, or NMB, to appoint a federal mediator. The RLA prescribes no set timetable for the direct negotiation and mediation process. It is not unusual for those processes to last for many months, and even for a few years. If no agreement is reached in mediation, the NMB in its discretion may declare at some time that an impasse exists, and if an impasse is declared, the NMB proffers binding arbitration to the parties. Either party may decline to submit to arbitration. If arbitration is rejected by either party, a 30-day "cooling off" period commences. During that period (or after), a Presidential Emergency Board, or PEB, may be established, which examines the parties' positions and recommends a solution. The PEB process lasts for 30 days and is followed by another "cooling off" period of 30 days. At the end of a "cooling off" period, unless an agreement is reached or action is taken by Congress, the labor organization may strike and the airline may resort to "self-help," including the imposition of any or all of its proposed amendments and the hiring of new employees to replace any striking workers. Congress and the President have the authority to prevent "self-help" by enacting legislation that, among other things, imposes a settlement on the parties. We entered into NMB mediation with the union representing our pilots, ALPA, on September 30, 2016 and the mediation is ongoing. The table above sets forth our employee groups and status of the collective bargaining agreements.

Safety and Security

We are committed to the safety and security of our passengers and employees. Some of the safety and security measures we have taken include: aircraft security and surveillance, positive bag matching procedures, enhanced passenger and baggage screening and search procedures, and securing of cockpit doors. We strive to comply with or exceed health and safety regulation standards. In pursuing these goals, we maintain an active aviation safety program and all of our personnel are expected to participate in the program and take an active role in the identification, reduction and elimination of hazards.

Our ongoing focus on safety relies on training our employees to proper standards and providing them with the tools and equipment they require so they can perform their job functions in a safe and efficient manner. Safety in the workplace targets several areas of our operation including: flight operations, maintenance, in-flight, dispatch, and station operations.

The Transportation Security Administration, or TSA, is charged with aviation security for both airlines and airports. We maintain active, open lines of communication with the TSA at all of our locations to ensure proper standards for security of our personnel, customers, equipment and facilities are exercised throughout the operation. In September 2016, we introduced TSA Precheck for our flights to improve our customers' airport experiences.

Facilities

We lease or rent all of our facilities at the airports we serve. Our leases for our terminal passenger service facilities, which include ticket counter and gate space, operations support area and baggage service office, generally contain provisions for periodic adjustments of lease rates. We are typically responsible for maintenance, insurance and other facility-related expenses and services under these agreements. We also have entered into use agreements at many of the airports we serve that provide for the non-exclusive use of runways, taxiways and other facilities. Landing fees under these agreements are based on the number of landings and weight of the aircraft.

We primarily operate out of Concourse A, at Denver International Airport under an operating lease that expires in December 2018. We currently use up to 10 gates within Concourse A. We have preferential access to

eight of the Concourse A gates and common use access to the remaining two Concourse A gates. Our operating lease also includes a 154,900 square foot hangar, which includes office space and is where we provide certain maintenance on our aircraft.

Our second largest operation is at Terminal A at Orlando International Airport, where we operate under an airport lease agreement that provides us with the preferential use of five airport gates and access to up to two additional common-use gates. Our lease agreement extends through September 2019. We believe that our leased gates are capable of handling our expected growth in operations.

Our principal executive offices and headquarters are presently located in leased premises at 7001 Tower Rd, Denver, Colorado 80249, consisting of approximately 70,000 square feet, under a lease which expires in 2020. In the fourth quarter of 2017, we expect to relocate our headquarters to owned premises located at 4545 Airport Way, Denver, Colorado 80239.

Insurance

We maintain insurance policies we believe are of types customary in the airline industry and as required by the DOT, lessors and other financing parties. The policies principally provide liability coverage for public and passenger injury; damage to property; loss of or damage to flight equipment; fire; auto; directors' and officers' liability; advertiser and media liability; cyber risk liability; fiduciary; workers' compensation and employer's liability; and war risk (terrorism). Although we currently believe our insurance coverage is adequate, we cannot assure you that the amount of such coverage will not be changed or that we will not be forced to bear substantial losses from accidents.

Foreign Ownership

Under DOT regulations and federal law, we must be owned and controlled by U.S. citizens. The restrictions imposed by federal law and regulations currently require that at least 75% of our voting stock must be owned and controlled, directly and indirectly, by persons or entities who are U.S. citizens, as defined in the Federal Aviation Act, that our president and at least two-thirds of the members of our board of directors and other managing officers be U.S. citizens, and that we be under the actual control of U.S. citizens. In addition, at least 51% of our total outstanding stock must be owned and controlled by U.S. citizens and no more than 49% of our stock may be held, directly or indirectly, by persons or entities who are not U.S. citizens and are from countries that have entered into "open skies" air transport agreements with the U.S. which allow unrestricted access between the United States and the applicable foreign country and to points beyond the foreign country on flights serving the foreign country. We are currently in compliance with these ownership provisions. For a discussion of the procedures we instituted to ensure compliance with these foreign ownership rules, please see "Description of Capital Stock—Anti-Takeover Provisions of Our Certificate of Incorporation and Bylaws—Limited Ownership and Voting by Foreign Owners."

Government Regulation

Aviation Regulation

The DOT and FAA have regulatory authority over air transportation in the United States. The DOT has authority to issue certificates of public convenience and necessity, exemptions and other economic authority required for airlines to provide domestic and foreign air transportation. International routes and international code-sharing arrangements are regulated by the DOT and by the governments of the foreign countries involved. A U.S. airline's ability to operate flights to and from international destinations is subject to the air transport agreements between the United States and the foreign country and the carrier's ability to obtain the necessary authority from the DOT and the applicable foreign government.

The U.S. government has negotiated “open skies” agreements with many countries, which allow unrestricted access between the United States and the applicable foreign country and to points beyond the foreign country on flights serving the foreign country. With certain other countries, however, the United States has a restricted air transportation agreement. Our international flights to Mexico are governed by a recently implemented liberalized bilateral air transport which the DOT has determined has all of the attribute of an “open skies” agreement. Our flights to the Dominican Republic and any service we may provide to Cuba are governed by bilateral air transport agreements between the United States and such countries. Changes in U.S., Mexico, the Dominican Republic or Cuba aviation policies could result in the alteration or termination of the corresponding air transport agreement, diminish the value of our international route authorities or otherwise affect our operations to/from these countries.

The FAA is responsible for regulating and overseeing matters relating to the safety of air carrier flight operations, including the control of navigable air space, the qualification of flight personnel, flight training practices, compliance with FAA airline operating certificate requirements, aircraft certification and maintenance requirements and other matters affecting air safety. The FAA requires each commercial airline to obtain and hold an FAA air carrier certificate. We currently hold an FAA air carrier certificate.

Airport Access

Flights at three major domestic airports are regulated through allocations of landing and takeoff authority (i.e., “slots” and “operating authorizations”) or similar regulatory mechanisms, which limit take-offs and landings at those airports. Each slot represents the authorization to land at or take off from the particular airport during a specified time period.

In the United States, the FAA currently regulates the allocation of slots, slot exemptions, operating authorizations or similar capacity allocation mechanisms at two of the airports we serve, Ronald Reagan Washington National Airport (DCA) in Washington, D.C. and New York’s LaGuardia Airport (LGA). In addition, John Wayne Airport (SNA) in Orange County, California, has a locally imposed slot system. Our operations at these airports generally require the allocation of slots or analogous regulatory authorizations. We currently have sufficient slots or operating authorizations to operate our existing flights, but there is no assurance that we will be able to do so in the future because, among other reasons, such allocations are subject to changes in governmental regulations and policies. Our ability to retain slots or operating authorizations is subject to “use-or-lose” provisions of the governing regulations, and our ability to expand service at slot-controlled airports similarly is limited. The DOT also regulates slot transactions between airlines.

Consumer Protection Regulation

The DOT also has jurisdiction over certain economic issues affecting air transportation and consumer protection matters, including unfair or deceptive practices and unfair methods of competition, lengthy tarmac delays, air carriers, airline advertising, denied boarding compensation, ticket refunds, baggage liability, contracts of carriage, customer service commitments, customer complaints and transportation of passengers with disabilities. The DOT frequently adopts new consumer protection regulations, such as rules to protect passengers addressing lengthy tarmac delays, chronically delayed flights, codeshare disclosure and undisclosed display bias, and is reviewing new guidelines to address the transparency of airline non-ticket fees and refunding baggage fees for delayed checked baggage. The DOT also has authority to review certain joint venture agreements, code-sharing agreements (where an airline places its designator code on a flight operated by another airline) and wet-leasing agreements (where one airline provides aircraft and crew to another airline) between carriers and regulates other economic matters such as slot transactions.

Security Regulation

The U.S. Transportation Security Administration and the U.S. Customs and Border Protection, each a division of the U.S. Department of Homeland Security, are responsible for certain civil aviation security matters,

including passenger and baggage screening at U.S. airports, and international passenger prescreening prior to entry into or departure from the U.S. International flights are subject to customs, border, immigration and similar requirements of equivalent foreign governmental agencies. We are currently in compliance with all directives issued by such agencies.

Environmental Regulation

We are subject to various federal, state, foreign and local laws and regulations relating to the protection of the environment and affecting matters such as air emissions (including greenhouse gas, or GHG, emissions), noise emissions, discharges to surface and subsurface waters, safe drinking water, and the use, management, release, discharge and disposal of, and exposure to, materials and chemicals.

In particular, in June 2015, the EPA issued revised underground storage tank regulations that could affect airport fuel hydrant systems and reissued the Multi-Sector General Permit for Stormwater Discharges from Industrial Activities. Among other revisions, the reissued permit incorporates the EPA's previously issued Airport Deicing Effluent Limitation Guidelines and New Source Performance Standards. In addition, California adopted a revised State Industrial General Permit for Stormwater Discharges on April 1, 2014, which became effective July 1, 2015. This permit places additional reporting and monitoring requirements on permittees and requires implementation of mandatory best management practices. Cost estimates to comply with the above permitting requirements have not been defined, but we, along with other airlines, would share a portion of these costs at applicable airports. In addition to the EPA and state regulations, several U.S. airport authorities are actively engaged in efforts to limit discharges of de-icing fluid to the environment, often by requiring airlines to participate in the building or reconfiguring of airport de-icing facilities. Such efforts are likely to impose additional costs and restrictions on airlines using those airports.

We are also subject to environmental laws and regulations that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under certain laws, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of wastes directly attributable to us.

GHG Emissions

Concern about climate change and greenhouse gases may result in additional regulation or taxation of aircraft emissions in the United States and abroad. In particular, in June 2015, the EPA announced a proposed endangerment finding that aircraft engine GHG emissions cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. If the EPA makes a final, positive endangerment finding, the EPA is obligated under the Clean Air Act to set GHG emissions standards for aircraft. Several states are also considering or have adopted initiatives to regulate emissions of GHGs, primarily through the planned development of GHG emissions inventories and/or regional cap-and-trade programs. On March 6, 2017, ICAO adopted new carbon dioxide certification standards for new aircraft beginning in 2020. The new CO2 standards will apply to new aircraft type designs from 2020, and to aircraft type designs already in production as of 2023. In-production aircraft that do not meet the standard by 2028 will no longer be able to be produced unless their designs are modified to meet the new standards.

In the event that such legislation or regulation is enacted in the United States or in the event similar legislation or regulation is enacted in jurisdictions where we operate or where we may operate in the future, it could result in significant costs for us and the airline industry. In addition to direct costs, such regulation may have a greater effect on the airline industry through increases in fuel costs that could result from fuel suppliers passing on increased costs that they incur under such a system.

Noise

Federal law recognizes the right of airport operators with special noise problems to implement local noise abatement procedures so long as those procedures do not interfere unreasonably with interstate and foreign commerce and the national air transportation system. These restrictions can include limiting nighttime operations, directing specific aircraft operational procedures during take-off and initial climb and limiting the overall number of flights at an airport. While we have had sufficient scheduling flexibility to accommodate local noise restrictions in the past, our operations could be adversely impacted if ICAO or locally imposed regulations become more restrictive or widespread.

Other Regulations

Airlines are also subject to various other federal, state, local and foreign laws and regulations. For example, the U.S. Department of Justice has jurisdiction over certain airline competition matters. Labor relations in the airline industry are generally governed by the Railway Labor Act. The privacy and security of passenger and employee data is regulated by various domestic and foreign laws and regulations.

Future Regulations

The U.S. government and foreign governments may consider and adopt new laws, regulations, interpretations and policies regarding a wide variety of matters that could directly or indirectly affect our results of operations. We cannot predict what laws, regulations, interpretations and policies might be considered in the future, nor can we judge what impact, if any, the implementation of any of these proposals or changes might have on our business.

Legal Proceedings

We are subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. We currently believe that the ultimate outcome of such lawsuits, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on our financial position, liquidity or results of operations.

MANAGEMENT

The following table provides information regarding our executive officers and directors as of March 31, 2017:

Name	Age	Position(s)
Non-Employee Directors		
William A. Franke	79	Chairman of the Board
Josh T. Connor	43	Director
Brian H. Franke	53	Director
Robert J. Genise	69	Director
Bernard L. Han	52	Director
C.A. Howlett	73	Director
Michael R. MacDonald	65	Director
Patricia Salas Pineda	65	Director
John R. Wilson	52	Director
Executive Officers and Employee Director		
Barry L. Biffle	45	Director, President and Chief Executive Officer
James G. Dempsey	42	Chief Financial Officer
James E. Nides	66	Chief Operating Officer
Howard M. Diamond	50	General Counsel and Secretary
Mark C. Mitchell	43	Chief Accounting Officer
Daniel M. Shurz	41	Senior Vice President, Commercial

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.

The following are brief biographies for each current non-employee director and each executive officer and employee director. When we refer to any of such persons' service, to our company we are referring to service to Frontier Group Holdings, Inc. as well as our wholly-owned subsidiaries, Frontier Airlines Holdings, Inc. ("FAH") and Frontier Airlines, Inc.

Non-Employee Directors

William A. Franke has served as Chairman of our Board of Directors since December 2013. Mr. Franke has served as managing partner of Indigo Partners LLC, a private equity fund focused on air transportation, since 2002. Mr. Franke was the chairman of America West Airlines from 1992 to 2001 and chief executive officer of America West Airlines from 1993 to 2001 and has served on the boards of directors of Wizz Air Hungary Airlines Ltd., an airline based in Europe, and its parent company, Wizz Air Holdings Plc, since February 2005, Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, since July 2011, and JetSMART SpA, an airline planning to commence operations in South America, since February 2017. He also served as chairman of Spirit Airlines Inc. from 2006 to 2013 and Tiger Aviation Pte. Ltd, a Singapore-based airline, from 2004 to 2009, and held directorships in Alpargatas S.A.I.C., an Argentina-based footwear and textiles manufacturer, from 1996 to 2007, and Phelps Dodge Corporation, a mining company, where he served as the lead outside director for several years, from 1980 to 2007. He has in the past served on a number of other publicly listed company boards of directors, including ON Semiconductor, Valley National Corporation, Southwest Forest Industries and the Circle K Corporation. Mr. Franke holds a B.A. and a LLB from Stanford University and an honorary doctorate from Northern Arizona University. We believe Mr. Franke is qualified to serve on our Board of Directors due to his private equity experience in the air transportation industry, his prior directorships, his financial literacy and his general and airline business experience.

Josh T. Connor has served as a member of our Board of Directors since August 2015. Mr. Connor is the founding partner of Connor Capital SB, LLC, an investment firm founded in December 2015. Since April 2017, Mr. Connor has served as a managing director of Oaktree Capital, an asset management firm specializing in alternative investment strategies, where he had served as strategic adviser of Oaktree Capital Management's Infrastructure Fund since September 2015. Mr. Connor has served on the board of Copa Holdings SA, the parent company of Panamanian airline Copa Airlines, since January 2016. From October 2013 to July 2015, Mr. Connor served as a managing director and co-head of the industrials banking group at Barclays Capital Inc., an international investment bank. While at Barclays, Mr. Connor also served as global head of transportation banking from April 2011 to October 2013. Prior to joining Barclays, Mr. Connor was with Morgan Stanley, an international investment bank, for 15 years, where he served as co-head of the global transportation & infrastructure investment banking group. Mr. Connor holds a B.A. in Economics from Williams College. We believe Mr. Connor is qualified to serve on our Board of Directors due to his private equity experience, his financial expertise and general business experience.

Brian H. Franke has served as a member of our Board of Directors since December 2013. Mr. Franke has been a principal of Indigo Partners LLC, a private equity fund focused on air transportation, since April 2004. Mr. Franke has served on the boards of directors of Tiger Aviation Pte. Ltd, a Singapore-based airline, since 2008, Tiger Airways Australia Pty Ltd., an Australian-based airline, since 2009, Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, since July 2011, and JetSMART SpA, an airline planning to commence operations in South America, since February 2017. Mr. Franke holds a B.S. from the University of Arizona and a Masters of International Management from the Thunderbird School of Global Management. We believe Mr. Franke is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Robert J. Genise has served as a member of our Board of Directors since March 2014. Mr. Genise has served as a board member of Aergen Aviation Finance Limited, a Dublin, Ireland aircraft leasing company, since 2014 and has served as CEO of its wholly-owned subsidiary, Aergen Management Services, Inc. Mr. Genise has served on the board of directors of Avioserve San Diego, Inc., a late-life aircraft engine parts management company, since June 2012. Mr. Genise served as chief executive officer of DAE Capital, the aircraft leasing division of Dubai Aerospace Enterprise (DAE) Ltd., a global aerospace corporation, from 2007-2011. Prior to this, Mr. Genise was involved in the creation of two large aircraft leasing companies, Boullioun Aviation Services, Inc. and Singapore Aircraft Leasing Pte. Mr. Genise holds a B.S. from New York University, an M.B.A. from the University of Connecticut and a J.D. from Pace University. We believe Mr. Genise is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Bernard L. Han has served as a member of our Board of Directors since March 2014. Mr. Han has served as executive vice president of strategic planning at Dish Network Corp., a broadcast satellite service provider, since December 2015. Prior to that, Mr. Han served as the chief operating officer of Dish Network Corp. from April 2009 to December 2015 and as the chief financial officer of EchoStar Corporation, a global satellite services provider, from September 2006 to April 2009. He also served on the board of ON Semiconductor Corporation, a semiconductor manufacturer, from March 2012 to April 2015. From 2002 to 2005, Mr. Han served as the chief financial officer and executive vice president of Northwest Airlines Corp., an airline later absorbed into Delta Air Lines, Inc. From 1996 to 2002, Mr. Han held several executive positions at America West Airlines, Inc., an airline later absorbed into the US Airways Group, including executive vice president and chief financial officer and senior vice president of marketing and planning. From 1988 to 1995, Mr. Han held various finance and marketing positions at Northwest Airlines Corp. and American Airlines. Mr. Han holds a B.S., M.S. and M.B.A., all from Cornell University. We believe Mr. Han is qualified to serve on our Board of Directors due to his experience in the airline industry, financial expertise and general and airline business experience.

C.A. Howlett has served as a member of our Board of Directors since December 2013. Mr. Howlett has been a principal of Indigo Partners LLC, a private equity fund focused on air transportation, since July 2011.

Mr. Howlett has served as a member of the executive board of Phoenix Theater since 1999, as chairman of the Phoenix Symphony Association since 2008, as a board member of the Arizona Chamber of Commerce since 2002 and as a board member of the U.S. Chamber of Commerce since 1996. Mr. Howlett has also served on the board of the Valley of Sun Convention and Visitor's Bureau since 2014. Mr. Howlett served as senior vice president of public affairs at US Airways Group, Inc., from 2005 to 2011. Prior to that, Mr. Howlett served as senior vice president of public affairs of America West Airlines, an airline later absorbed into US Airways Group Inc., from 1995 to 2005. Mr. Howlett holds a B.A. in Political Science and Economics and an M.A. in Public and Business Administration from the University of Colorado. We believe Mr. Howlett is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Michael R. MacDonald has served as a member of our Board of Directors since March 2017. Mr. MacDonald served as the president and chief executive officer and a member of the board of directors of DSW Inc., a publicly traded footwear retailer, from April 2009 to December 2015. Prior to joining DSW, Mr. MacDonald served as chairman and chief executive officer of Shopko Stores, a retail company, from May 2006 to March 2009. Prior to that time, Mr. MacDonald held executive positions at Saks Incorporated from 1998 to 2006, most recently as chairman and chief executive officer of the Northern Department Stores Group for six years. Prior to serving in that capacity, Mr. MacDonald held executive positions at Carson Pirie Scott, including the position of chairman and chief executive officer. Mr. MacDonald has served as a member of the Board of Directors of Ulta Beauty, Inc., a public company, since 2012. Mr. MacDonald holds a B.B.A. from the University of Notre Dame and an M.B.A. from the University of Detroit. We believe Mr. MacDonald is qualified to serve on our Board of Directors due to his business experience.

Patricia Salas Pineda has served as a member of our Board of Directors since March 2017. Ms. Pineda served as group vice president of Hispanic business strategy for Toyota Motor North America, Inc. from 2013 to October 2016. Previously, Ms. Pineda served Toyota Motor North America as group vice president, national philanthropy and the Toyota USA Foundation from 2004 until 2013. During this period, Ms. Pineda also served as general counsel and group vice president of administration from 2006 to 2008 and as group vice president of corporate communications and general counsel from 2004 to 2006. Prior to that, Ms. Pineda was vice president of legal, human resources and government relations, and corporate secretary of New United Motor Manufacturing, Inc. with which she had been associated since 1984. Ms. Pineda has served on the board of directors of Levi Strauss & Co., an apparel maker, since 1991. Ms. Pineda previously served on the boards of directors of Anna's Linens, a specialty retailer of discounted home furnishings, and Eller Media Company (now known as Clear Channel Outdoor), an outdoor advertising company. Ms. Pineda is currently a member of the corporate advisory board of the National Council of La Raza and chairwoman and member of the board of directors of the Latino Corporate Directors Association. Ms. Pineda holds a B.A. in Government from Mills College and a J.D. from Boalt Hall School of Law at the University of California, Berkeley. We believe Ms. Pineda is qualified to serve on our Board of Directors due to her expertise in governmental relations and regulatory oversight, corporate governance and human resources matters.

John R. Wilson has served as a member of our Board of Directors since December 2013. Mr. Wilson has been a principal of Indigo Partners LLC, a private equity fund focused on air transportation, since 2004. Mr. Wilson has served on the boards of directors of Wizz Air Hungary Airline, Ltd., an airline based in Europe and its parent company, Wizz Air Holdings Plc, since February 2005, Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, since July 2011, and JetSMART SpA, an airline planning to commence operations in South America, since February 2017. Mr. Wilson served on the board of directors of Spirit Airlines, Inc., from April 2009 to July 2013. Previously, Mr. Wilson held positions at America West Airlines, an airline later absorbed into US Airways Group, Inc., and Northwest Airlines Corp., an airline later absorbed into Delta Air Lines, Inc. Mr. Wilson holds a B.B.A. from Texas Tech University and an M.B.A. from the University of Virginia Darden Graduate School of Business. We believe Mr. Wilson is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Executive Officers and Employee Director

Barry L. Biffle has served as a member of our Board of Directors since March 2017, as our Chief Executive Officer since March 2016 and as our President since July 2014. From July 2013 to April 2014, Mr. Biffle served as chief executive officer of VivaColombia, an airline based in Medellín, Colombia. From February 2005 to July 2013, Mr. Biffle served as chief marketing officer of Spirit Airlines. From 2003 to 2005, Mr. Biffle served as managing director of marketing at US Airways. Mr. Biffle also held other key positions in network planning, sales and marketing while at US Airways. Prior to joining US Airways, Mr. Biffle held several management positions at American Eagle Airlines, a regional airline subsidiary of American Airlines, Inc. from 1995 to 1999. Mr. Biffle holds a B.A. degree from the University of Alabama. We believe Mr. Biffle is qualified to serve on our Board of Directors due to his experience in the air transportation industry and his general airline and business experience.

James G. Dempsey has served as our Chief Financial Officer since May 2014. From July 2006 to April 2014, Mr. Dempsey served as treasurer at Ryanair Holdings PLC. From 2003 to 2006, Mr. Dempsey served as head of investor relations at Ryanair. Prior to this, Mr. Dempsey served in various management roles with PricewaterhouseCoopers from 2000 to 2003. Mr. Dempsey holds a Bachelor of Commerce Degree from the University College Dublin and is a fellow of the Institute of Chartered Accountants in Ireland.

James E. Nides has served as our Chief Operating Officer since January 2017. Mr. Nides served as our Vice President Flight Operations from April 2015 until December 2017. Mr. Nides served as chief operating officer of Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, from July 2011 to April 2015. Mr. Nides served as vice president of flight operations & maintenance of Express Jet Holdings Inc., a regional U.S. airline, from 1998 to 2011. Mr. Nides started his airline industry career as a pilot for Comair in 1978. Mr. Nides holds a B.S. in Economics from the University of Cincinnati.

Howard M. Diamond has served as our General Counsel and Corporate Secretary since July 2014. Mr. Diamond served as vice president, general counsel and corporate secretary of Thales USA, Inc., a diversified aerospace, defense and transportation company, from January 2008 to July 2014. Prior to that, Mr. Diamond served as chief counsel at BAE Systems Land and Armaments, f/k/a United Defense, LP from 2003 to 2008. Mr. Diamond holds a B.A. degree from Wesleyan University and a J.D. from the University of Virginia School of Law.

Mark C. Mitchell has served as our Chief Accounting Officer since September 2015. Mr. Mitchell served in various leadership capacities for Starwood Hotels and Resorts Worldwide, Inc., or SHRW, a hotel and leisure company, from February 2007 to September 2015, including serving as the Vice President, Accounting (SHRW) during 2013 to 2015 and as the corporate controller for Starwood Vacation Ownership, Inc., the timeshare brand of SHRW, during 2007 to 2015. Mr. Mitchell is a CPA and holds a B.S. in Accounting from Indiana University and an M.B.A. from the University of Florida.

Daniel M. Shurz has served as our Senior Vice President, Commercial since January 2012. Mr. Shurz also served as our Vice President, Strategy and Planning from June 2009 to February 2012. Prior to that, Mr. Shurz served as vice president, network planning from August 2006 to April 2009 and director, business development from May 2005 to August 2006 at Air Canada. Mr. Shurz also served in various roles at United Airlines from 1996 to 2001. Mr. Shurz holds a B.A. from Cambridge University and an M.B.A. from the University of Chicago Booth School of Business.

Board Composition

Our board of directors is presently comprised of 10 members. In accordance with our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering, our board of directors will be divided into three classes with staggered three-year terms effective immediately prior to the completion of this offering. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors are Messrs. W. Franke and Connor and Ms. Pineda, and their terms will expire at the annual general meeting of stockholders to be held in 2018;

- The Class II directors are Messrs. Han, MacDonald and Wilson, and their terms will expire at the annual general meeting of stockholders to be held in 2019; and
- The Class III directors are Messrs. Biffle, B. Franke and Genise, and their terms will expire at the annual general meeting of stockholders to be held in 2020.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

Until such time as Indigo Denver Management Company, LLC, or Indigo, and its affiliates beneficially own shares of our common stock representing less than a majority of the voting rights of our outstanding common stock, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering require a majority stockholder vote for the removal of a director with or without cause. From and after such time as Indigo and its affiliates hold less than a majority of the voting rights of our outstanding common stock, a majority stockholder vote will be required for removal of a director with cause (and a director may only be removed for cause). The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

An investment fund managed by Indigo owns more than 50% of our outstanding voting securities and we are therefore considered a “controlled company” within the meaning of the NASDAQ Stock Market rules. Following the consummation of this offering, we expect to remain a “controlled company” and we intend to rely upon the “controlled company” exception to the board of directors and committee independence requirements under the NASDAQ Stock Market rules. Pursuant to this exception, we will be exempt from the rules that would otherwise require that our board of directors be comprised of a majority of independent directors and that our compensation and nominating and corporate governance committees be composed entirely of independent directors. The “controlled company” exception does not modify the independence requirements for the audit committee, and we expect to rely on certain phase-in provisions to comply with the requirements of the Sarbanes-Oxley Act and the NASDAQ Stock Market rules, requiring that our audit committee be comprised exclusively of independent directors within one year of this offering.

Our board of directors has undertaken a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our board of directors determined that Messrs. Connor, Han, Genise, MacDonald and Ms. Pineda, representing five of our 10 directors, are “independent directors” as defined under the applicable rules and regulations of the SEC and the NASDAQ Stock Market.

Family Relationships

William A. Franke is the father of Brian H. Franke. Otherwise, there are no family relationships among any of our directors or executive officers.

Leadership Structure

We have historically separated the roles of CEO and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting our strategic direction and our day-to-day leadership and performance, while the Chairman of the Board provides guidance to the CEO, sets the agenda for board meetings and presides over meetings of the full board of directors. In addition, our amended and restated bylaws to be in effect immediately prior to the consummation of this offering provide that the independent directors may appoint a lead director from among them to perform such duties as may be assigned by our board of directors.

Board Committees

Our board of directors has the following committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our board.

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting process and the audits of our financial statements. Among other matters, the audit committee evaluates the independent auditors' qualifications, independence and performance; determines the engagement of the independent auditors; reviews and approves the scope of the annual audit and the audit fee; discusses with management and the independent auditors the results of the annual audit and the review of our quarterly financial statements; approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on the company's engagement team as required by law; reviews our critical accounting policies and estimates; oversees our internal audit function and annually reviews the audit committee charter and the committee's performance. The current members of our audit committee are Mr. Han, who is the chair of the committee, Messrs. Connor and Wilson and Ms. Pineda. All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the NASDAQ Stock Market. Our board has determined that Mr. Han is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the Messrs. Han and Connor and Ms. Pineda are independent directors as defined under the applicable rules and regulations of the SEC and the NASDAQ Stock Market. The audit committee operates under a written charter that satisfies the applicable standards of the SEC and the NASDAQ Stock Market. Our audit committee will consist of at least one member that is independent upon the effectiveness of our registration statement of which this prospectus forms a part, a majority of members that are independent within 90 days thereafter and all members that are independent within one year thereafter.

Compensation Committee

Our compensation committee reviews and recommends policies relating to compensation and benefits of our officers and employees. The compensation committee reviews the compensation philosophy of the Company, reviews and approves corporate goals and objectives relevant to compensation of our Chief Executive Officer and other executive officers, evaluates our performance in light of those goals and objectives, and sets the compensation of these officers based on such evaluations. The compensation committee also considers market trends in executive compensation with respect to the compensation of these officers. The compensation committee also administers the issuance of stock options and other awards under our stock plans. The compensation committee reviews and evaluates, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter. The current members of our compensation committee are Messrs. Genise and MacDonald, with Mr. W. Franke serving as the chair of the committee.

In order for our compensation committee to continue to make recommendations or determinations with respect to executive compensation, such committee must be composed of a majority of independent directors within ninety days from the date our common stock is listed on the NASDAQ Stock Market and entirely of independent directors within one year from the date our common stock is listed on the NASDAQ Stock Market. However, if we remain or become a "controlled company," we will qualify for, and expect to rely on, exemptions from the NASDAQ Stock Market corporate governance requirements that require such committee to be composed entirely of independent directors. Our board of directors has affirmatively determined that each of Messrs. Genise and MacDonald meets the definition of "independent director" for purposes of the NASDAQ Stock Market listing rules and is and will be a "non-employee director" as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and an "outside director" as that term is defined in Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or Section 162(m).

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The nominating and corporate governance committee reviews and evaluates, at least annually, the performance of the nominating and corporate governance committee and its members, including compliance of the nominating and corporate governance committee with its charter. The current members of our nominating and corporate governance committee are Mr. Han and Ms. Pineda, with Mr. B. Franke serving as the chair of the committee.

In order for our nominating and corporate governance committee to continue to make recommendations or determinations with respect to the composition of our board, such committee must be composed of a majority of independent directors within ninety days from the date our common stock is listed on the NASDAQ Stock Market and entirely of independent directors within one year from the date our common stock is listed on the NASDAQ Stock Market. However, if we remain or become a "controlled company," we will qualify for, and expect to rely on, exemptions from the NASDAQ Stock Market corporate governance requirements that require such committee to be composed entirely of independent directors. Our board of directors has affirmatively determined that each of Mr. Han and Ms. Pineda meets the definition of "independent director" for purposes of the NASDAQ Stock Market listing rules.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board or compensation committee.

Code of Ethics

Our board of directors has adopted a Code of Ethics. The Code of Ethics is applicable to all members of the board, officers and other employees, including our chief executive officer, chief financial officer and principal accounting officer. The Code of Ethics will be available under the Investor Relations section on our website at www.FlyFrontier.com under "Code of Ethics" at or around the time of this offering. The Code of Ethics addresses, among other things, issues relating to conflicts of interests, including internal reporting of violations and disclosures, and compliance with applicable laws, rules and regulations. The purpose of the Code of Ethics is to deter wrongdoing and to promote, among other things, honest and ethical conduct and to ensure to the greatest possible extent that our business is conducted in a legal and ethical manner. We intend to promptly disclose (1) the nature of any amendment to our code of ethics that applies to our directors, executive officers or other principal financial officers, or an immediate family member of a director, executive officer or other principal financial officer, and (2) the nature of any waiver, including an implicit waiver, from a provision of our code of ethics that is granted to one of these specified directors, officers or other principal financial officers, or an immediate family member of a specified director, executive officer or other principal financial officer, the name of such person who is granted the waiver and the date of the waiver on our website in the future.

Limitation of Liability and Indemnification

Our amended and restated certificate of incorporation, which will be in effect upon the completion of this offering, contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;

- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering provides that we shall indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws to be in effect immediately prior to the consummation of this offering also provide that we shall indemnify our directors and officers to the fullest extent permitted by Delaware law and advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. With specified exceptions, these agreements provide for indemnification for judgments, fines and settlement amounts as well as for related expenses including, among other things, attorneys' fees incurred by any of these individuals in any action or proceeding. We believe these limitation of liability provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation, amended and restated bylaws and indemnification agreements may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. Our amended and restated certificate of incorporation provides that any such lawsuit must be brought in the Court of Chancery of the State of Delaware. The foregoing provisions may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion and analysis of compensation arrangements of our named executive officers, or NEOs, should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. Our employees, including the NEOs, are employed with Frontier and all employee compensation matters have historically been decided by the board of directors of Frontier and its compensation committee, except for grants of equity awards, which have been made by our board of directors. Following the closing of this offering, all compensation matters in respect to our NEOs will be determined by the compensation committee of our board of directors. All references to "we," "us" or "our" in this Executive Compensation section will refer to Frontier and Frontier's board of directors and its compensation committee for actions taken in respect of cash compensation prior to the completion of this offering and to FGHI and FGHI's board of directors and its compensation committee for actions taken in respect of equity awards at any time and in respect of cash compensation on and after the completion of this offering.

Our compensation committee, which is appointed by our board of directors, is responsible for establishing, implementing and monitoring our compensation philosophy and objectives. We seek to ensure that the total compensation paid to our executive officers is reasonable and competitive. Compensation of our executives is structured around the achievement of individual performance and near-term corporate targets as well as long-term business objectives.

Our NEOs for fiscal year 2016 were as follows:

- Barry L. Biffle, President and Chief Executive Officer;
- James G. Dempsey, Chief Financial Officer;
- Howard M. Diamond, General Counsel and Secretary;
- Daniel M. Shurz, Senior Vice President, Commercial; and
- William A. Meehan, former Chief Operating Officer.

Mr. Meehan's employment with us ended effective as of January 4, 2017. Mr. Biffle served as our President for all of fiscal year 2016, but he was not appointed as our President and Chief Executive Officer until March 2016.

Compensation Philosophy and Objectives

We strive to find the best talent, resources and infrastructure to better serve our customers. Our goal is to attract and retain the most highly qualified executives to manage and oversee each of our business functions. We seek out individuals who we believe will be able to contribute to our business and our vision of future success, our culture and values, and who will promote the long-term interests and growth of our company. Our philosophy is that executive officer compensation should be structured to be straightforward and evolve alongside our company, provide incentive compensation to motivate and reward executive officers to attain established company and individual goals, supply competitive base salaries and benefits to attract and retain superior employees and utilize equity-based compensation that is consistent with increasing stockholder value and encourages an ownership mentality by our executives.

In determining the form and amount of compensation payable to the NEOs, we are guided by the following objectives and principles:

- ***Compensation programs should be straightforward, clear and evolve with our business.*** As part of our development as business, we aim to ensure our compensation programs are straightforward and

clear in order to provide transparency to our stakeholders. Our executive compensation program should give strong, clear incentives to our executives and adapt and evolve to reflect the growth and development of our company to ensure we remain competitive in the marketplace.

- ***Compensation should relate directly to performance, and variable compensation should constitute a significant portion of total compensation.*** We believe that our compensation programs foster an environment of innovation that rewards outstanding performance. Accordingly, a significant portion of total compensation should be based on variable compensation that is tied to and varies with our financial, operational and strategic performance, as well as individual performance. Executives with greater roles and the ability to directly impact our company's goals and long-term results should bear a greater proportion of the risk if these goals and results are not achieved.
- ***Compensation levels should be designed to attract, motivate and retain exceptional executives in the markets in which we operate.*** The market for talented management is highly competitive in our industry. We aim to provide an executive compensation program that attracts, motivates and retains high-performing talent and rewards them for our achieving and maintaining a competitive position in our industry. Total compensation should increase with position and responsibility.
- ***Long-term equity-based compensation should align executives' interests with our stockholders' interests.*** Long-term incentive awards, including equity-based compensation, incentivize executives to manage the company from a perspective that is beneficial to our stockholders, promoting the long-term growth of our company. Equity-based compensation should be utilized to foster an ownership mentality among our executives and to align the interests of our executives with our stockholders.

Determination of Compensation

Our compensation committee meets periodically to review and consider recommendations from Mr. Biffle with respect to each NEO's base salary, annual bonus compensation and long-term equity awards, other than with respect to himself. At the same time, our compensation committee reviews and determines adjustments, if necessary, to Mr. Biffle's compensation, including his base salary, annual bonus compensation and long-term equity awards. Our compensation committee annually evaluates our company-wide performance against the approved performance targets for the prior fiscal year. Our committee also meets periodically to discuss compensation-related matters as they arise during the year. For fiscal year 2016, our compensation committee determined each individual component of compensation for our NEOs. Mr. Biffle evaluates each other NEO's individual performance and contributions to our company at the end of each fiscal year and reports his recommendations regarding each element of the other NEOs' compensation to our compensation committee. Mr. Biffle does not participate in any formal discussion with our compensation committee regarding decisions on his own compensation and he recuses himself from meetings when his compensation is discussed. Following the completion of this offering, our compensation committee will oversee the annual compensation review process for all NEOs.

We generally rely on a flexible compensation program that allows us to adapt components and levels of compensation to motivate and reward individual executives to attain certain company-wide and individual goals. Subjective factors considered in compensation determinations include an executive's experience and capabilities, contributions to the executive's business unit or department, contributions to our overall company performance and whether the total compensation structure is sufficient to ensure the retention of the executive after taking into account the compensation potential that may be available elsewhere.

In early fiscal year 2016, our compensation committee began with a review of the primary aspects of our compensation programs for our named executive officers, including base salaries, performance-based bonuses and equity grants. As part of this process, our compensation committee consulted compensation surveys and gained a general understanding of current compensation practices through its compensation consultant, Willis Towers Watson. The surveys provided by Willis Towers Watson reported statistics on the total compensation,

position and responsibilities of executives employed by similarly situated companies in our industry and other companies based on revenue. Willis Towers Watson led our compensation committee through a detailed review of recent executive compensation trends, including as to the form and amount of cash compensation and equity grants. For fiscal year 2016, Willis Towers Watson recommended, and our compensation committee approved, the following peer group (the "Compensation Peer Group"), consisting of competitor airlines, for compensation market comparison purposes:

- Alaska Air Group, Inc.
- Allegiant Travel Company
- Hawaiian Holdings Inc.
- JetBlue Airways Corporation
- Republic Airways Holdings Inc.
- Sky West Inc.
- Spirit Airlines, Inc.
- Virgin America Inc.

The selection of companies for the Compensation Peer Group focused on small to medium-sized passenger carriers as an appropriate population for assessing the amounts and percentile rankings of compensation elements for NEOs, including base salaries, short-term incentives (bonuses) and long-term equity-based incentives. Our compensation committee determined that our competition for executive talent came significantly from these carriers. Willis Towers Watson primarily used the Compensation Peer Group to assess the competitiveness of our Chief Executive Officer's and Chief Operating Officer's compensation, as these positions would normally be recruited from other passenger airlines.

In assessing the compensation of our Chief Financial Officer, Senior Vice President, General Counsel and Secretary, and Senior Vice President, Commercial, Willis Towers Watson used a blended approach consisting of both Compensation Peer Group proxy data and broader survey data, adjusted for revenue size, as these positions could also be recruited from companies in other industries. Willis Towers Watson weighted the general industry companies at 25% and the airline peer group companies at 75% when evaluating our executive compensation and recommending adjustments. For its 2016 analysis, the survey data were pulled from the following three executive pay surveys:

- Seabury Airline Industry Compensation Survey Analysis;
- Willis Towers Watson Compensation Data Bank (CDB) General Industry Executive Compensation Survey Report; and
- William M. Mercer Executive Compensation Survey.

The data from the two general industry executive surveys were cut in scope to focus on companies with revenues approximating the Company's revenues of approximately $1.75 billion. Our compensation committee was not aware of the individual companies participating in the surveys and reviewed the data in a summarized fashion.

Our compensation committee has historically approved an overall guideline of total direct compensation for our senior management generally around the market median. Our executive compensation philosophy contemplates that our compensation committee would annually select a mix of base salary, annual target incentive compensation and long-term target incentive compensation intended to deliver total target direct compensation for our executive officers, in the aggregate, at approximately the market 50th percentile. However, our compensation committee reserved discretion to deviate from the above guidelines as necessary to account for

changing industry characteristics, our particular business model, individual performance and other factors. Willis Towers Watson's February 2016 analysis indicated that, in the aggregate, our NEOs' 2015 total target cash compensation (base salary plus target bonus opportunity) was slightly below the desired pay positioning, approximating the 50th percentile of the market.

Components of Compensation for Fiscal Year 2016

Our performance-driven compensation program for our NEOs consists of the following main components:

- base salary;
- performance-based cash incentives;
- equity-based incentives;
- benefits;
- perquisites; and
- termination-based compensation.

We will continue to build our executive compensation program around each of these elements because each individual component is useful in furthering our compensation philosophy and we believe that, collectively, they are effective in achieving our overall objectives.

Base Salary. We provide our NEOs with a base salary to compensate them for their service to our company during each fiscal year. The base salary payable to each NEO is intended to provide a fixed component of compensation that adequately reflects the executive's qualifications, experience, role and responsibilities. Base salary amounts are established based on consideration of, among other factors, the scope of the NEO's position, responsibilities and years of service and our compensation committee's general knowledge of the competitive market, based on, among other things, experience with other similarly situated companies and our industry and market data provided by Willis Towers Watson.

In March 2016, Mr. Biffle's base salary was increased from $425,000 to $475,000 in connection with Mr. Biffle's promotion to serve as our President and Chief Executive Officer and, after consultation with Mr. Biffle and Willis Towers Watson, Mr. Meehan's base salary was increased from $325,000 to $350,000 and Mr. Shurz's base salary was increased from $225,000 to $265,000 in order to better align Messrs. Meehan's and Shurz's total direct compensation with the 50th percentile of the market. In addition, after consulting with Mr. Biffle, effective April 2016, we increased Mr. Dempsey's base salary from $350,000 to $365,000 and Mr. Diamond's base salary from $325,000 to $333,000 in order to reward Messrs. Dempsey and Diamond for their outstanding performance and dedication to our company. The following table represents our NEOs' base salaries in effect for fiscal year 2016 after taking into account each NEO's increases.

Name	Base Salary for 2016 ($)
Barry L. Biffle, President & Chief Executive Officer	475,000
James G. Dempsey, Chief Financial Officer	365,000
Howard M. Diamond, General Counsel and Secretary	333,000
Daniel M. Shurz, Senior Vice President, Commercial	265,000
William A. Meehan, Former Chief Operating Officer	350,000

Performance-Based Cash Incentives. As a cornerstone of our compensation policy, we aim to create a direct correlation between the executive's role and responsibilities and the ability to earn variable pay. We provide cash bonuses to reward and incentivize superior individual and business performance, resulting in a performance-based organizational culture. Our performance-based cash incentive plans are designed to reward our executives for innovation and motivate them to achieve both corporate targets and individual goals, thereby tying the executives' goals and interests to those of our company and its stockholders.

Each of our NEOs was eligible for performance-based cash incentives under our Fiscal Year 2016 Management Bonus Plan. Mr. Meehan did not receive a performance bonus under this plan because he resigned his employment with us prior to payment of the performance bonuses in early 2017; although he received a cash severance payment equal to his target annual performance bonus pursuant to his separation agreement (see the description of Mr. Meehan's separation agreement in "Employment and Separation Agreements with Named Executive Officers" below). The Management Bonus Plan is reviewed and approved annually by our compensation committee. The determination of the amount of bonuses paid to our NEOs generally reflects a number of considerations, including our costs and revenues among other corporate targets and, when relevant, individual targets. The formula used to calculate a participating executive's performance-based bonus amount is the sum of the amount calculated for each performance goal, which is found by multiplying the overall target bonus opportunity times weighting for such performance goal times the achievement level for such performance goal.

Our compensation committee expresses each executive's target bonus opportunity as a percentage of base salary. Our compensation committee did not follow a formula but rather used the factors as general background information prior to determining the target bonus opportunity rates for our participating NEOs. Our compensation committee set these rates based on each participating executive's experience in his role with the company and the level of responsibility held by each executive, which our compensation committee believes directly correlates to his ability to influence corporate results. For fiscal year 2016, based on market data provided by Willis Towers Watson, our compensation committee used a guideline target bonus opportunity of 100% for Mr. Biffle, 75% for Messrs. Dempsey and Meehan and 65% for Messrs. Diamond and Shurz.

When determining the bonus amounts for our NEOs under the Management Bonus Plan, our compensation committee sets certain performance goals, using a mixture of corporate and individual performance. The individual performance under our Management Bonus Plan is not based on any specific performance targets, but rather is determined by our compensation committee in its sole discretion after evaluating overall individual performance in a fiscal year and after receiving recommendations from Mr. Biffle, other than for himself. Our compensation committee's determinations of the individual performance of our NEOs are not expected to result in payments of the annual bonus based on average or below average performance by the NEOs. Corporate goals and performance targets and individual performance are reviewed and approved by our compensation committee prior to any allocation of the bonus. For fiscal year 2016, our compensation committee determined the weighting of the performance goals was comprised of 75% corporate performance and 25% individual performance for each NEO.

In early fiscal year 2016, our compensation committee established corporate performance targets for each NEO. Our compensation committee does not establish any specific individual performance targets, instead our compensation committee reviews at the end of each fiscal year each NEO's individual performance overall and determines any satisfaction of individual performance based on their review of each NEO's overall contributions to us during the fiscal year.

The corporate performance targets established by our compensation committee were as follows:

Performance Metric	Weighting	Definition
Full Year Ex-Fuel Stage Adjusted CASM	40%	Operating costs per available seat mile as adjusted to exclude fuel for fiscal year 2016
Full Year Net Income (YoY Growth %)	30%	Annual consolidated net income based on year over year percentage change, calculated in in accordance with GAAP and as reported in our audited 2016 financials
Full Year Completion DOT Rank	10%	Rank among other domestic airlines of completion factor, the measure of flights completed as scheduled, as published by the Department of Transportation for fiscal year 2016
Full Year A14 DOT Rank	10%	Rank among other domestic airlines of A14 factor, the measure of the number of arrivals within 14 minutes of the published arrival time, as published by the Department of Transportation for fiscal year 2016
Full Year DOT Compliant Rate per 100k	10%	Number of passenger complaints to the Department of Transportation per 100,000 passenger for fiscal year 2016

For each of these performance goals under the Management Bonus Plan, our compensation committee sets a threshold, target, stretch and maximum achievement level. A component of performance must be achieved at no less than 50% before it is taken into account in calculating an executive's bonus amount and measurement of achievement does not exceed 200% of the target for such component. The threshold goals are satisfied with an achievement level of 50%, the target goals are satisfied with an achievement level of 100%, the stretch goals are satisfied with an achievement level of 150% and the maximum goals are satisfied with an achievement level of 200%. The threshold, target, stretch and maximum achievement levels for fiscal year 2016 are included in the table below. In early 2017, our compensation committee reviewed our fiscal year 2016 company-wide performance with respect to determining bonuses to executive officers, as well as individual performance achievements. Our compensation committee determined the corporate performance goal achievement set forth in the table below and achievement of the individual performance goals for Messrs. Biffle and Dempsey at 113%, for Mr. Diamond at 104% and for Mr. Shurz at 109% based on our compensation committee's determination, in its discretion, that each NEO had outstanding individual performance in their various roles with us and showed continued dedication to us throughout the year.

Performance Metric	2016 Threshold	2016 Target	2016 Stretch	2016 Maximum	2016 Actual Result	Percent Achieved (Achievement Level x Weighting)
Full Year Ex-Fuel Stage Adjusted CASM	5.54 ¢	5.44 ¢	5.39 ¢	5.34 ¢	5.45 ¢	38.6%
Full Year Adjusted Net Income (YoY Growth %)	20%	30%	40%	50%	21.7%	17.6%
Full Year Completion DOT Rank	6	5	4	3	8	0%
Full Year A14 DOT Rank	8	7	6	5	9	0%
Full Year DOT Compliant Rate per 100k	5.0	4.5	4.25	3.9	5.91	0%
Total Achievement						56.2%

Following its review and determinations, our compensation committee awarded cash bonuses to each NEO, except Mr. Meehan, as set forth in the table below. Mr. Meehan was not eligible for a performance bonus because his employment with us ended on January 4, 2017, prior to payment of any bonuses, but he received a cash severance payment equal to his target level bonus as discussed in more detail below. The NEOs' 2016 bonuses are set forth under the "Summary Compensation Table" below.

NEO	Bonus Target (salary paid in 2016 x target bonus percentage) ($)	Corporate Performance Bonus (equal to 75% x bonus target x 56.2%) ($)	Individual Performance Bonus (equal to 25% x bonus target x 56.2% x individual achievement level) ($)	Annual Performance Bonus Paid (corporate + individual) ($)
Barry L. Biffle	466,667	196,700	74,090	270,791
James G. Dempsey	270,938	114,200	43,015	157,216
Howard M. Diamond	215,150	90,686	31,438	122,123
Daniel M. Shurz	167,917	70,777	25,716	96,492

For fiscal year 2017, our compensation committee has approved the Fiscal Year 2017 Management Bonus Plan for all executives. The 2017 Management Bonus Plan for our executives is similar to our current annual cash incentive plan. Going forward, we expect to continue to use a similar performance-based incentive framework in deciding cash bonuses for our executives.

Equity-based incentives. Our compensation committee fosters an environment of executive ownership that encourages and incentivizes long-term investment and engagement by our NEOs through the use of equity-based awards. Our aim is to promote long-term, sustainable growth and align executive performance and behaviors to create a culture conducive to stockholder investment.

In order to attract and retain the best available management and other personnel with the training, experience and ability to make substantial contributions to the success of our business and to motivate and provide additional incentives to our employees, non-employee board members and consultants, we maintain the 2014 Equity Incentive Plan (the "2014 Plan"). The 2014 Plan provides for the grant of options, restricted stock, restricted stock units and other stock-based award. We intend to adopt a 2017 Equity Incentive Award Plan (the "2017 Plan"), which will be effective immediately prior to the consummation of this offering. The 2017 Plan will replace the 2014 Plan and no further grants will be made under the 2014 Plan, and the 2014 Plan will terminate, except with regard to grants then outstanding under the 2014 Plan.

We have granted options to each of our NEOs under the 2014 Plan, which is administered by our full board of directors. When determining the size of the grants for NEOs, our board of directors takes into account the size of past equity grants, the NEO's position (level) in our company, compensation, the NEO's value for our company based on their experience, innovation, expertise and leadership capabilities and the recommendation of our compensation committee. The philosophy behind the option grants is to provide the NEO with a strong incentive to build long-term value in our company. Generally, an option granted under the 2014 Plan to our executives vests in equal annual installments over four years, subject to continued service with our company. In addition, the exercise price of options granted under the 2014 Plan is equal to the fair market value of our common stock on the date of grant as determined by our board of directors.

In February 2016, our board of directors approved a dividend payable to our stockholders of $18.95 per share of our common stock (the "Dividend"). Pursuant to the terms of the 2014 Plan, to equitably reflect the impact of the Dividend on the holders of outstanding equity awards, our board of directors approved: (1) cash payments in an amount equal to the Dividend per share amount to be made with respect to options where the exercise price less than the Dividend amount would be equal to or less than 25% of the fair market value of our common stock on the date the Dividend was approved (which, for unvested options, will not be made unless and until the related option has vested) and (2) a reduction in the per share exercise price equal to the Dividend amount for all other options where the exercise price less than the Dividend amount would be greater than 25% of the fair market value of our common stock on the date the Dividend was approved. As a result of the cash

payments to our optionholders, in fiscal year 2016, Messrs. Biffle, Dempsey, Diamond, Shurz and Meehan each received a cash payment equal to $711,345, $314,608, $163,918, $158,697 and $163,918, respectively, in connection with the Dividend for their vested options and Messrs. Biffle, Dempsey, Diamond and Shurz will receive additional cash payments equal to $711,364, $314,665, $163,917, and $158,723, respectively, in the aggregate in connection with the Dividend for their unvested options that will vest in later years. Mr. Meehan forfeited his unvested options in January 2017 in connection with separation of employment, and, as a result, is not eligible to receive any continued cash payments for his option in connection with the Dividend.

In March 2016, our board of directors granted Mr. Biffle an option to purchase 39,900 shares of our common stock in connection with his promotion to our President and Chief Executive Officer. The size of Mr. Biffle's option grant was set at an amount such that, together with the option previously granted to him, he would hold two percent of our shares, calculated on a fully-diluted basis. The option was granted with an exercise price equal to the fair market value of our common stock on the date of approval, as determined by our board of directors and vests in four equal installments on March 15, 2017, 2018, 2019 and 2020, subject to Mr. Biffle's continued service to us. No other NEOs were granted equity awards in fiscal year 2016.

Equity forms an integral part of the overall compensation for each executive officer and will be considered each year as part of the annual performance review process and incentive payout calculation. In the future, we may consider awarding additional forms of equity incentives, such as grants of restricted stock, restricted stock units and performance-based awards, and may also determine to seek additional input from compensation consultants. We expect that our equity awards we make to our executive officers will be driven by our sustained performance and growth, our executive officers' ability to impact our results that influence stockholder value, their organization level and their potential to take on roles of increasing responsibility.

Benefits. We provide the following benefits to all our employees, including our NEOs:

- medical, dental and vision insurance;
- life insurance, accidental death and dismemberment and business travel and accident insurance;
- employee assistance program;
- health and dependent care flexible spending accounts;
- short and long-term disability; and
- 401(k) plan, which includes an employer matching contribution of 50% of the applicable employee's first 6% of plan contributions.

Our compensation committee, in its discretion, may revise, amend or add to any executive's benefits if it deems necessary. Consistent with our overall compensation philosophy, we intend to continue to maintain our current benefits plans for executives as well as other employees.

Perquisites. We determine perquisites on a case-by-case basis and will provide a perquisite to a NEO when we believe it is necessary to attract or retain the executive officer. Any perquisites we supply are reasonable and consistent with market trends. We believe that providing these benefits is a relatively inexpensive way to enhance the competitiveness of the executive's compensation package. As is common in the airline industry, we provide a Universal Air Travel Plan, or UATP, to our officers and members of the board of directors, whereby each individual receives a yearly dollar value that they may use for personal travel on our flights for themselves and certain qualifying friends and family. Each one-way flight they take is valued at $75, which is the average cost to us of a one-way flight for us. For fiscal year 2016, each NEO received a travel bank under the UATP equal to $11,000 for Mr. Biffle and $8,250 for Messrs. Diamond, Meehan, Shurz and Dempsey. Mr. Meehan received $8,250 for continued flight benefits under the UATP for one year following his separation in accordance with his separation agreement described below. We do not provide any other significant perquisites or personal benefits to our named executive officers.

Termination-Based Compensation. We believe that terminations of employment are causes of great concern and uncertainty for our senior executives. We aim to alleviate these concerns and allow executives to remain focused on their duties and responsibilities to our company by providing protections to our executives in the termination context. As such, each of our NEOs is eligible for severance benefits under his employment agreement.

Each of our NEOs is eligible for severance benefits, both in connection with and outside of a change in control, under his respective employment agreement with our company. Our compensation committee and/or our board approves of termination benefits to our NEOs based on its general knowledge of severance practices in our industry and as the result of arms' length negotiations at the time our executives enter into employment with us or at the time they are requested to take on additional responsibilities. The level of benefits varies from executive to executive based on the level of responsibility of the executive and accommodations made through arms' length negotiations. Severance payments are typically comprised of a cash payment in lieu of salary, continuation of flight benefits under the UATP for a limited period of time and coverage of health benefits for a limited period of time. Executives whose employment is terminated by us are required to sign a general release of all claims to receive any severance benefits. For more detailed descriptions of the benefits provided to our named NEOs upon a termination of employment, please see "Employment and Separation Agreements with Named Executive Officers" below.

Tax and Accounting Considerations. While our board of directors and our compensation committee generally consider the financial accounting and tax implications of their executive compensation decisions, neither element has been a material consideration in the compensation awarded to our NEOs historically. In addition, our board of directors has considered the potential future effects of Section 162(m) of the Internal Revenue Code on the compensation paid to our NEOs. Section 162(m) of the Internal Revenue Code imposes a limit on the amount of compensation that we may deduct in any one year with respect to certain "covered employees," unless certain specific and detailed criteria are satisfied. Pursuant to applicable regulations, Section 162(m) will not apply to compensation paid or stock options or restricted stock granted under the compensation agreements and plans in existence prior to the completion of this offering during the reliance transition period ending on the earlier of the date the agreement or plan is materially modified or the first stockholders meeting at which directors are elected during or after 2021. While we will continue to monitor our compensation programs in light of Section 162(m), our compensation committee considers it important to retain the flexibility to design compensation programs that are in the best long-term interests of our company and our stockholders, particularly as we continue our transition from a private to a public company. As a result, we have not adopted a policy requiring that all compensation be deductible and our compensation committee may conclude that paying compensation at levels that are not deductible under Section 162(m) is nevertheless in the best interests of our company and our stockholders.

Other provisions of the Internal Revenue Code can also affect compensation decisions for our NEOs. Section 409A of the Internal Revenue Code, which governs the form and timing of payment of deferred compensation, imposes sanctions, including a 20% penalty and an interest penalty, on the recipient of deferred compensation that does not comply with Section 409A. Our compensation committee will take into account the implications of Section 409A in determining the form and timing of compensation awarded to our executives and will strive to structure any nonqualified deferred compensation plans or arrangements to be exempt from or to comply with the requirements of Section 409A.

Section 280G of the Internal Revenue Code disallows a company's tax deduction for payments received by certain individuals in connection with a change in control to the extent that the payments exceed an amount approximately three times their average annual compensation and Section 4999 of the Internal Revenue Code imposes a 20% excise tax on those payments. Our compensation committee will take into account the implications of Section 280G in determining potential payments to be made to our executives in connection with a change in control. Nevertheless, to the extent that certain payments upon a change in control are classified as excess parachute payments, such payments may not be deductible pursuant to Section 280G.

2016 Summary Compensation Table

The following table sets forth all of the compensation awarded to, earned by or paid to our NEOs during the past fiscal year.

Name and Principal Position	Year	Salary ($)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Barry L. Biffle President & Chief Executive Officer	2016	466,667	3,576,207	270,791	1,430,825	5,744,490
James G. Dempsey Chief Financial Officer	2016	361,250	—	157,216	634,534	1,153,000
Howard M. Diamond General Counsel and Secretary	2016	331,000	—	122,123	339,854	792,977
Daniel M. Shurz Senior Vice President, Commercial	2016	258,333	—	96,492	324,455	679,280
William A. Meehan(1) Former Chief Operating Officer	2016	345,096	—	—	335,881	680,977

(1) Mr. Meehan terminated his employment with us effective as of January 4, 2017. Please see the description of Mr. Meehan's separation agreement in "Employment and Separation Agreements with Named Executive Officers" below.

(2) For the option awards column, amounts shown represent the grant date fair value of options granted by us during fiscal year 2016, as calculated in accordance with ASC Topic 718. See Note 9 of the financial statements included in this registration statement for the assumptions used in calculating this amount. In February 2016, in connection with a cash dividend paid to our stockholders of record as of February 23, 2016, our board of directors approved a cash payment of $18.95 per share, the same as the Dividend amount paid to holders of our common stock, which (1) was paid as a one-time cash bonus in an amount equal to the Dividend per share amount to holders of our options where the exercise price less than the Dividend amount would be equal to or less than 25% of the fair market value of our common stock on February 23, 2016 (which, for unvested options, will not be made unless and until such option has vested) and (2) resulted in a reduction in the per share exercise price equal to the Dividend amount for all other of our options where the exercise price less than the Dividend amount would be greater than 25% of the fair market value of our common stock on February 23, 2016. Please see the descriptions of the Dividend modifications of outstanding options held by our NEOs in "Compensation Discussion and Analysis—Equity-Based Incentives" above.

(3) Represents amounts paid for performance in fiscal year 2016 under our Management Bonus Plan, which were paid to our NEOs in early 2017. Please see the description of the 2016 Management Bonus Plan in "Compensation Discussion and Analysis—Performance-Based Cash Incentives" above.

(4) For each of our NEOs, the amounts under the "All Other Compensation" column for fiscal year 2016 represent (a) the flight benefits under our UATP based on our calculation of the incremental cost to the company providing the flight benefits to the NEOs based on each one-way flight they take being valued at the lesser of (i) the actual cost of the ticket and (ii) $75, which is the average cost to us of a one-way flight plus (b) the cash payments equal to $1,422,709, $629,273, $327,835, $317,413 and $327,835 which were paid to each of Messrs. Biffle, Dempsey, Diamond, Shurz and Meehan, respectively, in connection with the Dividend (which, for unvested options, will not be made unless and until such option has vested) plus (c) $3,975, $2,764, $7,950, $5,692 and $7,746 for each of Messrs. Biffle, Dempsey, Diamond, Shurz and Meehan, respectively, pursuant to our matching employer contributions under our 401(k) plan. Please see the descriptions of the UATP in "Compensation Discussion and Analysis—Perquisites" above. Please see the descriptions of the Dividend modifications of outstanding options held by our NEOs in "Compensation Discussion and Analysis—Equity-Based Incentives" above. Mr. Meehan forfeited the portion of the cash payment related to his unvested option in connection with the Dividend ($163,918) upon the termination of his employment in early 2017.

Grants of Plan-Based Awards in Fiscal Year 2016

The following table represents our grants of non-equity and equity incentive plan-based awards made to our NEOs for the past fiscal year.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Award(1)			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)			
Barry L. Biffle	—	233,334	466,667	933,334	—	—	—
	3/15/2016	—	—	—	39,900	216.11	3,576,207
James G. Dempsey	—	135,469	270,938	541,876	—	—	—
Howard M. Diamond	—	107,575	215,150	430,300	—	—	—
Daniel M. Shurz	—	83,959	167,917	335,834	—	—	—
William A. Meehan(2)	—	129,411	258,822	517,644	—	—	—

(1) Amounts in the "Estimated Future Payouts Under Non-Equity Incentive Plan Awards" column relate to amounts payable under our 2016 Management Bonus Plan. The threshold column assumes the achievement of the corporate and individual goals at the threshold level. The threshold bonus amount can be calculated by multiplying the target bonus of each named executive officer times the threshold percentage of 50%. The target column assumes the target achievement for both corporate and individual goals. The target bonus amount can be calculated by multiplying the base salary of each named executive officer actually paid in 2016 times target bonus percentage established by our compensation committee times the target percentage of 100%. The stretch column assumes the maximum achievement for both corporate and individual goals. The maximum bonus amount can be calculated by multiplying the target bonus of each named executive officer times the maximum percentage of 200%.

(2) Mr. Meehan terminated his employment with us in January 4, 2017 and as a result he did not receive a payment under our 2016 Management Bonus Plan, but he did receive a cash payment equal to his target bonus opportunity as part of his separation package.

Outstanding Equity Awards at Fiscal Year End

The following table lists all outstanding equity awards held by our NEOs as of December 31, 2016.

Name(1)	Vesting Commencement Date(2)	Option Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number Of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Barry L. Biffle	4/27/2014	37,538	37,539	10.00	4/27/2024
	3/15/2016	—	39,900	216.11	3/15/2026
James G. Dempsey	5/12/2014	16,603	16,604	10.00	5/12/2024
Howard M. Diamond	7/28/2014	8,650	8,650	10.00	7/28/2024
Daniel M. Shurz	4/18/2014	8,375	8,375	10.00	4/18/2024
William A. Meehan(1)	6/2/2014	8,650	8,650	10.00	6/2/2024

(1) Mr. Meehan terminated his employment with us effective as of January 4, 2017. In connection with his separation, he forfeited all unvested shares subject to the option and we exercised our call right with respect to the vested shares subject to his option.

(2) Options vest and become exercisable with respect to 25% of shares of our common stock subject to the award on each anniversary of the vesting commencement date, such that all shares will be vested on the

fourth anniversary of the vesting commencement date, subject to the holder continuing to provide services to us through each such vesting date. The options granted to Mr. Diamond will also vest in full upon a Change in Control (as defined in the 2014 Plan).

Option Exercises and Shares Vested in 2016

None of our NEOs exercised any options or had any shares vest during fiscal year 2016.

Pension Benefits

None of our NEOs participates in or has account balances in qualified or non-qualified defined benefit plans sponsored by us.

Nonqualified Deferred Compensation

None of our NEOs participate in or have account balances in non-qualified defined contribution plans or other deferred compensation plans maintained by us.

Employment and Separation Agreements with Named Executive Officers

Barry L. Biffle. We entered into an employment agreement with Mr. Biffle on July 16, 2014 to serve as our President on substantially the same terms and conditions as the employment agreement described below for Mr. Dempsey (including termination payments and benefits), except that Mr. Biffle received certain reimbursements for legal costs incurred by Mr. Biffle in connection with the negotiation of his employment agreement. In addition, upon a termination without Cause apart from a Change in Control (each, as defined under Mr. Biffle's agreement), he would also remain eligible to receive his annual bonus on the regularly scheduled payment date under our incentive bonus program and payable at the same time as other continuing executive officers.

In March 2016, we entered into a new employment agreement with Mr. Biffle in connection with his promotion to our President and Chief Executive Officer, which is terminable by us at any time and by Mr. Biffle upon 30 days' notice. The term of his employment agreement is through March 15, 2021 and renews for successive one year periods unless either party gives the other notice of non-extension at least 90 days before the expiration of the applicable term. Mr. Biffle's new employment agreement entitles him to an increase in his base salary and his same target bonus opportunity as part of our Management Bonus Plan, a performance-based program that allows for a cash bonus based upon achievement of certain objectives. Mr. Biffle's new employment agreement provides that he will serve on our board of directors and be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above). It also contains certain confidential information covenants and Mr. Biffle must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter (or 24 months in the event he is terminated without Cause, as defined below, or resigns for Good Reason, as defined below). Pursuant to the new employment agreement, our board of directors also granted Mr. Biffle an option to purchase 39,900 shares of our common stock with an exercise price equal to $216.11, which our board of directors determined was the fair market value of a share of our common stock on the date of board approval and which vests in four equal installments on March 15, 2017, 2018, 2019 and 2020, subject to Mr. Biffle's continued service through such vesting dates.

Mr. Biffle's new employment agreement also provides him with severance in the event of termination of his employment without Cause or a resignation by him for Good Reason, both within and apart from a Change in Control (as defined below). Mr. Biffle's employment agreement provides that in the event of the termination of his employment by us without Cause or a resignation by Mr. Biffle for Good Reason, Mr. Biffle is entitled to (a) lump sum payment equal to one times the sum of his base salary plus his target annual performance bonus,

(b) the payment of continued health, dental and vision insurance premiums for Mr. Biffle and any covered dependents for 12 months, (c) continued flight benefits under the UATP for one year and (d) a pro-rated annual performance bonus with respect to the year in which the termination occurs based on actual performance and payable at the same as other continuing executive officers. Mr. Biffle's new employment agreement provides that in the event of the termination of his employment with us by us without Cause or a resignation by him for Good Reason, in each case, within 12 months following a Change in Control, Mr. Biffle is entitled to (a) lump sum payment equal to two times the sum of his base salary plus his target annual performance bonus, (b) the payment of continued health, dental and vision insurance premiums for Mr. Biffle and any covered dependents for 24 months, (c) continued flight benefits under the UATP for two years, (d) a pro-rated annual performance bonus with respect to the year in which the termination occurs based on actual performance and payable at the same as other continuing executive officers, and (d) 100% accelerated vesting of all of his equity awards. Mr. Biffle must execute, and not revoke, a general release of all claims against us and our affiliates to receive of the severance payments described above, and any payments are subject to Mr. Biffle continuing to abide by the confidentiality, non-competition and non-solicitation provisions of his new employment agreement.

For purposes of Mr. Biffle's employment agreement, "Cause" (i) Mr. Biffle's gross negligence or willful misconduct in the performance of the duties and services required of him pursuant to the new employment agreement or any other written agreement between Mr. Biffle and us; (ii) Mr. Biffle's conviction of, or plea of guilty or *nolo contendere* to, a felony or crime involving moral turpitude (or any similar crime in any jurisdiction outside the United States); (iii) Mr. Biffle's willful refusal to perform the duties and responsibilities required of him under the new employment agreement or as lawfully directed by our board which remains uncorrected for thirty (30) days following written notice; (iv) Mr. Biffle's material breach of any material provision of the employment agreement, any confidential information or restrictive covenant agreement with us or corporate code or policy which remains uncorrected for thirty (30) days following written notice; (v) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Mr. Biffle against us; or (v) any acts, omissions or statements by Mr. Biffle which we determine to be materially detrimental or damaging to our reputation, operations, prospects or business relations; provided that an act or failure to act shall be considered "willful" only if done or omitted to be done without a good faith reasonable belief that such act or failure to act was in our best interests. "Change in Control" means that (i) the acquisition by any person or group of affiliated or associated persons of more than 50% of the outstanding capital stock of us or Frontier or voting securities representing more than 50% of the total voting power of outstanding securities of us or Frontier (other than such an acquisition by a person or group that holds more than 50% of the outstanding capital stock of us or Frontier or voting securities representing more than 50% of the total voting power of outstanding securities of us or Frontier, in each case, as of either the March 15, 2016 or immediately prior to such acquisition); (ii) the consummation of a sale of all or substantially all of our assets to a third party; (iii) the consummation of any merger involving us or Frontier in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then beneficially owned in the aggregate by the stockholders of us or Frontier, as applicable, immediately prior to such merger; provided, however, in no event will a transaction constitute a "Change in Control" if: (w) its sole purpose is to change the form of our ownership or the state of our incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held our securities immediately before such transaction; (y) it is effected primarily for the purpose of financing us with cash; or (z) it constitutes, or includes sales of shares in connection with, the initial public offering of our common stock or the common stock of any of our affiliates. Finally, "Good Reason" means a resignation from employment that is effective within 120 days after the occurrence, without Mr. Biffle's written consent, of any of the following: (i) a material diminution in Mr. Biffle's base salary that is not proportionately applicable to other officers and key employees generally; (ii) a material diminution in Mr. Biffle's job responsibilities or duties inconsistent in any material respect with his duties or responsibilities in effect immediately prior to such change, *provided*, that any change made solely as the result of our company becoming a subsidiary or business unit of a larger company in a Change in Control shall not provide for Good Reason; (iii) the relocation of Mr. Biffle's direction to a facility or a location more than 50 miles from his then-present location; or (iv) the failure by any successor entity or corporation following a Change in Control to assume the obligations under the new employment agreement. Notwithstanding the foregoing, a resignation is not for Good Reason unless the condition giving rise to such resignation continues uncured by us more than 30 days following Mr. Biffle's written notice of such condition

provided within 60 days of the first occurrence of such condition and such resignation is effective within 30 days following the end of such notice period.

James G. Dempsey. We entered into an employment agreement with Mr. Dempsey as our Chief Financial Officer, which is terminable by us at any time and by Mr. Dempsey upon 30 days' notice which was amended and restated in April 2017. The term of his employment agreement is through March 12, 2018 and renews for successive one year periods unless either party gives the other notice of non-extension at least 120 days before the expiration of the applicable term. Mr. Dempsey's employment agreement entitles him to a base salary and a target bonus opportunity as part of our Management Bonus Plan. Mr. Dempsey's employment agreement provides that he will be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above) and also contains certain confidential information covenants. In addition, Mr. Dempsey must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter.

Mr. Dempsey's employment agreement provides him with severance in the event of termination of his employment without Cause (as defined below) or a resignation by him for Good Reason (as defined below), both within and apart from a Change in Control (as defined below). Mr. Dempsey's employment agreement provides that in the event of the termination of his employment by us without Cause, Mr. Dempsey is entitled to (a) lump sum payment equal to one times the sum of his base salary plus his target annual performance bonus, (b) the payment of continued health, dental and vision insurance premiums for Mr. Dempsey and any covered dependents for 12 months and (c) continued flight benefits under the UATP for one year. Mr. Dempsey's employment agreement provides that in the event of the termination of his employment with us by us without Cause or a resignation by him for Good Reason, in each case, within 12 months following a Change in Control, Mr. Dempsey is entitled to (a) lump sum payment equal to two times the sum of his base salary plus his target annual performance bonus, (b) the payment of continued health, dental and vision insurance premiums for Mr. Dempsey and any covered dependents for 24 months, (c) continued flight benefits under the UATP for two years, (d) 100% accelerated vesting of all of his outstanding equity awards and (e) a pro-rated annual performance bonus with respect to the year in which the termination occurs based on actual performance and payable at the same as other continuing executive officers. Under the employment agreement, Mr. Dempsey must execute, and not revoke, a general release of all claims against us and our affiliates to receive of the severance payments described above, and any payments are subject to Mr. Dempsey continuing to abide by the confidentiality, non-competition and non-solicitation provisions of his employment agreement.

For purposes of Mr. Dempsey's employment agreement, "Cause" means any action or inaction involving his moral turpitude, misfeasance, malfeasance, willful misconduct, gross negligence or material breach of fiduciary duty or a breach of any non-competition, non-solicitation or confidentiality obligations to us or Frontier. In the event we give Mr. Dempsey a notice of non-extension of his employment agreement and he services as our Chief Financial Officer until the end of the term, Mr. Dempsey's employment will have been deemed terminated by us without Cause. "Change in Control" means that (i) the acquisition by any person or group of affiliated or associated persons of more than 50% of the outstanding capital stock of us or Frontier or voting securities representing more than 50% of the total voting power of outstanding securities of us or Frontier (other than such an acquisition by a person or group that holds more than 50% of the outstanding capital stock of us or Frontier or voting securities representing more than 50% of the total voting power of outstanding securities of us or Frontier, in each case, as of either March 12, 2014 or immediately prior to such acquisition); (ii) the consummation of a sale of all or substantially all of our assets to a third party; (iii) the consummation of any merger involving us or FGHI in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then beneficially owned in the aggregate by the stockholders of us or FGHI, as applicable, immediately prior to such merger; provided, however, in no event will an acquisition, sale or other transaction constitute a "Change in Control" if: (w) its sole purpose is to change the form of our ownership or the state of our incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held our securities immediately before such transaction; (y) it is effected primarily for the purpose of financing us with cash; or (z) it constitutes, or

includes sales of shares in connection with, the initial public offering of our common stock or the common stock of any of our affiliates. Finally, "Good Reason" will be deemed to have occurred if, in conjunction with the closing of a Change in Control or within 12 months after the closing of a Change in Control, (i) our board of directors effectively terminates, or substantially curtails the scope of, Mr. Dempsey's authority as Chief Financial Officer, (ii) we fail to provide Mr. Dempsey with a reasonable compensation package that is, as determined at the discretion of the board, at least comparable to the level of his compensation package as of immediately prior to the Change in Control, (iii) we default in any material obligation owed to him, or (iv) we relocate our principal office to any place that is more than 100 miles from both Denver, Colorado and Mr. Dempsey's then principal residence, provided, that, in each case, Mr. Dempsey will not be deemed to have resigned for Good Reason unless (x) he first provides the board with written notice of the condition giving rise to Good Reason within 30 days of its initial occurrence, (y) we fail to cure such condition within 30 days after receiving such written notice and (z) his resignation based on such Good Reason is effective within 30 days after the expiration of such cure period.

Howard M. Diamond. We entered into an offer letter agreement with Mr. Diamond on June 30, 2014 as our Senior Vice President, General Counsel and Secretary. Mr. Diamond's offer letter agreement entitles him to a base salary and a target bonus opportunity as part of our Management Bonus Plan. Mr. Diamond's offer letter agreement provides that he will be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above) and also contains certain confidential information covenants. In addition, Mr. Diamond must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter (or 24 months in the event he is terminated without Cause, as defined in the 2014 Plan, or resigns for Good Reason, as defined below, within 12 months following a Change in Control, as defined in the 2014 Plan). We also reimbursed Mr. Diamond for his moving expenses in connection with his relocation to Denver, Colorado in 2014. Mr. Diamond's offer letter agreement also provided for the grant of an option to purchase our common stock, as detailed in the table "Outstanding Equity Awards at Fiscal Year End" above, and such option grant will vest in full upon a Change in Control.

Mr. Diamond's offer letter agreement provides him with severance in the event of termination of his employment without Cause or, within 12 months following a Change in Control, a resignation by him for Good Reason. Mr. Diamond's offer letter agreement provides that in the event of the termination of his employment with us by us without Cause, Mr. Diamond is entitled to (a) lump sum payment equal to one times the sum of his base salary plus his target annual performance bonus (or two times such sum if such termination occurs or Mr. Diamond resigns for Good Reason, in each case, within 12 months following a Change in Control) and (b) continued flight benefits under the UATP for one year (or two years if such termination occurs or Mr. Diamond resigns for Good Reason, in each case, within 12 months following a Change in Control). Under the offer letter agreement, Mr. Diamond must execute and not revoke a general release of claims against us and our affiliates. For purposes of his offer letter agreement, "Good Reason" means Mr. Diamond's duties are substantially diminished within 12 months following a Change in Control and Mr. Diamond resigns within such 12-month period.

Daniel M. Shurz. We entered into an employment agreement with Mr. Shurz, as amended in September 2013. Mr. Shurz's employment agreement provides that Mr. Shurz will be our Senior Vice President, Commercial, and is terminable by us at any time and by Mr. Shurz upon 30 days' notice. Mr. Shurz's employment agreement entitles him to a base salary and a target bonus opportunity as part of our Management Bonus Plan. Mr. Shurz's employment agreement provides that he will be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above) and also contains certain confidential information covenants. In addition, Mr. Shurz must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter.

Mr. Shurz's employment agreement provides him with severance in the event of termination of his employment without Cause (as defined below), because of death or disability or a resignation by him for Good Reason (as defined below), both within and apart from a Change in Control (as defined below). Mr. Shurz's

employment agreement provides that in the event of the termination of his employment (1) as a result of his death or permanent disability, (2) by us without Cause or (3) by him for Good Reason, Mr. Shurz is entitled to (a) a lump sum payment of one times his base salary, (b) the payment of continued health, dental and vision insurance premiums for Mr. Shurz and any covered dependents for 12 months (unless his resignation with Good Reason is a result of subsection (ii) or (iii) in the below definition of Good Reason, in which case this will be 24 months) and (c) continued flight benefits under the UATP for one year (unless his resignation with Good Reason is a result of subsection (ii) or (iii) in the below definition of Good Reason, in which case this will be two years). Mr. Shurz's employment agreement provides that in the event of the termination of his employment with us by us without Cause or a resignation by him for Good Reason, in each case, within 12 months following a Change in Control, Mr. Shurz is entitled to (a) a lump sum payment of two times his base salary, (b) the payment of continued health, dental and vision insurance premiums for Mr. Shurz and any covered dependents for 24 months and (c) continued flight benefits under the UATP for two years. Under the employment agreement, Mr. Shurz must execute, and not revoke, a general release of all claims against us and our affiliates to receive of the severance payments described above.

For purposes of Mr. Shurz's employment agreement, "Cause" means that Mr. Shurz has (i) willfully or materially refused to perform a material part of his duties under the employment agreement, (ii) materially breached the restrictive covenants contained in the employment agreement, (iii) acted fraudulently or dishonestly in his relations with us, (iv) committed larceny, embezzlement, conversion or any other act involving the misappropriation of our funds or assets in the course of his employment, or (v) been indicted or convicted of any felony or other crime involving an act of moral turpitude. "Change in Control" means that (i) any person or group of affiliated or associated persons acquires a majority of more of our voting power, (ii) the consummation of a sale of all or substantially all of our assets, (iii) our dissolution or (iv) the consummation of any merger, consolidation or reorganization involving us in which, immediately after giving effect to such merger consolidation or reorganization, less than majority of the total voting power of outstanding stock of the surviving or resulting entity is then beneficially owned in the aggregate by our stockholders immediately prior to such merger, consolidation or reorganization. In no event will an initial public offering of our common stock or the common stock of any of our affiliates or any sales by shareholders in connection with such initial public offering constitute a Change in Control. Finally, "Good Reason" means that (i) we have materially diminished the duties and responsibilities of Mr. Shurz in comparison to his title and salary immediately prior to the changes, (ii) we relocate our principal offices more than 25 miles from Denver to another location without Mr. Shurz's consent or (iii) we have materially breached the terms of Mr. Shurz's employment agreement.

William A. Meehan. Prior to his separation, Mr. Meehan was party to an offer letter agreement on substantially similar to terms to those described above for Mr. Diamond's offer letter agreement. Effective as of January 4, 2017, Mr. Meehan resigned as our Chief Operating Officer. In connection with Mr. Meehan's resignation, we entered into a release agreement where we paid Mr. Meehan an aggregate separation payment of $612,500 in exchange for a general release of all claims against us and our affiliates and his agreement to abide by the non-competition and non-solicitation provisions of his employment agreement for the twelve (12)-month period commencing on January 4, 2017. Mr. Meehan also receives (i) the continuation of his travel privileges under the UATP until January 4, 2018, with a travel bank under the UATP of $8,250 and (ii) payment of continued health, dental and vision insurance premiums for himself and any covered dependents for 18 months, or, if earlier, until Mr. Meehan is covered under similar plans of a new employer. In addition, all of Mr. Meehan's unvested shares subject to his option as of his separation date were terminated for no consideration, and we paid to Mr. Meehan $3,177,318 to exercise its call right with respect to Mr. Meehan's vested shares subject to his option in February 2017. The separation benefits set forth in Mr. Meehan's separation agreement are in full satisfaction of his separation benefits under his offer letter agreement. In addition, we entered into a consulting agreement with Mr. Meehan, pursuant to which we agreed to pay Mr. Meehan a guaranteed payment of $100,000 in exchange for Mr. Meehan continuing to provide services to us until January 4, 2018.

Potential Payments upon Termination or Change in Control

The information below describes and quantifies certain compensation and benefits that would have become payable to each of our NEOs if our NEO's employment had terminated on December 31, 2016 (and that a Change in Control occurred on December 31, 2016, as applicable) as a result of each of the termination scenarios described below, taking into account the named executive's compensation as of that date. All of the below payments and benefits are subject to the NEO executing and not revoking a general release of claims against us and our affiliates, except for the equity acceleration for Mr. Diamond upon a Change in Control, and, for Messrs. Biffle. Dempsey and Meehan, continuing to comply with the restrictive covenants set forth in each of their employment agreements. The information below does not generally reflect compensation and benefits available to all salaried employees upon termination of employment with us under similar circumstances. Capitalized terms used below are as defined above in the applicable NEO's employment agreement or offer letter agreement.

Name	Termination Scenario	Severance ($)	Severance Bonus ($)	Value of Unvested Option Awards ($)	Value of Continued Health Care Coverage Premiums ($)	Other ($)	Total ($)
Barry L. Biffle	Termination without Cause or for Good Reason	475,000(1)	745,791(2)	—	13,984(3)	11,000(4)	1,245,775
	Change in Control	—	—	—	—	—	—
	Termination without Cause or for Good Reason in Connection with a Change in Control	850,000(5)	1,220,791(6)	20,221,104(7)	27,968(8)	22,000(9)	22,341,863
James G. Dempsey	Termination without Cause	365,000(1)	273,750(2)	—	13,984(3)	8,250(4)	660,984
	Change in Control	—	—	—	—	—	—
	Termination without Cause or for Good Reason in Connection with a Change in Control	730,000(5)	704,716(6)	6,195,118(7)	27,968(8)	16,500(9)	7,674,302
Howard M. Diamond	Termination without Cause	333,000(1)	216,450(2)	—	— (3)	8,250(4)	557,700
	Change in Control	—	—	3,177,318(10)	—	—	3,177,318
	Termination without Cause or for Good Reason in Connection with a Change in Control	666,000(5)	432,900(6)	—	— (8)	16,500(9)	1,115,400
Daniel M. Shurz	Termination without Cause, for Good Reason or as a result of Death or Disability	265,000(1)	— (2)	—	13,984(11)	8,250(12)	287,234
	Change in Control	—	—	—	—	—	—
	Termination without Cause or for Good Reason in Connection with a Change in Control	530,000(5)	— (6)	—	27,968(8)	16,500(9)	574,468
William A. Meehan(13)	Termination without Cause	350,000	262,500	—	19,833	3,285,568	3,917,901

(1) Represents a lump sum cash payment of 12 months of base salary in the event of a termination (i) without Cause, (ii) for Messrs. Biffle and Shurz only, for Good Reason or (iii) for Mr. Shurz only, as a result of his death or disability.

(2) Represents a lump sum cash payment of one times a NEO's target annual performance bonus amount in the event of termination (i) without Cause or (ii) for Mr. Biffle only, for Good Reason. In addition, for Mr. Biffle, represents a pro-rated annual performance bonus for the year in which the termination occurs (based on actual performance and payable at the same time other continuing executives) in the event of a termination without Cause or for Good Reason.

For Mr. Biffle's pro-rated bonus, we included the full amount he was paid for fiscal year 2016 under the Management Bonus Plan since the assumed termination date would be December 31, 2016. Mr. Shurz is not eligible for any severance bonus payment.

(3) Represents continued coverage under COBRA for 12 months for each NEO based on the incremental cost of our contribution as of December 31, 2016 to provide this coverage in the event of a termination (i) without Cause or (ii) for Mr. Biffle only, for Good Reason. Mr. Diamond is not eligible for any continued coverage under COBRA.

(4) Represents the value of continued UATP flight benefits for one year following the NEOs' termination of employment (i) without Cause or (ii) for Mr. Biffle only, for Good Reason, which must be used in the year following termination, based on the values each NEO received under the UATP for fiscal 2016.

(5) Represents a lump sum cash payment of 24 months of base salary in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control.

(6) Represents a lump sum cash payment of two times a NEO's target annual performance bonus amount in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control. In addition, for Messrs. Biffle and Dempsey, represents a pro-rated annual performance bonus for the year in which the termination occurs (based on actual performance and payable at the same time other continuing executives) in the event of a termination without Cause or for Good Reason. For Messrs. Biffle's and Dempsey's pro-rated bonuses, we included the full amount each was paid for fiscal year 2016 under the Management Bonus Plan since the assumed termination date would be December 31, 2016. Mr. Shurz is not eligible for any severance bonus payment.

(7) Represents the aggregate value of Mr. Biffle's and Mr. Dempsey's unvested option awards that would have vested on an accelerated basis immediately prior to a qualifying termination following the consummation of a Change in Control, based on the spread between the fair market value of our common stock ($377.32) as of December 31, 2016 and the options' exercise prices. Mr. Biffle and Mr. Dempsey each receive 100% accelerated vesting of their respective equity awards in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control.

(8) Represents continued coverage under COBRA for 24 months for each NEO based on the incremental cost of our contribution as of December 31, 2016 to provide this coverage in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control. Mr. Diamond is not eligible for any continued coverage under COBRA.

(9) Represents the value of continued UATP flight benefits for two years following the NEOs' termination of employment without Cause or for Good Reason, in each case, within 12 months following a Change in Control, which must be used in the two years following termination, based on the values each NEO received under the UATP for fiscal 2016.

(10) Represents the aggregate value of Mr. Diamond's unvested option awards that would have vested on an accelerated basis on the consummation of a Change in Control, based on the spread between the fair market value of our common stock ($377.32) as of December 31, 2016 and the options' exercise prices. Mr. Meehan would have received 100% accelerated vesting of his equity awards upon a Change in Control under his employment agreement, but his employment agreement is no longer in effect on January 4, 2017 in connection with his resignation of employment.

(11) For Mr. Shurz, he receives 12 months of COBRA premiums upon a termination (i) without Cause, (ii) as a result of his death or disability or (iii) for Good Reason, where Good Reason is limited to material diminution in his duties and responsibilities; and he receives 24 months of COBRA premiums upon a termination for Good Reason (not in connection with a Change in Control), where Good Reason results from a relocation of our principal offices more than 25 miles from Denver or material breach of Mr. Shurz's employment agreement by us.

(12) For Mr. Shurz, he receives one year of flight benefits upon a termination (i) without Cause, (ii) as a result of his death or disability or (iii) for Good Reason, where Good Reason is limited to material diminution in his duties and responsibilities; and he receive two years of flight benefits upon a termination for Good Reason (not in connection with a Change in Control), where Good Reason results from a relocation of our principal offices more than 25 miles from Denver or material breach of Mr. Shurz's employment agreement by us.

(13) Mr. Meehan resigned from our company effective January 4, 2017. In connection with Mr. Meehan's resignation, we paid Mr. Meehan a lump sum cash payment of $612,500, which represented one times his base salary of $350,000 plus his target annual performance bonus for the 2016 fiscal year of $262,500. We also entered into a one-year consulting agreement with him with a guaranteed payment of $100,000. Mr. Meehan also receives COBRA healthcare premium continuation coverage through the earlier of March 4, 2018 or the date he becomes eligible for another employer's benefits. The "Other" column for Mr. Meehan represents (i) $8,250 for UATP flight benefits for one year following his termination of employment (which must be used by January 4, 2018) plus (ii) the $100,000 payment under his consulting agreement plus (iii) $3,177,318 paid by us to him to exercise its call right with respect to the shares of common stock subject to his vested option held by Mr. Meehan. For further details, please see "Employment and Separation Agreements with Named Executive Officers—William Meehan" above.

Equity Compensation Plans

The principal features of our equity incentive plans and our stockholder agreements are summarized below. These summaries are qualified in their entirety by reference to the text of the plans or agreements, which are filed as exhibits to the registration statement.

2014 Plan

We currently maintain the 2014 Plan, which became effective on April 18, 2014. The principal purpose of the 2014 Plan is to enhance our ability to attract, retain and motivate our service providers by providing such individuals with equity ownership opportunities and aligning their interests with those of our stockholders. We have granted stock options to our NEOs and restricted stock to Frontier's board of directors under the 2014 Plan, as described in more detail above. In connection with the closing of this offering, we intend to adopt the 2017 Equity Incentive Award Plan (the "2017 Plan"). We expect that, upon the effectiveness of the 2017 Plan, no further awards will be made under the 2014 Plan. The material terms of the 2014 Plan are summarized below.

Share Reserve. The aggregate number of shares of common stock reserved for issuance pursuant to awards granted under the 2014 Plan is 1,000,000.

Administration. Our board of directors is authorized to administer the 2014 Plan, but consistent with its authority under the 2014 Plan, the board has delegated some of its administrative authority to our compensation committee. Subject to the terms and conditions of the 2014 Plan, the plan administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2014 Plan. The administrator is also authorized to adopt, amend or repeal rules relating to administration of the 2014 Plan.

Eligibility. Options, restricted stock, restricted stock units and other stock-based awards under the 2014 Plan may be granted to officers, employees, consultants and directors of us and our subsidiaries.

Awards. The 2014 Plan provides for the grant of non-qualified stock options (or NSOs), restricted stock, restricted stock units (or RSUs), other stock-based awards, or any combination thereof. No determination has been made as to the types or amounts of awards that will be granted to specific individuals in the future pursuant to the 2014 Plan (and, as noted above, following the effectiveness of this offering, we will not make any further awards under the 2014 Plan). Each award will be set forth in a separate agreement and will indicate the type and terms and conditions of the award.

- *Stock Options*. Stock options provide for the right to purchase shares of our common stock in the future at a specified price that is established on the date of grant. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant, except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.
- *Restricted Stock*. Restricted stock is an award of shares of our common stock that remains forfeitable unless and until specified vesting conditions are met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Holders of restricted stock will have voting rights and, except with respect to performance vesting awards, will have the right to receive dividends, if any, prior to the time when the restrictions lapse.
- *Restricted Stock Units*. RSUs are contractual promises to deliver shares of our common stock (or the fair market value of such shares in cash) in the future, which may also remain forfeitable unless and until specified vesting conditions are met. RSUs generally may not be sold or transferred until vesting conditions are removed or expire. The shares underlying RSUs will generally not be issued until the RSUs have vested, and recipients of RSUs generally will have no voting or dividend rights prior to the time when the RSUs are settled in shares, unless the RSU includes a dividend equivalent right (in which case the holder may be entitled to dividend equivalent payments under certain circumstances). Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral.

- *Other Stock-Based Awards*. Other stock-based awards are awards denominated in shares of our common stock and other awards that are valued by reference to, or are based on, shares of our common stock or other property. Other stock-based awards may be paid in shares, cash or other property, as determined by the plan administrator. The plan administrator will determine the terms and conditions of other stock-based awards, including any purchase price, transfer, vesting and/or other conditions.

Certain Transactions. The plan administrator has broad discretion to take action under the 2014 Plan, as well as to make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and to facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, extraordinary dividends, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the 2014 Plan and outstanding awards.

Call Rights. Under agreements entered into with employees and directors who we granted equity awards under the 2014 Plan, we have the right to repurchase options and our common stock from terminated service providers for a price equal to fair market value on the date of repurchase. Our right to repurchase options and shares of our common stock expires upon the completion of this offering.

Transferability and Restrictions. With limited exceptions for the laws of descent and distribution, awards under the 2014 Plan are generally non-transferable prior to vesting unless otherwise determined by the plan administrator, and are exercisable only by the participant. Additionally, awards granted under the 2014 Plan are subject to a right of first refusal in favor of us.

Section 280G. The 2014 Plan includes a cutback provision under Section 280G of the Code, pursuant to which any payment or benefit under the 2014 Plan that would not be deductible by us or the payor as a result of Section 280G of the Code (relating to "excess parachute payments") will be reduced to the extent necessary so that any such payments and benefits will remain deductible to the maximum extent possible. The 2014 Plan also provides that we will seek shareholder approval of any amounts under the 2014 Plan that would constitute "parachute payments" under Section 280G of the Code.

Amendment and Termination. The plan administrator may terminate, amend or modify the 2014 Plan at any time. However, we must generally obtain stockholder approval to the extent required by applicable law In addition, no amendment of the 2014 Plan may, without the consent of the holder, materially and adversely affect any award previously granted. No award may be granted pursuant to the 2014 Plan after the tenth anniversary of the date on which the 2014 Plan was adopted by our board of directors (or, if later, approved by our stockholders); however, we expects to cease granting any awards under the 2014 Plan upon the effectiveness of the 2017 Plan. Any award that is outstanding on the termination date of the 2014 Plan will remain in force according to the terms of the 2014 Plan and the applicable award agreement.

2017 Equity Incentive Award Plan

Prior to the completion of this offering, our board of directors adopted, and our stockholders approved, the 2017 Plan, under which we are authorized to grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2017 Plan are summarized below.

Share Reserve. Under the 2017 Plan, shares of our common stock have been initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights, or SARs, restricted stock awards, restricted stock unit awards, deferred stock awards, dividend equivalent awards, stock payment awards, performance awards and other stock-based awards. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2017 Plan will be increased by an annual increase

on the first day of each fiscal year beginning in 2018 and ending in 2027, equal to the lesser of (A) percent (%) of the shares of stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the 2017 Plan:

- to the extent that an award terminates, expires or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2017 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the 2017 Plan, such tendered or withheld shares will be available for future grants under the 2017 Plan;
- to the extent that shares of our common stock are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the 2017 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the 2017 Plan; and
- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2017 Plan.

Administration. Our board of directors administers the 2017 Plan with respect to awards granted to non-employee directors and our compensation committee administers the 2017 Plan with respect to awards granted to other participants. The board or compensation committee may delegate their duties and responsibilities to committees of directors and/or officers, subject to certain limitations that may be imposed under Section 162(m) of the Code, Section 16 of the Exchange Act and/or applicable stock exchange rules. The plan administrator must consist of at least two members of our board of directors, each of whom is intended to qualify as an "outside director," within the meaning of Section 162(m) of the Code, a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and an "independent director" within the meaning of the rules of the applicable stock exchange on which shares of common stock are traded. Subject to the terms and conditions of the 2017 Plan, the plan administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2017 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 2017 Plan.

Eligibility. Options, SARs, restricted stock and all other stock-based and cash-based awards under the 2017 Plan may be granted to our officers, employees, consultants and directors and the officers, employees, consultants and directors of our subsidiaries. Only our employees and the employees of our subsidiaries may be granted incentive stock options.

Awards. The 2017 Plan provides for the grant of stock options (including incentive stock options, or ISOs, and NSOs), SARs, restricted stock, RSUs, dividend equivalents, performance awards and stock payments, or any combination thereof. No determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the 2017 Plan. Each award will be set forth in a separate agreement and will indicate the type and terms and conditions of the award.

- *Stock Options*. Stock options provide for the right to purchase shares of our common stock in the future at a specified price that is established on the date of grant. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be

less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.

- *Restricted Stock*. Restricted stock is an award of nontransferable shares of our common stock that remains forfeitable unless and until specified vesting conditions are met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Holders of restricted stock will have voting rights and, except with respect to performance vesting awards, will have the right to receive dividends, if any, prior to the time when the restrictions lapse.
- *Restricted Stock Units*. RSUs are contractual promises to deliver shares of our common stock (or the fair market value of such shares in cash) in the future, which may also remain forfeitable unless and until specified vesting conditions are met. RSUs generally may not be sold or transferred until vesting conditions are removed or expire. The shares underlying RSUs will not be issued until the RSUs have vested, and recipients of RSUs generally will have no voting or dividend rights prior to the time when the RSUs are settled in shares, unless the RSU includes a dividend equivalent right (in which case the holder may be entitled to dividend equivalent payments under certain circumstances). Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral.
- *Stock Appreciation Rights*. SARs entitle their holder, upon exercise, to receive an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of any SAR granted under the 2017 Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions. SARs under the 2017 Plan will be settled in cash or shares of our common stock, or in a combination of both, as determined by the administrator.
- *Dividend Equivalents*. Dividend equivalents represent the value of the dividends, if any, per share paid by us, calculated with reference to the number of shares covered by the award. Dividend equivalents generally are credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator, and may be settled in cash or shares as determined by the plan administrator. Dividend equivalents with respect to an award with performance-based vesting that are based on dividends paid prior to the vesting of such award shall only be paid out to the extent that the performance-based vesting conditions are subsequently satisfied and the award vests.
- *Performance Awards*. Performance shares are contractual rights to receive shares of our common stock in the future based on the attainment of specified performance goals, in addition to other conditions which may apply to these awards.
- *Stock Payments*. Stock payments are awards of fully-vested shares of our common stock that may, but need not, be granted in lieu of all or any part of compensation, including base salary, bonus or fees that would otherwise be payable in cash to the recipient.

Performance Awards. Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals. The plan administrator will determine whether performance awards are intended to constitute “qualified performance-based compensation,” or QPBC, within the meaning of Section 162(m) of the Code, in which case the applicable performance criteria will be selected from the list below in accordance with the requirements of Section 162(m) of the Code.

Section 162(m) of the Code imposes a $1,000,000 cap on the compensation deduction that a publicly-held corporation may take in respect of compensation paid to its "covered employees" (which generally includes the corporation's chief executive officer and next three most highly compensated employees other than the chief financial officer), but excludes from the calculation of amounts subject to this limitation any amounts that constitute QPBC. Under a special transition rule for private companies that become publicly held, we do not expect Section 162(m) of the Code to apply to certain awards under the 2017 Plan until the earliest to occur of (1) the annual stockholders' meeting at which members of its board of directors are to be elected that occurs after the close of the first calendar year following the calendar year in which occurred the first registration of its equity securities under Section 12 of the Exchange Act; (2) a material modification of the 2017 Plan; (3) the exhaustion of the share supply under the 2017 Plan; or (4) the expiration of the 2017 Plan. However, QPBC performance criteria may be used with respect to performance awards that are not intended to constitute QPBC. In addition, we may issue awards that are not intended to, or that otherwise do not, constitute QPBC even if such awards might be non-deductible as a result of Section 162(m) of the Code.

In order to constitute QPBC under Section 162(m) of the Code, in addition to certain other requirements, the relevant amounts must be payable only upon the attainment of pre-established, objective performance goals set by our compensation committee and linked to stockholder-approved performance criteria. For purposes of the 2017 Plan, one or more of the following performance criteria will be used in setting performance goals applicable to QPBC, and may be used in setting performance goals applicable to other performance awards: (1) earnings before interest, taxes, depreciation, rent and amortization expenses, or EBITDAR; (2) earnings before interest, taxes, depreciation and amortization, or EBITDA; (3) earnings before interest and taxes, or EBIT; (4) EBITDAR, EBITDA, EBIT or earnings before taxes and unusual, special or nonrecurring items as measured either against the annual budget or as a ratio to revenue or return on total capital; (5) net earnings; (6) earnings per share; (7) net income (before or after taxes); (8) profit margin; (9) operating margin; (10) operating income; (11) net operating income; (12) net operating income after taxes; (13) growth; (14) net worth; (15) cash flow; (16) cash flow per share; (17) total stockholder return; (18) return on capital, assets, equity or investment; (19) stock price performance; (20) revenues; (21) revenues per available seat mile; (22) costs; (23) costs per available seat mile; (24) working capital; (25) capital expenditures or statistics; (26) improvements in capital structure; (27) economic value added; (28) industry indices; (29) regulatory ratings; (30) customer satisfaction ratings; (31) expenses and expense ratio management; (32) debt reduction; (33) profitability of an identifiable business unit or product; (34) levels of expense, cost or liability by category, operating unit or any other delineation; (35) implementation or completion of projects or processes; (36) combination of airline operating certificates within a specified period; (37) measures of operational performance (including, without limitation, U.S. Department of Transportation performance rankings in operational areas), quality, safety, productivity or process improvement; (38) measures of employee satisfaction or employee engagement, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices or, where applicable, on a per-share or per seat-mile basis.

The 2017 Plan also permits the plan administrator to provide for objectively determinable adjustments to the applicable performance criteria in setting performance goals for QPBC awards. Such adjustments may include one or more of the following: (1) items related to a change in accounting principle; (2) items relating to financing activities; (3) expenses for restructuring or productivity initiatives; (4) other non-operating items; (5) items related to acquisitions; (6) items attributable to the business operations of any entity acquired by us during the applicable performance period; (7) items related to the sale or disposition of a business or segment of a business; (8) items related to discontinued operations that do not qualify as a segment of a business under applicable accounting standards; (9) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the applicable performance period; (10) any other items of significant income or expense which are determined to be appropriate adjustments; (11) items relating to unusual or extraordinary corporate transactions, events or developments, (12) items related to amortization of acquired intangible assets; (13) items that are outside the scope of our core, on-going business activities; (14) items related to acquired in-process research and development; (15) items relating to changes in tax laws; (16) items relating to major licensing or

partnership arrangements; (17) items relating to asset impairment charges; (18) items relating to gains or losses for litigation, arbitration and contractual settlements; (19) items attributable to expenses incurred in connection with a reduction in force or early retirement initiative; (20) items relating to foreign exchange or currency transactions and/or fluctuations; or (21) items relating to any other unusual or nonrecurring events or changes in applicable laws, accounting principles or business conditions.

Certain Transactions. The plan administrator has broad discretion to take action under the 2017 Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the 2017 Plan and outstanding awards.

Foreign Participants, Claw-Back Provisions, Transferability, and Participant Payments. The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by us to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2017 Plan are generally non-transferable prior to vesting unless otherwise determined by the plan administrator, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2017 Plan, the plan administrator may, in its discretion, accept cash or check, shares of our common stock that meet specified conditions, a market sell order or such other consideration as it deems suitable.

Amendment and Termination. Our board of directors may terminate, amend or modify the 2017 Plan at any time. However, we must generally obtain stockholder approval to increase the number of shares available under the 2017 Plan (other than in connection with certain corporate events, as described above) or to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule). In addition, no amendment, suspension or termination of the 2017 Plan may, without the consent of the holder, materially and adversely affect any rights or obligations under any award previously granted, unless the award itself otherwise expressly so provides. No award may be granted pursuant to the 2017 Plan after the tenth anniversary of the effective date of the 2017 Plan. Any award that is outstanding on the termination date of the 2017 Plan will remain in force according to the terms of the 2017 Plan and the applicable award agreement.

Pilot Phantom Equity Plan

On December 3, 2013, to give effect to the reorganization of our corporate structure in connection with the acquisition by Indigo, an agreement was reached to amend and restate a phantom equity agreement that was in place with our predecessor and Frontier pre-acquisition. Under the terms of this agreement, our pilots employed by Frontier in June 2011, when an amendment to the underlying collective bargaining agreement was approved, who we refer to as the Participating Pilots, through their agent, FAPAInvest, LLC, received phantom equity units which were the economic equivalent of 231,000 shares of our common stock, representing 4% of our common stock as of June 30, 2014. Each unit constitutes the right to receive common stock or cash in connection with certain events, including a qualifying initial public offering (such as this offering), such stock to be distributed or cash paid to the Participating Pilots in installments in 2020 and 2022 based on a predetermined formula. The phantom equity units are required to be paid in cash absent a qualifying initial public offering. The phantom equity units were fully vested at December 31, 2016 and are subject to adjustment for certain events, including cash dividends declared with respect to our common stock. Upon the completion of this offering, the foregoing phantom equity units will represent the right to receive:

- (a) 115,500 shares of our common stock (the "Share Component"), plus (b) an amount in cash equal to $ (which represents the sum of $18.95, the per share dividend we declared in February 2016, $28.85 the per share dividend we declared in February 2017, and $ the per share dividend we intend to declare and pay immediately prior to the completion of this offering, multiplied by 115,500) (the "Share Component Dividend Adjustment"); and
- $ million (the "Cash Component"), representing an amount in cash equal to the sum of (a) the product of 115,500 multiplied by the initial public offering price in this offering (assumed to be $ per share based on the midpoint of the price range set forth on the cover page of this prospectus and (b) $ (which represents the sum of $18.95, the per share dividend we declared in February 2016, $28.85 the per share dividend we declared in February 2017, and $ the per share dividend we intend to declare and pay immediately prior to the completion of this offering), multiplied by 115,500, which aggregate Cash Component will be funded into a trust for the benefit of the Participating Pilots.

The Share Component Dividend Adjustment will be increased to reflect adjustment for certain events, including cash dividends declared with respect to our common stock between the consummation of this offering and the date the underlying Share Component is distributed to the Participating Pilots.

The Share Component (along with the related Share Component Dividend Adjustment) and the Cash Component will generally be issued or paid to the Participating Pilots, as the case may be, in June 2020, provided, that % of such Share Component (along with the related Share Component Dividend Adjustment) and Cash Component will be issued and paid in June 2022. In the event of a change in control of our company that occurs prior to June 2020 or June 2022, as the case may be, our obligations under the Pilots' Phantom Equity Plan, as adjusted pursuant to the terms of plan, generally will be accelerated to the date of the closing of such change in control. The portion of the Share Component (along with the related Share Component Dividend Adjustment) and Cash Component to be issued and paid to each individual Participating Pilot is generally proportionate to the amount of wages earned by the Participating Pilot from June 2011 through December 2016 versus the total wages paid to all Participating Pilots during the same time period, as calculated by FAPAInvest, LLC.

Stockholders Agreements

Each executive officer has entered into a Stockholders Agreement with us and our controlling stockholder, Indigo Frontier Holdings Company, LLC, or Indigo Fund, in connection with the executive's holdings of shares of our common stock under the 2014 Plan. Each Stockholders Agreement provides us with certain rights that effectively restrict the transfer of shares of our common stock until the end of the 180-day period following the

consummation of an underwritten initial public offering. The restrictive rights provided to us include a call right whereby we may repurchase shares upon a termination of employment and a bring along right whereby Indigo can require participants to sell shares alongside Indigo Fund. Each executive holds a tag-along right whereby each executive may require Indigo successor to allow the executive to sell alongside Indigo in certain transactions. Generally, our restrictive rights lapse on the closing of this offering.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

DIRECTOR COMPENSATION

Compensation Arrangements for our Non-Employee Directors

Prior to the completion of this offering, we have not compensated any members of our board of directors. Rather, we have compensated our directors for their service on the Frontier board of directors pursuant to our non-employee director compensation policy. We do not pay director fees to Frontier directors who are employees. All references to director compensation in this section prior to the completion of this offering are to service on Frontier's board of directors. After the completion of this offering, the director compensation policy described below will apply to service on our board, and no additional compensation will be paid for service on the Frontier board of directors. In addition, from and after the completion of this offering, all non-employee directors, whether or not affiliated with Indigo, will receive the same director compensation.

Prior to this offering, each non-employee Frontier director received an annual fee of $100,000 if such director was affiliated with Indigo, or an Indigo Director, and $70,000 if such director was not affiliated with Indigo, or a Non-Indigo Director. In addition, the chairperson of the audit committee received an additional annual fee of $17,000 and the chairperson for our compensation committee would have received an additional annual fee of $12,000 had such chairperson not been an Indigo Director. Non-Indigo Directors also received a grant of restricted shares of our common stock with an annual fair market value equal to $75,000 as of July 1, 2016. The restricted shares vest and all restrictions thereon lapse on the first anniversary of the date of grant subject to continued service.

As is common in the airline industry, we provide flight benefits to the members of Frontier's board of directors under the UATP, whereby each individual receives a yearly dollar value that they may use for personal travel on Frontier's flights for themselves and certain qualifying friends and family. Each one-way flight they take is valued at $75, which is the average cost to Frontier of a one-way flight for us. For fiscal year 2016, each non-employee director received a travel bank under the UATP equal to $5,500 (except for Mr. W. Franke who received a travel bank under the UATP equal to $13,750 as the chairman of Frontier's board of directors). In addition, Frontier provides reimbursement to the non-employee directors for their reasonable expenses incurred in attending meetings. Non-employee directors are not entitled to receive any additional director fees.

In early 2017, Frontier approved an increase in the annual fee for all non-employee, non-Indigo directors to $75,000, and increased the annual restricted share award to have a grant date fair value of $100,000, pursuant to the terms discussed above (provided that following the consummation of this offering, the awards will be restricted stock units). Accordingly, from and after the completion of this offering, all non-employee directors will be compensated as follows:

- annual fee of $75,000 payable in cash;
- annual restricted share units to have a grant date fair value of $100,000 to vest on the first anniversary of the date of grant (subject to continued service);
- additional annual fee to the chairperson of the audit committee of $17,000 payable in cash;
- additional annual fee to the chairpersons for our compensation committee and nominating and corporate governance committee of $12,000 in cash each; and
- travel benefits as discussed above.

Director Compensation Table

The following table sets forth information regarding compensation earned by the non-employee directors who served on the board of directors of Frontier during the fiscal year ended December 31, 2016. None of the directors who serve on the our board of directors received any compensation for their service in fiscal year 2016.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	All other Compensation ($)(2)	Total ($)
Josh T. Connor	67,500	74,965	750	143,215
Brian H. Franke	100,000	—	—	100,000
William A. Franke	100,000	—	300	100,300
Robert J. Genise	67,500	74,965	—	142,465
Bernard L. Han	84,500	74,965	4,869	164,334
C.A. Howlett	100,000	—	3,183	103,183
Patricia Salas Pineda	38,036	74,965	300	113,301
John R. Wilson	100,000	—	2,398	102,398
Michael R. MacDonald	35,000	74,965	—	109,965

(1) Amounts shown represent the grant date fair value of stock awards granted by our during fiscal year 2016 as calculated in accordance with ASC Topic 718. See note 9 to the financial statements included in this registration statement for the assumptions used in calculating this amount. As of December 31, 2016, Messrs. Connor, Genise and Han and Ms. Pineda each held 291 restricted shares of our common stock. No other non-employee director held any equity awards.

(2) Amounts shown represent the flight benefits under our UATP for fiscal year 2016 based on our calculation of the incremental cost to the company providing the flight benefits to the directors based on each one-way flight they take being valued at the lesser of (i) the actual cost of the ticket and (ii) $75, which is the average cost to us of a one-way flight.

Director Stock Ownership Guidelines

In early 2017, we implemented stock ownership guidelines for our directors. Pursuant to these stock ownership guidelines, each current non-employee director and any newly appointed non-employee director is required to, by the later of five years from the guidelines' implementation date or, for newly elected directors, the date five years from the date of his or her election to the board, own shares of our common stock having an aggregate value at least equal to $200,000. For purposes of this calculation, shares of our common stock held directly or indirectly by the non-employee director are included, including restricted stock units (vested or unvested) and deferred stock units, if any, while any outstanding and unvested or vested but unexercised stock option awards are excluded. We will continue to periodically review best practices and re-evaluate our position with respect to stock ownership guidelines.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, holders of more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

Each agreement described below is filed as an exhibit to the registration statement of which this prospectus forms a part, and the following descriptions are qualified by reference to such agreements.

Management Services

In December 2013, we entered into a Professional Services Agreement with Indigo Partners LLC, or Indigo Partners, pursuant to which Indigo Partners agreed to provide our board and our management with financial and management consulting services, including business strategy, budgeting of future corporate investments, acquisition and divestiture strategies and debt and equity financing consulting services. In exchange for these services, we incur a fixed quarterly fee of $375,000 to Indigo Partners and reimburse Indigo Partners for out of pocket expenses incurred in connection with the rendering of services pursuant to the Professional Services Agreement. For the three months ended March 31, 2017 and 2016, and for the years ended December 31, 2016, 2015 and 2014, we incurred an aggregate of approximately $0.4 million, $0.4 million, $1.7 million, $1.6 million, and $1.8 million, respectively, relating to the quarterly fees and related expense reimbursements. In addition, we have agreed to indemnify Indigo Partners and its affiliates for losses arising from or relating to the services provided pursuant to the Professional Services Agreement. Our engagement of Indigo Partners pursuant to the Professional Services Agreement will continue until the date that Indigo Partners and its affiliates own less than 10% of the 5.2 million shares of our common stock acquired by an affiliate of Indigo Partners in December 2013.

Payments to Aergen Aviation Finance Limited Related to Previously Leased Aircraft

In September 2003, our predecessor entered into a lease agreement for a single A319 aircraft with an unrelated third party. In May 2016, the aircraft subject to this lease agreement was acquired by Aergen Aviation Finance Limited, or Aergen. We were not involved in this transaction and no substantive change was made to the lease agreement in connection with Aergen's acquisition of the aircraft. Mr. Genise, a member of our board of directors, is a director of Aergen and the Chief Executive Officer of Aergen Management Services, a wholly-owned U.S. subsidiary of Aergen. This lease expired on February 28, 2017, at which time we redelivered the aircraft to Aergen. Pursuant to the lease agreement, we paid an aggregate of $0.7 million of rent during portion of 2016 that Aergen owned the aircraft, $0.2 million of rent during the portion of 2017 that we operated the aircraft, and $0.6 million to the lessor in connection with the return of the aircraft to satisfy our contractual obligations related to the condition of the aircraft at the end of the lease.

Registration Rights Agreement

Immediately prior to the consummation of this offering, we intend to grant the registration rights described below to an affiliate of Indigo Partners, which holds 5.2 million shares of our common stock, pursuant to the terms of a Registration Rights Agreement, to be entered into by us at such time. This agreement will be entered into pursuant to the terms of the Subscription Agreement, dated December 3, 2013, pursuant to which Indigo Denver Management Company, LLC, or Indigo, an affiliate of Indigo Partners funded the equity component of the acquisition from Republic Airways Holdings, Inc. For a description of the Registration Rights Agreement, please see "Description of Capital Stock—Registration Rights."

Policies and Procedures for Related Party Transactions

Our board of directors intends to adopt a written related party policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we (or any of our subsidiaries) are to be a participant, the amount involved exceeds $120,000 and a related party had or will have a direct or indirect material interest, including purchases of goods or services by or from the related party or entities in which the related party has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related party.

PRINCIPAL AND SELLING STOCKHOLDER

The following table sets forth, as of March 31, 2017, information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our voting securities;
- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- the selling stockholder.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including options and warrants that are currently exercisable or exercisable within 60 days. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown that they beneficially own, subject to community property laws where applicable.

Common stock subject to stock options and warrants currently exercisable or exercisable within 60 days of December 31, 2016, are deemed to be outstanding for computing the percentage ownership of the person holding these options and warrants and the percentage ownership of any group of which the holder is a member but are not deemed outstanding for computing the percentage of any other person.

We have based our calculation of the percentage of beneficial ownership prior to the offering on 5,237,756 shares of common stock outstanding on March 31, 2017. We have based our calculation of the percentage of beneficial ownership after the offering on shares of our common stock outstanding immediately after the completion of this offering (assuming no exercise of the underwriters' option to purchase additional shares of our common stock from the selling stockholder).

Unless otherwise noted below, the address for each of the stockholders in the table below is c/o Frontier Group Holdings, Inc., Frontier Center One, 7001 Tower Road, Denver CO, 80249.

The information in the table below with respect to each selling stockholder has been obtained from that selling stockholder. When we refer to the "selling stockholder" in this prospectus, we mean the entity listed in the table below as offering shares, as well as the pledgees, donees, assignees, transferees, successors and others who may hold any of the selling stockholder's interest.

	Beneficial Ownership Prior to the Offering					Beneficial Ownership After the Offering		Beneficial Ownership After the Offering if the Option to Purchase Shares is Exercised	
Name and Address of Beneficial Owner	Common Stock	Options Exercisable within 60 days	Number of Shares Beneficially Owned	Percent	Shares Offered in the Offering	Number of Shares Beneficially Owned	Percent	Number of Shares Beneficially Owned	Percent
5% Stockholder and Selling Stockholder:									
Indigo Frontier Holdings Company, LLC(1)	5,200,000	0	5,200,000	99.3%			%		%
Named Executive Officers and Directors:									
William A. Franke(1)	5,200,000	0	5,200,000	99.3%			%		%
Josh T. Connor(2)	1,741	0	1,741	*		1,741	*	1,741	*
Brian H. Franke	0	0	0	*		0	*	0	*
Robert J. Genise(3)	8,091	0	8,091	*		8,091	*	8,091	*
Bernard L. Han(4)	8,091	0	8,091	*		8,091	*	8,091	*
C.A. Howlett	0	0	0	*		0	*	0	*
Michael R. MacDonald(5)	291	0	291	*		291	*	291	*
Patricia Salas Pineda(6)	291	0	291	*		291	*	291	*
John R. Wilson	0	0	0	*		0	*	0	*
Barry L. Biffle(7)	0	66,282	66,282	*		66,282	*	66,282	*
James G. Dempsey(8)	0	24,905	24,905	*		24,905	*	24,905	*
Howard M. Diamond(9)	0	8,650	8,650	*		8,650	*	8,650	*
Daniel M. Shurz(10)	0	12,562	12,562	*		12,562	*	12,562	*
William A. Meehan(11)	0	0	0	*		0	*	0	*
All executive officers and directors as a group (16 persons)	5,218,505	117,149	5,335,654	99.6%			%		%

* Represents beneficial ownership of less than one percent (1%) of the outstanding common stock.

(1) Consists of 5,200,000 shares held by Indigo Frontier Holdings Company LLC. William A. Franke is the sole member of Indigo Denver Management Company, LLC, which is the managing member of Indigo Frontier Holdings Company LLC, and as such, Mr. Franke has voting and dispositive power over these shares. Mr. Franke disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. The address for Mr. Franke and Indigo Frontier Holdings, LLC is c/o Indigo Partners, 2525 East Camelback Road, Suite 900, Phoenix, Arizona 85016.

(2) Consists of 1,741 shares of common stock, of which 291 are subject to future vesting.

(3) Consists of 8,091 shares of common stock, of which 291 are subject to future vesting.

(4) Consists of 8,091 shares of common stock, of which 291 are subject to future vesting.

(5) Consists of 291 shares of common stock, which are subject to future vesting.

(6) Consists of 291 shares of common stock, which are subject to future vesting.

(7) Consists of 66,282 shares of common stock underlying stock options exercisable within 60 days of March 31, 2017.

(8) Consists of 24,905 shares of common stock underlying stock options exercisable within 60 days of March 31, 2017.

(9) Consists of 8,650 shares of common stock underlying stock options exercisable within 60 days of March 31, 2017.

(10) Consists of 12,562 shares of common stock underlying stock options exercisable within 60 days of March 31, 2017.
(11) Mr. Meehan's employment with us ended effective as of January 4, 2017. During the three months ended March 31, 2017, we repurchased the 8,650 shares underlying vested stock options held by Mr. Meehan as of December 31, 2016.

DESCRIPTION OF PRINCIPAL INDEBTEDNESS

Pre-Delivery Deposits Financing

Our direct subsidiary, Frontier Airlines Holdings, Inc., or Holdings, and our operating subsidiary, Frontier Airlines, Inc., or Frontier, are party to a debt facility that is available to finance a portion of certain pre-delivery payments, or PDP Payments, that Frontier is required to pay to Airbus S.A.S., or Airbus, with respect to future deliveries of specific Airbus A320 family aircraft that we have on order, collectively, the PDP Aircraft. In connection with entering into this facility, Holdings and Frontier established an unaffiliated Cayman Islands exempted company, or Vertical Horizons, to act as borrower thereunder, and Frontier transferred certain of its rights and obligations under the purchase agreements, or the Assigned Purchase Agreements, between it and Airbus relating to the PDP Aircraft to Vertical Horizons, including the obligation to make pre-delivery payments.

In August 2015, Vertical Horizons, as borrower, and Citibank, N.A., or Citibank, as facility agent and lender, entered into an amended and restated loan agreement, or the PDP Financing Facility, which increased the commitment under the PDP Financing Facility to $125 million and increased the number of PDP Aircraft with respect to which PDP Payments could be financed thereunder. On January 14, 2016, the PDP Financing Facility was further amended to increase the commitment thereunder to $150 million and on December 16, 2016 amended and restated to increase the number of PDP Aircraft with respect to which PDP Payments could be financed thereunder. Vertical Horizons' obligations under the PDP Financing Facility are secured primarily by a first priority lien on the Assigned Purchase Agreements including the proceeds and payments thereunder, and a charge over the shares of Vertical Horizons. Vertical Horizons' obligations with respect to the PDP Financing Facility are guaranteed by Holdings and by Frontier. The PDP Financing Facility contains affirmative and negative covenants and events of default that are typical in the industry for similar financings. The PDP Financing Facility consists of separate loans for each PDP Aircraft. The separate loans mature upon the earlier of (i) delivery of that aircraft to us by Airbus, (ii) the date one month following the last day of the scheduled delivery month of such aircraft and (iii) if there is a delay in delivery of aircraft, depending on the cause of the delivery delay, up to six months following the last day of the scheduled delivery month of such aircraft. The facility will be repaid periodically according to the preceding sentence with the last scheduled delivery of aircraft contemplated in the PDP Financing Facility to be in the fourth quarter of 2019. As of March 31, 2017, $133 million of borrowings were outstanding under this facility.

Funds available under the PDP Financing Facility are subject to certain administrative and commitment fees, and funds drawn under the facility bear interest at the London Interbank Offered Rate, or LIBOR, plus a margin.

Pre-Purchased Mileage Facility

We entered into an agreement with Barclays Bank Delaware (formerly known as Juniper Bank), or Barclays Bank, in 2003 to provide for joint marketing, grant certain benefits to co-branded credit card holders, or Cardholders, and allow Barclays Bank to market using our customer database. Cardholders earn miles under the *Early Returns* program and we sell mileage awards at agreed-upon rates to Barclays Bank and earn fees from Barclays Bank for the acquisition, retention and use of the co-branded credit card by consumers. In addition, Barclays Bank will pre-purchase miles if we meet certain conditions precedent. During 2013, we amended our agreements with Barclays Bank to modify the products and services provided under the agreements, re-establish the pre-purchased miles facility and extend the agreement to 2020. The dollar amount of the pre-purchased miles facility, or the Facility Amount, is subject to adjustment for the then-current year on each January 15, beginning on January 15, 2015 through and including January 15, 2019 based on the aggregate amount of fees payable by Barclays Bank to us on a calendar year basis, up to an aggregate maximum Facility Amount of $50 million. During 2016 and 2015, the Facility Amount ranged from $39 million to $47 million. We pay interest on the outstanding Facility Amount on a monthly basis based on one-month LIBOR plus a margin. Beginning December 2019, the facility will be repaid in 12 equal monthly installments. If the facility is required to be decreased prior to December 2019, any amounts due to reduce the facility would be repaid over six months.

Barclays Bank has agreed that for each month that specified conditions are met it will pre-purchase additional miles on a monthly basis in an amount equal to the difference between the Facility Amount and the amount of unused miles then outstanding and held by Barclays Bank. Among the conditions to this monthly purchase of miles is a requirement that Frontier Airlines maintain a balance of unrestricted cash, as defined in the agreement, or maintain a minimum amount of earnings before interest, taxes, depreciation, amortization and rent (excluding any non-cash, non-operating expense) measured on a rolling four month basis. The Company may repurchase any or all of the pre-purchased miles at any time, from time to time, without penalty. Prior to December 31, 2019, or the Repurchase Commencement Date, the Facility Amount may be reduced in each month in which such specified conditions are not met, which Facility Amount may be subsequently increased after three consecutive months of compliance with such conditions. Commencing on the Repurchase Commencement Date, the Facility Amount will be reduced by one-twelfth of the Facility Amount as measured on the Repurchase Commencement Date each month until such time as no pre-purchased mileage credits remain outstanding under the facility. The pre-purchased miles facility expires in December 2020.

Fixed and Floating Rate Equipment Notes

As of March 31, 2017, we had six aircraft in our fleet financed with debt:

- the debt on the first aircraft was originated during May 2006 with a loan balance of $7 million, a fixed interest rate of 7.33% and a maturity date in May 2021;
- the debt on the second aircraft was originated during June 2005 with a loan balance of $6 million, floating interest rate of three-month LIBOR plus 2.00% and a maturity date in June 2017;
- the debt on the third aircraft was originated during July 2005 with a loan balance of $6 million, floating interest rate of three-month LIBOR plus 1.85% and a maturity date in July 2017;
- the debt on the fourth aircraft was originated on August 2006 with a loan balance of $9 million, floating interest rate of three-month LIBOR plus 1.95% and a maturity date in August 2018;
- the debt on the fifth aircraft was originated during February 2008 with a loan balance of $14 million, floating interest rate of three-month LIBOR plus 1.75% and a maturity date in February 2020; and
- the debt on the sixth aircraft was originated during March 2008 with a loan balance of $14 million, floating interest rate of three-month LIBOR plus 1.75% and a maturity date in March 2020.

The fixed and floating rate equipment notes are secured by the respective aircraft, which had a net book value of $101 million as of March 31, 2017. The weighted-average effective interest rate of the fixed and floating rate equipment notes at March 31, 2017 and December 31, 2016 and 2015, was 3.36%, 3.06% and 2.76%, respectively.

DESCRIPTION OF CAPITAL STOCK

The following summary describes our capital stock and our amended and restated certificate of incorporation and our amended and restated bylaws to be in effect immediately prior to the consummation of this offering, the Registration Rights Agreement to which we and an affiliate of Indigo Partners, LLC, or Indigo Partners, are parties and of certain relevant provisions of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering and the Registration Rights Agreement, copies of which are incorporated by reference as exhibits to the registration statement of which this prospectus is part, and to the applicable provisions of the Delaware General Corporation Law.

General

Upon the completion of this offering, our amended and restated certificate of incorporation will authorize us to issue up to 600,000,000 shares of common stock, $0.001 par value per share, 120,000,000 shares of non-voting common stock, $0.001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share. See"—Limited Voting by Foreign Owners."

As of March 31, 2017, there were outstanding 5,237,756 shares of our capital stock held by seven stockholders of record.

Also as of March 31, 2017, there were outstanding no shares of non-voting common stock and no shares of preferred stock.

In connection with this offering, we will consummate a -for- stock split of our outstanding common stock and preferred stock which will occur prior to the effectiveness of the registration statement of which this prospectus is a part.

Common Stock

Dividend Rights. Holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds ratably with shares of our non-voting common stock, subject to preferences that may be applicable to any then outstanding Preferred Stock and limitations under Delaware law.

Voting Rights. Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors properly up for election at any given stockholders' meeting.

Liquidation. In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably with shares of our non-voting common stock in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of Preferred Stock.

Rights and Preferences. Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our Preferred Stock that we may designate in the future.

Fully Paid and Nonassessable. All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable

Non-Voting Common Stock

Our board of directors has the authority, without further action by our stockholders, to issue up to 120,000,000 shares of non-voting common stock with the rights, preferences, privileges and restrictions set forth below. Among other circumstances, shares of our non-voting common stock may be issued if and when required to comply with restrictions imposed by federal law on foreign ownership of U.S. airlines. Upon the closing of this offering, there will be no shares of non-voting stock outstanding, and we have no present plan to issue any such shares of non-voting stock. See "—Limited Voting by Foreign Owners."

Dividend Rights. Holders of our non-voting common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds ratably with shares of our common stock, subject to preferences that may be applicable to any then outstanding Preferred Stock and limitations under Delaware law.

Voting Rights. Shares of our non-voting common stock are not entitled to vote on any matters submitted to a vote of the stockholders, including the election of directors, except to the extent required under Delaware law.

Conversion Rights. Shares of our non-voting common stock will be convertible on a share-for-share basis into common stock at the election of the holder.

Liquidation. In the event of our liquidation, dissolution or winding up, holders of our non-voting common stock will be entitled to share ratably with shares of our common stock in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of Preferred Stock.

Rights and Preferences. Holders of our non-voting common stock have no preemptive, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our non-voting common stock. The rights, preferences and privileges of the holders of our non-voting common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our Preferred Stock that we may designate in the future.

Preferred Stock

Our board of directors has the authority, without further action by our stockholders, to issue up to 10,000,000 shares of Preferred Stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. Our issuance of Preferred Stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of Preferred Stock could have the effect of delaying, deferring or preventing a change of control of our company or other corporate action. Upon the closing of this offering, there will be no shares of Preferred Stock outstanding, and we have no present plan to issue any such shares of Preferred Stock.

Registration Rights

Immediately prior to the consummation of this offering, we intend to grant the registration rights described below to Indigo Frontier Holdings Company, LLC, or Indigo Fund, an affiliate of Indigo Partners, which holds 5.2 million shares of our common stock, pursuant to the terms of a Registration Rights Agreement to be entered into by us at such time. This agreement will be entered into pursuant to the terms of the Subscription Agreement, dated December 3, 2013, pursuant to which Indigo Denver Management Company, LLC, or Indigo, an affiliate of Indigo Partners funded the equity component of the acquisition from Republic Airways Holdings, Inc.

The following description of the terms of Registration Rights Agreement is intended as a summary only and is qualified in its entirety by reference to the Registration Rights Agreement filed as an exhibit to the registration statement of which this prospectus is a part.

Demand and Short-Form Registration Rights

At any time following the consummation of this offering, Indigo Fund may request that we initiate up to eight registrations of its shares (and the shares of any other parties that may become a party to the Registration Rights Agreement) on Form S-1 or any similar or successor long-form registration and, if available, an unlimited number of registrations of its shares (and the shares of any other parties that may become a party to the Registration Rights Agreement) on Form S-3 or any successor or similar short-form registration.

Piggyback Registration Rights

At any time that we propose to register any of our securities under the Securities Act, including in connection with this offering, Indigo Fund and any other parties that may become a party to the Registration Rights Agreement will be entitled to certain "piggyback" registration rights allowing such parties to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act (other than with respect to our initial public offering, pursuant to a demand or short-form registration, or pursuant to a registration on Form S-4 or S-8 or any successor or similar forms), the holders of these shares are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration.

Expenses of Registration, Restriction and Indemnification

We will pay all registration expenses, including the legal fees of one counsel for all holders under the Registration Rights Agreement. The demand, short-form and piggyback registration rights are subject to customary restrictions such as limitations on the number of shares to be included in the underwritten offering imposed by the managing underwriter. The Registration Rights Agreement also contains customary indemnification and contribution provisions.

Anti-Takeover Provisions of Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering provides that our board of directors will be divided into three classes, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, holders of common stock representing a majority of the voting rights of our common stock will be able to elect all of our directors up for election at any given stockholders' meeting. Accordingly, until such time as Indigo and its affiliates beneficially own shares of our common stock representing less than a majority of the voting rights of our common stock, Indigo will elect our entire board of directors. Our amended and restated bylaws to be in effect immediately prior to the consummation of this offering includes advance notice procedures and other content requirements applicable to stockholders other than Indigo for proposals to be brought before a meeting of stockholders, including proposed nominations of persons for election to the board of directors.

Until such time as Indigo and its affiliates beneficially own shares of our common stock representing less than a majority of the voting rights of our common stock, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering require a majority stockholder vote for the removal of a director with or without cause, and for the amendment, repeal or modification of certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws including, among other things, relating to the classification of our board of directors. From and

after such time as Indigo and its affiliates hold less than a majority of the voting rights of our common stock, a majority stockholder vote is required for removal of a director only for cause (and a director may only be removed for cause), and a 66 ⅔% stockholder vote is required for the amendment, repeal or modification of certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws.

Our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering also provide that, until such time as Indigo and its affiliates beneficially own shares of our common stock representing less than a majority of the voting rights of our common stock, Indigo will have the ability to take stockholder action by written consent without calling a stockholder meeting and to approve amendments to our amended and restated certificate of incorporation and amended and restated bylaws and to take other actions without the vote of any other stockholder. From and after such time as Indigo and its affiliates beneficially own shares of our common stock representing less than a majority of the voting rights of our common stock, all stockholder action must be effected at a duly called meeting of stockholders and not by a consent in writing, and further provide that, from and after such time as Indigo and its affiliates beneficially own shares of our common stock representing less than a majority of the voting rights of our common stock, only our corporate secretary, upon the direction of our board of directors, or the Chairman of the Board may call a special meeting of stockholders.

The combination of the classification of our board of directors (from and after such time as Indigo and its affiliates hold less than a majority of the voting rights of our common stock), lack of cumulative voting rights, prohibitions on stockholder actions by written consent and stockholder ability to call a special meeting by a stockholder other than Indigo, and supermajority voting requirements make it more difficult for stockholders other than Indigo (for so long as it holds sufficient voting rights) to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for stockholders other than Indigo (for so long as it holds sufficient voting rights) or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions may have the effect of deterring hostile takeovers or delaying changes in our control or management. These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions may also have the effect of preventing changes in our management.

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Corporate Opportunity

Our amended and restated certificate of incorporation, to be in effect immediately prior to the consummation of this offering, will provide that, to the fullest extent permitted by law, the doctrine of "corporate opportunity" will not apply to Indigo, any of our non-employee directors who are employees, affiliates or consultants of Indigo or its affiliates (other than us or our subsidiaries) or any of their respective affiliates in a manner that would prohibit them from investing in competing businesses or doing business with our customers. See "Risk Factors—Risks Related to Owning Our Common Stock—Our certificate of incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities."

Limited Ownership and Voting by Foreign Owners

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering restrict voting of shares of our capital stock by non-U.S. citizens. The restrictions imposed by federal law currently require that no more than 24.9% of our voting stock be voted, directly or indirectly, by persons who are not U.S. citizens, as defined in the Federal Aviation Act), that no more than 49.0% of our outstanding stock be owned (beneficially or of record) by persons who are not U.S. citizens and that our president and at least two-thirds of the members of our board of directors and senior management be U.S. citizens. Our amended and restated certificate of incorporation and bylaws to be in effect immediately prior to the consummation of this offering provide that the failure of non-U.S. citizens to register their shares on a separate stock record, which we refer to as the "foreign stock record," would result in a loss of their voting rights in the event and to the extent that the aggregate foreign ownership of the outstanding common stock exceeds the foreign ownership restrictions imposed by federal law. Our amended and restated bylaws further provide that no shares of our common stock will be registered on the foreign stock record if the amount so registered would exceed the foreign ownership restrictions imposed by federal law. If it is determined that the amount registered in the foreign stock record exceeds the foreign ownership restrictions imposed by federal law, shares will be removed from the foreign stock record in reverse chronological order based on the date of registration therein, until the number of shares registered therein does not exceed the foreign ownership restrictions imposed by federal law. We are currently in compliance with these ownership restrictions.

Delaware as Sole and Exclusive Forum

Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering provides that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws or (iv) any action asserting a claim against us governed by the internal affairs doctrine. As a result, any action brought by any of our stockholders with regard to any of these matters will need to be filed in the Court of Chancery of the State of Delaware and cannot be filed in any other jurisdiction.

Limitations of Liability and Indemnification

Please see “Management—Limitation of Liability and Indemnification.”

Market Listing

We have applied to have our common stock approved for quotation on the NASDAQ Global Select Market under the symbol “FRNT.”

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare, Inc. The transfer agent and registrar’s address is 480 Washington Boulevard, 29th Floor, Jersey City, New Jersey 07130.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Based on the number of shares outstanding as of March 31, 2017 and giving effect to the completion of this offering, million shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options. Of these shares, the shares sold in this offering, which includes both the shares sold by us and any shares sold by the selling stockholder, plus any shares sold upon exercise of the underwriters' option to purchase additional shares of our common stock from the selling stockholder, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act.

After this offering, million shares of common stock will be restricted as a result of securities laws or lock-up agreements as described below. Following the expiration of the various lock-up periods, all shares will be eligible for resale in compliance with Rule 144 or Rule 701, if then available, to the extent such shares have been released from any repurchase option that we may hold. "Restricted securities" as defined under Rule 144 were issued and sold by us in reliance on exemptions from the registration requirements of the Securities Act. These shares may be sold in the public market only if registered pursuant to an exemption from registration, such as Rule 144 or Rule 701 under the Securities Act.

The share amounts set forth in this section are subject to change and will depend primarily on the price per share at which our common stock is sold in this offering and the total size of the offering. Please see "Use of Proceeds" elsewhere in this prospectus.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreements referred to below, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreements referred to below, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately shares of common stock immediately after this offering (calculated on the basis of the number of shares of our common stock outstanding as of March 31, 2017, the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares and no exercise of outstanding options); or

- the average weekly trading volume of our common stock on the NASDAQ Stock Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced below and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares in reliance on Rule 144. Accordingly, subject to any applicable lock-up agreements, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreement referred to below, if applicable).

Lock-Up Agreements

In connection with this offering, we, the selling stockholder, our officers, directors and holders of substantially all of our outstanding shares of capital stock and other securities have agreed with the underwriters, subject to specified exceptions, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus. See "Underwriting."

Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC may, in their sole discretion and at any time or from time to time before the termination of the 180-day period, without public notice, release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our stockholders who will execute a lock-up agreement which provide consent to the sale of shares prior to the expiration of the lock-up period.

Registration Rights

On the date beginning 180 days after the date of this prospectus, an affiliate of Indigo, which holds 5.2 million shares of our common stock, or its transferees, will be entitled to certain rights with respect to the registration of those shares under the Securities Act. For a description of these registration rights, please see "Description of Capital Stock—Registration Rights." After these shares are registered, they will be freely tradable without restriction under the Securities Act.

Registration Statements

As soon as practicable after the completion of this offering, we intend to file a Form S-8 registration statement under the Securities Act to register shares of our common stock subject to options outstanding or reserved for issuance under our 2014 Stock Incentive Plan and the Frontier Group Holdings, Inc. 2017 Equity Incentive Award Plan. This registration statement will become effective immediately upon filing, and shares covered by this registration statement will thereupon be eligible for sale in the public markets, subject to vesting restrictions, the lock-up agreements described above and Rule 144 limitations applicable to affiliates. For a more complete discussion of our stock plans, please see “Executive Compensation—Equity Compensation Plans.”

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code; and
- tax-qualified retirement plans.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and all substantial decisions of which are subject to the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying any cash dividends on our common stock. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "— Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussions below under "—Information Reporting and Backup Withholding" and "—Additional Withholding Tax on Payments Made to Foreign Accounts," a Non-U.S. Holder will not be subject

to U.S. federal income or withholding tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a non-resident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the Non-U.S. Holder is a United States person and the Non-U.S. Holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such Non-U.S. Holder is a United States person, or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock, and will apply to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2019.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus, each underwriter named below has severally and not jointly agreed to purchase, and we have agreed to sell to that underwriter, the number of shares set forth opposite the underwriter's name.

Underwriter	Number of Shares
Citigroup Global Markets Inc.	
Deutsche Bank Securities Inc.	
Evercore Group L.L.C.	
J.P. Morgan Securities LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Barclays Capital Inc.	
Cowen and Company, LLC	
Credit Suisse Securities (USA) LLC	
Goldman Sachs & Co. LLC	
Raymond James & Associates, Inc.	
UBS Securities LLC	
Total	

The underwriting agreement provides that the obligations of the underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the shares (other than those covered by the option to purchase additional shares described below) if they purchase any of the shares. Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC are acting as representatives of the underwriters.

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed $ per share. If all the shares are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part. The representatives have advised us that the underwriters do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

The selling stockholder has granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price less the underwriting discounts and commissions set forth on the cover of this prospectus. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment. The selling stockholder will be obligated, pursuant to the option, to sell these additional shares of common stock to the underwriters to the extent the option is exercised. Any shares issued or sold under the option will be issued and sold on the same terms and conditions as the other shares that are the subject of this offering.

The following table shows the underwriting discounts that we and the selling stockholder are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Paid by Company		Paid by the Selling Stockholder	
	No Exercise	Full Exercise	No Exercise	Full Exercise
Per share	$	$	$	$
Total	$	$	$	$

We estimate that our portion of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately $. We have agreed to reimburse the underwriters for expenses of up to $30,000 related to the clearance of this offering with the Financial Industry Regulatory Authority, Inc. and compliance with state securities or "blue sky" laws.

In connection with this offering, we have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, without, in each case, the prior written consent of Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus, other than any shares of our common stock issued upon the exercise of options granted under our existing equity incentive plans and any shares of our common stock issued upon the conversion of or exercise of any securities outstanding as of the date of this prospectus.

In connection with this offering, the selling stockholder, our officers, directors and holders of substantially all of our outstanding shares of capital stock and other securities have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus.

The foregoing restrictions are subject to specified exceptions, including, without limitation, the following:

- open market transactions related to shares acquired after the completion of this offering, provided that no filing under Section 16(a) of the Exchange Act, or other public announcement, shall be required or shall be made voluntarily in connection with any such transaction;
- the exercise of stock options or other similar awards granted pursuant to our equity incentive plans described in this prospectus solely for cash, provided that the shares received upon exercise shall continue to be subject to the restrictions on transfer set forth in the lock-up agreement, any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option or similar award, that no shares were sold by the reporting person and that the shares received upon exercise of the stock option are subject to a lock-up agreement with the underwriters, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction;
- the withholding of shares of our common stock by us or sale of such shares to us in connection with a vesting event of stock options or other similar awards granted pursuant to our equity incentive plans described in this prospectus to cover tax withholding obligations or the payment of taxes in connection with the vesting event, provided that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the purpose of such transfer is to cover such tax withholding obligations or the payment of taxes due in connection with the vesting event and that no other shares were sold, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction;
- transfers to us upon the exercise of stock options or other similar awards granted pursuant to our equity incentive plans described in this prospectus on a "cashless" or "net exercise" basis, provided that the

shares received upon exercise shall continue to be subject to the restrictions on transfer set forth in the lock-up agreement and that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option or similar award, that no shares were sold by the reporting person and that the shares received upon exercise of the stock option are subject to a lock-up agreement with the underwriters, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction; and

- transfers by operation of law or court order pursuant to a domestic relations order or a negotiated divorce settlement, provided that the recipient agrees to be bound in writing by the restrictions set forth in the lock-up agreement, that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is pursuant to such court order or settlement and that the shares are subject to a lock-up agreement with the underwriters, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction.

Prior to this offering, there has been no public market for our shares. Consequently, the initial public offering price for the shares will be determined by negotiations between us, the selling stockholder and the representatives. Among the primary factors that we expect to consider in determining the initial public offering price are:

- the information set forth in this prospectus and otherwise available to the representatives;
- our revenues, results of operations and certain other financial and operating information in recent periods;
- our future prospects and estimates of our business potential including the economic conditions in and future prospects for the industry in which we compete;
- the present stage of our development;
- the market capitalizations and stages of development of other companies that we and the representatives of the underwriters believe to be comparable to our business;
- our management;
- currently prevailing general conditions in the equity securities markets; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure you, however, that the price at which the shares will trade in the public market after this offering will not be lower than the initial public offering price or that an active trading market in our shares will develop and continue after this offering.

We have applied to have our shares listed on the NASDAQ Global Select Market under the symbol “FRNT.”

We and the selling stockholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

In order to facilitate the offering of the shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the shares. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option to purchase additional shares. The underwriters can close out a covered short sale by exercising the option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares

compared to the price available under the option to purchase additional shares. The underwriters may also sell shares in excess of the option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the shares above independent market levels or prevent or retard a decline in the market price of the shares. The underwriters are not required to engage in these activities and may end any of these activities at any time.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters participating in this offering. The representatives may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Other Relationships

Certain of the underwriters have performed commercial banking services for us from time to time for which they have received customary fees and reimbursement of expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. Citigroup Global Markets Inc. is the arranger and Citibank N.A., an affiliate of Citigroup Global Markets Inc., is the facility agent and lender under our PDP financing facility that is guaranteed by our subsidiaries, Frontier Airlines Holdings, Inc. and Frontier Airlines, Inc. Barclays Bank Delaware, an affiliate of Barclays Capital Inc., issues and services a co-branded credit card program for Frontier Airlines, Inc. and also provides a pre-purchased frequent flyer miles facility. Additionally, affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated also provide us with hedging contracts related to aircraft fuel.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

Other than in the U.S., no action has been taken by us or the underwriters that would permit a public offering of the shares of common stock offered by this prospectus in any jurisdiction where action for that purpose is required. The shares offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such shares be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any shares offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area, each a "Member State," no offer of the shares of common stock which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the shares of common stock referred to in (a) to (c) above shall result in a requirement for us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a Member State to whom any offer of shares of our common stock is made or who receives any communication in respect of an offer of shares of our common stock, or who initially acquires any of our shares of common stock will be deemed to have represented, warranted, acknowledged and agreed to and with each representative and us that (1) it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (2) in the case of any shares of common stock acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or where shares of our common stock have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those shares of common stock to it is not treated under the Prospectus Directive as having been made to such persons.

We, the representatives and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus has been prepared on the basis that any offer of shares of our common stock in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Member State of shares of our common stock which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the representatives have authorized, nor do they authorize, the making of any offer of shares of our common stock in circumstances in which an obligation arises for us or the representatives to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer of shares of our common stock to the public" in relation to any shares of our common stock in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of our common stock to be offered so as to enable an investor to decide to purchase or subscribe the shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons").

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Switzerland

The shares of our common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the shares of our common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of our common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares of our common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares of our common stock applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares of our common stock offered in this prospectus may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The shares of our common stock offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of our common stock may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in

Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where shares of our common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Canada

The shares of our common stock offered in this prospectus may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts*, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

Certain legal matters with respect to the legality of the issuance of the shares of common stock offered by us by this prospectus will be passed upon for us by Latham & Watkins LLP, Menlo Park, California. The underwriters are being represented by Davis Polk & Wardwell LLP, Menlo Park, California, in connection with the offering.

EXPERTS

The consolidated financial statements of Frontier Group Holdings, Inc. at December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to this offering of our common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The exhibits to the registration statement should be referenced for the complete contents of these contracts and documents. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Securities Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC’s public reference facilities and the website of the SEC referred to above.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Frontier Group Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Frontier Group Holdings, Inc. ("the Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Frontier Group Holdings, Inc. as of December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Denver, Colorado
March 31, 2017

FRONTIER GROUP HOLDINGS, INC.
Consolidated Balance Sheets
(in millions, except for share and per share data)

	December 31,		March 31, 2017	Proforma March 31, 2017
	2015	2016	*(unaudited)*	*(unaudited) (Note 1)*
Assets				
Current assets:				
Cash and cash equivalents	$ 419	$ 612	$ 535	$
Restricted cash	6	6	6	
Accounts receivable, net	50	47	65	
Supplies, net	10	19	16	
Other current assets	50	38	34	
Total current assets	**535**	**722**	**656**	
Total property and equipment, net	**265**	**276**	**290**	
Pre-delivery deposits for flight equipment	193	197	192	
Aircraft maintenance deposits	47	52	49	
Intangible assets, net	37	35	34	
Other assets	51	59	74	
Total assets	**$1,128**	**$1,341**	**$ 1,295**	**$**
Liabilities and stockholders' equity				
Current liabilities:				
Accounts payable	$ 25	$ 46	$ 21	$
Air traffic liability	120	159	210	
Frequent flyer liability	22	14	14	
Other current liabilities	222	193	286	
Current maturities of long-term debt	103	141	131	
Total current liabilities	**492**	**553**	**662**	
Long-term debt	118	96	93	
Long-term frequent flyer liability	42	40	39	
Other long-term liabilities	134	206	223	
Total liabilities	**786**	**895**	**1,017**	
Stockholders' equity:				
Common stock, no par value, stated value of $.001 per share, with 5,255,551, 5,237,756, and 5,237,756 (unaudited) shares issued and outstanding as of December 31, 2015 and 2016, and March 31, 2017 respectively	—	—	—	
Additional paid-in capital	53	50	46	
Retained earnings	299	395	237	
Accumulated other comprehensive income (loss)	(10)	1	(5)	
Total stockholders' equity	**342**	**446**	**278**	
Total liabilities and stockholders' equity	**$1,128**	**$1,341**	**$ 1,295**	**$**

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Operations
(in millions, except for per share data)

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016 (unaudited)	2017 (unaudited)
Operating revenues					
Passenger	$1,328	$1,203	$ 988	$ 219	$ 234
Non-ticket	265	401	726	149	196
Total operating revenues	**1,593**	**1,604**	**1,714**	**368**	**430**
Operating expenses					
Aircraft fuel	538	369	343	63	102
Salaries, wages and benefits	258	285	287	71	133
Station operations	162	202	228	53	53
Aircraft rent	147	171	209	50	59
Sales and marketing	87	79	72	17	19
Maintenance materials and repairs	39	50	48	14	14
Depreciation and amortization	29	54	75	18	13
Special charges	—	43	—	—	—
Other operating	105	118	135	32	39
Total operating expenses	**1,365**	**1,371**	**1,397**	**318**	**432**
Operating income (loss)	**228**	**233**	**317**	**50**	**(2)**
Other expense (income)					
Interest expense	5	8	9	2	2
Capitalized interest	(1)	(3)	(6)	(1)	(1)
Interest income and other	—	—	(2)	—	(1)
Total other expense	**4**	**5**	**1**	**1**	**—**
Income (loss) before income taxes	224	228	316	49	(2)
Income tax expense (benefit)	84	82	116	19	(2)
Net income	**$ 140**	**$ 146**	**$ 200**	**$ 30**	**$ —**
Earnings (loss) per share to common stockholders					
Basic	$26.12	$26.60	$36.76	$ 5.59	$ (0.65)
Diluted	$25.75	$26.15	$36.23	$ 5.48	$ (0.65)
Cash dividend declared per share	$ —	$ —	$18.95	$ 18.95	$ 28.85

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Comprehensive Income (Loss)
(in millions)

	Year Ended December 31,			Three months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
Net income	**$ 140**	**$ 146**	**$ 200**	**$ 30**	**$ —**
Unrealized gain (loss) on fuel cash flow hedges, net of deferred taxes of $0, $6, ($6), ($1) (unaudited), and $3 (unaudited), respectively	—	(10)	11	2	(6)
Other comprehensive income (loss)	**—**	**(10)**	**11**	**2**	**(6)**
Comprehensive income (loss)	**$ 140**	**$ 136**	**$ 211**	**$ 32**	**$ (6)**

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Cash Flows
(in millions)

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016 (unaudited)	2017 (unaudited)
Cash flows from operating activities					
Net income	$140	$ 146	$ 200	$ 30	$ —
Deferred income taxes	22	14	(23)	3	(23)
Depreciation and amortization	29	54	75	18	13
Stock-based compensation	6	44	42	11	18
Unrealized loss on fuel derivative instruments	35	—	—	—	—
Cash flows from fuel hedging	(25)	(43)	(13)	(12)	(8)
Special charges	—	43	—	—	—
Reduction in credit card holdback	55	59	—	—	—
Flight attendant settlement	—	—	—	—	43
Changes in operating assets and liabilities					
Accounts receivable	29	15	28	2	(7)
Supplies and other current assets	(1)	(5)	20	26	12
Aircraft maintenance deposits	(15)	(23)	(32)	(3)	(9)
Other long-term assets	(60)	(58)	(65)	(13)	(9)
Accounts payable	2	6	20	(11)	(25)
Restricted cash	(10)	2	—	—	(1)
Air traffic liability	4	(11)	39	56	52
Other current liabilities	(3)	5	(78)	(38)	36
Other long-term liabilities	(24)	(40)	25	(3)	(10)
Cash provided by operating activities	**184**	**208**	**238**	**66**	**82**
Cash flows from investing activities					
Capital expenditures	(15)	(39)	(26)	(3)	(7)
Pre-delivery deposits for flight equipment, net of refunds	(54)	(107)	(4)	(27)	5
Proceeds from sale of property and equipment	12	8	—	—	—
Other	—	(5)	(9)	(3)	(3)
Cash used in investing activities	**(57)**	**(143)**	**(39)**	**(33)**	**(5)**
Cash flows from financing activities					
Proceeds from issuance of long-term debt	39	130	113	27	27
Principal repayments on long-term debt	(11)	(67)	(97)	(10)	(40)
Principal repayments on short-term note payable from related party	(18)	—	—	—	—
Proceeds from sale-leaseback transactions	—	28	84	4	17
Dividends paid	—	—	(101)	(99)	(154)
Other	(1)	—	(5)	(5)	(4)
Cash provided by (used in) financing activities	**9**	**91**	**(6)**	**(83)**	**(154)**
Net increase (decrease) in cash and cash equivalents	136	156	193	(50)	(77)
Cash and cash equivalents at beginning of period	127	263	419	419	612
Cash and cash equivalents at end of period	**$263**	**$ 419**	**$ 612**	**$ 369**	**$ 535**

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Stockholders' Equity
(in millions, except for share data)

	Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
	Shares	Amount				
Balance at December 31, 2013	**5,238,501**	**$ —**	**$ 52**	**$ 13**	**$ —**	**$ 65**
Net income	—	—	—	140	—	140
Restricted stock issued	12,700	—	—	—	—	—
Stock compensation	—	—	—	—	—	—
Balance at December 31, 2014	**5,251,201**	**—**	**52**	**153**	**—**	**205**
Net income	—	—	—	146	—	146
Unrealized loss from cash flow hedges, net of tax	—	—	—	—	(10)	(10)
Restricted stock issued	4,350	—	—	—	—	—
Stock compensation	—	—	1	—	—	1
Balance at December 31, 2015	**5,255,551**	**—**	**53**	**299**	**(10)**	**342**
Net income	—	—	—	200	—	200
Dividend	—	—	—	(101)	—	(101)
Dividend equivalent rights	—	—	—	(3)	—	(3)
Restricted stock issued	1,455	—	—	—	—	—
Redemption of restricted stock	(19,250)	—	(5)	—	—	(5)
Unrealized gain from cash flow hedges, net of tax	—	—	—	—	11	11
Stock compensation	—	—	2	—	—	2
Balance at December 31, 2016	**5,237,756**	**$ —**	**$ 50**	**$ 395**	**$ 1**	**$ 446**
Net income (unaudited)	—	—	—	—	—	—
Dividend (unaudited)	—	—	—	(154)	—	(154)
Dividend equivalent rights (unaudited)	—	—	—	(4)	—	(4)
Stock option repurchases (unaudited)	—	—	(4)	—	—	(4)
Restricted stock issued (unaudited)	—	—	—	—	—	—
Unrealized loss from cash flow hedges, net of tax (unaudited)	—	—	—	—	(6)	(6)
Stock compensation (unaudited)	—	—	—	—	—	—
Balance at March 31, 2017 (unaudited)	**5,237,756**	**$ —**	**$ 46**	**$ 237**	**$ (5)**	**$ 278**

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and include the accounts of Frontier Group Holdings, Inc. ("FGHI," the "Company", or "we") and its wholly-owned subsidiaries, including Frontier Airlines Holdings, Inc. ("FAH") and Frontier Airlines, Inc. ("Frontier"). All wholly-owned subsidiaries are consolidated, with all intercompany transactions and balances being eliminated. Prior to December 3, 2013, FAH was a wholly-owned subsidiary of Republic Airways Holdings, Inc. ("Republic"). On December 3, 2013, FGHI, formerly known as Falcon Acquisition Group, Inc., purchased from Republic all of FAH's common stock for $52 million in cash and assumed all of its obligations. As a result of the acquisition, all of FAH's assets and liabilities were remeasured to fair value as of the acquisition date.

The Company, headquartered in Denver, Colorado, is an ultra low-cost, low-fare airline that offers flights throughout the United States and to select destinations in the Caribbean and Mexico.

The Company is managed as a single business unit that primarily provides air transportation for passengers. Management has concluded there is only one reportable segment.

Unaudited Interim Financial Information

The interim financial information as of March 31, 2017 and the three-month periods ended March 31, 2016 and 2017 are unaudited. However, in the opinion of management, all adjustments (consisting of normal recurring accruals, including non-recurring adjustments that have been separately disclosed) considered necessary for a fair presentation have been included. The interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. Due to seasonal fluctuations common to the airline industry, operating results for the three-month period ended March 31, 2017 are not necessarily indicative of the results that may be expected for the year ended December 31, 2017.

Unaudited Pro Forma Balance Sheet

Immediately prior to the consummation of the Company's initial public offering (the "IPO"), the Company intends to pay a dividend of $ per share (representing an aggregate distribution of $). Investors in the IPO will not be entitled to participate in such dividend. The unaudited pro forma balance sheet gives effect to the payment of such dividend as of March 31, 2017. The pro forma adjustment has been reflected as a decrease to cash and cash equivalents and a reduction to additional paid-in-capital. Each holder of phantom equity will receive a dividend equivalent right. Pursuant to the terms of the phantom equity agreement entered into with the Company's pilots, the holders of phantom equity are entitled to dividend equivalent rights and will therefore participate in the dividend. Such amounts are included in other long-term liabilities in the pro forma balance sheet. See Note 9.

Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents. Additionally, any items with maturities greater than three months that are readily convertible to known amounts of cash are considered cash and cash equivalents. Investments included in this category primarily consist of money market funds and time deposits.

Restricted Cash

Restricted cash includes certificates of deposit that secure letters of credit issued for particular airport authorities as required in certain lease agreements. The Company also holds a certificate of deposit to secure workers' compensation claim reserves. Restricted cash may also include funds held as collateral for future travel paid with a credit card. These funds are held by credit card processors directly under contracts that require a holdback of funds equal to a certain percentage of the related air traffic liability, which was 0% as of March 31, 2017 (unaudited), and December 31, 2016 and 2015. Although the Company's credit card processors currently do not have a right to hold back credit card receipts to cover repayments to customers, if the Company fails to maintain certain liquidity and other financial covenants, their rights to holdback would apply, which would result in a reduction of unrestricted cash that could be material. Restricted cash is carried at cost, which management believes approximates fair value.

Accounts Receivable, net

Receivables primarily consist of amounts due from credit card companies associated with the sale of tickets and amounts to be reimbursed from aircraft lessors for maintenance performed. The Company records an allowance for doubtful accounts for amounts not expected to be collected. The Company estimates the allowance based on aging trends. The allowance for doubtful accounts is $1 million (unaudited), $2 million and $0 million as of March 31, 2017, and December 31, 2016 and 2015, respectively.

Supplies, net

Supplies consist of expendable aircraft spare parts, aircraft fuel and other supplies and are stated at the lower of cost or market. Supplies are accounted for on a first-in, first-out basis and are charged to expense as they are used. An allowance for obsolescence on expendable aircraft spare parts is provided over the remaining lease term or the estimated useful life of the related aircraft, as well as to reduce the carrying cost of spare parts currently identified as excess to the lower of amortized cost or net realizable value. The obsolescence allowance is $2 million (unaudited), $2 million and $1 million at March 31, 2017 and December 31, 2016 and 2015, respectively.

Property and Equipment, net

Property and equipment is stated at cost and depreciated on a straight-line basis over their estimated useful lives to their estimated residual values. The Company capitalizes additions, modifications enhancing the operating performance of its assets, and the interest related to payments used to acquire new aircraft and the construction of its facilities. The Company capitalizes interest attributable to pre-delivery payments ("PDPs") as an additional cost of the related asset beginning two years prior to the intended delivery date, when it estimates the related aircraft has begun to be manufactured and when PDPs are required to be paid under the terms of its existing aircraft purchase contract.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

Estimated useful lives and residual values for the Company's property and equipment are as follows:

	Estimated Useful Life	Residual Value
Aircraft	25 years	10%
Flight equipment leasehold improvements	Lesser of lease term or economic life	0%
Aircraft rotable parts	Fleet life	10%
Ground property and equipment	3 – 10 years	0%
Ground equipment leasehold improvements	Lesser of lease term or 10 years	0%
Internal use software	3 – 10 years	0%
Capitalized maintenance	Lesser of lease term or economic life	0%

The components of depreciation and amortization expense (in millions) are as follows:

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
Depreciation	$ 27	$ 51	$ 73	$ 17	$ 12
Intangible amortization	2	3	2	1	1
Total depreciation and amortization	**$ 29**	**$ 54**	**$ 75**	**$ 18**	**$ 13**

The Company capitalizes certain internal and external costs associated with the acquisition and development of internal-use software for new products and enhancements to existing products that have reached the application development stage and are deemed feasible. Capitalized costs include external direct costs of materials and services utilized in developing or obtaining internal-use software, and labor cost for employees who are directly associated with, and devote time to, internal-use software projects. Capitalized computer software, net is included within the ground and other equipment which is a component of property and equipment, net in the accompanying consolidated balance sheets and totaled $8 million (unaudited), $7 million and $6 million at March 31, 2017 and December 31, 2016 and 2015, respectively.

Measurement of Asset Impairment

The Company applies a fair value based impairment test to the carrying amount of indefinite-lived intangible assets annually, or more frequently if certain events or circumstances indicate impairment. The Company assesses the value of indefinite-lived assets under a qualitative and quantitative approach, if needed. Under a qualitative approach, the Company considers various market factors, including applicable key assumptions listed below. These factors are analyzed to determine if events and circumstances have affected the fair value of indefinite-lived intangible assets. If the Company determines that it is more likely than not that an indefinite-lived intangible asset is impaired, the quantitative approach is used to assess the asset's fair value and the amount of the impairment. If the asset's carrying amount exceeds its fair value calculated using the quantitative approach, an impairment charge is recorded for the difference in fair value and carrying amount.

Factors which could result in future impairment of owned landing slots, holding other assumptions constant, could include, but are not limited to: (i) increased competition in the slotted airport; (ii) a change in competition in the slotted airport; (iii) significantly higher prices for jet fuel; and (iv) increased competition at a nearby airport. As part of this evaluation, the Company assesses whether changes in (i) macroeconomic conditions; (ii) industry and market conditions; (iii) cost factors; (iv) overall financial performance; and (v) certain events specific to us, have occurred which would impact the use and/or fair value of these assets.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

Resulting from its unaudited qualitative analyses performed during the first quarter of 2017, the Company concluded it is more likely than not that the fair values of its indefinite-lived intangible assets are greater than the carrying amount. Therefore, a quantitative assessment was not necessary and no impairment was recorded.

Finite-lived intangible assets are comprised of the Company's affinity credit card program relationship recognized in connection with acquisition accounting and are amortized over their estimated economic useful life.

The Company records impairment charges on long-lived assets used in operations and finite-lived intangible assets when events and circumstances indicate that the assets may be impaired, the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets, and the net book value of the assets exceeds their estimated fair value. In making these determinations, the Company uses certain assumptions, including, but not limited to: (i) estimated fair value of the assets; and (ii) estimated, undiscounted future cash flows expected to be generated by these assets, which are based on additional assumptions such as asset utilization, length of service the asset will be used in the Company's operations, and estimated salvage values.

Passenger Revenue

Tickets sold in advance of the flight date are initially recorded as air traffic liability. Passenger revenue is recognized at the time of departure when transportation is provided. If a nonrefundable ticket expires, it is recognized as revenue at the date of scheduled travel.

Customers may elect to change their itinerary prior to the date of departure. A service fee is assessed and recognized as non-ticket revenue on the date the change is initiated and deducted from the face value of the original purchase price of the ticket, and the original ticket becomes invalid. The amount remaining after deducting the service fee can be used towards the purchase of a new ticket. The recorded value of the credit is calculated based on the original purchase price of the ticket less the service fee and estimated breakage, which is based on historical experience and is recognized at the original date of departure. Estimating the amount of breakage involves some level of subjectivity and judgment.

The Company is required to collect certain taxes and fees from customers on behalf of government agencies and airports and remit these back to the applicable governmental entity or airport on a periodic basis. These taxes and fees include U.S. federal transportation taxes, federal security charges, airport passenger facility charges, and foreign arrival and departure taxes. These items are collected from customers at the time they purchase their tickets, but are not included in passenger revenue. The Company records a liability upon collection from the customer and reduces the liability when payments are remitted to the applicable governmental agency or airport.

Charter revenue is recognized at time of departure when transportation is provided. By the end of 2016, the Company had largely exited charter flight services.

Frequent Flyer Program

The Company records a liability for miles earned by passengers under its *Early Returns* program based on the estimated incremental cost of providing free travel for miles that are expected to be redeemed. Incremental costs include aircraft fuel, insurance, security, ticketing and reservation costs, net of redemption fees, but does not include any contribution to fixed overhead costs or profit.

Award miles are also sold to participating companies, including credit card and car rental companies. These sales are accounted for as multiple-element arrangements. Under the Company's affinity card program, the Company

evaluates all deliverables in the arrangement to determine whether they represent separate units of accounting using the criteria set forth in multiple-element arrangement guidance. The Company determined the arrangement has three separate units of accounting: (i) travel miles to be awarded; (ii) licensing of brand and access to member lists; and (iii) advertising and marketing efforts. Total arrangement consideration is allocated to each deliverable on the basis of the deliverable's relative selling price. For award miles, the Company considers a number of entity-specific factors when developing the best estimate of the selling price, including the number of miles needed to redeem an award, average fare of comparable segments, breakage, restrictions and other charges. For licensing of brand and access to member lists, the Company considers both market-specific factors and entity-specific factors, including general profit margins realized in the marketplace/industry, brand power, market royalty rates and size of customer base. For the advertising element, the Company considers market-specific factors and entity-specific factors, including the Company's internal costs of providing services, volume of marketing efforts and overall advertising plan.

Consideration allocated based on the relative selling price to both brand licensing and advertising elements is recognized as non-ticket revenue on a periodic basis as earned. The consideration allocated to the transportation portion of these mileage sales is deferred and recognized as passenger revenue in the Company's consolidated statements of operations based on the redemption method. Breakage is recorded under the redemption method using points expected to be redeemed and the recorded deferred revenue balance to determine a weighted-average rate, which is then applied to the actual points redeemed. Redemptions are allocated between sold and flown miles based on historical patterns. Current and future changes to the expiration policy or to program rules and program redemption opportunities may result in material changes to the frequent flyer liability balance as well as recognized revenue from the program.

Non-ticket Revenue

Non-ticket revenues are generated from air travel-related services for baggage, bookings through the Company's call center or third-party vendors, seat selections, itinerary changes and on-board sales. The Company recognizes revenue for these services generally at the time of departure, with the service charges for changes or cancellations recognized at the time of the transaction. Fees sold in advance of the flight date are initially recorded as air traffic liability. Non-ticket revenue also includes services not directly related to providing transportation, such as the advertising, marketing and brand elements of the *Early Returns* affinity credit card program and revenue associated with the *Discount Den* membership program. The following table summarizes the primary components of non-ticket revenue (in millions):

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
Baggage	$ 143	$ 218	$ 305	$ 70	$ 80
Service fees	39	61	246	39	69
Seat selection	29	75	108	26	29
Other	54	47	67	14	18
Total non-ticket revenue	**$ 265**	**$ 401**	**$ 726**	**$ 149**	**$ 196**

Aircraft Maintenance

The Company accounts for heavy maintenance and major overhauls under the deferral method, whereby the cost of heavy maintenance and major overhauls is deferred and recorded as flight equipment and depreciated over the

lesser of the remaining lease term or the period until the next scheduled heavy maintenance event. The Company has a separate maintenance-cost-per-hour contract for management and repair of certain rotable parts to support airframe and engine maintenance and repair. This agreement requires monthly payments based upon utilization, such as flight hours, cycles and age of the aircraft, and in turn, the agreement transfers certain risks to the third-party service provider. Expense is recognized based on the contractual payments, as these substantially match the services being received over the contract period. All other costs for routine maintenance of airframes and engines are expensed as incurred.

Depreciation of heavy maintenance costs is recorded as part of depreciation and amortization expense. During 2016, 2015 and 2014, the Company deferred $58 million, $55 million and $43 million, respectively, of costs for heavy maintenance. During the three months ended March 31, 2017 and 2016, the Company deferred $8 million (unaudited) and $12 million (unaudited), respectively, of costs for heavy maintenance. The Company's deferred heavy maintenance balance, net is $66 million (unaudited), $65 million and $60 million at March 31, 2017 and December 31, 2016 and 2015, respectively, and is included as a part of flight equipment in Note 3.

Certain of the Company's aircraft and spare engine lease agreements require the Company to pay maintenance reserves to aircraft lessors to be held as collateral in advance of the Company's required performance of major maintenance activities. At lease inception and at each balance sheet date, the Company assesses whether the maintenance reserve payments required by its leases are substantively and contractually related to the maintenance of the leased asset. Maintenance reserve payments that are determined to be related to the maintenance of the leased asset are accounted for as maintenance deposits, to the extent they are expected to be recoverable, and are reflected as aircraft maintenance deposits in the accompanying consolidated balance sheets. When it is not probable that the Company will recover amounts currently on deposit with a lessor, such amounts are expensed as supplemental rent.

The Company makes certain assumptions at the inception of the lease and at each balance sheet date to determine the recoverability of maintenance deposits. These assumptions are based on various factors, such as the estimated time between the maintenance events, the date the aircraft is due to be returned to the lessor and the number of flight hours and cycles the aircraft is estimated to be utilized before it is returned to the lessor. Changes in estimates are accounted for on a cumulative catch-up basis.

Certain of the Company's lease agreements provide that maintenance reserves held by the lessor at the expiration of the lease are nonrefundable to the Company and will be retained by the lessor. Consequently, any usage-based maintenance reserve payments after the last major maintenance event are not substantively related to the maintenance of the leased asset and, therefore, are accounted for as supplemental rent.

Leased Aircraft Return Costs

The Company's aircraft lease agreements often contain provisions that require the Company to return aircraft airframes and engines to the lessor in a specified condition or pay an amount to the lessor based on the airframe and engine's actual return condition. Lease return costs include all costs that would be incurred at the return of the aircraft, including costs incurred to repair the airframe and engines to the condition required by the lease. Lease return costs could include, but are not limited to, redelivery cost, redelivery crew cost, fuel, final inspections, reconfiguration of the cabin, repairs to the airframe, painting, overhaul of engines, replacement of components and checks. Costs associated with returning leased aircraft are accrued when it is probable that an obligation has been incurred and that amount is reasonably estimable. When determining probability and estimated cost there are various other factors which need to be considered such as current condition of the aircraft, the age of the aircraft at lease expiration, number of hours run on the engines, number of cycles run on the airframe, projected number of hours run on the engine at the time of return, the projected number of cycles

run on the airframe at the time of return, the extent of repairs needed, if any, upon return, return locations, current configuration of the aircraft, current paint of the aircraft, estimated escalation of cost of repairs and materials at the time of return, current flight hour agreement rates and future flight hour agreement rates. In addition, typically near the lease return date, the lessors may allow maintenance reserves to be applied as return condition consideration or pass on certain return provisions if they do not align with their current plans to remarket the aircraft. When costs become both probable and estimable, they are accrued on a straight-line basis as contingent rent, a component of aircraft rent, through the remaining lease term.

Derivative Instruments

Variability in jet fuel prices impacts the Company's results of operations. In order to reduce the risk of exposure to fuel price increases, the Company may enter into derivative contracts such as swaps, call options and collars. Derivative instruments are stated at fair value net of any collateral postings.

Beginning in 2015, the Company formally designated and accounted for the derivative instruments that met established accounting criteria under ASC 815, *Derivatives and Hedging*, as cash flow hedges. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instruments is recorded in accumulated other comprehensive income/loss ("AOCI/L"), a component of stockholders' equity in the consolidated balance sheets. In general, the Company recognizes the associated gains or losses deferred in AOCI/L as a component of aircraft fuel expense in the period that the jet fuel is consumed. Ineffectiveness, if any, related to the Company's changes in estimates about the forecasted transaction are recognized directly in earnings during the period incurred. For derivative instruments that are not designated as cash flow hedges, the gain or loss on the instrument is recognized in current period earnings. Refer to Note 6 for additional information regarding the Company's hedge accounting and derivative instruments.

Aircraft Fuel

Aircraft fuel expense includes jet fuel and associated into-plane costs, federal and state taxes and gains and losses associated with fuel hedge contracts.

Advertising

Advertising and the related production costs, which are included in sales and marketing, are expensed as incurred. Advertising expense totaled $4 million, $4 million and $8 million in 2016, 2015 and 2014, respectively. Advertising expense for the three months ended March 31, 2017 and 2016 totaled $2 million (unaudited) and $1 million (unaudited), respectively.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred income taxes are recognized for the tax consequences of temporary differences between the tax and financial statement reporting bases of assets and liabilities. The Company records a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management determined that no valuation allowances were required as of March 31, 2017 (unaudited) and December 31, 2016 and 2015.

Stock-Based Compensation

The Company recognizes cost of employee services received in exchange for awards of equity instruments based on the fair value of each instrument at the date of grant. Compensation expense is recognized over the

period during which an employee is required to provide service in exchange for an award. The fair value of stock option awards is estimated on the date of grant using the Black-Scholes valuation model. Restricted stock awards are valued at the fair value of the stock on the date of grant. The exercise price of our stock-based awards was determined by the Company's board of directors based, in part, on the most recent third-party valuation report obtained by the Company's board of directors as of the grant date. There were significant judgments and estimates inherent in these valuations, which included assumptions regarding the Company's future operating performance, the time to complete an initial public offering or other liquidity event and the determinations of the appropriate valuation methods to be applied.

Concentrations of Risk

The Company's business has been, and may continue to be, adversely affected by increases in the price of aircraft fuel, the volatility of the price of aircraft fuel, or both. Aircraft fuel was the Company's single largest expenditure, representing approximately 25%, 27% and 39% of its operating expenses in 2016, 2015 and 2014, respectively. Aircraft fuel represented approximately 24% (unaudited) and 20% (unaudited) of total operating expenses for the three months ended March 31, 2017 and 2016, respectively. Gulf Coast Jet indexed fuel is the Company's basis for the majority of aircraft fuel purchases. Any disruption to the oil production or refinery capacity in the Gulf Coast, as a result of weather or any other disaster, or disruptions in supply of jet fuel, dramatic escalations in the cost of jet fuel and/or the failure of fuel providers to perform under fuel arrangements for other reasons could have a material adverse effect on the Company's financial condition and results of operations.

The air transportation business is volatile and highly affected by economic cycles and trends. Consumer confidence and discretionary spending, fear of terrorism or war, weakening economic conditions, fare initiatives, fluctuations in fuel prices, labor actions, changes in governmental regulations on taxes and fees, weather and other factors have resulted in significant fluctuations in revenue and results of operations in the past.

As of March 31, 2017 the Company has seven union-represented employee groups that together represented approximately 85% (unaudited) of all employees. Additional disclosure relating to the Company's union represented employee groups is included in Note 12.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers that will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all contracts with customers except for those within the scope of other topics in the FASB Accounting Standard Codification. The new guidance for the Company is effective for annual reporting periods, and interim reporting periods within those years, beginning after December 15, 2017. Early adoption is permitted, but not before the first quarter of 2017. Entities have the option of using either a full retrospective or modified approach to adopt ASU 2014-09. The Company is currently evaluating the new guidance and have neither determined the method the Company will adopt this standard under, nor the full impact this standard may have on the financial statements. The Company expects this pronouncement to impact the accounting for the frequent flyer program as the standard no longer allows the use of the incremental cost method when recording revenue related to the frequent flyer program. As a result, the Company expects its deferred frequent flyer liability balance to increase. In addition, the Company expects

changes related to the timing of recognition of certain non-ticket related fees such as change and cancellation fees that would further increase its revenue deferrals. Furthermore, as certain non-ticket related fees cannot be separated from the fare as a separate performance obligation under the new guidance, the Company expects that many of these fees will be reclassified out of non-ticket revenue into passenger revenue within the statement of operations.

In April 2015, the FASB issued ASU No. 2015-03, *Interest-Imputation of Interest* ("ASU 2015-03"). The standard requires debt issuance costs to be presented on the balance sheet as a direct deduction from the related debt liability rather than as a separate asset. The Company has adopted and applied the new guidance to all periods presented.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* ("ASU 2015-17"). The standard requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The Company has adopted and applied the new guidance to all periods presented.

In February 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"). The new standard will require all leases with terms greater than twelve months to be recognized on the balance sheet. The ASU is effective for fiscal years beginning after December 15, 2018 and interim reporting periods within those fiscal years. Although the Company is currently evaluating the guidance, the Company expects adoption to have a significant impact on the consolidated balance sheet due to the recognition of lease liabilities, along with corresponding right-to-use assets, for aircraft and certain non-aircraft leases currently accounted for as operating leases and thus not reflected on the consolidated balance sheet.

In March 2016, the FASB issued ASU 2016-05, *Effective of Derivative Contract Novations on Existing Hedge Accounting Relationships* ("ASU 2016-05"). This standard clarifies that a change in the counterparty to a derivative instrument that has been designated as the hedging instrument under Topic 815 does not, in and of itself, require de-designation of that hedging relationship provided that all other hedge accounting criteria continue to be met. The new guidance is effective for financial statements issued for fiscal years beginning after December 15, 2016 and interim reporting periods within those fiscal years. The Company adopted this standard in 2016 with no financial statement impact and it has not novated any options to new counterparties.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). The new guidance is effective for annual periods beginning after December 15, 2016 and interim periods within those annual periods. The Company adopted this standard on January 1, 2017. This standard aims to simplify several aspects of the accounting for and presentation of employee share-based payment transactions. Furthermore, this standard requires all excess tax benefits and tax deficiencies to be recognized as income tax expense (benefit) in the income statement and that excess tax benefits be included as an operating activity for the cash flow statement. In addition, these tax benefits must be removed from the dilutive weighted-average shares outstanding calculation as these assumed proceeds will have already been recognized in the income statement. The adoption of this standard resulted in a $1 million (unaudited) tax benefit during the three months ended March 31, 2017 that reduced the Company's income tax expense for the period.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, ("ASU 2016-13"). This standard replaces the incurred loss impairment methodology in current GAAP with an "expected loss" model which requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new guidance is effective for annual periods beginning after December 15, 2019 and interim reporting periods within those fiscal years. The Company is evaluating this guidance but does not expect it to have a significant impact on the financial statements.

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In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). This standard addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company is currently evaluating this guidance but does not expect it to have a significant impact on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, ("ASU 2016-18"). This standard addresses diversity in practice when presenting restricted cash within the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2017 and interim reporting periods within those fiscal years. The Company is currently evaluating this guidance but does not expect it to have a significant impact on the financial statements assuming no material changes to the relatively insignificant restricted cash balance.

2. Other Current Assets

Other current assets consist of the following (in millions):

	As of December 31,		As of March 31,
	2015	2016	2017
			(unaudited)
Prepaid expenses	$ 24	$ 23	$ 27
Fuel hedging derivative	—	15	7
Income tax receivable	26	—	—
Total other current assets	**$ 50**	**$ 38**	**$ 34**

3. Property and Equipment, net

The components of property and equipment, net are as follows (in millions):

	As of December 31,		As of March 31,
	2015	2016	2017
			(unaudited)
Flight equipment	$ 308	$ 367	$ 388
Ground and other equipment	27	39	44
Less: accumulated depreciation	(70)	(130)	(142)
Total property and equipment, net	**$ 265**	**$ 276**	**$ 290**

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4. Intangible Assets, net

The following table summarizes the Company's intangible assets (in millions):

		As of December 31,						As of March 31,		
		2015			2016			2017		
	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization (unaudited)	Net
Indefinite-lived:										
Airport slots	Indefinite	$ 20		$20	$ 20		$20	$ 20		$20
Trademarks	Indefinite	6		6	6		6	6		6
		26		26	26		26	26		26
Finite-lived:										
Affinity credit card program	7 years	16	(5)	11	16	(7)	9	16	(8)	8
		16	(5)	11	16	(7)	9	16	(8)	8
Total intangible assets, net		**$ 42**	**$ (5)**	**$37**	**$ 42**	**$ (7)**	**$35**	**$ 42**	**$ (8)**	**$34**

Expected future amortization expense of finite-lived intangibles is approximately $2 million for the remainder of 2017 and $2 million per year over the next three years.

5. Maintenance Deposits and Operating Leases

The Company leases aircraft, spare engines, other equipment, office space, and all of its facilities at the airports it serves under leases which expire in various years through 2030. Aircraft rent expense is $209 million, $171 million and $147 million during 2016, 2015 and 2014, respectively. During the three months ended March 31, 2017 and 2016, aircraft rent expense was $59 million (unaudited) and $50 million (unaudited), respectively. Aircraft rent expense includes supplemental rent, which is made up of maintenance reserves paid or to be paid that are not probable of being reimbursed or are probable lease return condition obligations. Supplemental rent expense for maintenance-related reserves as required by our lessors that were deemed non-recoverable in 2016, 2015 and 2014 totaled $36 million, $27 million and $27 million, respectively. The portion of supplemental rent expense related to probable lease return condition obligations was $24 million, $20 million and $9 million for 2016, 2015 and 2014, respectively. Supplemental rent expense is net of a $3 million and a $9 million change in estimate in 2016 and 2015, respectively. During the three months ended March 31, 2017 and 2016, supplemental rent expense was $5 million (unaudited) and $9 million (unaudited), respectively, for maintenance-related reserves as required by our lessors that were deemed non-recoverable. The portion of supplemental rent expense related to probable lease return condition obligations was $8 million (unaudited) and $5 million (unaudited) for the three months ended March 31, 2017 and 2016, respectively. Supplemental rent expense is net of a $3 million (unaudited) and $0 million (unaudited) change in estimate during the three months ended March 31, 2017 and 2016, respectively. Other lease expense, which primarily relates to station operations, totaled $85 million, $76 million and $64 million during 2016, 2015 and 2014, respectively. During the three months ended March 31, 2017 and 2016, other lease expense totaled $20 million (unaudited) and $22 million (unaudited), respectively.

As reflected in Note 1, some of the Company's aircraft and spare engine lease agreements require the Company to pay maintenance reserves to aircraft lessors to be held as collateral in advance of the Company's required

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performance of major maintenance activities. These agreements provide that maintenance reserves are reimbursable to the Company upon completion of the maintenance event in an amount equal to the lesser of (1) the amount of the maintenance reserves held by the lessor associated with the specific maintenance event or (2) the qualifying costs related to the specific maintenance event. At March 31, 2017 and December 31, 2016 and 2015, the Company has recoverable aircraft maintenance deposits of $70 million (unaudited), $60 million and $66 million, respectively, in its consolidated balance sheets, of which $21 million (unaudited), $8 million and $19 million, respectively, are included in accounts receivable, net as the eligible maintenance has been performed. The remaining $49 million (unaudited), $52 million and $47 million is included within aircraft maintenance deposits in the consolidated balance sheets.

A majority of these maintenance reserve payments are calculated based on a utilization measure, such as flight hours or cycles. Maintenance reserves collateralize the lessor for maintenance time run off the aircraft until the completion of the maintenance of the aircraft. Certain maintenance reserve payments are fixed contractual amounts, and all maintenance reserve payments are subject to annual escalation.

As of December 31, 2016, fixed maintenance reserve payments for aircraft and spare engines, including estimated amounts for contractual price escalations, were estimated to be approximately $7 million in 2017, $5 million in 2018, $4 million in 2019, $4 million in 2020, $4 million in 2021, and $20 million in 2022 and beyond, before consideration of reimbursements. As of March 31, 2017, fixed maintenance reserve payments for aircraft and spare engines, including estimated amounts for contractual price escalations, will be approximately $5 million (unaudited) in the remainder of 2017, $5 million (unaudited) in 2018, $4 million (unaudited) in 2019, $4 million (unaudited) in 2020, $4 million (unaudited) in 2021, and $20 million (unaudited) in 2022 and beyond, before consideration of reimbursements. Certain maintenance reserve payments will not be required if the Company meets minimum financial thresholds specified in the lease agreements.

As of March 31, 2017, 62 (unaudited) of the 68 (unaudited) aircraft in the Company's fleet were leased under operating leases, with lease expiration dates ranging from 2017 to 2030 (unaudited). Leases for six (unaudited) of the Company's aircraft can generally be renewed at rates based on fair market value at the end of the lease term for three years, and five (unaudited) of its aircraft can be renewed for four years. The Company has purchase options at fair market value for six (unaudited) of its aircraft leases at the end of the lease term.

During 2015, the Company executed an agreement with one of its lessors for the early return of ten A319 aircraft. This agreement resulted in a charge of $43 million primarily relating to aircraft maintenance obligations that, as a result of the early return, have become probable, with little to no future benefit to the Company based on historic usage of the aircraft. In addition, the early return resulted in the acceleration of depreciation of $12 million and $17 million and rent related expenses of $4 million and $7 million during 2016 and 2015, respectively, due to the significantly shortened lease terms.

During 2016 and 2015, the Company executed sale-leaseback transactions with third-party lessors for 30 new Airbus A320 family aircraft, five of which were delivered during 2015, 14 of which were delivered in 2016 with the remaining aircraft scheduled for delivery in 2017. The Company also completed sale-leaseback transactions on one A320 family simulator and one engine during 2015 and three engines in 2016. All of the leases from the sale-leaseback transactions are accounted for as operating leases. Under the terms of the lease agreements, the Company will continue to operate and maintain the equipment. Payments under the lease agreements are fixed for the term of the lease. Deferred gain balances of $91 million (unaudited), $75 million and $27 million at March 31, 2017 and December 31, 2016 and 2015, respectively, related to sale-leaseback transactions are included in other liabilities in the accompanying consolidated balance sheets. Deferred gains are recognized as a decrease to rent expense on a straight-line basis over the term of the respective operating leases.

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As of December 31, 2016, future minimum payments under noncancelable operating leases, excluding amounts for fixed maintenance reserves, are as follows (in millions):

	Aircraft	Other	Total
Year Ending			
2017	$ 216	$ 47	$ 263
2018	211	43	254
2019	199	43	242
2020	184	39	223
2021	181	15	196
Thereafter	896	25	921
Total minimum lease payments	**$1,887**	**$212**	**$2,099**

As of March 31, 2017, future minimum payments under noncancelable operating leases, excluding amounts for fixed maintenance reserves, are as follows (in millions):

	Aircraft	Other	Total
		(unaudited)	
Year Ending			
Remainder of 2017	$ 162	$ 36	$ 198
2018	211	44	255
2019	200	44	244
2020	185	41	226
2021	181	16	197
Thereafter	899	25	924
Total minimum lease payments	**$1,838**	**$206**	**$2,044**

6. Financial Derivative Instruments and Risk Management

The Company is exposed to variability in jet fuel prices. Aircraft fuel currently represents the Company's largest operating expense. Increases in jet fuel prices may adversely impact its financial performance, operating cash flow and financial position. As part of its risk management program, the Company enters into derivative contracts in order to limit exposure to the fluctuations in jet fuel prices. The types of instruments the Company utilizes in its hedging program include call options and collars (which consist of a purchased call option and a sold put option). The Company does not enter into derivative instruments for speculative purposes.

The Company formally designates and accounts for the derivative instruments that meet established accounting criteria under ASC 815, *Derivatives and Hedging*, as cash flow hedges. The Company has elected to apply cash flow hedge accounting. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instruments is recorded in AOCI/L, a component of stockholders' equity in the consolidated balance sheets. In general, the Company recognizes the associated gains or losses deferred in AOCI/L as a component of aircraft fuel expense in the period that the jet fuel is consumed. Hedge ineffectiveness results when the change in the fair value of the derivative instrument exceeds the change in the value of the Company's expected future cash outlay to purchase aircraft fuel. To the extent that the periodic changes in the fair value of the derivatives are not effective, that ineffectiveness is immediately recognized in aircraft fuel expense in the consolidated statements of operations. For derivative instruments that are not designated as cash flow hedges, the change in fair value is recorded in current period earnings.

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Amounts that are paid or received in connection with the purchase or sale of financial derivative instruments (i.e., premium costs of option contracts) are recognized as a component of aircraft fuel expense in the consolidated statement of operations in the period in which the fuel is consumed.

During July 2016, the Company voluntarily de-designated the existing portfolio of call options that were designated as hedging instruments beginning January 1, 2015 through the date of de-designation. The portfolio of options was subsequently re-designated in July 2016 to better align the economics of the Company's purchases to the hedging instruments and to expand the airport locations included within its hedged portfolio. There was no material financial statement impact as a result of this decision.

As of March 31, 2017, the Company holds derivative instruments having a notional amount of approximately 264 million (unaudited) U.S. gallons.

The Company presents its fuel derivative instruments net in the accompanying consolidated balance sheets. The following table presents the assets and liabilities associated with its fuel derivative instruments and where these amounts are recorded on its consolidated balance sheets as of March 31, 2017, and December 31, 2016 and December 31, 2015 (in millions):

	Balance Sheet Classification	December 31, 2015	December 31, 2016	March 31, 2017 (unaudited)
Derivatives designated as cash flow hedges:				
Fuel hedging derivative	Other current assets	$ —	$ 15	$ 7
Fuel hedging derivative	Other assets	4	—	3

The following table summarizes the effect of fuel derivative instruments reflected in aircraft fuel expense in the consolidated statements of operations (in millions):

	Year Ended December 31, 2014	Year Ended December 31, 2015	Year Ended December 31, 2016	Three Months Ended March 31, 2016 (unaudited)	Three Months Ended March 31, 2017 (unaudited)
Derivatives designated as cash flow hedges(1)					
Losses on derivative contracts	$ —	$ —	$ 15	$ 4	$ 3
Derivatives not designated as cash flow hedges(2)					
Losses on derivative contracts	35	16	—	—	—

(1) There were no derivative instruments that settled during the three months ended March 31, 2017 (unaudited), and the year ended December 31, 2016 which were not designated as cash flow hedges.
(2) There were no derivative instruments that settled during the years ended December 31, 2015 and 2014 which were designated as cash flow hedges.

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The following table presents the net of tax impact of the effective portion of derivative instruments designated as cash flow hedging instruments under ASC 815 to the consolidated statement of comprehensive income (in millions):

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
Derivatives designated as cash flow hedges					
Other comprehensive income (loss)	$ —	$ (10)	$ 11	$ 2	$ (6)

At March 31, 2017, the amount of net derivative losses related to fuel hedging instruments included in AOCI/L that will be reclassified into earnings within the next 12 months was $5 million (unaudited). At December 31, 2016, the amount of net derivative gains related to fuel hedging instruments included in AOCI/L that will be reclassified into earnings within the next 12 months was immaterial.

The Company is exposed to credit losses in the event of nonperformance by counterparties to its derivative instruments, but it does not expect any of its counterparties will fail to meet their obligations. The amount of such credit exposure is generally the fair value of the Company's outstanding contracts in a receivable position. To manage credit risks, the Company selects counterparties based on credit assessments, limits its overall exposure to any single counterparty and monitors the market position with each counterparty. Based on the fair value of the Company's fuel derivative instruments, its counterparties may require it to post collateral when the price of the underlying commodity decreases, and the Company may require its counterparties to provide it with collateral when the price of the underlying commodity increases. The amount of collateral posted, if any, is periodically adjusted based on the fair value of the hedge contracts. The Company's policy is to offset the liabilities represented by these contracts with any cash collateral paid to the counterparties. The Company had no collateral posted as of March 31, 2017 (unaudited) and December 31, 2016 and December 31, 2015 as no collateral was required for call options.

7. Other Current Liabilities

Other current liabilities consist of the following (in millions):

	As of December 31,		As of March 31,
	2015	2016	2017
			(unaudited)
Passenger taxes and fees payable	$ 40	$ 45	$ 74
Salaries, wages and benefits	36	34	78
Leased aircraft return costs	53	34	36
Station obligations	27	33	34
Fuel	14	12	11
Aircraft and facility lease obligations	12	9	9
Current portion of deferred gain on sale-leaseback transactions	3	7	9
Aircraft maintenance	26	6	21
Other	11	13	14
Total other current liabilities	**$ 222**	**$ 193**	**$ 286**

Included within leased aircraft return costs as of December 31, 2015 was an accrual of $39 million relating to the execution of an agreement by the Company with one of its lessors for the early return of 10 A319 aircraft. As reflected in Note 5, the agreement resulted in a special charge of $43 million (unaudited) primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early return of the

aircraft. Included within salaries, wages and benefits as of March 31, 2017 is an accrual for the $40 million (unaudited) settlement and related $3 million (unaudited) of payroll taxes relating to the Letter of Agreement, or LOA, with the union representing our flight attendants (AFA-CWA). Refer to Note 9 for additional information regarding the settlement.

8. Debt

Debt consists of the following (in millions):

	As of December 31,		As of March 31,
	2015	2016	2017 (unaudited)
Secured debt:			
Pre-delivery credit facility due through 2019(1)	$ 115	$ 143	$ 133
Floating rate equipment notes due through 2020(2)	64	52	49
7.33% fixed rate equipment note due through 2021(2)	8	7	7
Unsecured debt:			
Affinity card advance purchase of miles, principal due monthly for 12 months beginning in 2019(3)	39	39	39
Total debt	226	241	228
Less current maturities	(103)	(141)	(131)
Less debt acquisition costs	(1)	(1)	(1)
Less unamortized discount, net	(4)	(3)	(3)
Long-term debt	**$ 118**	**$ 96**	**$ 93**

(1) The Company entered into a pre-delivery credit facility (the "PDP Facility") with Citibank, N.A. in December 2014, with an original total commitment of $77 million, which has been increased to $150 million. Interest is paid every 90 days based on a three-month London Interbank Offered Rate ("LIBOR"), plus a margin for each individual tranche. As of December 2016, the PDP Facility was amended and extended to add all of the Company's committed deliveries through 2019, with a total committed facility size of $150 million. The PDP Financing Facility consists of separate loans for each PDP Aircraft. Each separate loan matures upon the earlier of (i) delivery of that aircraft to the Company by Airbus, (ii) the date one month following the last day of the scheduled delivery month of such aircraft and (iii) if there is a delay in delivery of aircraft, depending on the cause of the delivery delay, up to six months following the last day of the scheduled delivery month of such aircraft. The facility will be repaid periodically according to the preceding sentence with the last scheduled delivery of aircraft contemplated in the PDP Facility to be in the fourth quarter of 2019. The PDP credit facility is collateralized by the Company's purchase agreements (including proceeds and payments thereof) with Airbus for certain undelivered aircraft.

(2) Interest rate for one equipment note is fixed at 7.33%, and the interest rates for the remaining five equipment notes adjust quarterly based on LIBOR, plus a margin. The weighted-average effective interest rate for the three months ended March 31, 2017, and the years ended December 31, 2016 and 2015, was 3.36% (unaudited), 3.06% and 2.76%, respectively. Six aircraft with a net book value of $101 million (unaudited) and $104 million were pledged as security under the above equipment notes at March 31, 2017 and December 31, 2016, respectively.

(3) The Company entered into an agreement with Barclays Bank Delaware (formerly known as Juniper Bank) ("Barclays Bank") in 2003 to provide for joint marketing, grant certain benefits to co-branded credit card holders ("Cardholders"), and allow Barclays Bank to market using the Company's customer database.

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Cardholders earn miles under the *Early Returns* program and the Company sells mileage awards at agreed-upon rates to Barclays Bank and earns fees from Barclays Bank for the acquisition, retention and use of the co-branded credit card by consumers. In addition, Barclays Bank will pre-purchase miles if the Company meets certain conditions precedent. During 2013, the Company amended its agreements with Barclays Bank to modify the products and services provided under the agreements, re-establish the pre-purchased miles facility and extend the agreement to 2020. The dollar amount of the pre-purchased miles facility (the "Facility Amount") is subject to adjustment for the then-current year on each January 15, beginning January 15, 2015 through and including January 15, 2019 based on the aggregate amount of fees payable by Barclays Bank to the Company on a calendar year basis, up to an aggregate maximum Facility Amount of $50 million. During the three months ended March 31, 2017 (unaudited), and the years of 2016 and 2015, the Facility Amount ranged from $39 million to $47 million. The Company pays interest on the outstanding Facility Amount on a monthly basis based on one-month LIBOR plus a margin. Beginning December 31, 2019, the facility will be repaid in 12 equal monthly installments. If the facility is required to be decreased prior to December 2019, any amounts due to reduce the facility would be repaid over six months.

Cash payments for interest related to debt aggregated to $6 million for the years ended 2016 and 2015, respectively, and $4 million for the year ended 2014. For the three months ended March 31, 2017 and 2016, cash payments for interest related to debt aggregated to $3 million (unaudited) and $2 million (unaudited). The discount on debt is due to the application of purchase accounting from the acquisition of FAH by FGHI. The discount will be amortized to interest expense through May 2021.

The Company has issued standby letters of credit to various airport authorities and vendors that are collateralized by restricted cash of $6 million (unaudited), $5 million and $4 million at March 31, 2017 and December 31, 2016 and 2015, respectively

The Company is required to comply quarterly with certain financial and information covenants under certain of its financing arrangements. As of March 31, 2017, the Company is in compliance with all of its covenants (unaudited).

As of December 31, 2016, future maturities of debt are payable as follows (in millions):

	As of December 31, 2016
2017	$ 141
2018	38
2019	11
2020	50
2021	1
Total debt principal payments	**$ 241**

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As of March 31, 2017, future maturities of debt are payable as follows (in millions):

	As of March 31, 2017 (unaudited)
Remainder of 2017	$ 101
2018	63
2019	12
2020	51
2021	1
Total debt principal payments	**$ 228**

9. Stock-Based Compensation

On December 3, 2013, to give effect to the reorganization of our corporate structure in connection with the acquisition by Indigo, an agreement was reached to amend and restate a phantom equity agreement that was in place with Frontier pre-acquisition. Under the terms of this agreement, our pilots employed by Frontier in June 2011, when an amendment to the underlying collective bargaining agreement was approved, who we refer to as the Participating Pilots, through their agent, FAPAInvest, LLC, received phantom equity units which were the economic equivalent of 231,000 shares of our common stock, representing 4% of our common stock as of June 30, 2014. Each unit represents the right to receive common stock or cash in connection with certain events, including a qualifying initial public offering, such stock to be distributed or cash paid to the Participating Pilots in installments in 2020 and 2022 based on a predetermined formula. The phantom equity units are required to be paid in cash absent a qualifying initial public offering. As a result, Phantom equity units are liability classified awards, which were subject to vesting and are remeasured at the end of each reporting period. Phantom equity award expense reflects the vesting of the liability classified award, any dividend declared in the period, and changes to our common stock valuation. The phantom equity units were fully vested at December 31, 2016. Stock-based compensation expense of $40 million, $43 million and $6 million was recognized during 2016, 2015 and 2014, respectively, as a result of both vesting and an increase in the valuation of FAPAInvest, LLC's equity interest. During the three months ended March 31, 2017 and 2016, such stock-based compensation resulting from the change in valuation and vesting was $18 million (unaudited) and $10 million (unaudited), respectively. The associated liability of $109 million (unaudited), $91 million and $51 million as of March 31, 2017, and December 31, 2016 and 2015, respectively, is included in other long-term liabilities.

In August 2011, Frontier obtained concessions from its flight attendants in exchange for a contingent contractual equity participation in Frontier, which was subject to performance conditions, and profit sharing. At December 31, 2016 and 2015, the performance conditions giving rise to the equity participation in Frontier for the flight attendants had not been achieved. Therefore no liability or corresponding stock-based compensation had been recorded for these periods. On March 15, 2017, Frontier entered into the LOA with the union representing our flight attendants (AFA-CWA). The LOA was the result of a negotiation between Frontier and the AFA-CWA and extinguishes the flight attendants' contingent equity participation by providing a $40 million aggregate cash settlement of their equity participation in Frontier, payable by Frontier to participating flight attendants over a six month period commencing June 1, 2017. The $40 (unaudited) million settlement and additional payroll taxes of $3 million (unaudited) were accrued for within other current liabilities in the consolidated balance sheet as of March 31, 2017. The resulting $43 million (unaudited) charge is reflected within salaries, wages and benefits in the consolidated statement of operations.

FGHI also approved the 2014 Equity Incentive Plan (the "Plan") in April 2014. The Company has reserved one million shares of its common stock for issuance under the Plan. The Plan provides for restricted stock,

restricted stock awards, nonqualified stock options, and other stock-based awards to be granted to members of the Board of Directors and certain employees and consultants. All options issued under the Plan expire ten years from the date of grant. FGHI's policy is to grant options with an exercise price equal to the fair market value of the underlying common stock on the date of grant.

Restricted Stock Awards

Restricted stock awards in FGHI are valued at the fair value of the shares on the date of grant. Generally, granted shares vest on a one-year anniversary of issuance. Vesting of restricted stock is based on time-based service conditions. In order to vest, the participant must still be employed by the Company, with certain contractual exclusions, at each vesting event. Generally, within 30 days after vesting, the shares underlying the award will be issued to the participant. If there is a change of control, the restricted stock awards will automatically vest in full as of immediately prior to the consummation of such a change in control. In the event of death or permanent disability of a participant, the restricted stock awards will automatically vest in full. Compensation expense, net of forfeitures, is recognized on a straight-line basis over the requisite service period.

A summary of the status of restricted stock shares in FGHI issued to employees of the Company is presented below:

	Number of Shares	Weighted-Average Grant Fair Value
Outstanding at December 31, 2015	**4,350**	**$ 51.69**
Issued	1,455	257.56
Vested	(4,350)	51.69
Forfeited	—	—
Outstanding at December 31, 2016	**1,455**	**$ 257.56**

The weighted-average grant date fair value of restricted stock issued during 2016, 2015 and 2014 was $257.56 $51.69 and $10, respectively.

No restricted stock shares were issued, vested, or forfeited during the three months ended March 31, 2017 (unaudited).

Stock Options

Stock option awards are granted with an exercise price equal to the fair market value of the FGHI's common stock on the date of grant, and generally vest over four years of continuous service. The fair value of each stock option award is estimated on the date of grant using the Black Scholes model. There were 53,475 and 42,725 options granted during the years ended December 31, 2016 and December 31, 2015, respectively.

The Company's weighted-average assumptions for expected volatility, dividends, and term were 40%, 0%, and 6.25 years for the years ended December 31, 2016 and 2015. The risk-free rate for options issued was between 1.21% and 2.02% for 2016, 1.55% to 1.67% for 2015, and 1.81% and 2.03% for 2014. Expected volatilities are based on the historical volatility of a group of peer entities within the same industry. The expected term of options is based upon the simplified method, which represents the average of the vesting term and the contractual term. The risk-free interest rate is based on U.S. Treasury yields for securities with terms approximating the expected term of the option.

The fair value of the FGHI's common stock was estimated using a discounted cash flow analysis and market multiples, based on management's estimates of revenue, driven by assumed market growth rates, and estimated

costs as well as appropriate discount rates. These estimates were consistent with the plans and estimates management used to manage the Company's business.

A summary of stock option activity during the year ended December 31, 2016 is presented below:

	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2015	234,206	$ 17.60	$ 2
Issued	53,475	219.67	5
Exercised	—	—	—
Forfeited, expired, or repurchased	(12,900)	72.89	(1)
Outstanding at December 31, 2016	**274,781**	**$ 54.33**	**$ 6**
Exercisable at December 31, 2016	106,294	$ 14.54	
Vested or expected to vest at December 31, 2016	274,781	$ 54.33	

The weighted-average exercise price of options granted during 2015 and 2014 was $51.69 and $10.00, respectively. There were no options exercised during 2015 and 2014.

The Company repurchased 4,462 and 3,404 vested stock options during the years ended December 31, 2016 and 2015, respectively, pursuant to exercises of a call right in a stockholders agreement with certain members of management that enables the Company to repurchase stock options upon a termination of employment. There were no stock options repurchased by the Company during 2014.

A summary of stock option activity during the three months ended March 31, 2017 is presented below:

	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value (in millions)
Outstanding at December 31, 2016	**274,781**	**$ 54.33**	**$ 6**
Issued (unaudited)	5,375	377.32	1
Exercised (unaudited)	—	—	—
Forfeited, expired, or repurchased (unaudited)	(17,300)	10.00	—
Outstanding at March 31, 2017 (unaudited)	**262,856**	**$ 63.86**	**$ 7**
Exercisable at March 31, 2017 (unaudited)	110,124	$ 36.35	
Vested or expected to vest at March 31, 2017 (unaudited)	262,856	$ 63.86	

The weighted-average exercise price of options granted during the three months ended March 31, 2017 and 2016 was $377.32 (unaudited) and $216.11 (unaudited), respectively. There were no options (unaudited) exercised during the three months ended March 31, 2017 and 2016. The Company repurchased 8,650 (unaudited) and 487 (unaudited) vested stock options during the three months ended March 31, 2017 and 2016, respectively.

10. Employee Retirement Plans

The Company sponsors The Frontier Airlines, Inc. 401(k) Retirement Plan under Section 401(k) of the Internal Revenue Code. Under this plan, the Company matches 50% of each participant's contribution up to 2% of each

eligible maintenance employees' compensation and up to 6% of all other employees, including flight attendants (effective January 1, 2016), and excluding pilots, who are covered under a separate plan discussed below. Contributions for employees begin after one year of employment and vest 25% per year over four years. Participants are entitled to receive distributions of all vested amounts beginning at age 59 1/2. Matching contributions included within salaries, wages, and benefits in the accompanying consolidated statements of operations are $5 million, $4 million and $3 million in 2016, 2015 and 2014, respectively. For the three months ended March 31, 2017 and 2016, matching contributions are $1 million (unaudited) and $1 million (unaudited), respectively. Assets were transferred into The Frontier Airlines, Inc. 401(k) Retirement Plan from the Republic 401(k) plan shortly after the purchase of the Company in 2013. The plan is subject to the annual IRS elective deferral limit of $18,000 for 2017.

The Company also established the Frontier Airlines, Inc. Pilots Retirement Plan (the "FAPA Plan") for pilots covered under the collective bargaining agreement with FAPA. The FAPA Plan is a defined contribution retirement plan. Effective June 1, 2016 pilots are represented by the Air Line Pilots Association ("ALPA") though the plan is still covered under FAPA. The Company immediately matches 50% of each participant's contribution up to 10% of each eligible and active participant's compensation. Contributions vest 25% per year over four years. Participants are entitled to receive distributions of all vested amounts beginning at age 59 1/2. Contributions expensed were $6 million, $5 million and $6 million in 2016, 2015 and 2014, respectively. For the three months ended March 31, 2017 and 2016, contributions expensed were $1 million (unaudited) and $1 million (unaudited). The plan is subject to the annual IRS elective deferral limit which was $18,000 for 2017.

11. Other Long-Term Liabilities

Other long-term liabilities consist of the following (in millions):

	As of December 31,		As of March 31,
	2015	2016	2017
			(unaudited)
Phantom equity interest (Note 9)	$ 51	$ 91	$ 109
Deferred gain on sale-leaseback transactions	24	68	82
Leasehold incentives	5	18	17
Deferred tax liability, net	28	14	—
Lease fair value adjustment	20	10	8
Other	6	5	7
Total other long-term liabilities	**$ 134**	**$ 206**	**$ 223**

12. Commitments and Contingencies

Flight Equipment Commitments

The Company's contractual purchase commitments consist of aircraft and engine acquisitions.

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As of December 31, 2016, the Company's firm aircraft and engine orders consisted of the following:

	A319neo	A320neo	A321	Total Aircraft	Engines
2017	—	11	6	17	3
2018	—	16	—	16	2
2019	—	18	—	18	2
2020	5	13	—	18	2
2021	13	—	—	13	2
Thereafter	—	—	—	—	1
Total	**18**	**58**	**6**	**82**	**12**

As of March 31, 2017, the Company's firm aircraft and engine orders consisted of the following:

	A319neo	A320neo	A321	Total Aircraft	Engines
			(unaudited)		
Remainder of 2017	—	10	3	13	3
2018	—	16	—	16	2
2019	—	18	—	18	2
2020	5	13	—	18	2
2021	13	—	—	13	2
Thereafter	—	—	—	—	1
Total	**18**	**57**	**3**	**78**	**12**

As of March 31, 2017 purchase commitments for these aircraft and engines, including estimated amounts for contractual price escalations and PDPs, will be approximately $626 million (unaudited) in the remainder of 2017, $783 million (unaudited) in 2018, $901 million (unaudited) in 2019, $896 million (unaudited) in 2020, $616 million (unaudited) in 2021, and $15 million (unaudited) in 2022 and beyond. The Company has committed sale-leaseback agreements with third-parties for four (unaudited) A320neo aircraft and the three (unaudited) remaining A321 aircraft scheduled for delivery in 2017.

Litigation

The Company is subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. The Company believes the ultimate outcome of such lawsuits, proceedings, and reviews will not, individually or in the aggregate, have a material adverse effect on its consolidated financial position, liquidity, or results of operations.

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Employees

The Company has seven union-represented employee groups that together represent 85% (unaudited) of all employees at March 31, 2017. The table below sets forth the Company's employee groups and status of the collective bargaining agreements as of March 31, 2017:

Employee Group	Representative	Amendable Date
(unaudited)	*(unaudited)*	*(unaudited)*
Pilots	Air Line Pilots Association ("ALPA")	March 2016
Flight Attendants	Association of Flight Attendants ("AFA-CWA")	July 2015
Maintenance	International Brotherhood of Teamsters ("IBT")	February 2022
Aircraft Appearance Agents	International Brotherhood of Teamsters	July 2015
Material Specialists	International Brotherhood of Teamsters	March 2022
Maintenance Controllers	International Brotherhood of Teamsters	August 2014
Dispatchers	Transport Workers Union ("TWU")	December 2021

The Company is self-insured for health care claims, subject to a stop-loss policy, for eligible participating employees and qualified dependent medical and dental claims, subject to deductibles and limitations. The Company's liabilities for claims incurred but not reported are determined based on an estimate of the ultimate aggregate liability for claims incurred. The estimate is calculated from actual claim rates and adjusted periodically as necessary. The Company has accrued $2 million (unaudited), $2 million and $3 million for health care claims as of March 31, 2017 and December 31, 2016 and 2015, respectively.

On February 20, 2017 and March 17, 2017, the maintenance and material specialists contracts, respectively, were ratified to include new amendable dates of February 2022 and March 2022, respectively.

General Indemnifications

The Company has various leases with respect to real property as well as various agreements among airlines relating to fuel consortia or fuel farms at airports. Under some of these contracts, the Company is party to joint and several liability regarding environmental damages. Under others, where FGHI is a member of an LLC or other entity that contracts directly with the airport operator, liabilities are borne through the fuel consortia structure.

The Company's aircraft, services, equipment lease and sale and financing agreements typically contain provisions requiring us, as the lessee, obligor or recipient of services, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or such other equipment. The Company believes that its insurance would cover most of its exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft, services, equipment lease and sale and financing agreements described above.

Certain of the Company's aircraft and other financing transactions include provisions that require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these financing transactions and other agreements, the Company also bears the risk of certain changes in tax laws that would subject payments to non-U.S. entities to withholding taxes.

Certain of these indemnities survive the length of the related financing or lease. The Company cannot reasonably estimate its potential future payments under the indemnities and related provisions described above because it cannot predict (1) when and under what circumstances these provisions may be triggered and (2) the amount

that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

13. Stockholders' Equity

The Company had 5,237,756 (unaudited), 5,237,756 and 5,255,551 shares of common stock outstanding as of March 31, 2017 and December 31, 2016 and 2015, respectively. All of the Company's issued and outstanding shares of common stock are duly authorized, validly issued, fully paid and nonassessable. Each holder of the Company's common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Holders of the Company's common stock have no preemptive, conversion, subscription or other rights, and no redemption or sinking fund provisions applicable to the Company's common stock exist. During 2016, the Company declared a dividend of $18.95 per share (representing an aggregate obligation of $108 million), of which $101 million was distributed to common stockholders and those with other participating rights and the remaining amount was payable to others with dividend equivalent rights and phantom equity units (see Note 9) as of December 31, 2016. Additionally, on February 22, 2017, the Company declared a dividend of $28.85 (unaudited) per share (representing an aggregate obligation of $165 million (unaudited), of which $154 million (unaudited) was distributed to common stockholders and those with other participating rights and the remaining amount was payable to others with dividend equivalent rights and phantom equity units (see Note 9) as of March 31, 2017.

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14. Net Income per Share

Basic and diluted earnings per share are computed pursuant to the two-class method. Under the two-class method, the Company attributes net income to common stock and other participating rights. Basic net income per share is calculated by taking net income, less earnings allocated to participating rights, divided by the basic weighted-average common stock outstanding. Diluted net income per share is calculated using the more dilutive of the treasury-stock method and the two-class method. The following table sets forth the computation of net income per share on a basic and diluted basis pursuant to the two-class method for the periods indicated (in millions, except for share and per share data):

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
Basic:					
Net income	$ 140	$ 146	$ 200	$ 30	$ —
Less: net income attributable to participating rights	(4)	(6)	(8)	(1)	(3)
Net income (loss) attributable to common stockholders	$ 136	$ 140	$ 192	$ 29	$ (3)
Weighted-average common shares outstanding, basic	5,203,058	5,247,477	5,236,978	5,243,374	5,236,301
Net income (loss) per share, basic	$ 26.12	$ 26.60	$ 36.76	$ 5.59	$ (0.65)
Diluted:					
Net income	$ 140	$ 146	$ 200	$ 30	$ —
Less: net income attributable to participating rights	(4)	(6)	(8)	(1)	(3)
Net income (loss) attributable to common stockholders	$ 136	$ 140	$ 192	$ 29	(3)
Weighted-average common shares outstanding, basic	5,203,058	5,247,477	5,236,978	5,243,374	5,236,301
Effect of dilutive potential common shares	74,976	93,572	78,675	105,404	—
Weighted-average common shares outstanding, diluted	5,278,034	5,341,049	5,315,653	5,348,778	5,236,301
Net income (loss) per share, diluted	$ 25.75	$ 26.15	$ 36.23	$ 5.48	$ (0.65)

Approximately 262,856 shares (unaudited), 49,250 shares (unaudited) and 51,450 shares were excluded from the computation of diluted shares for the three months ended March 31, 2017 and 2016 and for the year ended December 31, 2016, respectively, as their impact would have been anti-dilutive. There were no shares excluded from the computation of diluted shares for the years ended December 31, 2015 and 2014.

Unaudited Pro Forma Earnings Per Share

Immediately prior to the consummation of the Company's IPO, the Company intends to pay a dividend of $ per share (representing an aggregate distribution of $). Investors in the IPO will not be entitled to participate in such dividend.

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Staff Accounting Bulletin Topic 1.B.3 requires that pro forma basic and diluted earnings per share be presented giving effect to the number of shares whose proceeds would be used to replace capital when dividends exceed current year earnings. The pro forma as adjusted earnings per share and pro forma as adjusted equivalent shares give effect to the deemed issuance of the number of shares that would be required to generate net proceeds sufficient to make the dividend payment of $ million in the aggregate to our pre-IPO stockholders. The number of incremental shares that would be required to be issued to pay the dividend is based on the assumed IPO price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and estimated offering expenses payable by us, resulting in net proceeds of $ per share.

The following is a computation of pro forma basic and diluted earnings per share for the three months ended March 31, 2017 (in millions, except share and per share data):

Net income (loss) as reported (unaudited)	$—
Weighted average outstanding shares of common stock (unaudited)	
Additional pro forma shares required to be issued in offering necessary to pay dividend (unaudited)	
Basic shares:	
Weighted-average shares used to compute basic pro forma net income per share (unaudited)	
Diluted shares:	
Weighted-average shares used to compute diluted pro forma net income per share (unaudited)	
Pro forma net income per share attributable to common stockholders:	
Basic (unaudited)	$
Diluted (unaudited)	$

15. Income Taxes

The components of income tax expense are as follows (in millions):

	Year Ended December 31,		
	2014	**2015**	**2016**
Current:			
Federal	$ 56	$ 63	$ 131
State and local	6	5	8
Current income tax expense	62	68	139
Deferred:			
Federal	20	13	(22)
State and local	2	1	(1)
Deferred income tax (benefit) expense	22	14	(23)
Total income tax expense	**$ 84**	**$ 82**	**$ 116**

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The income tax provision differs from that computed at the federal statutory corporate tax rate are as follows:

	Year Ended December 31,		
	2014	2015	2016
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	2.5	2.2	1.7
Other	—	(1.0)	(0.1)
Total income tax expense	**37.5%**	**36.2%**	**36.6%**

The Company paid income taxes of $101 million, $101 million and $64 million in the years ended December 31, 2016, 2015 and 2014, respectively. The Company's tax rate can vary depending on recurring items such as the amount of income it earns in each state and the state tax rate applicable to such income.

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial statement and income tax purposes. The following table shows the components of the Company's deferred tax assets and liabilities as of December 31 (in millions):

	As of December 31,	
	2015	2016
Deferred tax assets:		
Nondeductible accruals	$ 43	$ 54
Deferred revenue	15	16
Leasehold interests	12	6
Other	4	1
Unrealized losses on fuel derivatives	6	—
Deferred tax assets	**80**	**77**
Deferred tax liabilities:		
Property and equipment	(72)	(58)
Maintenance deposits	(19)	(19)
Intangibles	(14)	(13)
Other	(3)	(1)
Deferred tax liabilities	**(108)**	**(91)**
Net deferred tax liabilities	**$ (28)**	**$ (14)**

The amount of unrecognized tax benefit at December 31, 2016 and 2015 is $0 and $3 million, respectively. The Company estimates that the unrecognized tax benefit will not change significantly within the next 12 months. The Company accrues interest related to unrecognized tax benefits in its provision for income taxes, and any associated penalties are recorded in other operating expenses. Interest and penalties are not material in any period presented.

The Company files consolidated tax returns in the United States as prescribed by the tax laws of the jurisdictions in which it operates. The Company's tax years from 2013 are still subject to examination in the United States due to net operating loss carryovers generated in such years which were retained by Republic. The 2014 tax year is currently under a routine audit by the IRS that was initiated in 2017. In addition, the 2015 tax year is open for examination. Various state and foreign jurisdiction tax years remain open to examination, and the Company believes that the effect of any additional assessment(s) will be immaterial to the financial statements.

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16. Fair Value

Under ASC 820, *Fair Value Measurements and Disclosures*, disclosures relating to how fair value is determined for assets and liabilities are required, and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs, as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes several valuation techniques in order to assess the fair value of the Company's financial assets and liabilities.

Cash and cash equivalents and restricted cash

Cash and cash equivalents at March 31, 2017 (unaudited), and December 31, 2016 and 2015 are comprised of liquid money market funds, time deposits and cash, and are categorized as Level 1 instruments. The Company maintains cash with various high-quality financial institutions. Within restricted cash the Company also maintains certificates of deposit that secure certain letters of credit issued for workers' compensation claim reserves and certain airport authorities. Restricted cash is carried at cost, which management believes approximates fair value.

Fuel Derivative Instruments

Option contracts are valued under an income approach using option pricing models based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets; therefore, they are classified as Level 2 inputs. Volatilities used in these valuations ranged from 25% to 48% depending on the maturity dates, underlying commodities and strike prices of the option contracts.

Pilot Phantom Equity

The estimated fair value of the pilot phantom stock unit liability, described in Note 9, has been determined to be Level 3 as certain inputs used to determine the fair value of FGHI are unobservable.

Debt

The estimated fair value of the Company's debt agreements has been determined to be Level 3, as certain inputs used to determine the fair value of these agreements are unobservable. The Company utilizes a discounted cash flow method to estimate the fair value of the Level 3 long-term debt.

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The carrying amounts and estimated fair values of the Company's debt are as follows (in millions):

	As of December 31, 2015		As of December 31, 2016		As of March 31, 2017		
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Carrying Value (unaudited)	Estimated Fair Value (unaudited)	Fair Value Level Hierarchy
Secured debt:							
Pre-delivery credit facility	$ 115	$ 114	$ 143	$ 140	$ 133	$ 129	Level 3
Floating rate equipment notes	64	61	52	51	49	49	Level 3
Fixed rate equipment note	8	9	7	7	7	7	Level 3
Unsecured debt:							
Affinity card advance	39	35	39	38	39	39	Level 3
Total debt	**$ 226**	**$ 219**	**$ 241**	**$ 236**	**$ 228**	**$ 224**	

The table below presents disclosures about the fair value of assets and liabilities measured at fair value on a recurring basis in the Company's financial statements (in millions):

	Fair Value Measurements as of December 31, 2015			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 419	$ 419	$ —	$ —
Restricted cash	6	6	—	—
Fuel derivative option contracts	4	—	4	—
Pilot phantom stock unit liability	(51)	—	—	(51)

	Fair Value Measurements as of December 31, 2016			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 612	$ 612	$ —	$ —
Restricted cash	6	6	—	—
Fuel derivative option contracts	15	—	15	—
Pilot phantom stock unit liability	(91)	—	—	(91)

	Fair Value Measurements as of March 31, 2017 (unaudited)			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 535	$ 535	$ —	$ —
Restricted cash	6	6	—	—
Fuel derivative option contracts	10	—	10	—
Pilot phantom stock unit liability	(109)	—	—	(109)

The Company had no transfers of assets or liabilities between any of the above levels during the three months ended March 31, 2017 (unaudited), and the years ended December 31, 2016 and 2015.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

17. Geographic Information

The Company is managed as a single business unit that provides air transportation for passengers. Operating revenue by principal geographic region (as defined by the U.S. Department of Transportation) is presented in the table below (in millions):

	Year Ended December 31,			Three Months Ended March 31,	
	2014	2015	2016	2016	2017
				(unaudited)	*(unaudited)*
Domestic	$ 1,438	$ 1,480	$ 1,650	$ 349	$ 410
Latin America	155	124	64	19	20
Total operating revenues	**$ 1,593**	**$ 1,604**	**$ 1,714**	**$ 368**	**$ 430**

The Company's tangible assets consist primarily of flight equipment, which are mobile across geographic markets and, therefore, have not been allocated.

18. Related Parties

The Company pays a quarterly fee to Indigo Partners for management services. Indigo Partners manages an investment fund that is the controlling stockholder in FGHI. During each 2016, 2015 and 2014, $1.5 million was paid in management fees. During the three months ended March 31, 2017, $375,000 (unaudited) was paid in management fees. During the first half of 2014, the Company repaid in full the principal on a short-term working capital note payable from an investment fund managed by Indigo Partners totaling $18 million.

Shares

Common Stock

Citigroup
Deutsche Bank Securities
Evercore ISI
J.P. Morgan

BofA Merrill Lynch
Barclays
Cowen and Company
Credit Suisse
Goldman Sachs & Co. LLC
Raymond James
UBS Investment Bank

PART II

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts, payable in connection with the sale and distribution of the securities being registered. All amounts are estimated except the SEC registration fee and the FINRA filing fee. All the expenses below will be paid by Frontier Group Holdings, Inc.

Item	Amount
SEC Registration fee	$ 11,590
FINRA filing fee	15,500
Initial NASDAQ Stock Market listing fee	*
Legal fees and expenses	*
Accounting fees and expenses	*
Printing and engraving expenses	*
Transfer Agent and Registrar fees	*
Blue Sky fees and expenses	*
Miscellaneous fees and expenses	*
Total	**$** *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers

Frontier Group Holdings, Inc., Inc. is a Delaware corporation. Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended. Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering compels indemnification of our directors and officers and permits indemnification of our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws to be in effect immediately prior to the consummation of this offering provide for indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law. In addition, we have entered into indemnification agreements with our directors, officers and some employees containing provisions which are in some respects broader than the specific indemnification provisions contained in the Delaware General Corporation Law. The indemnification agreements may require us, among other things, to indemnify our directors against certain liabilities that may arise by reason of their status or service as directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. Reference is also made to Section 8 of the underwriting agreement to be filed as Exhibit 1.1 hereto, which provides for indemnification by the underwriter of our officers and directors against certain liabilities.

Item 15. Recent Sales of Unregistered Securities

During the last three years, we granted equity awards for an aggregate of 467,477 shares of our common stock to employees and directors under our 2014 Equity Incentive Plan, which includes 127,956 shares that were subsequently forfeited and 37,334 shares that were subsequently repurchased.

The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided

under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us.

There were no underwriters employed in connection with any of the transactions set forth in Item 15.

Item 16. Exhibits and Financial Statements

See the Exhibit Index beginning on page II-5, which follows the signature pages hereof and is incorporated herein by reference.

Item 17. Undertakings

The undersigned registrant hereby undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective;

(2) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) the undersigned will provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, we have duly caused this Amendment No. 4 to the Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on the 12th day of June, 2017.

FRONTIER GROUP HOLDINGS, INC.

By: /s/ Barry L. Biffle
Barry L. Biffle
President and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 4 to the Registration Statement has been signed by the following persons in the capacities indicated below on the dates indicated.

Signature	Title	Date
/s/ Barry L. Biffle **Barry L. Biffle**	President and Chief Executive Officer (principal executive officer)	June 12, 2017
/s/ James G. Dempsey **James G. Dempsey**	Chief Financial Officer (principal financial officer)	June 12, 2017
* **Mark C. Mitchell**	Chief Accounting Officer (principal accounting officer)	June 12, 2017
* **William A. Franke**	Director (Chairman of the Board)	June 12, 2017
* **Josh T. Connor**	Director	June 12, 2017
* **Brian H. Franke**	Director	June 12, 2017
* **Robert J. Genise**	Director	June 12, 2017
* **Bernard L. Han**	Director	June 12, 2017
 C.A. Howlett	Director	June 12, 2017
* **Michael R. MacDonald**	Director	June 12, 2017

Signature	Title	Date
*	Director	June 12, 2017
Patricia Salas Pineda		
*	Director	June 12, 2017
John R. Wilson		

*By: /s/ Barry L. Biffle
Barry L. Biffle
Attorney-in-Fact

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
1.1	Form of Underwriting Agreement.				X
3.1(a)	Amended and Restated Certificate of Incorporation, currently in effect.	S-1	3/31/2017	3.1(a)	
3.1(b)	Certificate of Amendment of the Amended and Restated Certificate of Incorporation.	S-1	3/31/2017	3.1(b)	
3.2	Form of Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the consummation of this offering.				X
3.3	Amended and Restated Bylaws, currently in effect.	S-1	3/31/2017	3.3	
3.4	Form of Amended and Restated Bylaws, to be in effect immediately prior to the consummation of this offering.				X
4.1	Reference is made to exhibits 3.1 through 3.4.				
4.2	Form of Common Stock Certificate.				X
4.3	Registration Rights Agreement, to be in effect immediately prior to the consummation of this offering, by and among Frontier Group Holdings, Inc. and Indigo Frontier Holdings Company, LLC.				X
5.1*	Opinion of Latham & Watkins LLP.				
10.1(a)†	Airport Use and Lease Agreement, dated as of January 1, 2012, by and between Frontier Airlines, Inc. and the City and County of Denver.	S-1/A	5/9/2017	10.1(a)	
10.1(b)†	First Amendment to the Airport Use and Lease Agreement, dated as of July 1, 2015, by and between Frontier Airlines, Inc. and the City and County of Denver.	S-1/A	5/9/2017	10.1(b)	
10.1(c)†	Second Amendment to the Airport Use and Lease Agreement, dated as of December 22, 2016, by and between Frontier Airlines, Inc. and the City and County of Denver.	S-1/A	5/9/2017	10.1(c)	
10.1(d)†	Letter of Agreement, dated as of May 5, 2015, by and between Frontier Airlines, Inc. and the City and County of Denver.	S-1/A	5/9/2017	10.1(d)	
10.2(a)#	2014 Equity Incentive Plan.	S-1	3/31/2017	10.2(a)	
10.2(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2014 Equity Incentive Annual Plan.	S-1	3/31/2017	10.2(b)	
10.2(c)#	Form of Stock Purchase Right Grant Notice and Restricted Stock Purchase Agreement for Non-Employee Directors.	S-1	3/31/2017	10.2(c)	
10.3(a)#	2017 Equity Incentive Award Plan.				X
10.3(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2017 Equity Incentive Annual Plan.				X

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.3(c)#	Form of Restricted Stock Award Agreement and Restricted Stock Unit Award Grant Notice under the 2017 Equity Incentive Annual Plan.				X
10.4#	Form of Indemnification Agreement for directors and officers.	S-1	3/31/2017	10.4	
10.5#	Employment Agreement, dated as of March 15, 2016, by and between Frontier Airlines, Inc. and Barry L. Biffle.	S-1	3/31/2017	10.5	
10.6#	Amended and Restated Employment Agreement, dated as of April 13, 2017, by and between Frontier Airlines, Inc. and James G. Dempsey.	S-1/A	5/9/2017	10.6	
10.7#	Amended and Restated Employment Letter, dated as of May 9, 2017, by and between Frontier Airlines, Inc. and James E. Nides.				X
10.8#	Employment Letter, dated as of June 30, 2014, by and between Frontier Airlines, Inc. and Howard M. Diamond.	S-1	3/31/2017	10.8	
10.9#	Employment Letter, dated as of September 2, 2015, by and between Frontier Airlines, Inc. and Mark C. Mitchell.	S-1	3/31/2017	10.9	
10.10(a)#	Employment Agreement, dated as of June 25, 2012, by and between Frontier Airlines, Inc. and Daniel M. Shurz.	S-1	3/31/2017	10.10(a)	
10.10(b)#	Amendment to Employment Agreement, dated as of September 13, 2013, by and between Frontier Airlines, Inc. and Daniel M. Shurz.	S-1	3/31/2017	10.10(b)	
10.11#	Non-Employee Director Compensation Program.				X
10.12#	Amended and Restated Phantom Equity Investment Agreement, dated as of December 3, 2013, by and among, Frontier Airlines, Inc., Falcon Acquisition Group, Inc. and FAPAInvest, LLC.	S-1	3/31/2017	10.12	
10.13#	Professional Services Agreement, dated December 3, 2013, by and among Indigo Partners LLC, Frontier Airlines Holdings, Inc. and Frontier Airlines, Inc.	S-1	3/31/2017	10.13	
10.14#	Subscription Agreement, dated as of December 3, 2013, by and between, Falcon Acquisition Group, Inc. and Indigo Frontier Holdings Company, LLC.	S-1	3/31/2017	10.14	
10.15(a)†	Airbus A320 Family Aircraft Purchase Agreement, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.				X
10.15(b)†	Letter Agreement No. 1, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(b)	
10.15(c)†	Letter Agreement No. 2, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(c)	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.15(d)†	Letter Agreement No. 3, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(d)	
10.15(e)†	Letter Agreement No. 4, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(e)	
10.15(f)†	Letter Agreement No. 5, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(f)	
10.15(g)†	Letter Agreement No. 6A, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(g)	
10.15(h)†	Letter Agreement No. 6B, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(h)	
10.15(i)†	Letter Agreement No. 7, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(i)	
10.15(j)†	Letter Agreement No. 8, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(j)	
10.15(k)†	Letter Agreement No. 9, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(k)	
10.15(l)†	Amendment No. 1 to Airbus A320 Family Aircraft Purchase Agreement, dated as of January 10, 2013, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	S-1/A	5/23/2017	10.15(l)	
10.15(m)†	Amendment No. 2 to Airbus A320 Family Aircraft Purchase Agreement, dated as of December 3, 2013, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.15(m)	
10.15(n)†	Amendment No. 3 to Airbus A320 Family Aircraft Purchase Agreement, dated as of September 30, 2011, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.15(n)	
10.16(a)†	Airbus A321 Aircraft Purchase Agreement, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(a)	
10.16(b)†	Letter Agreement No. 1, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(b)	
10.16(c)†	Letter Agreement No. 2, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(c)	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.16(d)†	Letter Agreement No. 3, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(d)	
10.16(e)†	Letter Agreement No. 4, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(e)	
10.16(f)†	Letter Agreement No. 5, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(f)	
10.16(g)†	Letter Agreement No. 6A, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(g)	
10.16(h)†	Letter Agreement No. 6B, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(h)	
10.16(i)†	Letter Agreement No. 7, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(i)	
10.16(j)†	Letter Agreement No. 8, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(j)	
10.16(k)†	Letter Agreement No. 9, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(k)	
10.16(l)†	Amendment No. 1 to Airbus A321 Aircraft Purchase Agreement, dated as of May 18, 2015, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(l)	
10.16(m)†	Amended and Restated Letter Agreement No. 2, dated as of May 18, 2015, by and between Airbus S.A.S. and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.16(m)	
10.17(a)†	Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 12, 2003, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/26/2017	10.17(a)	
10.17(b)†	First Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 12, 2003, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/26/2017	10.17(b)	
10.17(c)†	Second Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of April 1, 2005, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/9/2017	10.17(c)	
10.17(d)†	Third Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 27, 2006, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/9/2017	10.17(d)	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.17(e)†	Fourth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of May 8, 2007, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/26/2017	10.17(e)	
10.17(f)†	Fifth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of May 25, 2007, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/9/2017	10.17(f)	
10.17(g)†	Sixth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of September 9, 2009, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/26/2017	10.17(g)	
10.17(h)†	Seventh Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of July 23, 2010, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/9/2017	10.17(h)	
10.17(i)†	Eighth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of October 29, 2010, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/9/2017	10.17(i)	
10.17(j)†	Ninth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of November 5, 2013, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	S-1/A	5/26/2017	10.17(j)	
10.17(k)†	Tenth Amendment to the Frontier Airlines, Inc. Credit Card Agreement, dated as of June 18, 2015, by and between Frontier Airlines, Inc. and Barclays Bank, formerly known as Jupiter Bank.	S-1/A	5/9/2017	10.17(k)	
10.18(a)†	General Terms Agreement No. 6-13616, dated as of June 30, 2000, by and between Frontier Airlines, Inc., CFM International, Inc. and Societe Nationale D'Etude et de Construction de Monteurs d'Aviation.	S-1/A	5/9/2017	10.18(a)	
10.18(b)†	Letter Agreement No. 1, dated as of June 30, 2000, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/26/2017	10.18(b)	
10.18(c)†	Letter Agreement No. 2, dated as of November 20, 2002, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.18(c)	
10.18(d)†	Letter Agreement No. 3, dated as of August 1, 2003, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.18(d)	
10.18(e)†	Letter Agreement No. 4, dated as of March 26, 2004, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.18(e)	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.18(f)†	Letter Agreement No. 5, dated as of April 11, 2006, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.18(f)	
10.18(g)	Amendment No. 1 to GTA 6-13616, dated as of June 6, 2009, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.18(g)	
10.18(h)†	Letter Agreement No. 7, dated as of October 25, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.18(h)	
10.18(i)†	Letter Agreement No. 8, dated as of December 23, 2014, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.18(i)	
10.19(a)†	General Terms Agreement No. CFM-1 1-2576101711, dated as of October 17, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.19(a)	
10.19(b)†	Letter Agreement No. 1 to General Terms Agreement No. CFM-1 1-2576101711, dated as of October 26, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.19(b)	
10.19(c)†	Amendment No. 1 to Letter Agreement No. 1, dated as of December 23, 2014, by and between Frontier Airlines, Inc. and CFM International, Inc.	S-1/A	5/9/2017	10.19(c)	
10.20(a)†	Agreement on Technical Services for A320 Family Aircraft, dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	S-1/A	5/26/2017	10.20(a)	
10.20(b)†	Total Component Support Attachment, dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	S-1/A	5/9/2017	10.20(b)	
10.20(c)†	Attachment on Aircraft Production Inspection, dated as of April 30, 2015, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	S-1/A	5/26/2017	10.20(c)	
10.21†	Purchase Terms Agreement (Material-Single Event), dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	S-1/A	5/9/2017	10.21	
10.22(a)†	Navitaire Hosted Services Agreement, dated as of June 20, 2014, by and between Frontier Airlines, Inc. and Navitaire LLC.	S-1/A	5/26/2017	10.22(a)	
10.22(b)†	Amendment No. 1 to Navitaire Hosted Services Agreement, dated as of March 1, 2015, by and between Frontier Airlines, Inc. and Navitaire LLC.	S-1/A	5/9/2017	10.22(b)	
10.22(c)†	Amendment No. 2 to Navitaire Hosted Services Agreement, dated as of April 10, 2015, by and between Frontier Airlines, Inc. and Navitaire LLC.	S-1/A	5/9/2017	10.22(c)	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.22(d)†	Amendment No. 3 to Navitaire Hosted Services Agreement, dated as of January 1, 2016, by and between Frontier Airlines, Inc. and Navitaire LLC.	S-1/A	5/9/2017	10.22(d)	
10.23†	Second Amended and Restated Credit Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Citibank, N.A., Citigroup Global Markets, Inc., Bank of Utah and each lender identified on Schedule I thereto.				X
10.24†	Second Amended and Restated Mortgage and Security Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Citibank, N.A. and Bank of Utah.	S-1/A	5/23/2017	10.24	
10.25	Second Amended and Restated Guarantee, dated as of December 16, 2016, by Frontier Airlines, Inc. in favor of Bank of Utah.	S-1/A	5/23/2017	10.25	
10.26†	Second Amended and Restated Guarantee, dated as of December 16, 2016, by Frontier Airlines Holdings, Inc. in favor of Bank of Utah.	S-1/A	5/23/2017	10.26	
10.27(a)†	Step-In Agreement, dated as of December 23, 2014, by and among Vertical Horizons, Ltd., Bank of Utah and Airbus S.A.S.	S-1/A	5/23/2017	10.27(a)	
10.27(b)†	Letter Agreement to the Step-In Agreement and the Assigned A321 Purchase Agreement, dated as of May 18, 2015, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc., Bank of Utah and Airbus S.A.S.	S-1/A	5/23/2017	10.27(b)	
10.27(c)†	Amendment Agreement to Step-In Agreement and the Assigned Purchase Agreements, dated as of August 11, 2015, by and among Vertical Horizons, Ltd., Bank of Utah and Airbus S.A.S.	S-1/A	5/23/2017	10.27(c)	
10.27(d)†	Amendment Agreement No. 3 to Step-In Agreement and the Assigned Purchase Agreements, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Bank of Utah and Airbus S.A.S.	S-1/A	5/23/2017	10.27(d)	
10.28(a)†	Purchase Agreements Assignment and Assumption Agreement, dated as of December 23, 2014, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc. and Airbus S.A.S.	S-1/A	5/23/2017	10.28(a)	
10.28(b)†	Amendment Agreement to Assignment and Assumption Agreement, dated as of August 11, 2015, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc. and Airbus S.A.S.	S-1/A	5/23/2017	10.28(b)	

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed Herewith
		Form	Date	Number	
10.28(c)†	Amendment Agreement No. 3 to Assignment and Assumption Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Frontier Airlines, Inc. and Airbus S.A.S.	S-1/A	5/23/2017	10.28(c)	
10.29†	Second Amended and Restated CFMI Engine Benefits Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., CFM International, Inc., Bank of Utah and Frontier Airlines, Inc.	S-1/A	5/23/2017	10.29	
10.30(a)†	Amended and Restated Signatory Agreement (U.S. Visa and MasterCard Transactions), dated as of November 5, 2013, by and among Frontier Airlines Holdings Inc., Frontier Airlines, Inc. and U.S. Bank National Association.				X
10.30(b)†	First Omnibus Amendment to Signatory Agreements, dated as of March 1, 2016, by and among Frontier Airlines Holdings, Inc., Frontier Airlines, Inc. and U.S. Bank National Association.				X
14.1	Code of Ethics				X
21.1	List of subsidiaries	S-1	3/31/2017	21.1	
23.1	Consent of independent registered public accounting firm.				X
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).				
24.1	Power of Attorney.	S-1	3/31/2017	24.1	

* To be filed by amendment.
\# Indicates management contract or compensatory plan.
† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

Exhibit 1.1

Frontier Group Holdings, Inc.

[●] Shares
Common Stock
($0.001 par value per share)

Form of Underwriting Agreement

New York, New York
, 2017

Citigroup Global Markets Inc.
Deutsche Bank Securities Inc.
Evercore Group L.L.C.
J.P. Morgan Securities LLC
As Representatives of the several Underwriters,

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

c/o Evercore Group L.L.C.
55 East 52nd Street
New York, New York 10055

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Ladies and Gentlemen:

Frontier Group Holdings, Inc., a corporation incorporated under the laws of Delaware (the "Company"), proposes to sell to the several underwriters named in Schedule I hereto (the "Underwriters"), for whom you (the "Representatives") are acting as representatives, [●] shares of common stock, $0.001 par value per share ("Common Stock"), of the Company, and the persons named in Schedule II hereto (the "Selling Stockholders") propose to sell to the several Underwriters [●] shares of Common Stock (said shares to be issued and sold by the Company and shares to be sold by the Selling Stockholders collectively being hereinafter called the "Underwritten Securities"). The Selling Stockholders also propose to grant to the Underwriters an option to purchase up to [●] additional shares of Common Stock (the "Option Securities"; the Option Securities, together with the Underwritten Securities, being hereinafter called the "Securities"). To the extent there are no additional Underwriters listed on Schedule I other than you, the term Representatives as used herein shall mean you, as Underwriters, and the terms Representatives and Underwriters shall mean either the singular or plural as the context

requires. In addition, to the extent that there is not more than one Selling Stockholder named in Schedule II, the term Selling Stockholder shall mean either the singular or plural. The use of the neuter in this Agreement shall include the feminine and masculine wherever appropriate. Certain terms used herein are defined in Section 21 hereof.

1. Representations and Warranties.

(i) The Company represents and warrants to, and agrees with, each Underwriter as set forth below in this Section 1.

(a) The Company has prepared and filed with the Commission a registration statement (file number 333-217078) on Form S-1, including a related preliminary prospectus, for registration under the Act of the offering and sale of the Securities. Such Registration Statement, including any amendments thereto filed prior to the Applicable Time, has become effective. The Company may have filed one or more amendments thereto, including a related preliminary prospectus, each of which has previously been furnished to you. The Company will file with the Commission a final prospectus in accordance with Rule 424(b). As filed, such final prospectus shall contain all information required by the Act and the rules thereunder and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Applicable Time or, to the extent not completed at the Applicable Time, shall contain only such specific additional information and other changes (beyond that contained in the latest Preliminary Prospectus) as the Company has advised you, prior to the Applicable Time, will be included or made therein.

(b) On the Effective Date, the Registration Statement did, and when the Prospectus is first filed in accordance with Rule 424(b) and on the Closing Date (as defined herein) and on any date on which Option Securities are purchased, if such date is not the Closing Date (a "settlement date"), the Prospectus (and any supplement thereto) will, comply in all material respects with the applicable requirements of the Act and the rules thereunder; on the Effective Date, at the Applicable Time and on the effective date of any post-effective amendment to the Registration Statement, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the applicable requirements of the Act and the rules thereunder, and did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and on the date of any filing pursuant to Rule 424(b) and on the Closing Date and any settlement date, the Prospectus (together with any supplement thereto) will not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the Company makes no representations or warranties as to the information contained in or omitted from the Registration Statement, or the Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Prospectus (or any supplement thereto), it being

understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 8 hereof.

(c) (i) The Disclosure Package and the price to the public, the number of Underwritten Securities, the number of Option Securities, and the underwriting discounts and commissions to be included on the cover page of the Prospectus (the "Pricing Information"), when taken together as a whole, and (ii) each bona fide electronic road show, as defined in Rule 433(h)(5) under the Act (an "electronic road show"), when taken together as a whole with the Disclosure Package and the Pricing Information, in each case, does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The preceding sentence does not apply to statements in or omissions from the Disclosure Package based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(d) (i) At the time of filing the Registration Statement and (ii) as of the Applicable Time (with such date being used as the determination date for purposes of this clause (ii)), the Company was not and is not an Ineligible Issuer (as defined in Rule 405), without taking account of any determination by the Commission pursuant to Rule 405 that it is not necessary that the Company be considered an Ineligible Issuer.

(e) Each Issuer Free Writing Prospectus does not include any information that conflicts with the information contained in the Registration Statement, including any document incorporated by reference therein that has not been superseded or modified. The foregoing sentence does not apply to statements in or omissions from any Issuer Free Writing Prospectus based upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by or on behalf of any Underwriter consists of the information described as such in Section 8 hereof.

(f) Each of the Company and its subsidiaries (i) has been duly incorporated and is validly existing as a corporation in good standing under the laws of the jurisdiction in which it is chartered or organized with full corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Disclosure Package and the Prospectus, and (ii) is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification, except in the case of clause (ii) where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have: (1) a material adverse effect on the condition (financial or otherwise), prospects, earnings, business, management or properties of the Company and its subsidiaries, taken as a whole, whether or not arising from transactions in the ordinary course of business or (2) a material adverse effect on (or otherwise to prevent) the performance of this Agreement or the consummation of the transactions contemplated

hereby (the occurrence of any such effect or any such prevention described in the foregoing clauses (1) and (2) being referred to as a "Material Adverse Effect").

(g) All the outstanding shares of capital stock of the Company, including all shares to be sold by the Selling Stockholders, and each of the Company's subsidiaries have been duly and validly authorized and issued and are fully paid and nonassessable, and, except as otherwise set forth in the Disclosure Package and the Prospectus, all outstanding shares of capital stock of the subsidiaries are owned by the Company either directly or through wholly owned subsidiaries free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances.

(h) The Company has an authorized capitalization as set forth under the heading "Capitalization" and the other information set forth under the heading "Capitalization" in the Registration Statement and the Prospectus (and any similar section or information contained in the Disclosure Package) is true and correct in all material respects. All of the Securities conform to the description thereof contained in the Registration Statement, the Disclosure Package and the Prospectus. The form of certificates for the Securities conforms to the corporate law of the jurisdiction of the Company's incorporation and to any requirements of the Company's organizational documents. Subsequent to the respective dates as of which information is given in the Registration Statement, the Disclosure Package and the Prospectus, except as otherwise stated therein, the Company has not: (i) issued any securities (other than grants or exercises of equity-based awards pursuant to the Company's equity incentive and employee benefit plans described in the Registration Statement, the Disclosure Package and the Prospectus); (ii) incurred any material liability or obligation, direct or contingent, for borrowed money; or (iii) declared or paid any dividend or made any other distribution on or in respect to its capital stock.

(i) There is no franchise, contract or other document of a character required to be described in the Registration Statement or Prospectus, or to be filed as an exhibit thereto, which is not described or filed as required (and any Preliminary Prospectus contains in all material respects the same description of the foregoing matters contained in the Prospectus); and the statements in any Preliminary Prospectus and the Prospectus under the headings "Material U.S. Federal Income Tax Consequences to Non-U.S. Holders," "Business—Government Regulation," "Description of Capital Stock," and "Certain Relationships and Related Party Transactions," insofar as such statements summarize legal matters, agreements, documents or proceedings discussed therein, are accurate and fair summaries of such legal matters, agreements, documents or proceedings.

(j) This Agreement has been duly authorized, executed and delivered by the Company.

(k) The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Disclosure Package and the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended.

(l) The Securities have been approved for listing on the NASDAQ Global Select Market, subject to notice of issuance.

(m) No consent, approval, authorization, filing with or order of any court or governmental agency or body is required in connection with the transactions contemplated herein, except such as have been obtained under the Act and such as may be required under the securities or blue sky laws of any jurisdiction in connection with the purchase and distribution of the Securities by the Underwriters in the manner contemplated herein and in the Disclosure Package and the Prospectus.

(n) Neither the issuance and sale of the Securities nor the consummation of any other of the transactions herein contemplated nor the fulfillment of the terms hereof will conflict with, result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, (i) the charter or bylaws (or comparable organizational and governing documents) of the Company or any of its subsidiaries, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Company or any of its subsidiaries is a party or bound or to which its or their property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its subsidiaries or any of its or their properties, except, in the case of clauses (ii) and (iii), a conflict, breach, violation or imposition that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(o) No holders of securities of the Company have rights to the registration of such securities under the Registration Statement, except as shall have been satisfied in full in connection with the transactions contemplated by the Registration Statement.

(p) The consolidated historical financial statements and schedules of the Company and its consolidated subsidiaries included in any Preliminary Prospectus, the Prospectus and the Registration Statement present fairly in all material respects the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, comply as to form in all material respects with the applicable accounting requirements of the Act and have been prepared in conformity with generally accepted accounting principles in the United States applied on a consistent basis throughout the periods involved (except as otherwise noted therein). The summary and selected consolidated financial and statistical data included in the Registration Statement, the Disclosure Package and the Prospectus fairly present in all material respects, on the basis stated in the Registration Statement, the Disclosure Package and the Prospectus, the information included therein and such data have been compiled on a basis consistent with the financial statements presented therein and the books and records of the Company. All disclosures contained in the Registration Statement, the Disclosure Package and the Prospectus regarding “non-GAAP financial measures” comply in all material respects with Regulation G of the Exchange Act, and Item 10 of Regulation S-K under the Act, to the extent applicable. The Company and its subsidiaries do not have any material liabilities or

obligations, direct or contingent (including any off-balance sheet obligations or any "variable interest entities" within the meaning of Financial Accounting Standards Board Interpretation No. 46), not disclosed in the Registration Statement, the Disclosure Package or the Prospectus. There are no financial statements (historical or pro forma) that are required to be included in the Registration Statement, the Disclosure Package or the Prospectus that are not included as required.

(q) Since the date of the most recent financial statements included in the Registration Statement, the Disclosure Package and the Prospectus: (i) there has not been any material adverse change or any development involving a prospective material adverse change in or affecting the earnings, business, prospects, management, properties, assets, operations or condition (financial or otherwise) of the Company and its subsidiaries taken as a whole, whether or not occurring in the ordinary course of business, (ii) there has not been any material transaction entered into by the Company or its subsidiaries, other than transactions in the ordinary course of business and changes and transactions described in the Registration Statement, the Disclosure Package and the Prospectus, as each may be amended or supplemented, (iii) there has been no prohibition or suspension of the operation of either the Company's or any of its subsidiaries' aircraft, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and (iv) neither the Company nor any of its subsidiaries has sustained any loss or interference with its business that is reasonably expected to have a Material Adverse Effect and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority.

(r) No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries or its or their property is pending or, to the knowledge of the Company, threatened that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus. There are no current or pending legal, governmental, administrative or regulatory investigations, actions, suits, claims or proceedings that are required under the Act to be described in the Disclosure Package or the Prospectus that are not so described in the Disclosure Package or the Prospectus. There are no statutes, regulations or contracts or other documents that are required under the Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Disclosure Package or the Prospectus.

(s) The Company and each of its subsidiaries owns, leases or licenses or has the right to use all such properties and assets as are necessary to the conduct of its operations as presently conducted, subject to no lien, mortgage, pledge, charge or encumbrance of any kind except those reflected in such financial statements or described in the Disclosure Package and the Prospectus or which (i) do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries or (ii) individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect. The Company and its subsidiaries occupy or possess their leased properties

under valid and binding leases and, if required to be described in the Prospectus, conform in all material respects to the description thereof set forth in the Disclosure Package and the Prospectus.

(t) Neither the Company nor any subsidiary is in violation or default of (i) any provision of its charter or bylaws (or comparable organizational and governing documents), (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or bound or to which its property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or such subsidiary or any of its properties, as applicable, which violation or default, in the case of clauses (ii) and (iii), would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(u) Ernst & Young LLP, who has certified certain financial statements of the Company and delivered its report with respect to the audited consolidated financial statements and schedules included in the Disclosure Package and the Prospectus, is an independent registered public accounting firm with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder.

(v) The Company has filed all tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not, individually or in the aggregate, have or reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto)) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith and for which the Company has recorded reserves with respect thereto in conformity with GAAP in all material respects or, as would not, individually or in the aggregate, have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(w) No labor dispute with the employees of the Company or any of its subsidiaries exists or is threatened, and the Company is not aware of any existing or threatened labor disturbance by the employees of any of its or its subsidiaries' principal suppliers, contractors or customers that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(x) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged, including war risk insurance on its aircraft under the Federal Aviation Administration's (the "FAA") insurance program authorized under 49 U.S.C. § 44301 et seq.; all policies of insurance

and fidelity or surety bonds insuring the Company or any of its subsidiaries or their respective businesses, assets, employees, officers and directors are in full force and effect; the Company and its subsidiaries are in compliance with the terms of such policies and instruments in all material respects; and there are no material claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability; neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(y) No subsidiary of the Company is currently prohibited by contract, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company, except as described in or contemplated by the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(z) The Company and its subsidiaries (i) possess all licenses, certificates, permits and other authorizations issued by all applicable authorities, including the Department of Transportation, the FAA and the Federal Communications Commission (collectively, the "Governmental Licenses"), necessary to conduct their respective businesses and the Governmental Licenses are valid and in full force and effect, (ii) are in compliance with the terms and conditions of all Governmental Licenses and (iii) have not received any notice of proceedings relating to the revocation or modification of any such Governmental License which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(aa) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and its subsidiaries' internal controls over financial reporting are effective at the reasonable assurance level and the Company and its subsidiaries are not aware of any material weakness in their internal controls over financial reporting. Except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto), since the end of the Company's most recent audited fiscal year there has been no change in the Company's internal

control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(bb) The Company and its subsidiaries maintain an effective system of "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act); such system of disclosure controls and procedures complies with the requirements of the Exchange Act and has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

(cc) The Company has not taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(dd) The Company and its subsidiaries are (i) in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received and are in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (iii) have not received notice of any actual or potential liability under any environmental law, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto). Except as set forth in the Disclosure Package and the Prospectus, neither the Company nor any of the subsidiaries has been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

(ee) None of the following events has occurred or exists: (i) a failure to fulfill the obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the regulations and published interpretations thereunder with respect to a Plan, determined without regard to any waiver of such obligations or extension of any amortization period; (ii) an audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other federal or state governmental agency or any foreign regulatory agency with respect to the employment or compensation of employees by any of the Company or any of its subsidiaries that would reasonably be expected to have a Material Adverse Effect; (iii) any breach of any contractual obligation, or any violation of law or applicable qualification standards, with respect to the employment or compensation of employees by

the Company or any of its subsidiaries that would reasonably be expected to have a Material Adverse Effect.

(ff) There is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply with any provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act") that are effective and applicable to the Company as of the date hereof, including Section 402 relating to loans. The Company presently expects to be in compliance with all additional provisions of the Sarbanes-Oxley Act that will become applicable to it, including those provisions relating to internal controls over financial reporting, when such provisions become applicable to the Company or any of its directors or officers.

(gg) (i) None of the Company or its subsidiaries or affiliates, or any director, officer, or employee thereof, or, to the Company's knowledge, any agent or representative of the Company or of any of its subsidiaries or affiliates, has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment, giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any government official (including any officer or employee of a government or government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office) ("Government Official") in order to influence official action, or to any person in violation of any applicable anti-corruption laws; (ii) the Company and its subsidiaries and affiliates have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; and (iii) neither the Company nor its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(hh) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with all applicable financial recordkeeping and reporting requirements, including those of the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), and the applicable anti-money laundering statutes of jurisdictions where the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Anti-Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(ii) (i) None of the Company, any of its subsidiaries, or any director, officer, or employee thereof, or, to the Company's knowledge, any agent, affiliate or representative of the Company or any of its subsidiaries, is an individual or entity ("Person") that is, or is owned or controlled by one or more Persons that are:

(1) the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC"), the United Nations Security Council ("UNSC"), the European Union ("EU"), Her Majesty's Treasury ("HMT"), or other relevant sanctions authority (collectively, "Sanctions"), or

(2) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(ii) The Company will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(1) to fund or facilitate any activities or business of, or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(2) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past 5 years, the Company and its subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions, except with respect to the Company's service to Cuba, as disclosed in the Registration Statement, the Disclosure Package and the Prospectus.

The Company has complied with the terms of OFAC's general license for persons subject to U.S. jurisdiction to provide carrier services by aircraft to, from or within Cuba, and the U.S. Department of Transportation's final order allocating frequencies to U.S. air carriers for scheduled passenger services between the United States and Havana, Cuba.

(jj) The Company and its subsidiaries own, possess, license or have other rights to use, on commercially reasonable terms, all patents, inventions, trademarks, trade names, service marks, logos, trade dress, designs, data, database rights, Internet domain names, rights of privacy, rights of publicity, copyrights, works of authorship, license rights, trade secrets, know-how and proprietary information (including unpatented and unpatentable proprietary or confidential information, inventions, systems or procedures) and other intellectual property rights, as well as goodwill associated with, and registrations and applications for registration of, any of the foregoing (collectively,

"Intellectual Property") necessary for the conduct of the Company's business as now conducted and as proposed in the Prospectus to be conducted, except where the failure to own or possess or otherwise be able to acquire such Intellectual Property would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. To the Company's knowledge, neither the Company nor any of its subsidiaries, whether through their respective products and services or the conduct of their respective businesses, has infringed, misappropriated, conflicted with or otherwise violated, or is currently infringing, misappropriating, conflicting with or otherwise violating any Intellectual Property of any other person or entity, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. None of the Company or its subsidiaries have received any communication or notice of infringement of, misappropriation of, conflict with or violation of, any Intellectual Property of any other person or entity, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company knows of no infringement, misappropriation or violation by others of Intellectual Property owned by or licensed to the Company or its subsidiaries, except for such infringement, misappropriation or violation that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. All Intellectual Property owned or licensed by the Company is, to the knowledge of the Company, (i) valid and enforceable, (ii) solely owned, licensed or co-licensed by the Company, and (iii) owned free and clear of all liens, encumbrances, defects and other restrictions, except where the failure in any such case listed in clauses (i) through (iii) above would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(kk) The Company and its subsidiaries have complied and are presently in compliance, in all material respects, with their respective privacy policies and other legal obligations regarding the collection, use, transfer, storage, protection, disposal and disclosure by the Company and its subsidiaries of personal and customer information gathered or accessed in the course of their respective operations, and with respect to all such information, the Company and its subsidiaries have taken the steps reasonably necessary to protect such information against loss and against unauthorized access, use, modification, disclosure or other misuse, and, to the knowledge of the Company, there has been no unauthorized access to or other misuse of such information that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ll) The Company and its subsidiaries own or have a valid right to access and use all material computer systems, networks, hardware, software, databases, websites, and equipment used to process, store, maintain and operate data, information, and functions used by the Company and its subsidiaries (the "Company IT Systems"). The Company IT Systems are adequate for, and operate and perform in all material respects as required in connection with, the operation of the business of the Company and the subsidiaries as currently conducted, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company and its subsidiaries have implemented commercially reasonable backup, security and disaster

recovery technology consistent in all material respects with applicable regulatory standards and customary industry practices.

(mm) The Company (i) is an "air carrier" within the meaning of 49 U.S.C. Section 40102(a); (ii) holds an air carrier operating certificate issued by the Secretary of Transportation pursuant to Chapter 447 of Title 49 of the United States Code for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo; and (iii) is a "citizen of the United States" as defined in 49 U.S.C. Section 40102.

(nn) There are no relationships, direct or indirect, or related-party transactions involving the Company or any of its subsidiaries or any other person required to be described in the Registration Statement and the Prospectus which have not been described in such documents and the Disclosure Package as required.

(oo) Neither the Company nor any of its subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company or any of its subsidiaries or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Securities.

(pp) The Company has entered, or will enter, stop transfer instructions with its transfer agent and registrar against the transfer of any of its equity securities by any person or entity who is an equityholder on the date hereof and is subject to the transfer restrictions set forth in a lock-up agreement (including those agreements delivered pursuant to Section 6(k) hereof), the Company's 2014 Equity Incentive Plan (including, without limitation, Section 10(h) thereunder, the award documents and the other agreements thereunder) or in any other agreement of the Company that provides for similar transfer restrictions; provided that, in any case, such stop transfer instructions have been entered, or will be entered, in accordance with the terms and conditions of the applicable agreement or plan pursuant to which the equityholder is subject. The Company will not lift such stop transfer instructions without the prior written consent of the Representatives on behalf of the Underwriters and will use its reasonable commercial efforts to otherwise enforce all such transfer restrictions during the period ending 180 days after the date of the Prospectus.

(qq) None of the Company's debt securities are rated by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 3(a)(62) under the Exchange Act).

Any certificate signed by any officer of the Company on its behalf and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Securities shall be deemed a representation and warranty by the Company (and not the individual signor), as to matters covered thereby, to each Underwriter.

(ii) Each Selling Stockholder, severally and not jointly, as to itself represents and warrants to, and agrees with, the Underwriters and the Company that:

(a) Such Selling Stockholder is the record and beneficial owner of the Securities to be sold by it hereunder free and clear of all liens, encumbrances, equities and claims and has duly endorsed such Securities in blank, and has full power and authority to sell its interest in the Securities, and, assuming that each Underwriter acquires its interest in the Securities it has purchased from such Selling Stockholder without notice of any adverse claim (within the meaning of Section 8-105 of the New York Uniform Commercial Code ("UCC")), each Underwriter that has purchased such Securities delivered on the Closing Date to The Depository Trust Company or other securities intermediary by making payment therefor as provided herein, and that has had such Securities credited to the securities account or accounts of such Underwriters maintained with The Depository Trust Company or such other securities intermediary will have acquired a security entitlement (within the meaning of Section 8-102(a)(17) of the UCC) to such Securities purchased by such Underwriter, and no action based on an adverse claim (within the meaning of Section 8-105 of the UCC) may be asserted against such Underwriter with respect to such Securities.

(b) Such Selling Stockholder has not taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(c) No consent, approval, authorization, filing or order of any court or governmental agency or body is required for the consummation by such Selling Stockholder of the transactions contemplated herein, except (i) such as may have been obtained under the Act or under the securities or blue sky laws of any jurisdiction or the approval by the Financial Industry Regulatory Authority, Inc. ("FINRA") of the underwriting terms and arrangements in connection with the purchase and distribution of the Securities by the Underwriters and (ii) such other approvals as have been obtained. This Agreement has been duly authorized, executed and delivered by or on behalf of such Selling Stockholder and constitutes a legal, valid and binding instrument enforceable against such Selling Stockholder in accordance with its terms.

(d) Neither the sale of the Securities being sold by such Selling Stockholder nor the consummation of any other of the transactions herein contemplated by such Selling Stockholder or the fulfillment of the terms hereof by such Selling Stockholder will conflict with, result in a breach or violation of, or constitute a default under (i) any law or the terms of any indenture or other agreement or instrument to which such Selling Stockholder or any of its subsidiaries, if any, is a party or bound, or any judgment, order or decree applicable to such Selling Stockholder or any of its subsidiaries, if any, of any court, regulatory body, administrative agency, governmental body or arbitrator having jurisdiction over such Selling Stockholder or any of its subsidiaries, if any, or (ii) the organizational documents of such Selling Stockholder and any investment advisor agreement, investment management agreement, stockholder agreement, limited or general partner agreement, LLC member agreement or other agreement concerning the Shares to which the Selling Stockholder is a party; except in the case of clause (i) above for any such conflict, breach, violation or default, as the case may be, that would not, individually or in the aggregate, reasonably be expected to have a material adverse effect

on the ability of such Selling Stockholder to perform its obligations under this Agreement or the consummation of any of the transactions contemplated hereby.

(e) The sale of Securities by such Selling Stockholder pursuant hereto is not prompted by any information concerning the Company or any of its subsidiaries which is not set forth in the Disclosure Package and the Prospectus.

(f) (i) Neither such Selling Stockholder or any of its subsidiaries, or, to the knowledge of such Selling Stockholder, any director, officer, employee, agent, representative, or affiliate thereof, is a Person that is, or is owned or controlled by one or more Persons that are:

(1) the subject of any Sanctions, or

(2) located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, Crimea, Cuba, Iran, North Korea, Sudan and Syria).

(ii) Such Selling Stockholder will not, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

(1) to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

(2) in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(iii) For the past 5 years, such Selling Stockholder has not knowingly engaged in and is not now knowingly engaged in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

(iv)

(1) None of such Selling Stockholder or its subsidiaries, or, to the knowledge of such Selling Stockholder, any director, officer, employee, agent, representative, or affiliate thereof has taken or will take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment giving or receipt of money, property, gifts or anything else of value, directly or indirectly, to any Government Official in order to influence official action, or to any person in violation of any applicable anti-corruption laws; and

(2) neither the Selling Stockholder nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance

of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-corruption laws.

(v) The operations of such Selling Stockholder and its subsidiaries are and have been conducted at all times in compliance with all applicable Anti-Money Laundering Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving such Selling Stockholder or any of its subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Selling Stockholder, threatened.

(g) Solely in respect of any statements in or omissions from the Registration Statement, the Prospectus, any Preliminary Prospectus or any Free Writing Prospectus or any amendment or supplement thereto used by the Company or any Underwriter, as the case may be, made in reliance upon and in conformity with information furnished in writing to the Company by any Selling Stockholder specifically for use in connection with the preparation thereof, such Selling Stockholder hereby makes the same representations and warranties to each Underwriter as the Company makes to such Underwriter under paragraphs (i)(b), (i)(c) and (i)(e) of this Section 1.

Any certificate signed by any officer of any Selling Stockholder and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Securities shall be deemed a representation and warranty by such Selling Stockholder, as to matters covered thereby, to each Underwriter.

2. Purchase and Sale. (a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company and the Selling Stockholders agree, severally and not jointly, to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company and the Selling Stockholders, at a purchase price of $[●] per share, the amount of the Underwritten Securities set forth opposite such Underwriter's name in Schedule I hereto.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Selling Stockholders hereby grant an option to the several Underwriters to purchase, severally and not jointly, up to [●] Option Securities at the same purchase price per share as the Underwriters shall pay for the Underwritten Securities. Said option may be exercised only to cover over-allotments in the sale of the Underwritten Securities by the Underwriters. Said option may be exercised once, in whole or in part, on or before the 30th day after the date of the Prospectus upon written or telegraphic notice by the Representatives to the Company and the Selling Stockholders setting forth the number of shares of the Option Securities as to which the several Underwriters are exercising the option and the settlement date. The maximum number of Option Securities which each Selling Stockholder agrees to sell to the Underwriters pursuant to this Agreement is set forth in Schedule II hereto. In the event that the Underwriters exercise less than their full option to purchase Option Securities, the number of Option Securities to be sold by the Company and each Selling Stockholder

listed on Schedule II shall be, as nearly as practicable, in the same proportion as the maximum number of Option Securities to be sold by the Company and each Selling Stockholder and the number of Option Securities to be sold. The number of Option Securities to be purchased by each Underwriter shall be the same percentage of the total number of shares of the Option Securities to be purchased by the several Underwriters as such Underwriter is purchasing of the Underwritten Securities, subject to such adjustments as you in your absolute discretion shall make to eliminate any fractional shares.

3. Delivery and Payment. Delivery of and payment for the Underwritten Securities and the Option Securities (if the option provided for in Section 2(b) hereof shall have been exercised on or before the third Business Day immediately preceding the Closing Date) shall be made at 10:00 AM, New York City time, on [●], 2017 or at such time on such later date not more than three Business Days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement among the Representatives, the Company and the Selling Stockholders, with respect to the Underwritten Securities, or among the Representatives and the Selling Stockholders, with respect to the Option Securities, or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "Closing Date"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the respective aggregate purchase prices of the Securities being sold by the Company and each of the Selling Stockholders to or upon the order of the Company and the Selling Stockholders by wire transfer payable in same-day funds to the accounts specified by the Company and the Selling Stockholders. Delivery of the Underwritten Securities and the Option Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

Each Selling Stockholder will pay all applicable state transfer taxes, if any, involved in the transfer to the several Underwriters of the Securities to be purchased by them from such Selling Stockholder and the respective Underwriters will pay any additional stock transfer taxes involved in further transfers.

If the option provided for in Section 2(b) hereof is exercised after the third Business Day immediately preceding the Closing Date, the Selling Stockholders named in Schedule II hereto will deliver in accordance with Schedule II hereto the Option Securities (at the expense of the Company) to the Representatives, at the place and on the date specified by the Representatives (which shall be within three Business Days after exercise of said option) for the respective accounts of the several Underwriters, against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Selling Stockholders by wire transfer payable in same-day funds to the accounts specified by the Selling Stockholders. If settlement for the Option Securities occurs after the Closing Date, the Company and the Selling Stockholders will deliver to the Representatives on the settlement date for the Option Securities, and the obligation of the Underwriters to purchase the Option Securities shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 6 hereof.

4. Offering by Underwriters. It is understood that the several Underwriters propose to offer the Securities for sale to the public as set forth in the Prospectus.

5. Agreements.

(i) The Company agrees with the several Underwriters that:

(a) Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement to the Prospectus or any Rule 462(b) Registration Statement unless the Company has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. The Company will cause the Prospectus, properly completed, and any supplement thereto to be filed in a form approved by the Representatives with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed and will provide evidence satisfactory to the Representatives of such timely filing. The Company will promptly advise the Representatives (1) when the Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (2) when, prior to termination of the offering of the Securities, any amendment to the Registration Statement shall have been filed or become effective, (3) of any request by the Commission or its staff for any amendment of the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Prospectus or for any additional information, (4) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or of any notice objecting to its use or the institution or threatening of any proceeding for that purpose and (5) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its reasonable best efforts to prevent the issuance of any such stop order or the occurrence of any such suspension or objection to the use of the Registration Statement and, upon such issuance, occurrence or notice of objection, to obtain as soon as possible the withdrawal of such stop order or relief from such occurrence or objection, including, if necessary, by filing an amendment to the Registration Statement or a new registration statement and using its reasonable best efforts to have such amendment or new registration statement declared effective as soon as practicable.

(b) If, at any time prior to the filing of the Prospectus pursuant to Rule 424(b), any event occurs as a result of which the Disclosure Package would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, the Company will (1) notify promptly the Representatives so that any use of the Disclosure Package may cease until it is amended or supplemented; (2) amend or supplement the Disclosure Package to correct such statement or omission; and (3) supply any amendment or supplement to you in such quantities as you may reasonably request.

(c) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), any event occurs as a result of which the Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made at such time not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Prospectus to comply with the Act or the rules thereunder, the Company promptly will (1) notify the Representatives of any such event; (2) prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 5, an amendment or supplement which will correct such statement or omission or effect such compliance; and (3) supply any supplemented Prospectus to you in such quantities as you may reasonably request.

(d) As soon as practicable to do so, but in any event not later than the Availability Date (as defined below), the Company will use its reasonable best efforts to make generally available to its security holders (which may be satisfied under the conditions of Rule 158 under the Act) an earning statement (which need not be audited) covering a period of at least 12 consecutive months beginning after the Effective Date of the Registration Statement that will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act. For the purpose of the preceding sentence, "Availability Date" means the day the Company is required to publicly file with the Commission its Form 10-Q or Form 10-K, as applicable, for the fourth fiscal quarter following the fiscal quarter that includes the Effective Date.

(e) The Company will furnish to the Representatives and counsel for the Underwriters, without charge, signed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act (including in circumstances where such requirement may be satisfied pursuant to Rule 172), as many copies of each Preliminary Prospectus, the Prospectus and each Issuer Free Writing Prospectus and any supplement thereto as the Representatives may reasonably request. The Company will pay the expenses of printing or other production of all documents relating to the offering.

(f) The Company will arrange, if necessary, for the qualification of the Securities for sale under the laws of such jurisdictions in the United States and Canada as the Representatives may reasonably designate and will maintain such qualifications in effect so long as required for the distribution of the Securities; provided that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to taxation in excess of a nominal amount or to service of process in suits, other than those arising out of the offering or sale of the Securities, in any jurisdiction where it is not now so subject.

(g) For a period of 180 days after the date of this Agreement, the Company will not, without the prior written consent of the Representatives, (i) offer, sell, contract to sell, pledge, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, (or enter into any transaction which is designed to, or might reasonably be

expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company) directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, any other shares of Common Stock or any securities convertible into, or exercisable, or exchangeable for, shares of Common Stock; or publicly announce an intention to effect any such transaction, or (ii) enter into any hedge, swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Common Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or such other securities, in cash or otherwise; provided, however, that the Company may issue and sell Common Stock, or securities convertible into or exercisable or exchangeable for shares of Common Stock, pursuant to any compensatory stock option plan, stock ownership plan, dividend reinvestment plan or other equity compensation plan of the Company in effect at the Applicable Time and the Company may issue Common Stock issuable upon the conversion or exercise of securities outstanding at the Applicable Time. The restrictions in the foregoing sentence shall not apply to (i) the sale and issuance of the Securities to be sold hereunder or (ii) the filing of a registration statement on Form S-8 for the registration of shares of Common Stock issued pursuant to the Company's equity incentive and employee benefit plans disclosed in the Prospectus.

(h) If the Representatives, in their sole discretion, agree to release or waive the restrictions set forth in a lock-up agreement described in Section 6(k) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver (which waiver shall be substantially in the form of Exhibit C hereto) at least three Business Days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit B hereto through a major news service at least two Business Days before the effective date of the release or waiver.

(i) The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(j) The Company will use the net proceeds received by it in connection with the offering in the manner described in the "Use of Proceeds" section of the Disclosure Package and, except as disclosed in the Disclosure Package, the Company does not intend to use any of the proceeds from the sale of the Underwritten Securities hereunder to repay any outstanding debt known by it to be owed to any affiliate of any Underwriter.

(k) The Company agrees to pay the costs and expenses relating to the following matters: (i) the preparation, printing or reproduction and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto), each Preliminary Prospectus, the Prospectus and each Issuer Free Writing Prospectus, and each amendment or supplement to any of them; (ii) the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Registration Statement, each Preliminary

Prospectus, the Prospectus and each Issuer Free Writing Prospectus, and all amendments or supplements to any of them, as may, in each case, be reasonably requested for use in connection with the offering and sale of the Securities; (iii) the preparation, printing, authentication, issuance and delivery of certificates for the Securities, including any stamp or transfer taxes in connection with the original issuance and sale of the Securities; (iv) the printing (or reproduction) and delivery of this Agreement, any blue sky or other securities law memorandum contemplated by paragraph 5(i)(f) and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Securities; (v) the registration of the Securities under the Exchange Act and the listing of the Securities on the NASDAQ Global Select Market; (vi) any registration or qualification of the Securities for offer and sale under the securities or blue sky laws of the several states or such other jurisdictions contemplated in paragraph 5(i)(f) hereof (including filing fees and the reasonable and documented fees and expenses of counsel for the Underwriters relating to such registration and qualification); (vii) any filings required to be made with FINRA (including filing fees and the reasonable and documented fees and expenses of counsel for the Underwriters relating to such filings); (viii) the transportation and other expenses incurred by or on behalf of Company representatives in connection with presentations to prospective purchasers of the Securities; (ix) the fees and expenses of the Company's accountants and the fees and expenses of counsel (including local and special counsel) for the Company and the Selling Stockholders; and (x) all other costs and expenses incident to the performance by the Company and the Selling Stockholders of their obligations hereunder; provided that the amount payable by the Company with respect to fees and disbursements of counsel for the Underwriters incurred pursuant to subsections (vi) and (vii) shall not exceed $30,000 in the aggregate.

(l) The Company agrees that, unless it has or shall have obtained the prior written consent of the Representatives, and each Underwriter, severally and not jointly, agrees with the Company that, unless it has or shall have obtained, as the case may be, the prior written consent of the Company, it has not made and will not make any offer relating to the Securities that would constitute an Issuer Free Writing Prospectus or that would otherwise constitute a "free writing prospectus" (as defined in Rule 405) required to be filed by the Company with the Commission or retained by the Company under Rule 433; provided that the prior written consent of the parties hereto shall be deemed to have been given in respect of the Free Writing Prospectuses included in Schedule III hereto. Any such free writing prospectus consented to by the Representatives or the Company is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company agrees that (x) it has treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus and (y) it has complied and will comply, as the case may be, with the requirements of Rules 164 and 433 applicable to any Permitted Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping.

(ii) Each Selling Stockholder agrees with the several Underwriters that:

(a) Such Selling Stockholder will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or

result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(b) Such Selling Stockholder will advise you promptly, and if requested by you, will confirm such advice in writing, so long as delivery of a prospectus relating to the Securities by an underwriter or dealer may be required under the Act, of any change in information in the Registration Statement, the Prospectus, any Preliminary Prospectus or any Free Writing Prospectus or any amendment or supplement thereto relating to such Selling Stockholder.

(c) Such Selling Stockholder represents that it has not prepared or had prepared on its behalf or used or referred to, and agrees that it will not prepare or have prepared on its behalf or use or refer to, any Free Writing Prospectus, and has not distributed and will not distribute any written materials in connection with the offer or sale of the Securities.

6. Conditions to the Obligations of the Underwriters. The obligations of the Underwriters to purchase the Underwritten Securities and the Option Securities, as the case may be, shall be subject to the accuracy of the representations and warranties on the part of the Company and the Selling Stockholders contained herein as of the Applicable Time and the Closing Date and any settlement date pursuant to Section 3 hereof, to the accuracy of the statements of the Company and the Selling Stockholders made in any certificates pursuant to the provisions hereof, to the performance by the Company and the Selling Stockholders of their respective obligations hereunder and to the following additional conditions:

(a) The Prospectus, and any supplement thereto, have been filed in the manner and within the time period required by Rule 424(b); any material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time periods prescribed for such filings by Rule 433; and no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Company shall have requested and caused (i) Latham & Watkins LLP, counsel for the Company, to have furnished to the Representatives its opinion and negative assurance letter, each dated the Closing Date and addressed to the Representatives, substantially in the form set forth in Exhibit D and Exhibit E, respectively; and (ii) each of Snell & Wilmer L.L.P., special counsel to the Company, and Hogan Lovells US LLP, special regulatory counsel to the Company, to have furnished to the Representatives its opinion, substantially in the form set forth in Exhibit F and Exhibit G, respectively.

(c) The Selling Stockholders shall have requested and caused Latham & Watkins LLP, counsel for the Selling Stockholders, to have furnished to the Representatives its opinion dated the Closing Date and addressed to the Representatives, substantially in the form set forth in Exhibit H.

(d) The Representatives shall have received from Davis Polk & Wardwell LLP, counsel for the Underwriters, such opinion or opinions and negative assurance letter, dated the Closing Date and addressed to the Representatives, with respect to the issuance and sale of the Securities, the Registration Statement, the Disclosure Package, the Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company and each Selling Stockholder shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(e) The Company shall have furnished to the Representatives a certificate of the Company, executed on its behalf by the principal executive officer and the principal financial officer of the Company, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Disclosure Package, any Issuer Free Writing Prospectus, any Preliminary Prospectus, the Prospectus and any amendment or supplement thereto, and this Agreement and that:

(i) the representations and warranties of the Company in this Agreement are true and correct in all material respects, or, if already qualified by materiality, are true and correct, on and as of the Closing Date with the same effect as if made on the Closing Date, and the Company has complied in all material respects with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement or any notice objecting to its use has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(iii) since the date of the most recent financial statements included in the Disclosure Package and the Prospectus (exclusive of any supplement thereto), there has been no material adverse change or any development involving a prospective material adverse change in or affecting the earnings, business, prospects, management, properties, assets, operations or condition (financial or otherwise) of the Company and its subsidiaries taken as a whole, whether or not occurring in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any supplement thereto).

(f) Each Selling Stockholder shall have furnished to the Representatives a certificate, executed on its behalf by an authorized officer of such Selling Stockholder, dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Disclosure Package, any Issuer Free Writing Prospectus, any Preliminary Prospectus, the Prospectus, and any amendment or supplement thereto and this Agreement and that the representations and warranties of such Selling Stockholder in this Agreement are true and correct in all material respects, or, if already qualified by materiality, are true and correct, on and as of the Closing Date to the same effect as if made on the Closing Date and that the Selling Stockholder has

complied in all material respects with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(g) The Representatives shall have received, on each of the date hereof and the Closing Date, a letter dated the date hereof or the Closing Date, as the case may be, in form and substance reasonably satisfactory to the Underwriters, from Ernst & Young LLP, an independent registered public accounting firm with respect to the Company within the meaning of the Act and the applicable published rules and regulations thereunder, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Disclosure Package and the Prospectus; provided that the letter delivered on the Closing Date shall use a "cut-off date" not earlier than three business days prior to such Closing Date.

(h) The Representatives shall have received, on each of the date hereof and the Closing Date, a certificate of the Company, executed on its behalf by the principal financial officer of the Company, substantially in the form agreed with the Representatives.

(i) Subsequent to the Applicable Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Prospectus (exclusive of any supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraph (g) of this Section 6 or (ii) any change, or any development involving a prospective change, in or affecting the condition (financial or otherwise), earnings, business, prospects or properties of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in or contemplated in the Disclosure Package and the Prospectus (exclusive of any amendment or supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the sole judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof), the Disclosure Package and the Prospectus (exclusive of any amendment or supplement thereto).

(j) The Securities shall have been listed and admitted and authorized for trading on the NASDAQ Global Select Market, and satisfactory evidence of such actions shall have been provided to the Representatives.

(k) On or before the date hereof, the Company shall have furnished to the Representatives lock-up agreements substantially in the form of Exhibit A hereto from each officer and director of the Company and all Company stockholders, including the Selling Stockholders, and other equity holders of the Company including holders of stock options and other equity awards, and such lock-up letters shall be in full force and effect on the Closing Date.

(l) The Company will deliver to each Underwriter, on or before the Closing Date, (i) a certificate with respect to the Company's status as a "United States real property holding corporation," dated not more than thirty (30) days prior to the Closing Date, as described in Treasury Regulations Sections 1.897-2(h) and 1.1445-2(c)(3), and (ii) proof of delivery to the Internal Revenue Service of the required notice, as described in Treasury Regulations Section 1.897-2(h)(2).

(m) Each Selling Stockholder will deliver to the Representatives prior to or at the Closing Date a properly completed and executed Internal Revenue Service Form W-9 or Form W-8, as appropriate, together with all required attachments to such form.

(n) The several obligations of the Underwriters to purchase Option Securities hereunder are subject to the delivery to the Representatives on the applicable settlement date of the following:

(i) (A) an opinion and negative assurance letter of Latham & Watkins LLP, counsel for the Company; (B) an opinion of Snell & Wilmer L.L.P., special counsel to the Company; and (C) an opinion of Hogan Lovells US LLP, special regulatory counsel to the Company, in each case, dated the settlement date, relating to the Option Securities to be purchased on such settlement date and otherwise to the same effect as the opinions and negative assurance letter required by Section 6(b) hereof;

(ii) an opinion of Latham & Watkins LLP, counsel for the Selling Stockholders, dated the settlement date, relating to the Option Securities to be purchased on such settlement date and otherwise to the same effect as the opinion required by Section 6(c) hereof;

(iii) an opinion and negative assurance letter of Davis Polk & Wardwell LLP, counsel for the Underwriters, dated the settlement date, relating to the Option Securities to be purchased on such settlement date and otherwise to the same effect as the opinion required by Section 6(d) hereof;

(iv) a certificate of the Company, dated the settlement date and executed on behalf of the Company by the principal executive officer and the principal financial officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 6(e) hereof remains true and correct as of such settlement date;

(v) a certificate, dated the settlement date, from each Selling Stockholder, executed on behalf of such Selling Stockholder by an authorized officer of such Selling Stockholder, confirming that the certificate delivered on the Closing Date pursuant to Section 6(f) hereof remains true and correct as of such settlement date.

(vi) a letter dated the settlement date, in form and substance satisfactory to the Underwriters, from Ernst & Young LLP, an independent

registered public accounting firm, substantially in the same form and substance as the letter furnished to the Underwriters pursuant to Section 6(g) hereof; provided that the letter delivered on the settlement date shall use a "cut-off date" not earlier than three business days prior to such settlement date;

(vii) a certificate of the Company, dated the settlement date and executed on behalf of the Company by the principal financial officer of the Company, confirming that the certificate delivered on the Closing Date pursuant to Section 6(h) hereof remains true and correct as of such settlement date; and

(viii) the Company will deliver to each Underwriter, on or before the settlement date a certificate in form and substance as described in Section 6(l) dated not more than thirty (30) days prior to the settlement date together with proof of delivery to the Internal Revenue Service.

If any of the conditions specified in this Section 6 shall not have been fulfilled when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date or the applicable settlement date by the Representatives. Notice of such cancellation shall be given to the Company and each Selling Stockholder in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered at the place that you designate on the Closing Date or the applicable settlement date.

7. Reimbursement of Underwriters' Expenses. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 hereof is not satisfied, because of any termination pursuant to Section 9 or 10 hereof or because of any refusal, inability or failure on the part of the Company or any Selling Stockholders to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally through the Representatives on demand for all documented out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been reasonably incurred by them in connection with the proposed purchase and sale of the Securities. If this Agreement is terminated pursuant to Section 9 by reason of the default of one or more Underwriters, neither the Company nor any Selling Stockholder shall be obligated to reimburse any defaulting Underwriter for any such expenses. If the Company is required to make any payments to the Underwriters under this Section 7 because of any Selling Stockholder's refusal, inability or failure to satisfy any condition to the obligations of the Underwriters set forth in Section 6, the Selling Stockholders shall reimburse the Company on demand for all amounts so paid *pro rata* in proportion to the percentage of Securities to be sold by each.

8. Indemnification and Contribution. (a) The Company agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter, each person who controls any Underwriter within the meaning of either the

Act or the Exchange Act, and each affiliate of any Underwriter within the meaning of the Act against any and all losses, claims, damages or liabilities (including, without limitation, any documented out-of-pocket legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim), joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other Federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities or in any amendment thereof, or in any Preliminary Prospectus, the Prospectus, or any Issuer Free Writing Prospectus or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with the written information set forth in clauses (i) through (iii) of Section 8(c) furnished to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion therein. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Selling Stockholder severally agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, each Underwriter, the directors, officers, employees, affiliates and agents of each Underwriter and each person who controls the Company or any Underwriter within the meaning of either the Act or the Exchange Act and each other Selling Stockholder, if any, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to written information furnished to the Company by or on behalf of such Selling Stockholder specifically for inclusion in the documents referred to in the foregoing indemnity. The Company and the Selling Stockholders may agree, as among themselves and without limiting the rights of the Underwriters under this Agreement, as to the respective amounts of such liability for which they each shall be responsible. This indemnity agreement will be in addition to any liability which any Selling Stockholder may otherwise have.

(c) Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company and each Selling Stockholder, each of its directors, each of its officers who signs the Registration Statement, and each person who controls the Company or such Selling Stockholder within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity

agreement will be in addition to any liability which any Underwriter may otherwise have. Each of the Company and each Selling Stockholder acknowledges that the statements set forth in (i) the list of Underwriters and their respective participation in the sale of the Securities, (ii) the sentences related to concessions and reallowances and (iii) the paragraph related to stabilization and syndicate covering transactions in the fourteenth paragraph under the heading "Underwriting" in any Preliminary Prospectus and the Prospectus constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in any Issuer Free Writing Prospectus, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto.

(d) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a), (b) or (c) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a), (b) or (c) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent: (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (ii) does not include an admission of fault.

(e) In the event that the indemnity provided in paragraph (a), (b) or (c) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company, the Selling Stockholders and the Underwriters agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending the same) (collectively "Losses") to which the Company, one or more of the Selling Stockholders and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company, by the Selling Stockholders and by the Underwriters from the offering of the Securities. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company, the Selling Stockholders and the Underwriters shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company, of the Selling Stockholders and of the Underwriters in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company and by the Selling Stockholders shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by each of them, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Prospectus. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company or the Selling Stockholders, on the one hand, or the Underwriters, on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company, the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (e), in no event shall any Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Securities exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee, affiliate and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (e).

(f) The liability of each Selling Stockholder under Sections 8(b) and 8(e) shall not in any event exceed an amount equal to the total net cash proceeds (after

deducting underwriting discounts and commissions, but before deducting expenses) from the sale of the Securities sold by such Selling Stockholder to the Underwriters pursuant to this Agreement at the initial public offer price as set forth in the table on the cover page of the Prospectus.

9. Default by an Underwriter. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Securities set forth opposite their names in Schedule I hereto bears to the aggregate amount of Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; provided, however, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule I hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such nondefaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any nondefaulting Underwriter, the Selling Stockholders or the Company. In the event of a default by any Underwriter as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company, the Selling Stockholders and any nondefaulting Underwriter for damages occasioned by its default hereunder.

10. Termination. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for the Securities, if at any time prior to such delivery and payment: (i) trading in the Company's Common Stock shall have been suspended by the Commission or on any exchange or in any over-the-counter market (ii) trading in securities generally shall have been suspended or limited on any of the New York Stock Exchange or the NASDAQ Global Market, or minimum prices shall have been established on any of such exchanges, (iii) a banking moratorium shall have been declared either by Federal or New York State authorities, (iv) there shall have occurred a material disruption in commercial banking or securities settlement or clearance services or (v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national emergency or war, or other calamity or crisis the effect of which on financial markets is such as to make it, in the sole judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by any Preliminary Prospectus or the Prospectus (exclusive of any amendment or supplement thereto).

11. Representations and Indemnities to Survive. The respective agreements, representations, warranties, indemnities, rights of contribution and other statements of the Company or its officers, of each Selling Stockholder and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter, any Selling Stockholder or the Company or any of the

officers, directors, employees, agents, affiliates or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancellation of this Agreement.

12. Notices. All communications hereunder will be in writing and effective only on receipt, and (a) if sent to the Representatives, will be mailed, delivered or telefaxed to (i) Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10013 Attention: General Counsel, facsimile number 1-646-291-1469; (ii) Deutsche Bank Securities Inc., 60 Wall Street, 2nd Floor, New York, New York 10005, Attention: Equity Capital Markets – Syndicate Desk, fax: (212) 797-9344 , with a copy to Deutsche Bank Securities Inc., 60 Wall Street, 36th Floor, New York, New York 10005, Attention: General Counsel, fax: (212) 797-4564; (iii) Evercore Group L.L.C. 55 East 52nd Street, New York, New York 10055, Attention: Jeff Rosichan; and (iv) J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358); Attention: Equity Syndicate Desk; and (b) if sent to the Company, will be mailed or delivered to and confirmed to it at Frontier Group Holdings, Inc., 7001 Tower Road, Denver, CO 80249, Attention: General Counsel; or if sent to any Selling Stockholder, will be mailed, delivered or telefaxed and confirmed to it at the address set forth in Schedule II hereto.

13. Successors. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

14. No fiduciary duty. Each of the Company and each Selling Stockholder hereby acknowledges that (a) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company or Selling Stockholder, on the one hand, and the Underwriters and any affiliate through which it may be acting, on the other, (b) the Underwriters are acting as principal and not as an agent or fiduciary of the Company or any Selling Stockholder and (c) the Company's engagement of the Underwriters in connection with the offering and the process leading up to the offering is as independent contractors and not in any other capacity. Furthermore, each of the Company and each Selling Stockholder agrees that it is solely responsible for making its own judgments in connection with the offering (irrespective of whether any of the Underwriters has advised or is currently advising the Company or any Selling Stockholder on related or other matters). Each of the Company and each Selling Stockholder agrees that it will not claim that the Underwriters have rendered advisory services of any nature or respect, or owe an agency, fiduciary or similar duty to the Company or such Selling Stockholder, as the case may be, in connection with such transaction or the process leading thereto.

15. Integration. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company, the Selling Stockholders and the Underwriters, or any of them, with respect to the subject matter hereof.

16. Applicable Law. This Agreement and any claim, controversy or dispute arising under or related to this Agreement will be governed by and construed in accordance with

the laws of the State of New York applicable to contracts made and to be performed within the State of New York.

17. Waiver of Jury Trial. Each of the Company and the Selling Stockholders hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

18. Submission to Jurisdiction. Each of the Company and the Selling Stockholders hereby submit to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Each of the Company and the Selling Stockholders waive any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. Each of the Company and the Selling Stockholders agree that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company and each Selling Stockholder, as applicable, and may be enforced in any court to the jurisdiction of which Company and each Selling Stockholder, as applicable, is subject by a suit upon such judgment.

19. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

20. Headings. The section headings used herein are for convenience only and shall not affect the construction hereof.

21. Definitions. The terms that follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Applicable Time" shall mean [●] [A/P].M., New York City time, on [●], 20[ ].

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

"Commission" shall mean the Securities and Exchange Commission.

"Disclosure Package" shall mean (i) the Preliminary Prospectus that is generally distributed to investors and used to offer the Securities, (ii) the Issuer Free Writing Prospectuses, if any, identified in Schedule III hereto and (iii) any other Free Writing Prospectus that the parties hereto shall hereafter expressly agree in writing to treat as part of the Disclosure Package.

"Effective Date" shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or becomes effective.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Free Writing Prospectus" shall mean a free writing prospectus, as defined in Rule 405.

"Issuer Free Writing Prospectus" shall mean an issuer free writing prospectus, as defined in Rule 433 under the Act, and includes, for the avoidance of doubt, a "road show that is a written communication" within the meaning of Rule 433(d)(8)(i), whether or not required to be filed with the Commission.

"Preliminary Prospectus" shall mean any preliminary prospectus referred to in paragraph 1(i)(a) above and any preliminary prospectus included in the Registration Statement at the Effective Date that omits Rule 430A Information.

"Prospectus" shall mean the prospectus relating to the Securities that is first filed pursuant to Rule 424(b) after the Applicable Time.

"Registration Statement" shall mean the registration statement referred to in paragraph 1(i)(a) above, including exhibits and financial statements and any prospectus supplement relating to the Securities that is filed with the Commission pursuant to Rule 424(b) and deemed part of such registration statement pursuant to Rule 430A, as amended at the Applicable Time and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date, shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be.

"Rule 158", "Rule 163", "Rule 164", "Rule 172", "Rule 405", "Rule 415", "Rule 424", "Rule 430A" and "Rule 433" refer to such rules under the Act.

"Rule 430A Information" shall mean information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

"Rule 462(b) Registration Statement" shall mean a registration statement and any amendments thereto filed pursuant to Rule 462(b) relating to the offering covered by the registration statement referred to in paragraph 1(i)(a) above.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company, the Selling Stockholder(s) and the several Underwriters.

Very truly yours,

Frontier Group Holdings, Inc.

By: _____
Name:
Title:

[Selling Stockholder]

By: _____
Name:
Title:

[Selling Stockholder]

By: _____
Name:
Title:

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

Citigroup Global Markets Inc.
Deutsche Bank Securities Inc.
Evercore Group L.L.C.
J.P. Morgan Securities LLC

By: Citigroup Global Markets Inc.

By: _____
Name:
Title:

By: Deutsche Bank Securities Inc.

By: _____
Name:
Title:

By: Evercore Group L.L.C.

By: _____
Name:
Title:

By: J.P. Morgan Securities LLC

By: _____
Name:
Title:

For themselves and the other several Underwriters named in Schedule I to the foregoing Agreement.

SCHEDULE I

Underwriters	Number of Underwritten Securities to be Purchased
Citigroup Global Markets Inc.	
Deutsche Bank Securities Inc.	
Evercore Group L.L.C.	
J.P. Morgan Securities LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Barclays Capital Inc.	
Cowen and Company, LLC	
Credit Suisse Securities (USA) LLC	
Goldman Sachs & Co. LLC	
Raymond James & Associates, Inc.	
UBS Securities LLC	
Total:	

SCHEDULE II

Selling Stockholders	Number of Underwritten Securities to be Sold	Maximum Number of Option Securities to be Sold
[name]		
[address, fax no.]		
[name]		
[address, fax no.]		
Total:		

SCHEDULE III

Schedule of Free Writing Prospectuses included in the Disclosure Package

EXHIBIT A

FORM OF LOCK-UP AGREEMENT

Frontier Group Holdings, Inc.
Public Offering of Common Stock

, 2017

Citigroup Global Markets Inc.
Deutsche Bank Securities Inc.
Evercore Group L.L.C.
J.P. Morgan Securities LLC
As Representatives of the several Underwriters,

c/o Citigroup Global Markets Inc.
388 Greenwich Street
New York, New York 10013

c/o Deutsche Bank Securities Inc.
60 Wall Street
New York, New York 10005

c/o Evercore Group L.L.C.
55 East 52nd Street
New York, New York 10055

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, New York 10179

Ladies and Gentlemen:

This letter is being delivered to you in connection with the proposed Underwriting Agreement (the "**Underwriting Agreement**"), among Frontier Group Holdings, Inc., a Delaware corporation (the "**Company**"), certain selling stockholders and each of you as representatives (the "**Representatives**") of a group of underwriters (the "**Underwriters**") named therein, relating to an underwritten public offering of Common Stock, $0.001 par value (the "**Common Stock**"), of the Company (the "**Offering**").

In order to induce you and the other Underwriters to enter into the Underwriting Agreement, the undersigned will not, without the prior written consent of Citigroup Global Markets Inc. ("**Citigroup**"), Deutsche Bank Securities Inc. ("**Deutsche Bank**"), Evercore Group L.L.C. ("**Evercore**") and J.P. Morgan Securities LLC ("**J.P. Morgan**" and, together with Citigroup, Deutsche Bank and Evercore, the "**Lock-up Agents**"), offer, sell, contract to sell, pledge or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition

(whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the undersigned or any affiliate of the undersigned or any person in privity with the undersigned or any affiliate of the undersigned), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Securities and Exchange Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and the rules and regulations of the Securities and Exchange Commission promulgated thereunder with respect to, any shares of capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, such capital stock, or publicly announce an intention to effect any such transaction, for a period from the date of the preliminary prospectus relating to the Offering that first includes a price range on the cover until (and including) the date that is 180 days after the date of the Underwriting Agreement (the "**lock-up period**").

Notwithstanding the foregoing, the undersigned may transfer shares of Common Stock (or any securities convertible into, exercisable for, or exchangeable for Common Stock):

(i) as a *bona fide* gift or gifts; *provided* that the donee or donees thereof agree to be bound in writing by the restrictions set forth herein;

(ii) to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned; *provided* that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein;

(iii) to any third party granted an interest in the undersigned's will or under the laws of descent; *provided* that such grantee agrees to be bound in writing by the restrictions set forth herein;

(iv) in transactions relating to shares of Common Stock acquired by the undersigned in open market transactions after the completion of the Offering; *provided* that no public announcements or filings by any party under the Exchange Act, the Securities Act of 1933, as amended (the "**Securities Act**"), or otherwise shall be required or shall be voluntarily made in connection with such transfer or distribution;

(v) if the undersigned is a corporation, business trust, association, limited liability company, partnership, limited liability partnership or other entity (individually, an "**Entity**"), to any Entity which is directly or indirectly controlled by, or is under common control with, the undersigned; *provided* that it shall be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such securities subject to the provisions of this lock-up agreement and there shall be no further transfer of such securities except in accordance with this lock-up agreement; *provided further* that no public announcements or filings by any party under the Exchange Act (other than any required filings on Form 5, provided that such Form 5 filings clearly indicate in

the footnotes thereto an explanation of the type of transaction giving rise to the change in ownership and that the footnotes thereto also indicate that the securities so transferred or distributed are subject to a lock-up agreement with the Underwriters of the Offering), the Securities Act or otherwise shall be required or shall be voluntarily made in connection with such transfer or distribution; *provided further* that the undersigned shall provide the Representatives at least two business days' prior written notice of any such transaction, transfer or other disposition permitted under this clause (v) that would require a filing on Form 5 but would not require any other filing under the Exchange Act, the Securities Act or otherwise and would not require any other public announcement;

(vi) if such transfers by the undersigned are sales of Common Stock in the Offering through the Underwriters pursuant to the Underwriting Agreement;

(vii) in connection with the exercise of stock options or other similar awards granted pursuant to the Company's equity incentive plans described in the prospectus relating to the Offering (each, a "**Company Equity Plan**") solely for cash; *provided* that the restrictions set forth herein shall apply to any of the shares of Common Stock (or any securities convertible into, exercisable for, or exchangeable for Common Stock) issued to the undersigned upon such exercise; *provided further* that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option or similar award, that no shares were sold by the reporting person and that the shares received upon exercise of the stock option or similar award are subject to a lock-up agreement with the Underwriters of the Offering; *provided further* that no other public announcement shall be required or shall be voluntarily made in connection with such exercise;

(viii) in connection with the withholding of shares of Common Stock (or any securities convertible into, exercisable for, or exchangeable for Common Stock) by the Company or sale of such shares or securities by the undersigned to the Company pursuant to a vesting event of stock options or other similar awards granted pursuant to a Company Equity Plan to cover tax withholding obligations of the undersigned or the payment of taxes due by the undersigned in connection with the vesting event; *provided* that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the purpose of such transfer is to cover such tax withholding obligations or the payment of taxes due in connection with the vesting event and that no other shares were sold; *provided further* that no other public announcement shall be required or shall be voluntarily made in connection with such vesting;

(ix) in connection with the transfer of shares of Common Stock (or any securities convertible into, exercisable for, or exchangeable for Common Stock) to the Company upon the exercise of stock options or other similar awards granted pursuant to a Company Equity Plan on a "cashless" or "net exercise" basis

(which, for the avoidance of doubt shall not include "cashless" exercise programs involving a broker or other third party); *provided* that the restrictions set forth herein shall apply to any of the shares issued to the undersigned upon such exercise; *provided further* that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the "cashless" or "net" exercise of a stock option, that no other shares were sold by the reporting person and that the shares received upon exercise of the stock option are subject to a lock-up agreement with the Underwriters of the Offering; *provided further* that no other public announcement shall be required or shall be voluntarily made in connection with such exercise; or

(x) by operation of law or court order pursuant to a domestic relations order or a negotiated divorce settlement; *provided* that the recipient agrees to be bound in writing by the restrictions set forth herein; *provided further* that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is pursuant to such court order or settlement and that the shares are subject to a lock-up agreement with the Underwriters of the Offering; *provided further* that no other public announcement shall be required or shall be voluntarily made in connection with such exercise;

provided that:

(A) in the case of any transfer or distribution pursuant to each of the clauses (i) or (ii) above, no public announcements or filings (other than any required filings on Form 5, provided that such Form 5 filings clearly indicate in the footnotes thereto an explanation of the type of transaction giving rise to the change in ownership and that the footnotes thereto also indicate the securities so transferred or distributed are subject to a lock-up agreement with the Underwriters of the Offering) by any party under the Exchange Act, the Securities Act, or otherwise shall be required or shall be voluntarily made in connection with such transfer or distribution;

(B) in the case of any transfer or distribution pursuant to each of the clauses (i), (ii), (iii) or (v) above, such transfer or distribution shall not involve a disposition for value; and

(C) in the event of any transfer or distribution for which a public filing under Section 16(a) of the Exchange Act or any other public filing or announcement is permitted hereunder, the undersigned covenants and agrees to give the Representatives written notice at least one business day (which, for the avoidance of doubt, shall be at least a twenty-four (24) hour period) before such transaction and such filing or announcement.

The undersigned shall, during the lock-up period, be entitled to establish a 10b5-1 plan, or amend an existing plan, to provide for the sale of shares of Common Stock pursuant to the terms and conditions of such plan, *provided* that no sale of shares of

Common Stock under such plan shall be allowed until after the expiration of the lock-up period and the establishment of such plan does not require or result in any public announcement or filing being made during the lock-up period.

For purposes of this lock-up agreement, "immediate family" shall mean any relationship by blood, marriage or adoption, not more remote than first cousin.

If the undersigned is an officer or director of the Company, (1) the Lock-up Agents agree that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, the Lock-up Agents will notify the Company of the impending release or waiver, and (2) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by the Lock-up Agents hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration and (b) the transferee has agreed in writing to be bound by the same terms described in this letter to the extent and for the duration that such terms remain in effect at the time of the transfer.

In addition, the undersigned agrees that, without the prior written consent of the Lock-up Agents, it will not, during the lock-up period, make any demand for, or exercise any right with respect to, the registration of any shares of Common Stock or any security convertible into or exercisable or exchangeable for Common Stock; *provided*, *however*, that the foregoing restriction shall not apply to any such demand or exercise that does not result in a public announcement during the lock-up period. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's shares of Common Stock except in compliance with the foregoing restrictions. The undersigned understands that the Company and the Underwriters are relying upon this agreement in proceeding toward consummation of the Offering. The undersigned further understands that this agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors and assigns. Whether or not the Offering actually occurs depends on a number of factors, including market conditions. Any Offering will only be made pursuant to the Underwriting Agreement, the terms of which are subject to negotiation between the Company and the Underwriters.

If the undersigned is an officer or director of the Company, the undersigned further agrees that the foregoing restrictions shall be equally applicable to any issuer-directed shares of Common Stock the undersigned may purchase in the Offering.

Notwithstanding anything herein to the contrary, this lock-up agreement shall automatically terminate, and the undersigned shall be released from its obligations hereunder upon the earliest to occur, if any, of (a) September 30, 2017, in the event that the Underwriting Agreement has not been executed by such date, (b) the date that the registration statement with respect to the Offering is withdrawn by the Company, (c) the date the Company notifies the Lock-up Agents in writing prior to the date of execution of

the Underwriting Agreement that it does not intend to proceed with the Offering, or (d) the date the Underwriting Agreement (other than the provisions thereof that survive termination) shall terminate or be terminated prior to payment for and delivery of the shares of Common Stock to be sold thereunder.

(*Signature page follows*)

Yours very truly,

IF AN INDIVIDUAL:

By: _____
(duly authorized signature)

Name: _____
(please print full name)

Address:

_____

_____

E-mail: _____

IF AN ENTITY:

_____
(please print complete name of entity)

By: _____
(duly authorized signature)

Name: _____
(please print full name)

Title: _____
(please print full title)

Address:

_____

_____

E-mail: _____

EXHIBIT B

FORM OF PRESS RELEASE

Frontier Group Holdings, Inc.
[Date]

Frontier Group Holdings, Inc. (the "Company") announced today that Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC, the lead bookrunners in the Company's recent public sale of [ ] shares of common stock, are [waiving] [releasing] a lock-up restriction with respect to [ ] shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on [ ], 20[ ], and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

EXHIBIT C

FORM OF LOCK-UP WAIVER

Frontier Group Holdings, Inc.
Public Offering of Common Stock

, 20

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Frontier Group Holdings, Inc. (the "Company") of [ ] shares of common stock, $0.001 par value per share (the "Common Stock"), of the Company and the lock-up letter dated [ ], 20[ ] (the "Lock-up Letter"), executed by you in connection with such offering, and your request for a [waiver] [release] dated [ ], 20[ ], with respect to [ ] shares of Common Stock (the "Shares").

Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC hereby agree to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective [ ], 20[ ]; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

[*Signature page follows.*]

Yours very truly,

Citigroup Global Markets Inc.
Deutsche Bank Securities Inc.
Evercore Group L.L.C.
J.P. Morgan Securities LLC

By: Citigroup Global Markets Inc.

By: _____
Name:
Title:

By: Deutsche Bank Securities Inc.

By: _____
Name:
Title:

By: Evercore Group L.L.C.

By: _____
Name:
Title:

By: J.P. Morgan Securities LLC

By: _____
Name:
Title:

cc: Company

EXHIBIT D

FORM OF COMPANY COUNSEL OPINION

EXHIBIT E

FORM OF COMPANY COUNSEL NEGATIVE ASSURANCE LETTER

EXHIBIT F

FORM OF COMPANY LOCAL COUNSEL OPINION

EXHIBIT G

FORM OF COMPANY REGULATORY COUNSEL OPINION

EXHIBIT H

FORM OF SELLING STOCKHOLDER COUNSEL OPINION

Exhibit 3.2

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

FRONTIER GROUP HOLDINGS, INC.

Frontier Group Holdings, Inc. (the "Corporation"), a corporation organized and existing under the laws of the General Corporation Law of the State of Delaware (as the same exists or may hereafter be amended, the "DGCL"), does hereby certify as follows:

1. The name of the Corporation is Frontier Group Holdings, Inc. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on September 11, 2013 under the original name Falcon Acquisition Group, Inc.

2. This Amended and Restated Certificate of Incorporation of the Corporation has been duly adopted by the Corporation's Board of Directors and stockholders in accordance with Sections 242 and 245 of the DGCL and by the written consent of its stockholders in accordance with Section 228 of the DGCL.

3. The Amended and Restated Certificate of Incorporation of the Corporation is hereby amended and restated in its entirety to read as follows:

ARTICLE I
NAME

The name of the corporation is Frontier Group Holdings, Inc. (the "Corporation").

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle, Delaware 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE AND DURATION

The purpose of the Corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of the State of Delaware (as the same exists or may hereafter be amended, the "DGCL"). The Corporation is to have a perpetual existence.

ARTICLE IV
CAPITAL STOCK

Section 1. Authorized Shares. The total number of shares of stock which the Corporation is authorized to issue is 730,000,000 shares, of which 600,000,000 shares shall be shares of voting common stock, par value $0.001 per share (the "Voting Common Stock"), 120,000,000 shares shall be shares of non-voting common stock, par value $0.001 per share (the "Non-Voting Common Stock," and together with the Voting Common Stock, the "Common Stock"), and 10,000,000 shares shall be shares of preferred stock, par value $0.001 per share (the "Preferred Stock").

Section 2. Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated in the resolution or resolutions providing for the establishment of such series adopted by the Board of Directors of the Corporation as hereinafter provided. Authority is hereby expressly granted to the Board of Directors of the Corporation to issue, from time to time, shares of Preferred Stock in one or more series, and, in connection with the establishment of any such series, by resolution or resolutions to determine and fix the designation of and the number of shares comprising such series, and such voting powers, full or limited, or no voting powers, and such other powers, designations, preferences and relative, participating, optional and other special rights and the qualifications, limitations, and restrictions thereof, if any, of such shares including, without limitation, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated in such resolution or resolutions, all to the fullest extent permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any series of Preferred Stock may, to the extent permitted by law, provide that such series shall be superior to, rank equally with or be junior to any other series of Preferred Stock. The powers, preferences and relative, participating, optional and other special rights, and the qualifications, limitations or restrictions thereof, of each series of Preferred Stock may be different from those of any and all other series at any time outstanding. Subject to the rights of holders of any series of Preferred Stock, no vote of the holders of shares of Preferred Stock or Common Stock shall be a prerequisite to the issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Amended and Restated Certificate of Incorporation (this "Certificate of Incorporation").

Section 3. Common Stock. Except as stated in this Certificate of Incorporation, the holders of shares of Common Stock shall have such rights as are set forth in the DGCL and, to the extent consistent therewith, such rights as are set forth below:

(a) Conversion. Each share of Non-Voting Common Stock shall be convertible, at the option of the holder thereof at any time and from time to time, into one fully paid and non-assessable share of Voting Common Stock. Such right shall be exercised by the surrender to the Corporation of the certificate or certificates, if any, representing the shares of Non-Voting Common Stock to be converted at any time during normal business hours at the office of the Corporation's transfer agent (the "Transfer Agent"), accompanied by a written notice from the holder of such shares stating that such holder desires to convert such shares, or a stated number of the shares represented by such certificate or certificates, if any, into an equal number of shares of Voting Common Stock, and (if so

required by the Transfer Agent) by instruments of transfer, in form satisfactory to the Transfer Agent, duly executed by such holder or such holder's duly authorized attorney, and transfer tax stamps or funds therefor if required pursuant to this Section 3(a) of Article IV. To the extent permitted by law, such conversion shall be deemed to have been effected at the close of business on the date of such surrender. Subject to the last sentence of Section 3(c) of this Article IV, immediately upon conversion of shares of Non-Voting Common Stock, the rights of the holders of shares of Non-Voting Common Stock as such shall cease, and such holders shall be treated for all purposes as having become the record holder or holders of such shares of Voting Common Stock. The issuance of certificates, if any, for shares of Voting Common Stock upon conversion of shares of Non-Voting Common Stock shall be made without charge to the holders of such shares for any stamp or other similar tax in respect of such issuance; provided, however, that if any such certificate is to be issued in a name other than that of the holder of the share or shares of Non-Voting Common Stock converted, then the individual, entity or other person requesting the issuance thereof shall pay to the Corporation the amount of any tax that may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid or is not payable.

(b) Voting. Except as otherwise provided herein or by applicable law, the holders of Voting Common Stock, as such, shall be entitled to one vote per share on all matters to be voted on by the stockholders of the Corporation, and the holders of Non-Voting Common Stock, as such, shall have no right to vote on any matters to be voted on by the stockholders of the Corporation.

(c) Dividends. Subject to the rights of holders of any series of Preferred Stock, the holders of Voting Common Stock and the holders of Non-Voting Common Stock shall be entitled to share equally, on a per-share basis, in such dividends and other distributions of cash, property or shares of stock of the Corporation as may be declared by the Board of Directors from time to time with respect to the Common Stock out of assets or funds of the Corporation legally available therefor; provided, however, that (i) if dividends are declared or paid in shares of Common Stock, the dividends payable to holders of Voting Common Stock shall be payable in Voting Common Stock, and the dividends payable to the holders of Non-Voting Common Stock shall be payable in Non-Voting Common Stock, and (ii) if the dividends are declared and paid in other voting securities of the Corporation, the Corporation shall pay to each holder of Non-Voting Common Stock dividends consisting of non-voting securities (except as otherwise required by law) of the Corporation which are otherwise identical to the voting securities of the Corporation so declared and paid on the Voting Common Stock. Notwithstanding the foregoing, if the date on which any share of Non-Voting Common Stock is converted into Voting Common Stock pursuant to Section 3(a) of this Article IV is after the record date for the determination of the holders of Non-Voting Common Stock entitled to receive any dividend and prior to the date on which such dividend is to be paid to such holders, the holder of the Voting Common Stock issued upon the conversion of such converted share of Non-Voting Common Stock will be entitled to receive such dividend on such payment date; provided, however, that to the extent that such dividend is payable in shares of Non-Voting Common Stock, no such shares of Non-Voting Common Stock shall be issued in payment thereof, and such dividend shall instead be paid by the issuance of such number of shares of Voting Common Stock into which such shares of Non-Voting Common Stock, if issued, would have been convertible on

such payment date.

(d) Liquidation, Dissolution, etc. Subject to the rights of holders of any series of Preferred Stock, in the event of a voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Corporation, the holders of Voting Common Stock and the holders of Non-Voting Common Stock shall be entitled to share equally, on a per-share basis, in all assets of the Corporation of whatever kind available for distribution to the holders of Common Stock.

(e) Subdivision or Combination. If the Corporation in any manner subdivides or combines the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be subdivided or combined in the same manner.

(f) Equal Status. Except as expressly provided in this Article IV, shares of Voting Common Stock and Non-Voting Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respect as to all matters. In any merger, consolidation, reorganization or other business combination, the consideration received per share by the holders of the Voting Common Stock and the holders of the Non-Voting Common Stock in such merger, consolidation, reorganization or other business combination shall be identical; provided, however, that if such consideration consists, in whole or in part, of shares of capital stock of, or other equity interests in, the Corporation or any other corporation, partnership, limited liability company or other entity, then the powers, designations, preferences and relative, common, participating, optional or other special rights and qualifications, limitations and restrictions of such shares of capital stock or other equity interests may differ to the extent that the powers, designations, preferences and relative, common, participating, optional or other special rights and qualifications, limitations and restrictions of the Voting Common Stock and Non-Voting Common Stock differ as provided herein (including, without limitation, with respect to the voting rights and conversion provisions hereof); and provided further, that, if the holders of the Voting Common Stock or the holders of the Non-Voting Common Stock are granted the right to elect to receive one of two or more alternative forms of consideration, the foregoing provision shall be deemed satisfied if holders of the other class are granted identical election rights. Any consideration to be paid to or received by holders of Voting Common Stock or holders of Non-Voting Common Stock pursuant to any employment, consulting, severance, non-competition or other similar arrangement approved by the Board of Directors, or any duly authorized committee thereof, shall not be considered to be "consideration received per share" for purposes of the foregoing provision, regardless of whether such consideration is paid in connection with, or conditioned upon the completion of, such merger, consolidation, reorganization or other business combination.

(g) No Preemptive or Subscription Rights. No holder of shares of Common Stock shall be entitled to preemptive or subscription rights.

Section 4. Power to Sell and Purchase Shares. Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class of stock herein or hereafter authorized to such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class or series of

stock, and as otherwise permitted by law. Subject to the requirements of applicable law, and except as otherwise provided by this Certificate of Incorporation, the Corporation shall have the power to purchase any shares of any class or series of stock herein or hereafter authorized from such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class or series of stock, and as otherwise permitted by law.

ARTICLE V
RESTRICTIONS ON OWNERSHIP

Section 1. Limitations of Ownership by Non-Citizens. All (i) Voting Common Stock, (ii) Non-Voting Common Stock, and (iii) Preferred Stock (collectively, "Equity Securities") shall be subject to the following limitations:

(a) Non-Citizen Voting and Ownership Limitations. In no event shall persons or entities who fail to qualify as a "citizen of the United States," as the term is defined in Section 40102(a)(15) of Subtitle VII of Title 49 of the United States Code, as amended, in any similar legislation of the United States enacted in substitution or replacement therefor, and as interpreted by the United States Department of Transportation, its predecessors and successors, from time to time (the "Applicable Law"), including any agent, trustee or representative of such persons or entities ("Non-Citizens"), be entitled to own (beneficially or of record) or control Equity Securities representing in excess of (i) the percentage provided for under Applicable Law of the aggregate votes of all outstanding Equity Securities of the Corporation (the "Voting Limitation") and (ii) the percentage provided for under Applicable Law of all outstanding Equity Securities of the Corporation (the "Outstanding Limitation"), in each case as more specifically set forth in the Bylaws of the Corporation. As of the effectiveness of the filing of this Certificate of Incorporation (the "Effective Time"), and for informational purposes only, under Applicable Law, the Voting Limitation is 24.9%, and the Outstanding Limitation is 49.0% (the "Cap Amounts").

(b) Enforcement of Cap Amounts. Except as otherwise set forth in the Bylaws, the restrictions imposed by the Cap Amounts shall be applied to each Non-Citizen in reverse chronological order based upon the date of registration (or attempted registration) on the separate stock record maintained by the Corporation or any transfer agent for the registration of Equity Securities held by Non-Citizens (the "Foreign Stock Record") or the stock transfer records of the Corporation. At no time shall the Equity Securities held by Non-Citizens be voted, unless such shares are registered on the Foreign Stock Record. In the event that Non-Citizens shall own (beneficially or of record) or have voting control over any Equity Securities, the voting rights of such persons shall be subject to automatic suspension to the extent required to ensure that the Corporation is in compliance with Applicable Law. In the event that any transfer of Equity Securities to a Non-Citizen would result in Non-Citizens owning (beneficially or of record) or controlling more than the Outstanding Limitation, such transfer shall be void and of no effect and shall not be recorded in the books and records of the Corporation. The Bylaws shall contain provisions to implement this Article V, including, without limitation, provisions restricting or prohibiting the transfer of Equity Securities to Non-Citizens and provisions restricting or removing voting rights as

to Equity Securities owned or controlled by Non-Citizens. Any determination as to ownership, control or citizenship made by the Board of Directors shall be conclusive and binding as between the Corporation and any stockholder.

Section 2. Legend. Each certificate or other representative document for capital stock of the Corporation (including each such certificate or representative document for such capital stock issued upon any permitted transfer of capital stock) shall contain a legend in substantially the form specified in the Bylaws.

ARTICLE VI
BOARD OF DIRECTORS

Section 1. Powers of the Board. Except as otherwise provided by this Certificate of Incorporation or the DGCL, the business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by applicable law or by this Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

Section 2. Classification of the Board. Subject to the rights of holders of any series of Preferred Stock with respect to any directors elected (or to be elected) by the holders of such series, the directors shall be divided into three classes, designated as Class I, Class II and Class III, as nearly equal in number as possible. The Board of Directors may assign directors in office at the time this Certificate of Incorporation becomes effective to their respective classes. At the first annual meeting of stockholders following the effectiveness of this Certificate of Incorporation (the "Qualifying Record Date"), the term of office of the Class I directors shall expire, and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the Qualifying Record Date, the term of office of the Class II directors shall expire, and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the Qualifying Record Date, the term of office of the Class III directors shall expire, and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting. Notwithstanding the foregoing provisions of this Section 2 of Article VI, each director shall serve until his successor is duly elected and qualified or until such director's earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 3. Number of Directors. Subject to the special rights, if any, of one or more series of Preferred Stock to elect directors, the number of directors which shall constitute the whole Board of Directors shall be fixed exclusively by one or more resolutions adopted from time to time by the affirmative vote of the whole Board of Directors. The term "whole Board of Directors" shall mean the total number of directors of the Corporation, as set by the Board of Directors pursuant to this Section 3, that the Corporation would have if there were no vacancies and no unfilled newly-created

directorships. Notwithstanding anything to the contrary in this Certificate of Incorporation or the Corporation's Bylaws, the number of Non-Citizens who shall be qualified to serve as members of the Board of Directors shall at no time exceed the limitations provided under Applicable Law (which, as of the Effective Time and for informational purposes only, is one-third (33.33%) of the total number of members then serving on the Board of Directors). If the number of Non-Citizens serving on the Board of Directors at any time exceeds the limitations provided under Applicable Law, one or more directors who are Non-Citizens shall, in reverse chronological order based on their tenure of service on the Board, shall cease to be qualified as directors and shall automatically cease to be directors.

Section 4. Removal of Directors. Subject to the special rights, if any, of holders of one or more series of Preferred Stock to elect directors, (a) until such time as Indigo Frontier Holdings Company, LLC or any successor thereto by merger, consolidation, acquisition of all or substantially all assets or otherwise by operation of law ("Indigo") or any of its Affiliates (as such term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended) ceases to beneficially own shares of Common Stock representing at least a majority of the voting power ("Indigo Control") of all the then outstanding shares of capital stock of the Corporation entitled to vote at an election of directors (the "Voting Stock"), the Board of Directors or any individual director may be removed from office at any time with or without cause by the affirmative vote of the holders of a majority of the voting power of the Voting Stock and (b) from and after such time as the Corporation is no longer under Indigo Control, the Board of Directors or any individual director may be removed from office at any time only for cause by the affirmative vote of the holders of a majority of the voting power of the Voting Stock.

Section 5. Vacancies and Newly Created Directorships. Subject to the special rights, if any, of holders of one or more series of Preferred Stock to elect directors, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy or newly created directorship was created or occurred and until such director's successor shall have been elected and qualified, or until such director's earlier death, resignation or removal.

Section 6. Bylaws. The Board of Directors is expressly authorized to make, alter or repeal Bylaws of the Corporation. Notwithstanding the foregoing, the Bylaws of the Corporation may be rescinded, altered, amended or repealed in any respect by the affirmative vote of the holders of (a) a majority of the voting power of the Voting Stock while the Corporation is under Indigo Control and (b) at least sixty-six and two-thirds percent (66 ⅔%) of the voting power of the Voting Stock from and after the time that the Corporation is no longer under Indigo Control.

Section 7. Elections of Directors. Elections of directors need not be by ballot unless the Bylaws of the Corporation shall so provide.

Section 8. Officers. Except as otherwise expressly delegated by resolution of the Board of

Directors, the Board of Directors shall have the exclusive power and authority to appoint and remove officers of the Corporation.

ARTICLE VII
STOCKHOLDERS

Section 1. Actions by Consent. Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation may be effected by an action by written consent in lieu of a meeting with the approval of the holders of outstanding capital stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted; provided, that from and after the time that the Corporation is no longer under Indigo Control, any action required or permitted to be taken by the stockholders of the Corporation must be effected only at a duly called annual or special meeting of such stockholders and may not be effected by any written consent in lieu of a meeting by such stockholders.

Section 2. Special Meetings of Stockholders. Subject to the rights of holders of any series of Preferred Stock, special meetings of stockholders of the Corporation may be called at any time (a) by the Chair of the Board of Directors or by the Secretary of the Corporation upon direction of the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors or by the holders of a majority of the voting power of the Voting Stock while the Corporation is under Indigo Control and (b) only by the Chair of the Board of Directors or by the Secretary of the Corporation upon direction of the Board of Directors pursuant to a resolution adopted by a majority of the entire Board of Directors, but such special meetings may not be called by any other person or persons from and after the time that the Corporation is no longer under Indigo Control.

Section 3. Meeting Location. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept 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 Bylaws of the Corporation.

Section 4. Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

ARTICLE VIII
LIABILITY AND INDEMNIFICATION

Section 1. Director Limitation of Liability. To the maximum extent permitted by Delaware law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If Delaware law is amended or interpreted after approval by the stockholders of this Article VIII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director

of the Corporation shall be eliminated or limited to the fullest extent permitted by Delaware law as so amended or interpreted.

Section 2. Right to Indemnification.

(a) Directors and Officers. The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. Such right shall include the right to be paid by the Corporation expenses incurred in defending any such Proceeding in advance of its final disposition to the maximum extent permitted under the DGCL, as the same exists or may hereafter be amended. Notwithstanding the preceding sentence, except as otherwise provided in the Bylaws, the Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized in the specific case by the Board.

(b) Employees and Agents. The Corporation may indemnify to the fullest extent permitted by law any person made or threatened to be made a party to a Proceeding, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as an employee or agent at the request of the Corporation or any predecessor to the Corporation, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. Such right may include the right to be paid by the Corporation expenses incurred in defending any such Proceeding in advance of its final disposition to the maximum extent permitted under the DGCL, as the same exists or may hereafter be amended.

Section 3. Contract Rights. The rights conferred upon Indemnitees in this Article VIII shall be contract rights and such rights shall continue as to an Indemnitee who has ceased to be a director, officer or employee of the Corporation and shall inure to the benefit of the Indemnitee's heirs, executors and administrators.

Section 4. Not Exclusive Remedy. The rights to indemnification and to the advancement of expenses conferred on any indemnitee in this Article VIII shall not be exclusive of any other rights that such indemnitee may have or hereafter acquire under any statute, provision of this Certificate of Incorporation, provision of the Bylaws of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Amendment or Repeal. Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any Proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

ARTICLE IX
DGCL SECTION 203

The Corporation elects to be governed by Section 203 of the DGCL (or any successor provision thereto).

ARTICLE X
EXCLUSIVE FORUM

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or to the Corporation's stockholders, (c) any action arising pursuant to any provision of the DGCL or the Bylaws of the Corporation or this Certificate of Incorporation (as either may be amended from time to time), or (d) any action asserting a claim against the Corporation governed by the internal affairs doctrine. If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

ARTICLE XI
AMENDMENT

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Voting Stock required by law or by the Bylaws of the Corporation or by this Certificate of Incorporation (or by any certificate of designation hereto), any alteration, amendment or repeal of Articles VI, VII, VIII, IX, X, XI or XII of this Certificate of Incorporation shall require the affirmative vote of (a) a majority of the voting power of the Voting Stock while the

Corporation is under Indigo Control and (b) at least sixty-six and two-thirds percent (66 ⅔%) of the voting power of the Voting Stock from and after the time that the Corporation is no longer under Indigo Control.

ARTICLE XI
CORPORATE OPPORTUNITIES

To the extent that an opportunity may be of interest to both the Corporation and Indigo and its Affiliates (other than the Corporation and its subsidiaries), agents, stockholders, members, partners, officers, directors and employees, including any director or officer of the Corporation who is also a stockholder, member, partner, officer, director, or employee of Indigo and (ii) the directors of the Corporation who are not employees of the Corporation (each person described in clauses (i) and (ii) of this sentence, a "Specified Party"), have participated (directly or indirectly) in and may, but shall have no duty not to, continue to (A) participate (directly or indirectly) in venture capital, private equity or similar investments in other entities conducting business of any kind, nature or description ("Other Investments") and (B) have interests in, participate with, aid and maintain seats on the boards of directors or similar governing bodies of Other Investments, in each case that may, are or will be competitive with the business of the Corporation and its subsidiaries or in the same or similar lines of business as the Corporation and its subsidiaries, or that could be suitable for the Corporation or its subsidiaries. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, any such Other Investment or any business opportunities for such Other Investments that are from time to time presented to any Specified Party or are business opportunities in which a Specified Party participates or desires to participate, even if the Other Investment or business opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and each such Specified Party shall have no duty to communicate or offer any such Other Investment or business opportunity to the Corporation and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries or any stockholder, including for breach of any fiduciary or other duty, as a director or officer or controlling stockholder or otherwise, and the Corporation shall indemnify each Specified Party against any claim that such Specified Party is liable to the Corporation or its stockholders for breach of any fiduciary duty, by reason of the fact that such Specified Party (i) participates in any such Other Investment or pursues or acquires any such business opportunity, (ii) directs any such business opportunity to another person or (iii) fails to present any such Other Investment or business opportunity, or information regarding any such Other Investment or business opportunity, to the Corporation or its subsidiaries, unless, in the case of a Specified Party who is a director or officer of the Corporation, such business opportunity is expressly offered to such Specified Party in writing solely in his or her capacity as a director or officer of the Corporation.

Neither the amendment nor repeal of this Article XI, nor the adoption of any provision of this Certificate of Incorporation or the bylaws of the Corporation, nor, to the fullest extent permitted by applicable law, any modification of law, shall eliminate, reduce or otherwise adversely affect any right or protection of any person granted pursuant hereto existing at, or arising out of or related to

any event, act or omission that occurred prior to, the time of such amendment, repeal, adoption or modification (regardless of when any proceeding (or part thereof) relating to such event, act or omission arises or is first threatened, commenced or completed).

If any provision or provisions of this Article XI shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article XI (including, without limitation, each portion of any paragraph of this Article XI containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Article XI (including, without limitation, each such portion of any paragraph of this Article XI containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by applicable law.

This Article XI shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Certificate of Incorporation, the Bylaws, applicable law or as may be set forth in individual indemnification agreements with such director or officer.

* * * *

IN WITNESS WHEREOF, the undersigned have executed this Restated Certificate of Incorporation on this [ ]th day of June, 2017.

FRONTIER GROUP HOLDINGS, INC.

By: _____

Barry L. Biffle
President and Chief Executive Officer

[Signature Page to Frontier Group Holdings, Inc.
Amended and Restated Certificate of Incorporation]

Exhibit 3.4

AMENDED AND RESTATED BYLAWS OF

FRONTIER GROUP HOLDINGS, INC.

(a Delaware corporation)

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AMENDED AND RESTATED
BYLAWS OF
FRONTIER GROUP HOLDINGS, INC.

ADOPTED AS OF , 2017

ARTICLE I - CORPORATE OFFICES

1.1 REGISTERED OFFICE.

The registered office of Frontier Group Holdings, Inc. (the "Corporation") shall be fixed in the Corporation's certificate of incorporation, as the same may be amended from time to time (the "Certificate of Incorporation").

1.2 OTHER OFFICES.

The Corporation's board of directors (the "Board") may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II - MEETINGS OF STOCKHOLDERS

2.1 PLACE OF MEETINGS.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the Delaware General Corporation Law (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

2.2 ANNUAL MEETING.

The Board shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and other business properly brought before the meeting in accordance with Section 2.4 of this Article II may be transacted.

2.3 SPECIAL MEETING.

A special meeting of the stockholders may be called at any time by the Chair of the Board or by the Secretary of the Corporation upon direction of the Board pursuant to a resolution adopted by a majority of the entire Board, but such special meetings may not be called by any other person or persons; provided, however, that notwithstanding the foregoing, until such time as Indigo Frontier Holdings Company, LLC, or any successor thereto by merger, consolidation, acquisition of all or substantially all assets or otherwise by operation of law ("Indigo") or any of its Affiliates (as such term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended) ceases to beneficially own shares of Common Stock

representing at least a majority of the voting power ("Indigo Control") of all the then outstanding shares of capital stock of the Corporation entitled to vote at an election of directors (the "Voting Stock"), special meetings of stockholders of the Corporation may be called at any time by the holders of a majority of the voting power of the Voting Stock.

No business may be transacted at such special meeting other than the business specified in such notice to stockholders. Nothing contained in this paragraph of this Section 2.3 shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board may be held.

2.4 ADVANCE NOTICE PROCEDURES FOR BUSINESS BROUGHT BEFORE A MEETING.

(i) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (a) specified in a notice of meeting given by or at the direction of the Board, (b) if not specified in a notice of meeting, otherwise brought before the meeting by or at the direction of the Board or the Chair of the Board, (c) be brought before the meeting by or at the direction of Indigo while the Corporation is under Indigo Control or (d) otherwise properly brought before the meeting by a stockholder present in person who (A) (1) was a beneficial owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.4 and at the time of the meeting, (2) is entitled to vote at the meeting and (3) has complied with this Section 2.4 in all applicable respects, or (B) properly made such proposal in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"). The foregoing clause (d) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. The only matters that may be brought before a special meeting are the matters specified in the notice of meeting given by or at the direction of the person calling the meeting pursuant to Section 2.3 of these Bylaws, and stockholders shall not be permitted to propose business to be brought before a special meeting of the stockholders. For purposes of this Section 2.4, "present in person" shall mean that the stockholder proposing that the business be brought before the annual meeting of the Corporation, or, if the proposing stockholder is not an individual, a qualified representative of such proposing stockholder, appear at such annual meeting. A "qualified representative" of such proposing stockholder shall be, if such proposing stockholder is (x) a general or limited partnership, any general partner or person who functions as a general partner of the general or limited partnership or who controls the general or limited partnership, (y) a corporation or a limited liability company, any officer or person who functions as an officer of the corporation or limited liability company or any officer, director, general partner or person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company or (z) a trust, any trustee of such trust. Stockholders seeking to nominate persons for election to the Board must comply with Section 2.5 of these Bylaws, and this Section 2.4 shall not be applicable to nominations except as expressly provided in Section 2.5 of these Bylaws.

(ii) For business to be properly brought before an annual meeting by a stockholder pursuant to Section 2.4(a)(iv), the stockholder must (a) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (b) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.4. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the

preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered, or mailed and received, not later than the ninetieth (90th) day prior to such annual meeting or, if later, the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

(iii) To be in proper form for purposes of this Section 2.4, a stockholder's notice to the Secretary shall set forth:

(a) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); and (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information");

(b) As to each Proposing Person, (A) the full notional amount of any securities that, directly or indirectly, underlie any "derivative security" (as such term is defined in Rule 16a-1(c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule 16a-1(b) under the Exchange Act) ("Synthetic Equity Position") and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class or series of shares of the Corporation; provided that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, provided, further, that any Proposing Person satisfying the requirements of Rule 13d-1(b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-1(b)(1) under the Exchange Act solely by reason of Rule 13d-1(b)(1)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (C)(x) if such Proposing Person is (i) a general or limited partnership, syndicate or other group, the identity of each general partner and each person who functions as a general partner of the general or limited partnership, each member of the syndicate or group and each person controlling the general partner or member, (ii) a corporation or a limited

liability company, the identity of each officer and each person who functions as an officer of the corporation or limited liability company, each person controlling the corporation or limited liability company and each officer, director, general partner and person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company or (iii) a trust, any trustee of such trust (each such person or persons set forth in the preceding clauses (i), (ii) and (iii), a "Responsible Person"), any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such Proposing Person and any material interests or relationships of such Responsible Person that are not shared generally by other record or beneficial holders of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, and (y) if such Proposing Person is a natural person, any material interests or relationships of such natural person that are not shared generally by other record or beneficial holders of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, (D) any material shares or any Synthetic Equity Position in any principal competitor of the Corporation in any principal industry of the Corporation held by such Proposing Persons, (E) a summary of any material discussions regarding the business proposed to be brought before the meeting (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder of the shares of any class or series of the Corporation (including their names), (F) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (G) any other material relationship between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, (H) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement) and (I) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (I) are referred to as "Disclosable Interests"); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner; and

(c) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language

of the proposed amendment), (C) a reasonably detailed description of all agreements, arrangements and understandings between or among any of the Proposing Persons or between or among any Proposing Person and any other person or entity (including their names) in connection with the proposal of such business by such stockholder and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; provided, however, that the disclosures required by this Section 2.4(iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

(iv) For purposes of this Section 2.4, the term "Proposing Person" shall mean (a) the stockholder providing the notice of business proposed to be brought before an annual meeting, (b) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, (c) any participant (as defined in paragraphs (a)(ii)-(vi) of Instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation or associate (within the meaning of Rule 12b-2 under the Exchange Act for the purposes of these Bylaws) of such stockholder or beneficial owner and (d) any other person with whom such stockholder or such beneficial owner (or any of their respective associates or other participants in such solicitation) is Acting in Concert. A person shall be deemed to be "Acting in Concert" with another person for purposes of these Bylaws if such person knowingly acts (whether or not pursuant to an express agreement, arrangement or understanding) in concert or in parallel with, or towards a common goal with such other person, relating to changing or influencing the control of the Corporation or in connection with or as a participant in any transaction having that purpose or effect, where (A) each person is conscious of the other person's conduct, and this awareness is an element in their decision-making processes, and (B) at least one additional factor suggests that such persons intend to act in concert or in parallel, which such additional factors may include, without limitation, exchanging information (whether publicly or privately), attending meetings, conducting discussions or making or soliciting invitations to act in concert or in parallel; provided, that a person shall not be deemed to be Acting in Concert with any other person solely as a result of the solicitation or receipt of (1) revocable proxies or consents from such other person in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a proxy or consent solicitation statement filed on Schedule 14A or (2) tenders of securities from such other person in a public tender or exchange offer made pursuant to, and in accordance with, Section 14(d) of the Exchange Act by means of a tender offer statement filed on Schedule TO. A person Acting in Concert with another person shall be deemed to be Acting in Concert with any third party who is also Acting in Concert with such other person.

(v) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.4 shall be true and correct as of the record date for notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for notice of the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to

which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(vi) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 2.4. The presiding officer of the meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Section 2.4, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(vii) This Section 2.4 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders, other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement. In addition to the requirements of this Section 2.4 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such business. Nothing in this Section 2.4 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(viii) For purposes of these Bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

2.5 ADVANCE NOTICE PROCEDURES FOR NOMINATIONS OF DIRECTORS.

(i) Nominations of any person for election to the Board at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (a) by or at the direction of the Board, including by any committee or persons authorized to do so by the Board or these Bylaws, (b) by or at the direction of Indigo while the Corporation is under Indigo Control or (c) by a stockholder present in person (A) who was a beneficial owner of shares of the Corporation both at the time of giving the notice provided for in this Section 2.5 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with this Section 2.5 as to such notice and nomination. The foregoing clause (b) shall be the exclusive means for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting or special meeting. For purposes of this Section 2.5, "present in person" shall mean that the stockholder proposing that the business be brought before the meeting of the Corporation, or, if the proposing stockholder is not an individual, a qualified representative of such stockholder, appear at such meeting. A "qualified representative" of such proposing stockholder shall be, if such proposing stockholder is (x) a general or limited partnership, any general partner or person who functions as a general partner of the general or limited partnership or who controls the general or limited partnership, (y) a corporation or a limited liability company, any officer or person who functions as an officer of the corporation or limited liability company or any officer, director, general partner or person who functions as an officer, director or general partner of any entity ultimately in control of the corporation or limited liability company or (z) a trust, any trustee of such trust.

(ii) For a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting, the stockholder must (a) provide Timely Notice (as defined in Section 2.4(ii) of these Bylaws) thereof in writing and in proper form to the Secretary of the Corporation, (b) provide the

information with respect to such stockholder and its proposed nominee as required by this Section 2.5, and (c) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. If the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting, then for a stockholder to make any nomination of a person or persons for election to the Board at a special meeting, the stockholder must (a) provide timely notice thereof in writing and in proper form to the Secretary of the Corporation at the principal executive offices of the Corporation, (b) provide the information with respect to such stockholder and its proposed nominee as required by this Section 2.5, and (c) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. To be timely, a stockholder's notice for nominations to be made at a special meeting must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the ninetieth (90th) day prior to such special meeting or, if later, the tenth (10th) day following the day on which public disclosure (as defined in Section 2.4(ix) of these Bylaws) of the date of such special meeting was first made. In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(iii) To be in proper form for purposes of this Section 2.5, a stockholder's notice to the Secretary shall set forth:

(a) As to each Nominating Person (as defined below), the Stockholder Information (as defined herein, except that for purposes of this Section 2.5, the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(iii)(a));

(b) As to each Nominating Person, any Disclosable Interests (as defined herein, except that for purposes of this Section 2.5 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(iii)(b) and the disclosure with respect to the business to be brought before the meeting in Section 2.4(iii)(b) shall be made with respect to the election of directors at the meeting);

(c) As to each person whom a Nominating Person proposes to nominate for election as a director, (A) all information with respect to such proposed nominee that would be required to be set forth in a stockholder's notice pursuant to this Section 2.5 if such proposed nominee were a Nominating Person, (B) all information relating to such proposed nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (C) a description of any direct or indirect material interest in any material contract or agreement between or among any Nominating Person, on the one hand, and each proposed nominee or his or her respective associates or any other participants in such solicitation, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the proposed nominee were a director or executive officer of such registrant (the disclosures to be made pursuant to the foregoing clauses (A) through (C) are referred to as "Nominee Information"), and (D) a

completed and signed questionnaire, representation and agreement as provided in Section 2.5(vi); and

(d) The Corporation may require any proposed nominee to furnish such other information (A) as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation in accordance with the Corporation's Corporate Governance Guidelines or (B) that could be material to a reasonable stockholder's understanding of the independence or lack of independence of such proposed nominee.

(iv) For purposes of this Section 2.5, the term "Nominating Person" shall mean (a) the stockholder providing the notice of the nomination proposed to be made at the meeting, (b) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made and (c) any associate of such stockholder or beneficial owner or any other participant in such solicitation.

(v) A stockholder providing notice of any nomination proposed to be made at a meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.5 shall be true and correct as of the record date for notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for notice of the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(vi) To be eligible to be a nominee for election as a director of the Corporation at an annual or special meeting, the proposed nominee must be nominated in the manner prescribed in Section 2.5 and must deliver (in accordance with the time period prescribed for delivery in a notice to such proposed nominee given by or on behalf of the Board), to the Secretary at the principal executive offices of the Corporation, (a) a completed written questionnaire (in a form provided by the Corporation) with respect to the background, qualifications, stock ownership and independence of such proposed nominee and (b) a written representation and agreement (in form provided by the Corporation) that such proposed nominee (A) is not and, if elected as a director during his or her term of office, will not become a party to (1) any agreement, arrangement or understanding with, and has not given and will not give any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") or (2) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (B) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation or reimbursement for service as a director and (C) if elected as a director of the Corporation, will comply with all applicable corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the Corporation applicable to directors and in effect during such person's term in office as a director (and, if requested by any proposed nominee, the

Secretary of the Corporation shall provide to such proposed nominee all such policies and guidelines then in effect).

(vii) In addition to the requirements of this Section 2.5 with respect to any nomination proposed to be made at a meeting, each Proposing Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations.

(viii) No proposed nominee shall be eligible for nomination as a director of the Corporation unless such proposed nominee and the Nominating Person seeking to place such proposed nominee's name in nomination have complied with this Section 2.5, as applicable. The presiding officer at the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with this Section 2.5, and if he or she should so determine, he or she shall so declare such determination to the meeting, the defective nomination shall be disregarded and any ballots cast for the proposed nominee in question (but in the case of any form of ballot listing other qualified nominees, only the ballots case for the nominee in question) shall be null and void *ab initio*, and of no force or effect.

2.6 NOTICE OF STOCKHOLDERS' MEETINGS.

Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting of stockholders shall be sent or otherwise given in accordance with either Section 2.7 or Section 8.1 of these Bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. The notice shall specify the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

2.7 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of stockholders shall be deemed given:

(i) if mailed, when deposited in the United States mail, postage prepaid, directed to the stockholder at his or her address as it appears on the Corporation's records; or

(ii) if electronically transmitted as provided in Section 8.1 of these Bylaws.

An affidavit of the Secretary or an Assistant Secretary of the Corporation or of the transfer agent or any other agent of the Corporation that the notice has been given by mail or by a form of electronic transmission, as applicable, shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

2.8 QUORUM.

Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the holders of a majority in voting power of the stock issued and outstanding and entitled to vote, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. If, however, a quorum is not present or represented at any meeting of the stockholders, then either (i) the chair of the meeting or (ii) a majority in voting power of the stockholders entitled to vote at the meeting, present in person, or by remote communication, if applicable, or

represented by proxy, shall have power to adjourn the meeting from time to time in the manner provided in Section 2.9 of these Bylaws until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

2.9 ADJOURNED MEETING; NOTICE.

When a meeting is adjourned to another time or place, unless these Bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

2.10 CONDUCT OF BUSINESS.

The chair of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of business.

2.11 VOTING; ELECTION OF DIRECTORS.

The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.13 of these Bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

Except as may be otherwise provided in the Certificate of Incorporation or these Bylaws, each stockholder shall be entitled to one (1) vote for each share of capital stock held by such stockholder.

At all duly called or convened meetings of stockholders, at which a quorum is present, for the election of directors, a plurality of the votes cast shall be sufficient to elect a director. Except as otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, all other elections and questions presented to the stockholders at a duly called or convened meeting, at which a quorum is present, shall be decided by the majority of the votes present and in person or by proxy and entitled to vote thereon and shall be valid and binding upon the Corporation.

2.12 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Subject to the rights of the holders of the shares of any series of Preferred Stock or any other class of stock or series thereof having a preference over the Common Stock as to dividends or upon liquidation, any action required or permitted to be taken by the stockholders of the Corporation may be effected by an action by written consent in lieu of a meeting with the approval of the holders of outstanding capital stock having not less than the minimum voting power that would be necessary to authorize or take such action at a meeting at which all shares of capital stock entitled to vote thereon were present and voted; provided, from and after

such time as the Corporation is no longer under Indigo Control, any action required or permitted to be taken by the stockholders of the Corporation must be effected only at a duly called annual or special meeting of such stockholders of the Corporation and may not be effected by any written consent in lieu of a meeting by such stockholders.

2.13 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING; GIVING CONSENTS.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other such action.

If the Board does not so fix a record date:

(i) The record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held.

(ii) The record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

2.14 PROXIES.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A proxy may be in the form of a telegram, cablegram or other means of electronic transmission which sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other means of electronic transmission was authorized by the stockholder.

2.15 LIST OF STOCKHOLDERS ENTITLED TO VOTE.

The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination

of any stockholder, for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting: (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the Corporation's principal executive office. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Such list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

2.16 INSPECTORS OF ELECTION.

Before any meeting of stockholders, the Board shall appoint an inspector or inspectors of election to act at the meeting or its adjournment and make a written report thereof. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the chair of the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy.

Such inspectors shall:

(i) determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies;

(ii) receive votes or ballots;

(iii) hear and determine all challenges and questions in any way arising in connection with the right to vote;

(iv) count and tabulate all votes;

(v) determine when the polls shall close;

(vi) determine the result; and

(vii) do any other acts that may be proper to conduct the election or vote with fairness to all stockholders.

The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

ARTICLE III - DIRECTORS

3.1 POWERS.

Subject to the provisions of the DGCL and any limitations in the Certificate of Incorporation or these Bylaws relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board.

3.2 NUMBER OF DIRECTORS.

The authorized number of directors shall be determined from time to time by one or more resolutions adopted from time to time by a vote of the total number of directors of the Corporation, as set Section 3.2, that the Corporation would have if there were no vacancies, provided the Board shall consist of at least one (1) member and not more than twelve (12) members. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS.

Except as provided in Section 3.4 of these Bylaws, each director, including a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the Certificate of Incorporation or these Bylaws. The Certificate of Incorporation or these Bylaws may prescribe other qualifications for directors. Notwithstanding anything to the contrary in these Bylaws, the number of Non-Citizens (as defined in Article X below) who can hold office shall at no time exceed the limitations provided under the Aviation Act (as defined below) (which, as of the effective time of these Bylaws and for informational purposes only, is one-third (1/3) of the total number of officers then holding office).

If so provided in the Certificate of Incorporation, the directors of the Corporation shall be divided into three (3) classes.

3.4 RESIGNATION AND VACANCIES.

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Unless otherwise provided in the Certificate of Incorporation or these Bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors shall, unless the Board determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such

director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under these Bylaws in the case of the death, removal or resignation of any director.

3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE.

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to these Bylaws shall constitute presence in person at the meeting.

3.6 REGULAR MEETINGS.

Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

3.7 SPECIAL MEETINGS; NOTICE.

Special meetings of the Board for any purpose or purposes may be called at any time by the Chair of the Board, the Chief Executive Officer, the President, the Secretary or a majority of the authorized number of directors.

Notice of the time and place of special meetings shall be:

(i) delivered personally by hand, by courier or by telephone;

(ii) sent by United States first-class mail, postage prepaid;

(iii) sent by facsimile; or

(iv) sent by electronic mail,

directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Corporation's records.

If the notice is (i) delivered personally by hand, by courier or by telephone, (ii) sent by facsimile or (iii) sent by electronic mail, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting.

3.8 QUORUM.

At all meetings of the Board, a majority of the authorized number of directors shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the Certificate of Incorporation or these Bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

3.9 BOARD ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.10 FEES AND COMPENSATION OF DIRECTORS.

The Board shall have the authority to fix the compensation of directors.

3.11 REMOVAL OF DIRECTORS.

Except as otherwise provided by the DGCL, the Board of Directors or any individual director may be removed from office at any time (a) with or without cause by the affirmative vote of the holders of a majority of the voting power of the Voting Stock while the Corporation is under Indigo Control and (b) only for cause by the affirmative vote of the holders of a majority of the voting power of the Voting Stock from and after the time the Corporation is no longer under Indigo Control.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director’s term of office.

ARTICLE IV - COMMITTEES

4.1 COMMITTEES OF DIRECTORS.

The Board may designate one (1) or more committees, each committee to consist of one (1) or more of the directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may

unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these Bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (i) approve or adopt, or recommend to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopt, amend or repeal any bylaw of the Corporation. At least two-thirds (2/3) of the members of each committee of the Board shall be comprised of individuals who meet the definition of "a citizen of the United States," as defined by the Transportation Act 49 U.S.C § 40102 or as subsequently amended or interpreted by the Department of Transportation; provided, however, that if a committee of the Board has one (1) member, such member shall be a "a citizen of the United States," as defined immediately above.

4.2 COMMITTEE MINUTES.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

4.3 MEETINGS AND ACTION OF COMMITTEES.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(i) Section 3.5 (place of meetings and meetings by telephone);

(ii) Section 3.6 (regular meetings);

(iii) Section 3.7 (special meetings and notice);

(iv) Section 3.8 (quorum);

(v) Section 7.12 (waiver of notice); and

(vi) Section 3.9 (action without a meeting),

with such changes in the context of those Bylaws as are necessary to substitute the committee and its members for the Board and its members. *However*:

(i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the Board; and

(iii) notice of special meetings of committees shall also be given to all alternate members, if any, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws.

ARTICLE V - OFFICERS

5.1 OFFICERS.

The officers of the Corporation shall be a president and a secretary. The Corporation may also have, at the discretion of the Board, a chair of the Board, a vice chair of the Board, a chief executive officer, a chief financial officer, a treasurer, one or more vice presidents, one or more assistant treasurers, one or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these Bylaws. Any number of offices may be held by the same person.

5.2 APPOINTMENT OF OFFICERS.

The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these Bylaws, subject to the rights, if any, of an officer under any contract of employment.

5.3 SUBORDINATE OFFICERS.

The Board may appoint, or empower the Chief Executive Officer or, in the absence of a chief executive officer, the President, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

5.4 REMOVAL AND RESIGNATION OF OFFICERS.

Any officer may be removed, either with or without cause, by an affirmative vote of the majority of the Board or by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Any removal or resignation of an officer pursuant to this Section 5.4 shall be without prejudice to any rights of the Corporation or such officer pursuant to any contract of employment of such officer.

5.5 VACANCIES IN OFFICES.

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Section 5.2.

5.6 REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The Chair of the Board, the President, any Vice President, the Treasurer, the Secretary or Assistant Secretary of this Corporation, or any other person authorized by the Board, is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all shares of any other corporation or

corporations held in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

5.7 AUTHORITY AND DUTIES OF OFFICERS.

All officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board or the stockholders and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

5.8 LIMITATIONS ON NON-CITIZENS AS OFFICERS.

Notwithstanding anything to the contrary in these Bylaws, (a) the number of Non-Citizens (as defined in Section 10.2) who can serve as officers shall at no time exceed the limitations provided under the Act which, as of the effective time of these Bylaws and for informational purposes only, is one-third (1/3) of the total number of officers then holding office) and (b) the President shall not be a Non-Citizen for so long as proscribed by the Act.

ARTICLE VI - RECORDS AND REPORTS

6.1 MAINTENANCE AND INSPECTION OF RECORDS.

The Corporation shall, either at its principal executive office or at such place or places as designated by the Board, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these Bylaws as amended to date, accounting books and other records. Notwithstanding anything to the contrary in these Bylaws, any stockholder of record shall be entitled to all rights to which such stockholder is entitled pursuant to Section 220 of the DGCL.

6.2 INSPECTION BY DIRECTORS.

Any director shall have the right to examine the Corporation’s stock ledger, a list of its stockholders, and its other books and records for a purpose reasonably related to his or her position as a director. The Court of Chancery is hereby vested with the exclusive jurisdiction to determine whether a director is entitled to the inspection sought.

ARTICLE VII - GENERAL MATTERS

7.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS.

The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or

authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

7.2 STOCK CERTIFICATES; PARTLY PAID SHARES.

The shares of the Corporation shall be represented by certificates or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chair or Vice Chair of the Board, or the President or Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile or electronic signature. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

7.3 SPECIAL DESIGNATION ON CERTIFICATES.

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

7.4 LOST CERTIFICATES.

Except as provided in this Section 7.4, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner’s legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

7.5 CONSTRUCTION; DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these Bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both a corporation and a natural person.

7.6 DIVIDENDS.

The Board, subject to any restrictions contained in either (i) the DGCL or (ii) the Certificate of Incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property or in shares of the Corporation’s capital stock. The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

7.7 FISCAL YEAR.

The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

7.8 SEAL.

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

7.9 TRANSFER OF STOCK.

Shares of the Corporation shall be transferable in the manner prescribed by law and in these Bylaws. Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of record thereof or by such holder’s attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates representing such shares endorsed by the appropriate person or persons (or by delivery of duly executed instructions with respect to uncertificated shares), with such evidence of the authenticity of such endorsement or execution, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing the names of the persons from and to whom it was transferred.

7.10 STOCK TRANSFER AGREEMENTS.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

7.11 REGISTERED STOCKHOLDERS.

The Corporation:

(i) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(ii) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(iii) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

7.12 WAIVER OF NOTICE.

Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or these Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or these Bylaws.

ARTICLE VIII - NOTICE BY ELECTRONIC TRANSMISSION

8.1 NOTICE BY ELECTRONIC TRANSMISSION.

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the Certificate of Incorporation or these Bylaws, any notice to stockholders given by the Corporation under any provision of the DGCL, the Certificate of Incorporation or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if:

(i) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation in accordance with such consent; and

(ii) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(iii) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and

(iv) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the Secretary or an Assistant Secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

8.2 DEFINITION OF ELECTRONIC TRANSMISSION.

An "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE IX - INDEMNIFICATION

9.1 INDEMNIFICATION OF INDEMNITEES.

The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 9.4, the Corporation shall be required to indemnify a person in connection with a Proceeding initiated by such person only if the Proceeding was authorized in the specific case by the Board.

9.2 INDEMNIFICATION OF OTHERS.

The Corporation may indemnify to the fullest extent permitted by law any person made or threatened to be made a party to a Proceeding, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was an employee or agent of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as an employee or agent at the request of the Corporation or any

predecessor to the Corporation, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

9.3 PREPAYMENT OF EXPENSES.

The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by any officer or director of the Corporation, and may pay the expenses incurred by any employee or agent of the Corporation, in defending any Proceeding in advance of its final disposition; provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the Proceeding shall be made only upon receipt of an undertaking by the person to repay all amounts advanced if it should be ultimately determined that the person is not entitled to be indemnified under this Article IX or otherwise.

9.4 DETERMINATION; CLAIM.

If a claim for indemnification (following the final disposition of such Proceeding) or advancement of expenses under this Article IX is not paid in full within sixty (60) days after a written claim therefor has been received by the Corporation the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

9.5 NON-EXCLUSIVITY OF RIGHTS.

The rights conferred on any person by this Article IX shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

9.6 INSURANCE.

The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust enterprise or non-profit entity against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the DGCL.

9.7 OTHER INDEMNIFICATION.

The Corporation's obligation, if any, to indemnify or advance expenses to any person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, enterprise or non-profit entity shall be reduced by any amount such person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

9.8 CONTINUATION OF INDEMNIFICATION.

The rights to indemnification and to prepayment of expenses provided by, or granted pursuant to, this Article IX shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

9.9 AMENDMENT OR REPEAL.

The provisions of this Article IX shall constitute a contract between the Corporation, on the one hand, and, on the other hand, each individual who serves or has served as a director or officer of the Corporation (whether before or after the adoption of these Bylaws), in consideration of such person's performance of such services, and pursuant to this Article IX the Corporation intends to be legally bound to each such current or former director or officer of the Corporation. With respect to current and former directors and officers of the Corporation, the rights conferred under this Article IX are present contractual rights and such rights are fully vested, and shall be deemed to have vested fully, immediately upon adoption of theses Bylaws. With respect to any directors or officers of the Corporation who commence service following adoption of these Bylaws, the rights conferred under this provision shall be present contractual rights and such rights shall fully vest, and be deemed to have vested fully, immediately upon such director or officer commencing service as a director or officer of the Corporation. Any repeal or modification of the foregoing provisions of this Article IX shall not adversely affect any right or protection (i) hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification or (ii) under any agreement providing for indemnification or advancement of expenses to an officer or director of the Corporation in effect prior to the time of such repeal or modification.

ARTICLE X - LIMITATIONS OF OWNERSHIP BY NON-CITIZENS

10.1 EQUITY SECURITIES.

All capital stock of the Corporation (collectively, "Equity Securities") shall be subject to the limitations set forth in this Article X.

10.2 NON-U.S. CITIZEN VOTING AND OWNERSHIP LIMITATIONS.

In no event shall persons or entities, including any agent, trustee or representative of such persons or entities, who fail to qualify as a "citizen of the United States" ("Non-Citizens"), as defined in Section 40102(a)(15) of Subtitle VII of Title 49 of the United States Code, as the same may be from time to time amended (the "Aviation Act"), or in any similar legislation of the United States enacted in substitution or replacement thereof, and as interpreted by the Department of Transportation, its predecessors and successors, from time to time) (the "Applicable Law") own (beneficially or of record) or control Equity Securities representing in excess of (i) the percentage provided for under Applicable Law of the aggregate votes of all outstanding Equity Securities of the Corporation (the "Voting Limitation") and (ii) the percentage provided for under Applicable Law of all outstanding Equity Securities of the Corporation (the "Outstanding Limitation"). As of the Effective Time (as defined below) and for informational purposes only, under Applicable Law, the Voting Limitation is 24.9%, and the Outstanding Limitation is 49.0%. If Non-Citizens nonetheless at any time own and/or control more than the Voting Limitation, the voting rights of the Equity

Securities in excess of the Voting Limitation shall be automatically suspended in accordance with Section 10.3 below. Further, if at any time a transfer or issuance of Equity Securities to a Non-Citizen would result in Non-Citizens owning more than the Outstanding Limitation, such transfer or issuance shall be null and void *ab initio*, and of no force or effect, in accordance with Section 10.3 below.

10.3 FOREIGN STOCK RECORD.

(i) The Corporation or any transfer agent shall maintain a separate stock record, designated the "Foreign Stock Record," for the registration of Equity Securities held by Non-Citizens. It is the duty of each stockholder who is a Non-Citizen to register his, her or its Equity Securities on the Foreign Stock Record. The beneficial ownership of Equity Securities by Non-Citizens shall be determined in conformity with regulations prescribed by the Board of Directors. Only Equity Securities that have been issued and are outstanding may be registered in the Foreign Stock Record. The Foreign Stock Record shall include (a) the name and nationality of each Non-Citizen owning (beneficially or of record) or controlling Equity Securities, (b) the number of Equity Securities owned (beneficially or of record) or controlled by each such Non-Citizen and (c) the date of registration of such Equity Securities in the Foreign Stock Record.

(ii) In no event shall Equity Securities owned (beneficially or of record) or controlled by Non-Citizens representing more than the Voting Limitation be voted. In the event that Non-Citizens shall own (beneficially or of record) or have voting control over any Equity Securities, the voting rights of such persons shall be subject to automatic suspension to the extent required to ensure that the Corporation is in compliance with Applicable Law. Voting rights of Equity Securities owned (beneficially or of record) or controlled by Non-Citizens shall be suspended in reverse chronological order based upon the date of registration in the Foreign Stock Record.

(iii) In the event that any transfer or issuance of Equity Securities to a Non-Citizen would result in Non-Citizens owning (beneficially or of record) or controlling more than the Outstanding Limitation, such transfer or issuance shall be null and void *ab initio*, and of no force or effect, and shall not be recorded in the Foreign Stock Record or the stock records of the Corporation. In the event that the Corporation shall determine that the Equity Securities registered on the Foreign Stock Record or otherwise registered on the stock records of the Corporation and owned (beneficially or of record) or controlled by Non-Citizens, taken together (without duplication), exceed the Outstanding Limitation, such number of shares shall be removed from the Foreign Stock Record and the stock records of the Corporation, as applicable, in reverse chronological order based on the date of registration in the Foreign Stock Record and the stock records of the Corporation, as applicable, and any transfer or issuance that resulted in such event shall be deemed null and void *ab initio*, and of no force or effect, such that the Foreign Stock Record and the stock records of the Corporation, as applicable, reflect the ownership of shares without giving effect to any transfer or issuance that caused the Corporation to exceed the Outstanding Limitation until the aggregate number of shares registered in the Foreign Stock Record or otherwise registered to Non-Citizens is equal to the Outstanding Limitation.

10.4 REGISTRATION OF SHARES.

Registry of the ownership of Equity Securities by Non-Citizens shall be effected by written notice to, and in the form specified from time to time by, the Secretary of the Corporation. Subject to any limitations or exceptions set forth in this Article X, the order in which such shares shall be registered on the Foreign Stock Record shall be chronological, based on the date the Corporation received notice to so register such shares;

provided, that any Non-Citizen who purchases or otherwise acquires shares that are registered on the Foreign Stock Record and who registers such shares in its own name within 30 days of such acquisition will assume the position of the seller of such shares in the chronological order of shares registered on the Foreign Stock Record.

10.5 CERTIFICATION OF SHARES.

(i) The Corporation may by notice in writing (which may be included in the form of proxy or ballot distributed to stockholders in connection with the annual meeting or any special meeting of the stockholders of the Corporation, or otherwise) require a person that is a holder of record of shares or that the Corporation knows to have, or has reasonable cause to believe has beneficial ownership or control of shares to certify in such manner as the Corporation shall deem appropriate (including by way of execution of any form of proxy or ballot of such person) that, to the knowledge of such person:

(a) all shares as to which such person has record ownership or beneficial ownership are owned and controlled only by citizens of the United States; or

(b) the number of shares of record or beneficially owned by such person that are owned and/or controlled by Non-Citizens is as set forth in such certificate.

(ii) With respect to any shares identified in response to clause (i)(b) above, the Corporation may require such person to provide such further information as the Corporation may reasonably require in order to implement the provisions of this Article X.

(iii) For purposes of applying the provisions of this Article X with respect to any shares, in the event of the failure of any person to provide the certificate or other information to which the Corporation is entitled pursuant to this Section 10.5, the Corporation may presume that the shares in question are owned and/or controlled by Non-Citizens.

10.6 LEGEND.

Each certificate or other representative document for capital stock of the Corporation (including each such certificate or representative document for such capital stock issued upon any permitted transfer of capital stock) shall contain a legend in substantially the following form:

THE SECURITIES OF FRONTIER GROUP HOLDINGS, INC. REPRESENTED BY THIS CERTIFICATE OR DOCUMENT ARE SUBJECT TO OWNERSHIP AND VOTING RESTRICTIONS WITH RESPECT TO CERTAIN SECURITIES HELD BY PERSONS OR ENTITIES THAT FAIL TO QUALIFY AS "CITIZENS OF THE UNITED STATES" AS THE TERM IS DEFINED IN SECTION 40102(a)(15) OF SUBTITLE VII OF TITLE 49 OF THE UNITED STATES CODE, AS AMENDED, IN ANY SIMILAR LEGISLATION OF THE UNITED STATES ENACTED IN SUBSTITUTION OR REPLACEMENT THEREFOR, AND AS INTERPRETED BY THE UNITED STATES DEPARTMENT OF TRANSPORTATION, ITS PREDECESSORS AND SUCCESSORS, FROM TIME TO TIME. SUCH OWNERSHIP AND VOTING RESTRICTIONS ARE CONTAINED IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND THE

BYLAWS OF FRONTIER GROUP HOLDINGS, INC., AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME. A COMPLETE AND CORRECT COPY OF SUCH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND THE BYLAWS SHALL BE FURNISHED FREE OF CHARGE TO THE HOLDER OF THE SECURITIES REPRESENTED HEREBY UPON WRITTEN REQUEST TO THE SECRETARY OF FRONTIER GROUP HOLDINGS, INC.

ARTICLE XI - AMENDMENTS; WAIVERS

Subject to the limitations set forth in Section 9.9 of these Bylaws or the provisions of the Certificate of Incorporation, the Board is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation or waive the observance of any bylaw (either generally or in a particular instance, and either retroactively or prospectively). Any adoption, amendment or repeal of the Bylaws of the Corporation or waiver of the observance of any bylaw by the Board shall require the approval of a majority of the authorized number of directors. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the Corporation or waive the observance of any bylaw (either generally or in a particular instance, and either retroactively or prospectively); provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Corporation's Certificate of Incorporation, such action by stockholders shall require the affirmative vote of (a) a majority of the voting power of the Voting Stock while the Corporation is under Indigo Control and (b) at least sixty-six and two-thirds percent (66 ⅔%) of the voting power of the Voting Stock from and after the time that the Corporation no longer under Indigo Control. In addition, any notice period required by the Certificate of Incorporation or these Bylaws may be waived with the approval of a majority of the authorized number of directors.

ARTICLE XII - FORUM SELECTION

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery (the "Chancery Court") of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) shall, to the fullest extent permitted by law, be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Corporation, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or to the Corporation's stockholders, (c) any action arising pursuant to any provision of the Delaware General Corporate Law or the Certificate of Incorporation or these Bylaws (as either may be amended from time to time), or (d) any action asserting a claim against the Corporation governed by the internal affairs doctrine. If any action the subject matter of which is within the scope of the preceding sentence is filed in a court other than a court located within the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (i) the personal jurisdiction of the state and federal courts located within the State of Delaware in connection with any action brought in any such court to enforce the preceding sentence and (ii) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder.

* * * *

FRONTIER GROUP HOLDINGS, INC.

CERTIFICATE OF AMENDMENT AND RESTATEMENT OF BYLAWS

The undersigned hereby certifies that he or she is the duly elected, qualified, and acting Secretary of Frontier Group Holdings, Inc., a Delaware corporation, and that the foregoing Bylaws, comprising 28 pages, were amended and restated on , 2017 by the Corporation's board of directors.

IN WITNESS WHEREOF, the undersigned has hereunto set his or her hand this day of , 2017.

Howard M. Diamond
Secretary

FRONTIER

PO BOX 43004, Providence, RI 02940-3004

MR A SAMPLE
DESIGNATION (IF ANY)
ADD 1
ADD 2
ADD 3
ADD 4

CUSIP	XXXXXX XX X
Holder ID	XXXXXXXXXX
Insurance Value	1,000,000.00
Number of Shares	123456
DTC	12345678 12345678912345

Certificate Numbers	Num/No.	Denom.	Total
1234567890123456789	1	1	1
1234567890123456789	2	2	2
1234567890123456789	3	3	3
1234567890123456789	4	4	4
1234567890123456789	5	5	5
1234567890123456789	6	6	6
Total Transaction			7

COMMON STOCK

PAR VALUE $.001

COMMON STOCK

THIS CERTIFICATE IS TRANSFERABLE IN CANTON, MA, JERSEY CITY, NJ AND COLLEGE STATION, TX

Certificate Number
ZQ00000000

Shares

FRONTIER

FRONTIER GROUP HOLDINGS, INC.
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFIES THAT

MR. SAMPLE & MRS. SAMPLE &
MR. SAMPLE & MRS. SAMPLE

CUSIP XXXXXX XX X

SEE REVERSE FOR CERTAIN DEFINITIONS

is the owner of

***ZERO HUNDRED THOUSAND
ZERO HUNDRED AND ZERO***

FULLY-PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF

Frontier Group Holdings, Inc. (hereinafter called the "Company"), transferable on the books of the Company in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby, are issued and shall be held subject to all of the provisions of the Certificate of Incorporation, as amended, and the By-Laws, as amended, of the Company (copies of which are on file with the Company and with the Transfer Agent), to all of which each holder, by acceptance hereof, assents. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

DATED DD-MMM-YYYY

COUNTERSIGNED AND REGISTERED:
COMPUTERSHARE TRUST COMPANY, N.A.
TRANSFER AGENT AND REGISTRAR,

Howard Diamond
General Counsel and Secretary

FRONTIER GROUP HOLDINGS, INC. INCORPORATED SEAL SEPTEMBER 11, 2013 DELAWARE

By _____
AUTHORIZED SIGNATURE

SECURITY INSTRUCTIONS ON REVERSE

1234567

FRONTIER GROUP HOLDINGS, INC.

THE COMPANY WILL FURNISH WITHOUT CHARGE TO EACH SHAREHOLDER WHO SO REQUESTS, A SUMMARY OF THE POWERS, DESIGNATIONS, PREFERENCES AND RELATIVE, PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF EACH CLASS OF STOCK OF THE COMPANY AND THE QUALIFICATIONS, LIMITATIONS OR RESTRICTIONS OF SUCH PREFERENCES AND RIGHTS, AND THE VARIATIONS IN RIGHTS, PREFERENCES AND LIMITATIONS DETERMINED FOR EACH SERIES, WHICH ARE FIXED BY THE CERTIFICATE OF INCORPORATION OF THE COMPANY, AS AMENDED, AND THE RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE COMPANY, AND THE AUTHORITY OF THE BOARD OF DIRECTORS TO DETERMINE VARIATIONS FOR FUTURE SERIES. SUCH REQUEST MAY BE MADE TO THE OFFICE OF THE SECRETARY OF THE COMPANY OR TO THE TRANSFER AGENT. THE BOARD OF DIRECTORS MAY REQUIRE THE OWNER OF A LOST OR DESTROYED STOCK CERTIFICATE, OR HIS LEGAL REPRESENTATIVES, TO GIVE THE COMPANY A BOND TO INDEMNIFY IT AND ITS TRANSFER AGENTS AND REGISTRARS AGAINST ANY CLAIM THAT MAY BE MADE AGAINST THEM ON ACCOUNT OF THE ALLEGED LOSS OR DESTRUCTION OF ANY SUCH CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT	-.....(Cust).....Custodian.....(Minor).....
TEN ENT	- as tenants by the entireties		under Uniform Gifts to Minors Act.....(State).....
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	UNIF TRF MIN ACT	-.....(Cust).....Custodian (until age.....)
			.....(Minor).....under Uniform Transfers to Minors Act.....(State).....

Additional abbreviations may also be used though not in the above list.

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, _____ hereby sell, assign and transfer unto

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

_____ Shares

of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ Attorney

to transfer the said stock on the books of the within-named Corporation with full power of substitution in the premises.

Dated: _____ 20 _____

Signature: _____

Signature: _____

Notice: The signature to this assignment must correspond with the name as written upon the face of the certificate, in every particular, without alteration or enlargement, or any change whatever.

Signature(s) Guaranteed: Medallion Guarantee Stamp

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM, PURSUANT TO S.E.C. RULE 17Ad-15.

SECURITY INSTRUCTIONS

THIS IS WATERMARKED PAPER. DO NOT ACCEPT WITHOUT NOTING WATERMARK. HOLD TO LIGHT TO VERIFY WATERMARK.

The IRS requires that the named transfer agent ("we") report the cost basis of certain shares or units acquired after January 1, 2011. If your shares or units are covered by the legislation, and you requested to sell or transfer the shares or units using a specific cost basis calculation method, then we have processed as you requested. If you did not specify a cost basis calculation method, then we have defaulted to the first in, first out (FIFO) method. Please consult your tax advisor if you need additional information about cost basis.

If you do not keep in contact with the issuer or do not have any activity in your account for the time period specified by state law, your property may become subject to state unclaimed property laws and transferred to the appropriate state.

153421

Exhibit 4.3

REGISTRATION RIGHTS AGREEMENT

BY AND BETWEEN

FRONTIER GROUP HOLDINGS, INC.

AND

INDIGO FRONTIER HOLDINGS COMPANY, LLC

, 2017

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REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made as of , 2017, by and among Frontier Group Holdings, Inc., a Delaware corporation (the "Company"), Indigo Frontier Holdings Company, LLC, a Delaware limited liability company (the "Sponsor"), and such other persons, if any, that from time to time become parties hereto pursuant to the terms hereof or who join this Agreement pursuant to a Joinder Agreement substantially in the form of Exhibit A (together, with the Sponsor, the "Stockholders"). This agreement shall become effective immediately prior to the consummation of the Initial Public Offering (such date, the "Effective Date"). Unless otherwise noted herein, capitalized terms used herein shall have the meanings set forth in Section 5.

RECITALS

A. Pursuant to that certain Subscription Agreement, dated as of December 3, 2013, by and between the Company, formerly known as Falcon Acquisition Group, Inc., a Delaware corporation, and the Sponsor, the Sponsor previously acquired 5,200,000 shares of Common Stock, par value $0.001 per share (as adjusted for any stock splits, stock dividends, reclassifications, reorganizations or similar transactions since December 3, 2013, the "Shares"), of the Company (the "Subscription Agreement").

B. As partial consideration for the investment by the Sponsor, pursuant to Section 5.1 of the Subscription Agreement, the Company agreed upon the request of the Sponsor to enter into a registration rights agreement with the Sponsor containing certain specified terms and conditions set forth therein and other terms and conditions customary for such agreements.

C. The parties hereto desire for the Company to provide the registration rights set out in this Agreement to the Sponsor in full and complete satisfaction of the Company's obligations under Section 5.1 of the Subscription Agreement.

AGREEMENT

NOW, THEREFORE, the parties to this Agreement hereby agree as follows:

SECTION I. DEMAND REGISTRATIONS

1.1 Requests for Registration. Subject to the other provisions of this Section 1, the Sponsor may (on behalf of itself and any Affiliate), at any time, initiate up to eight (8) registrations of all or part of its Registrable Securities on Form S-1 or any similar or successor long-form registration ("Long-Form Registrations") and, if available, an unlimited number of registrations of all or part of their Registrable Securities on Form S-3 or any similar or successor short-form registration ("Short-Form Registrations" and, collectively with any Long-Form Registration, the "Demand Registrations").

1.2 Demand Notice. All requests for Demand Registrations shall be made by giving written notice to the Company (a "Demand Notice"). Each Demand Notice shall specify the approximate number of Registrable Securities requested to be registered. Within ten (10) days after receipt of any such Demand Notice, the Company will give written notice of such requested registration to all other Stockholders, if any, and, subject to Section 1.5, the Company will include in any such registration (and in all related registrations and qualifications under blue sky laws or in compliance with other registration requirements and in any related underwriting), all Registrable Securities with respect to which the Company has received written requests from such other Stockholders, if any, for inclusion therein within fifteen (15) days after the delivery of the Company's notice.

1.3 Demand Registration Expenses. The Company will pay all Registration Expenses (as defined in Section 3.2) in connection with any registration initiated as a Demand Registration, whether or not it has become effective.

1.4 Short-Form Registrations. Demand Registrations will be Short-Form Registrations whenever the Company is permitted to use any applicable short-form (unless the managing underwriter(s) of such offering requests the Company to use a Long-Form Registration in order to sell all of the Registrable Securities requested to be sold). After the Company has become subject to the reporting requirements of the Exchange Act, the Company will use its reasonable best efforts to make Short-Form Registrations available for the sale of Registrable Securities. To the extent the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) (a "WKSI") at the time any Demand Notice for a Short Form Registration is submitted to the Company in accordance with Section 1.2, the Company will use its reasonable best efforts to (i) if so requested, file an automatic shelf registration statement (as defined in Rule 405 under the Securities Act) (an "automatic shelf registration statement") to effect such registration, and (ii) remain a WKSI (and not become an ineligible issuer (as defined in Rule 405 under the Securities Act)) during the period during which such automatic shelf registration statement is required to remain effective in accordance with this Agreement.

1.5 Priority on Demand Registrations. The Company shall not include in any Demand Registration any securities which are not Registrable Securities, other than securities of the Company to be offered by the Company solely for its own account (the "Company Offered Securities"), without the prior written consent of the Sponsor. If a Demand Registration is an underwritten offering and the managing underwriter(s) advises the Company in writing that in its opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be sold therein without adversely affecting the marketability of the offering, then the Company shall include in such registration, prior to the inclusion of any securities that are not Registrable Securities, other than Company Offered Securities, the number of Registrable Securities requested to be included in such offering that, in the opinion of such underwriter(s), can be sold without adversely affecting the marketability of the offering, pro rata among the respective holders thereof on the basis of the number of Registrable Securities owned by each such holder, and only after all such Registrable Securities are included in such offering, shall securities that are not Company Offered Securities or Registrable Securities, if any, be included in such offering.

1.6 Selection of Underwriters. The Sponsor shall have the right to select the underwriter or underwriters to administer the offering for any Demand Registration.

1.7 Other Registration Rights. The Company represents and warrants that it is not a party to, or otherwise subject to, any other agreement granting registration rights to any other Person with respect to any securities of the Company, other than this Agreement. Except as provided in this Agreement, for so long as any Registrable Securities are outstanding, the Company shall not grant to any Persons the right to request the Company to register any equity securities of the Company, or any securities convertible or exchangeable into or exercisable for such securities, without the approval of the Sponsor.

SECTION II. PIGGYBACK REGISTRATIONS.

2.1 Right to Piggyback.

(a) The Company will include in its Initial Public Offering all Registrable Securities held and requested by the Sponsor to be included in such registration (the "Initial Public Offering Piggyback Registration").

(b) Following the Initial Public Offering, whenever the Company proposes to register any of its equity securities under the Securities Act, including any registration pursuant to Section 1.1 above (other in connection with registration on Form S-4 or Form S-8 or any successor or similar form) and the registration form to be used may be used for the registration of Registrable Securities (a "Non-Initial Public Offering Piggyback Registration"), the Company will give prompt written notice to all Stockholders of its intention to effect such a registration and, subject to Sections 2.3 and 2.4 below, will include in such registration all Registrable Securities held by any Stockholders upon notice from such Stockholder within fifteen (15) days after the delivery of the Company's notice. Each such Company notice shall specify the approximate number of Company equity securities to be registered and the anticipated per share price range for such offering.

2.2 Piggyback Expenses. The Registration Expenses of the Stockholders will be paid by the Company in all Piggyback Registrations, whether or not any such registration becomes effective.

2.3 Priority on Primary Registrations. If a Piggyback Registration is an underwritten primary registration on behalf of the Company and the managing underwriter(s) advises the Company in writing (with a copy to each applicable Stockholder requesting registration of Registrable Securities) that in its opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of such offering, the Company will include in such registration: (a) first, the securities the Company proposes to sell solely for its own account, (b) second, the Registrable Securities requested to be included in such registration, pro rata among the applicable holders of such Registrable Securities on the basis of the number of shares owned by each such holder, and (c) third, other securities requested to be included in such registration.

2.4 Priority on Secondary Registrations. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities (other than the Stockholders with respect to Registrable Securities), and the managing underwriter(s) advises the Company in writing that in its opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company will include in such registration: (a) first, the Registrable Securities requested to be included in such registration by the Stockholders, pro rata among the holders of such Registrable Securities on the basis of the number of Registrable Securities owned by each such holder, and (b) second, other such securities requested to be included in such registration.

SECTION III. REGISTRATION AND COORDINATION GENERALLY.

3.1 Registration Procedures. Whenever the Stockholders request that any Registrable Securities be registered pursuant to this Agreement, the Company will use its reasonable best efforts to effect the registration and the sale of such Registrable Securities in accordance with the intended method of disposition thereof and pursuant thereto the Company will as expeditiously as reasonably practicable:

(a) prepare and (within, in the case of a Long-Form Registration, forty-five (45) days, or, in the case of a Short-Form Registration, thirty (30) days, in each case, after the end of the period within which requests for inclusion in such registration may be given to the Company, if relevant) file with the Securities and Exchange Commission a registration statement with respect to such Registrable Securities and thereafter use its reasonable best efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company will furnish to the counsel selected by the Sponsor for any registration in which the Sponsor participates (or counsel selected by the Stockholders holding a majority of the Registrable Securities for which registration is sought, for any registration in which the Sponsor does not

participate and in which the other Stockholders do participate), copies of all such documents proposed to be filed, which documents will be subject to review by such counsel);

(b) prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary (i) to keep such registration statement effective (A) for at least ninety (90) days (subject to extension pursuant to Section 3.3(b)) or until each Stockholder participating in such registration has completed the distribution described in the registration statement relating to such distribution, whichever occurs first or, if such registration statement relates to an underwritten offering, such longer period as in the opinion of counsel for the underwriters a prospectus is required by law to be delivered in connection with sales of Registrable Securities by an underwriter or dealer, or (B) in the case of a Shelf Registration, until the earlier of (1) the date on which all Registrable Securities have been sold under the Shelf Registration or otherwise no longer qualify as Registrable Securities and (2) the latest date allowed by applicable law, and (ii) to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement until such time as all of such securities have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement;

(c) furnish to each Stockholder participating in such registration such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such Stockholder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Stockholder;

(d) use its reasonable best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any Stockholder participating in such registration reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such Stockholder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Stockholder (provided that the Company will not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (ii) subject itself to taxation in respect of doing business in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) promptly notify each Stockholder participating in such registration at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the discovery of the happening of any event as a result of which, the prospectus included in such registration statement contains an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading in the light of the circumstances under which they were made, and, at the request of any Stockholder participating in such registration, the Company will prepare and furnish to such Stockholder a reasonable number of copies of a supplement or amendment to such prospectus so that, as thereafter delivered to the prospective purchasers of such Registrable Securities, such prospectus will not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading in the light of the circumstances under which they were made;

(f) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(h) if at any time when the Company is required to re-evaluate its WKSI status for purposes of an automatic shelf registration statement used to effect a request for registration in accordance with Section 1.4 (i) the Company determines that it is not a WKSI, (ii) the registration statement is required to be kept effective in accordance with this Agreement, and (iii) the registration rights of the Stockholders hereunder have not terminated, promptly amend the registration statement onto a form the Company is then eligible to use or file a new registration statement on such form, and keep such registration statement effective in accordance with the requirements otherwise applicable under this Agreement;

(i) if (i) a Shelf Registration is required to be kept effective in accordance with this Agreement after the third anniversary of the initial effective date of the Shelf Registration, (ii) the registration rights of the Stockholders hereunder have not terminated and (iii) the Company is eligible at such time to file a Shelf Registration, file a new registration statement with respect to any unsold Registrable Securities subject to the original request for registration prior to the end of the three year period after the initial effective date of the Shelf Registration, and keep such registration statement effective in accordance with the requirements otherwise applicable under this Agreement;

(j) enter into such customary agreements (including underwriting agreements in customary form) and perform the Company's obligations thereunder and take all such other actions as the Stockholders participating in such registration or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (which might include effecting a stock split or a combination of shares);

(k) subject to reasonable confidentiality undertakings, make available for inspection by each Stockholder participating in such registration, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by such Stockholders or any such underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such Stockholder, underwriter, attorney, accountant or agent in connection with such registration statement, and to cooperate and participate as reasonably requested by any such seller in road show presentations, in the preparation of the registration statement, each amendment and supplement thereto, the prospectus included therein, and other activities as such Stockholder may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such Stockholder;

(l) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, but not later than fifteen (15) months after the effective date of the registration statement, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(m) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any securities included in such registration statement for sale in any jurisdiction, the Company will use its reasonable best efforts promptly to obtain the withdrawal of such order;

(n) obtain one or more comfort letters, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, also dated the date of the

closing under the underwriting agreement) addressed to the Persons participating in such offering, signed by the Company's independent public accountants in the then-current customary form and covering such matters of the type customarily covered from time to time by comfort letters as the Stockholders participating in such registration may reasonably request;

(o) provide one or more legal opinions of the Company's outside counsel, dated the effective date of such registration statement (and, if such registration includes an underwritten public offering, dated the date of the closing under the underwriting agreement and addressed to the underwriters), with respect to the registration statement, each amendment and supplement thereto, the prospectus included therein (including the preliminary prospectus) and such other documents relating thereto in the then-current customary form and covering such matters of the type customarily covered from time to time by legal opinions of such nature (in a form reasonably acceptable to the Stockholders participating in such registration);

(p) cooperate with the Stockholders participating in such registration and the managing underwriter(s), if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing securities to be sold under the registration statement, and enable such securities to be in such denominations and registered in such names as the managing underwriter(s), if any, or the Sponsor may request;

(q) notify counsel for the Stockholders participating in such registration and the managing underwriter(s), immediately, and confirm the notice in writing (i) when the registration statement, or any post-effective amendment to the registration statement, shall have become effective, or any supplement to the prospectus or any amendment prospectus shall have been filed, (ii) of the receipt of any comments from the Securities and Exchange Commission, (iii) of any request of the Securities and Exchange Commission to amend the registration statement or amend or supplement the prospectus or for additional information, and (iv) of the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the registration statement for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes;

(r) use its reasonable best efforts to prevent the issuance of any stop order suspending the effectiveness of the registration statement or of any order preventing or suspending the use of any preliminary prospectus;

(s) if requested by the managing underwriter(s) or any Stockholder participating in such registration, promptly incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriter(s) or such Stockholder reasonably requests to be included therein, including, without limitation, with respect to the number of Registrable Securities being sold by such Stockholder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment; and

(t) cooperate with each Stockholder participating in such registration and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the Financial Industry Regulatory Authority, Inc.

The Company may require each Stockholder participating in such registration to furnish the Company such information relating to the sale or registration of such securities regarding such Stockholder and the distribution of such securities as the Company hereunder may from time to time reasonably request in writing.

3.2 Registration Expenses.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including, without limitation, all registration, qualification and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, transfer agent's and registrar's fees, cost of distributing prospectuses in preliminary and final form as well as supplements thereto and fees and disbursements of counsel for the Company and all independent certified public accountants, underwriters (excluding discounts and commissions) and other Persons retained by the Company (all such expenses, as well as any expenses identified in Section 3.2(b), being herein called "Registration Expenses"), will be paid by the Company in respect of each Demand Registration and each Piggyback Registration, whether or not it has become effective, including that the Company will pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed; provided, that all underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of equity securities of the Company shall not be included as Registration Expenses and shall be borne by the applicable seller of such equity securities of the Company.

(b) In connection with each Demand Registration and each Piggyback Registration, whether or not it has become effective, the Company will pay, and reimburse the Stockholders for the payment of, the reasonable fees and disbursements of one counsel selected by the Sponsor (or counsel selected by the Stockholders holding a majority of the Registrable Securities for which registration is sought, for any registration in which the Sponsor does not participate and in which the other Stockholders do participate), and such expenses shall be considered Registration Expenses hereunder.

3.3 Participation in Underwritten Offerings.

(a) No Stockholder may participate in any registration hereunder which is underwritten unless such Stockholder (i) agrees to sell its securities on the basis provided in any underwriting arrangements approved by the Sponsor (or the Stockholders holding a majority of the Registrable Securities for which registration is sought, for any registration in which the Sponsor does not participate and in which the other Stockholders do participate) including, without limitation, pursuant to the terms of any over-allotment or "green shoe" option requested by the managing underwriter(s), provided that such Stockholder will not be required to sell more than the number of Registrable Securities that such Stockholder has requested the Company to include in any registration, and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

(b) Each Stockholder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 3.1(e) above, such Stockholder will forthwith discontinue the disposition of its Registrable Securities pursuant to the registration statement until such Stockholder's receipt of the copies of a supplemented or amended prospectus as contemplated by such Section 3.1(e). In the event the Company shall give any such notice, the applicable time period mentioned in Section 3.1(b) during which a Registration Statement is to remain effective shall be extended by the number of days during the period from and including the date of the giving of such notice

pursuant to this paragraph to and including the date when such Stockholder shall have received the copies of the supplemented or amended prospectus contemplated by Section 3.1(e).

3.4 Company Holdback. The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, (a) with respect to any underwritten Demand Registration or any underwritten Piggyback Registration in which Registrable Securities are included, during the seven (7) days prior to and the ninety (90)-day period beginning on the effective date of such registration, and (b) upon notice from the Sponsor that the Stockholders intend to effect an underwritten distribution of Registrable Securities pursuant to a Shelf Registration, the seven (7) days prior to and the ninety (90)-day period beginning on the date of the commencement of such distribution, in each case except as part of such underwritten registration or pursuant to registrations on Form S-4 or Form S-8, and in each case unless the managing underwriter(s) otherwise agrees.

3.5 Current Public Information. At all times after the Company has filed a registration statement with the Securities and Exchange Commission pursuant to the requirements of either the Securities Act or the Exchange Act, the Company will use its reasonable best efforts to timely file all reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Securities and Exchange Commission thereunder, and will take such further action as any holder or holders of Registrable Securities may reasonably request, all to the extent required to enable such holders to sell Registrable Securities pursuant to Rule 144.

3.6 Shelf Take-Downs. At any time that a Shelf Registration is effective, if a Stockholder delivers a notice to the Company (a "Take-Down Notice") stating that it intends to effect an offering of all or part of its Registrable Securities included by it on the Shelf Registration, whether such offering is underwritten or non-underwritten (a "Shelf Offering") and stating the number of the Registrable Securities to be included in the Shelf Offering, then, the Company shall amend or supplement the Shelf Registration as may be necessary in order to enable such Registrable Securities to be distributed pursuant to the Shelf Offering. In connection with any Shelf Offering, in the event that the managing underwriter(s), if any, advises the Company in writing that in its opinion the number of Registrable Securities to be included in such Shelf Offering exceeds the number of Registrable Securities which can be sold therein without adversely affecting the marketability of the offering, such managing underwriter(s), if any, may limit the number of shares which would otherwise be included in such Shelf Offering in the same manner as is described in Section 1.5.

SECTION IV. INDEMNIFICATION.

4.1 Indemnification by the Company. The Company agrees to indemnify and hold harmless, to the fullest extent permitted by law, each Stockholder and, as applicable, its officers, directors, trustees, employees, stockholders, holders of beneficial interests, members, and general and limited partners (collectively, such Stockholder's "Indemnitees") and each Person who controls such Stockholder (within the meaning of the Securities Act) against any and all losses, claims, damages, liabilities, joint or several, to which such Stockholder or any such Indemnitee may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon (a) any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto, together with any documents incorporated therein by reference or, (b) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such Stockholder and each of its Indemnitees for any legal or any other expenses, including any amounts paid in any settlement effected with the consent of the Company, which consent will not be unreasonably

withheld or delayed, incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement, or omission or alleged omission, made in such registration statement, any such prospectus or preliminary prospectus or any amendment or supplement thereto, or in any application, in reliance upon, and in conformity with, written information prepared and furnished to the Company by such Stockholder expressly for use therein. In connection with an underwritten offering, the Company will indemnify such underwriters, their officers and directors and each Person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of such Stockholder.

4.2 Indemnification by the Stockholders. In connection with any registration statement in which a Stockholder is participating, each such Stockholder will furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, will indemnify and hold harmless the Company and its Indemnitees against any losses, claims, damages, liabilities, joint or several, to which the Company or any such Indemnitee may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon (a) any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or in any application, together with any documents incorporated therein by reference or (b) any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement (or alleged untrue statement) or omission (or alleged omission) is made in such registration statement, any such prospectus or preliminary prospectus or any amendment or supplement thereto, or in any application, in reliance upon and in conformity with written information prepared and furnished to the Company by such Stockholder expressly for use therein, and such Stockholder will reimburse the Company and each such Indemnitee for any legal or any other expenses including any amounts paid in any settlement effected with the consent of such Stockholder, which consent will not be unreasonably withheld or delayed, incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding; provided, however, that the obligation to indemnify will be individual (and not joint and several) to each Stockholder and will be limited to the net amount of proceeds received by such Stockholder from the sale of Registrable Securities pursuant to such registration statement, less any other amounts paid by such Stockholder in respect of such untrue statement, alleged untrue statement, omission or alleged omission.

4.3 Procedure. Any Person entitled to indemnification hereunder will (a) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided, however, that the failure of any indemnified party to give such notice shall not relieve the indemnifying party of its obligations hereunder, except to the extent that the indemnifying party is actually prejudiced by such failure to give such notice), and (b) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party will not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim will not be obligated to pay the fees and expenses of more than one counsel for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party a conflict of interest may exist between such indemnified party and any other of such indemnified parties with respect to such claim.

4.4 Entry of Judgment; Settlement. The indemnifying party shall not, except with the approval of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to each indemnified party of a release from all liability in respect to such claim or litigation without any payment or consideration provided by such indemnified party.

4.5 Contribution. If the indemnification provided for in this Section 4 is, other than expressly pursuant to its terms, unavailable to or is insufficient to hold harmless an indemnified party under the provisions above in respect of any losses, claims, damages or liabilities referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (a) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and each Stockholder and any other sellers participating in the registration on the other hand from the sale of Registrable Securities pursuant to the registered offering of securities as to which indemnity is sought or (b) if the allocation provided by clause (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect the relative benefits referred to in clause (a) above but also the relative fault of the Company on the one hand and of the Stockholders and any other sellers participating in the registration on the other hand in connection with the statement or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Stockholders and any other sellers participating in the registration on the other hand shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) to the Company bear to the total net proceeds from the offering (before deducting expenses) to the Stockholders and any other sellers participating in the registration. The relative fault of the Company on the one hand and of the Stockholders and any other sellers participating in the registration on the other hand shall be determined by reference to, among other things, whether the untrue or alleged statement or omission to state a material fact relates to information supplied by the Company or by the Stockholders or other sellers participating in the registration and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Company and the Stockholders participating in the registration agree that it would not be just and equitable if contribution pursuant to this Section 4 were determined by pro rata allocation (even if the Stockholders participating in the registration were treated as one entity for such purposes) or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 4, no Stockholder participating in the registration shall be required to contribute any amount in excess of the net proceeds received by such Stockholder from the sale of Registrable Securities covered by the relevant registration statement filed pursuant hereto, less any other amounts paid by such Stockholder in respect of such untrue statement, alleged untrue statement, omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

4.6 Other Rights. The indemnification and contribution by any such party provided for under this Agreement shall be in addition to any other rights to indemnification or contribution which any indemnified party may have pursuant to law or contract and will remain in full force and effect regardless of any investigation made or omitted by or on behalf of the indemnified party or any officer, director or controlling Person of such indemnified party and will survive the transfer of securities.

SECTION V. TERMINATION.

The rights of the Sponsor or any other Stockholders, as the case may be, to request registration or inclusion of Registrable Securities in any registration pursuant to Sections I and II shall terminate upon the earlier to occur of:

(a) such time as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of the Stockholder's shares without volume or other limitation during a three-month period without registration; and

(b) the tenth anniversary of the Initial Public Offering.

SECTION VI. DEFINITIONS.

"Affiliate" shall mean, with respect to any Person, (a) any other Person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person; provided, however, that neither the Company nor any of its subsidiaries shall be deemed an Affiliate of the any of the Stockholders (and vice versa), and (b) if such specified Person is a private equity investment fund, any other private equity investment fund the primary investment advisor to which is the primary investment advisor to such specified Person or an Affiliate thereof.

"Agreement" has the meaning provided in the introduction.

"automatic shelf registration statement" has the meaning provided in Section 1.4.

"Board" shall mean the Board of Directors of the Company.

"Common Stock" shall mean the Company's Common Stock, par value $0.001 per share.

"Company" has the meaning provided in the introduction.

"Company Offered Securities" has the meaning provided in Section 1.5.

"Demand Notice" has the meaning provided in Section 1.2.

"Demand Registrations" shall mean Long-Form Registrations and Short-Form Registrations requested pursuant to Section 1.1.

"Discriminate" shall mean, with respect to a specified Person, to change the rights of such specified Person as compared to other applicable Persons in a manner that is, or is reasonably expected to be, materially and adversely different than the changes to the rights of the other applicable Persons.

"Effective Date" has the meaning provided in the introduction.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time, or any successor federal law then in force.

"Indemnitees" has the meaning provided in Section 4.1.

"Initial Public Offering" shall mean the initial underwritten Public Offering registered on Form S-1 (or any successor form under the Securities Act).

“Long-Form Registrations” has the meaning provided in Section 1.1.

“Person” shall mean any individual, partnership, corporation, company, association, trust, joint venture, limited liability company, unincorporated organization, entity or division, or any government, governmental department or agency or political subdivision thereof.

“Piggyback Registration” shall mean any Initial Public Offering Registration and/or any Non-Initial Public Offering Registration.

“Public Offering” shall mean a public offering and sale of Common Stock for cash pursuant to an effective registration statement under the Securities Act.

“Registrable Securities” shall mean (a) the Shares, and (b) any common equity securities issued or issuable directly or indirectly with respect to any of the foregoing securities referred to in clause (a) by way of stock splits, stock dividends, reclassifications, reorganizations or similar transactions. As to any particular shares constituting Registrable Securities, such shares will cease to be Registrable Securities when they have been (x) effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them, or (y) sold to the public pursuant to Securities Act Rule 144 or sold in a block sale to a financial institution in the ordinary course of its trading business, in each case in compliance with this Agreement. For purposes of this Agreement, a Person will be deemed to be a holder of Registrable Securities whenever such Person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected.

“Registration Expenses” has the meaning provided in Section 3.2.

“Rule 144” shall mean Securities and Exchange Commission Rule 144 under the Securities Act, as Rule 144 may be amended from time to time, or any similar successor rule that may be issued by the Securities and Exchange Commission.

“Securities Act” shall mean the Securities Act of 1933 and the rules promulgated thereunder, in each case as amended from time to time.

“Securities and Exchange Commission” includes any governmental body or agency succeeding to the functions thereof.

“Shares” has the meaning provided in the recitals.

“Shelf Offering” has the meaning provided in Section 3.6.

“Shelf Registration” shall mean the filing of a Short-Form Registration with the Securities and Exchange Commission in accordance with and pursuant to Rule 415 under the Securities Act (or any successor rule then in effect).

“Short-Form Registrations” has the meaning provided in Section 1.1.

“Sponsor” has the meaning provided in the introduction.

“Stock” shall mean the capital stock of the Company. For clarification purposes, as of the Effective Date, the Common Stock constitutes all of the Company’s issued and outstanding capital stock.

"Stockholders" has the meaning provided in the introduction.

"Subscription Agreement" has the meaning provided in the recitals.

"Take-Down Notice" has the meaning provided in Section 3.6.

"Transfer" shall mean any sale, pledge, assignment, encumbrance or other transfer or disposition of any Registrable Securities (or any voting or economic interest therein) to any other Person, whether directly, indirectly, voluntarily, involuntarily, by operation of law, pursuant to judicial process or otherwise.

"WKSI" has the meaning provided in Section 1.4.

SECTION VII. MISCELLANEOUS.

7.1 No Inconsistent Agreements. The Company will not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Stockholders in this Agreement.

7.2 Adjustments Affecting Registrable Securities. The Company will not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the Stockholders to include its Registrable Securities in a registration undertaken pursuant to this Agreement (including, without limitation, effecting a stock split, stock dividend, reclassification, reorganization or similar transaction). If the Company or any Affiliate creates a new holding company ("Holdco") or otherwise engages in any reorganization of any kind, the result of which is that the stockholders of the Company immediately before such event become all the stockholders of Holdco or such other successor entity, then in each instance the provisions of this Agreement will, in addition to applying to the Company, also apply to Holdco or such other successor entity in the same manner as if Holdco or such other successor entity were substituted for the Company throughout this Agreement.

7.3 Amendment and Waiver. This Agreement may be amended, modified, extended, terminated or waived (an "Amendment"), and the provisions hereof may be waived, only by an agreement in writing signed by the Company and the Sponsor. Each such Amendment shall be binding upon each party hereto. In addition, each party hereto and each Stockholder subject hereto may waive any right hereunder, as to itself, by an instrument in writing signed by such party. The failure of any party to enforce any provisions of this Agreement shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Agreement in accordance with its terms. To the extent the Amendment of any Section of this Agreement would require a specific consent pursuant to this Section 7.3, any Amendment to the definitions used in such Section as applied to such Section shall also require the same specified consent.

7.4 Successors and Assigns; Transferees. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. Registrable Securities shall continue to be Registrable Securities after any Transfer pursuant to which the transferee is deemed to hold "restricted securities" as such term is defined in Rule 144(a)(3); provided, however, that Registrable Securities shall not continue to be Registrable Securities if such securities were effectively registered under the Securities Act and disposed of in accordance with the registration statement covering them. Any transferee receiving shares of Registrable Securities in a Transfer shall become a Stockholder party to this Agreement and subject to the terms and conditions of, and be entitled to enforce, this Agreement to the same extent, and in the same capacity, as the Person that Transfers such shares to such transferee. If the Sponsor Transfers 100% of its Registrable Securities, the term "Sponsor"

hereunder shall be deemed to include all Stockholders, if any, and any exercise of rights by the Stockholders in such capacity shall be determined by Stockholders holding a majority of Registrable Securities then outstanding. Prior to the Transfer of any Registrable Securities to any transferee, and as a condition thereto, each Stockholder effecting such Transfer shall cause such transferee to deliver to the Company a joinder agreement, in form and substance reasonably satisfactory to the Company, to be bound by the terms and conditions of this Agreement.

7.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or the effectiveness or validity of any provision in any other jurisdiction, and this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

7.6 Counterparts. This Agreement may be executed in separate counterparts (including by means of facsimile or electronic transmission in portable document format (pdf)), each of which shall be an original and all of which taken together shall constitute one and the same Agreement.

7.7 Descriptive Headings. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

7.8 Notices. Any notices and other communications required or permitted in this Agreement shall be effective if in writing and (a) delivered personally, (b) sent by facsimile or electronic transmission, or (c) sent by overnight courier, in each case, addressed as follows:

If to the Company, to:

Frontier Group Holdings, Inc.
Frontier Center One
7001 Tower Road
Denver, CO 80249
Attn: General Counsel

If to the Sponsor, to:

Indigo Frontier Holdings, LLC
C.O. Indigo Partners
2525 East Camelback Road, Suite 900
Phoenix, AZ 85016
Attn: William A. Franke
Facsimile: (602) 224-1555

If to any other Stockholder, to it at the address set forth on Schedule I, or if not set forth thereon, in the records of the Company.

Notice to the holder of record of any shares of capital stock shall be deemed to be notice to the holder of such shares for all purposes hereof.

Unless otherwise specified herein, such notices or other communications shall be deemed effective (x) on the date received, if personally delivered, (y) on the date received if delivered by

facsimile or electronic transmission on a business day, or if not delivered on a business day, on the first business day thereafter and (z) two (2) business days after being sent by overnight courier. Each of the parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other parties hereto.

7.9 Governing Law. This Agreement and all claims arising out of or based upon this Agreement or relating to the subject matter hereof shall be governed by and construed in accordance with the domestic substantive laws of the State of Delaware without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

7.10 Exercise of Rights and Remedies. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any such delay, omission nor waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

(SIGNATURE PAGES FOLLOW)

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement on the day and year first above written.

FRONTIER GROUP HOLDINGS, INC.

By: _____
Name: Barry Biffle
Title: President and Chief Executive Officer

[Signature page to Registration Rights Agreement]

SPONSOR

INDIGO FRONTIER HOLDINGS COMPANY, LLC

By: Indigo Denver Management Company, LLC

By: William A. Franke
Its: Sole Member

[Signature page to Registration Rights Agreement]

Schedule I

Indigo Frontier Holdings Company, LLC
c/o Indigo Partners
2525 East Camelback Road
Suite 900
Phoenix, Arizona 85016
Attention: William A. Franke
Facsimile: (602) 224-1555

Exhibit A

Joinder Agreement to Registration Rights Agreement

The undersigned hereby agrees, effective as of the date hereof, to be a party to the Registration Rights Agreement (the "Agreement") dated as of , 2017 by and among Frontier Group Holdings, Inc. and the other parties thereto and for all purposes of the Agreement, the undersigned shall be included with the term "Stockholder" (as defined in the Agreement). The address to which notices may be sent to the undersigned is as follows:

Notice Address: _____

_____

_____

_____

[NAME OF UNDERSIGNED]

FRONTIER GROUP HOLDINGS, INC.
2017 INCENTIVE AWARD PLAN

ARTICLE 1.

PURPOSE

The purpose of the Frontier Group Holdings, Inc. 2017 Incentive Award Plan (as it may be amended or restated from time to time, the "Plan") is to promote the success and enhance the value of Frontier Group Holdings, Inc. (the "Company") by linking the individual interests of the members of the Board, Employees, and Consultants to those of Company stockholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company stockholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees, and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

ARTICLE 2.

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 "Administrator" shall mean the entity that conducts the general administration of the Plan as provided in Article 12. With reference to the duties of the Committee under the Plan which have been delegated to one or more persons pursuant to Section 12.6, or as to which the Board has assumed, the term "Administrator" shall refer to such person(s) unless the Committee or the Board has revoked such delegation or the Board has terminated the assumption of such duties.

2.2 "Applicable Accounting Standards" shall mean Generally Accepted Accounting Principles in the United States, International Financial Reporting Standards or such other accounting principles or standards as may apply to the Company's financial statements under United States federal securities laws from time to time.

2.3 "Applicable Law" shall mean any applicable law, including without limitation: (a) provisions of the Code, the Securities Act, the Exchange Act and any rules or regulations thereunder; (b) corporate, securities, tax or other laws, statutes, rules, requirements or regulations, whether federal, state, local or foreign; and (c) rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded.

2.4 "Award" shall mean an Option, a Stock Appreciation Right, a Restricted Stock award, a Restricted Stock Unit award, an Other Stock or Cash Based Award or a Dividend Equivalent award, which may be awarded or granted under the Plan.

2.5 "Award Agreement" shall mean any written notice, agreement, terms and conditions, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine consistent with the Plan.

2.6 "Board" shall mean the Board of Directors of the Company.

2.7 "Change in Control" shall mean and includes each of the following: (i) the acquisition by any person or group of affiliated or associated persons of more than fifty percent (50%) of the outstanding capital stock of the Company or voting securities representing more than fifty percent (50%) of the total voting power of outstanding securities of the Company; (ii) the consummation of a sale of all or substantially all of the assets of the Company to a third party; or (iii) the consummation of any merger involving the Company in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then "beneficially owned" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in the aggregate by the stockholders of the Company immediately prior to such merger. For the avoidance of doubt and notwithstanding anything herein to the contrary, in no event shall a transaction constitute a "Change in Control" if: (w) its sole purpose is to change the state of the Company's incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction; or (y) it is effected primarily for the purpose of financing the Company with cash (as determined by the Board without regard to whether such transaction is effectuated by a merger, equity financing or otherwise).

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any Award (or any portion of an Award) that provides for the deferral of compensation that is subject to Section 409A, to the extent required to avoid the imposition of additional taxes under Section 409A, the transaction or event described in subsection (a), (b), (c) or (d) with respect to such Award (or portion thereof) shall only constitute a Change in Control for purposes of the payment timing of such Award if such transaction also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

The Administrator shall have full and final authority, which shall be exercised in its sole discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a "change in control event" as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

2.8 "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder, whether issued prior or subsequent to the grant of any Award.

2.9 "Committee" shall mean the Compensation Committee of the Board, or another committee or subcommittee of the Board or the Compensation Committee of the Board described in Article 12 hereof.

2.10 “Common Stock” shall mean the common stock of the Company.

2.11 “Company” shall have the meaning set forth in Article 1.

2.12 “Consultant” shall mean any consultant or adviser engaged to provide services to the Company or any Subsidiary who qualifies as a consultant or advisor under the applicable rules of the Securities and Exchange Commission for registration of shares on a Form S-8 Registration Statement or, prior to the Public Trading Date, under Rule 701 of the Securities Act.

2.13 “Covered Employee” shall mean any Employee who is, or could become, a “covered employee” within the meaning of Section 162(m) of the Code.

2.14 “Director” shall mean a member of the Board, as constituted from time to time.

2.15 “Director Limit” shall have the meaning set forth in Section 4.6.

2.16 “Dividend Equivalent” shall mean a right to receive the equivalent value (in cash or Shares) of dividends paid on Shares, awarded under Section 10.2.

2.17 “DRO” shall mean a “domestic relations order” as defined by the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended from time to time, or the rules thereunder.

2.18 “Effective Date” shall mean the day prior to the Public Trading Date.

2.19 “Eligible Individual” shall mean any person who is an Employee, a Consultant or a Non-Employee Director, as determined by the Administrator.

2.20 “Employee” shall mean any officer or other employee (as determined in accordance with Section 3401(c) of the Code and the Treasury Regulations thereunder) of the Company or of any Subsidiary.

2.21 “Equity Restructuring” shall mean a nonreciprocal transaction between the Company and its stockholders, such as a stock dividend, stock split, spin-off, rights offering or recapitalization through a large, nonrecurring cash dividend, that affects the number or kind of Shares (or other securities of the Company) or the share price of Common Stock (or other securities) and causes a change in the per-share value of the Common Stock underlying outstanding Awards.

2.22 “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.23 “Fair Market Value” shall mean, as of any given date, the value of a Share determined as follows:

(a) If the Common Stock is (i) listed on any established securities exchange (such as the New York Stock Exchange, the NASDAQ Capital Market, the NASDAQ Global Market and the NASDAQ Global Select Market), (ii) listed on any national market system or

(iii) quoted or traded on any automated quotation system, its Fair Market Value shall be the closing sales price for a Share as quoted on such exchange or system for such date or, if there is no closing sales price for a Share on the date in question, the closing sales price for a Share on the last preceding date for which such quotation exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(b) If the Common Stock is not listed on an established securities exchange, national market system or automated quotation system, but the Common Stock is regularly quoted by a recognized securities dealer, its Fair Market Value shall be the mean of the high bid and low asked prices for such date or, if there are no high bid and low asked prices for a Share on such date, the high bid and low asked prices for a Share on the last preceding date for which such information exists, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or

(c) If the Common Stock is neither listed on an established securities exchange, national market system or automated quotation system nor regularly quoted by a recognized securities dealer, its Fair Market Value shall be established by the Administrator in good faith.

Notwithstanding the foregoing, with respect to any Award granted after the effectiveness of the Company's registration statement relating to its initial public offering and prior to the Public Trading Date, the Fair Market Value shall mean the initial public offering price of a Share as set forth in the Company's final prospectus relating to its initial public offering filed with the Securities and Exchange Commission.

2.24 "Greater Than 10% Stockholder" shall mean an individual then owning (within the meaning of Section 424(d) of the Code) more than 10% of the total combined voting power of all classes of stock of the Company or any subsidiary corporation (as defined in Section 424(f) of the Code) or parent corporation thereof (as defined in Section 424(e) of the Code).

2.25 "Holder" shall mean a person who has been granted an Award.

2.26 "Incentive Stock Option" shall mean an Option that is intended to qualify as an incentive stock option and conforms to the applicable provisions of Section 422 of the Code.

2.27 "Non-Employee Director" shall mean a Director of the Company who is not an Employee.

2.28 "Non-Employee Director Equity Compensation Policy" shall have the meaning set forth in Section 4.6.

2.29 "Non-Qualified Stock Option" shall mean an Option that is not an Incentive Stock Option or which is designated as an Incentive Stock Option but does not meet the applicable requirements of Section 422 of the Code.

2.30 "Option" shall mean a right to purchase Shares at a specified exercise price, granted under Article 6. An Option shall be either a Non-Qualified Stock Option or an Incentive Stock Option; provided, however, that Options granted to Non-Employee Directors and Consultants shall only be Non-Qualified Stock Options.

2.31 “Option Term” shall have the meaning set forth in Section 6.4.

2.32 “Organizational Documents” shall mean, collectively, (a) the Company’s articles of incorporation, certificate of incorporation, by-laws or other similar organizational documents relating to the creation and governance of the Company, and (b) the Committee’s charter or other similar organizational documentation relating to the creation and governance of the Committee.

2.33 “Other Stock or Cash Based Award” shall mean a cash payment, cash bonus award, stock payment, stock bonus award, performance award or incentive award that is paid in cash, Shares or a combination of both, awarded under Section 10.1, which may include, without limitation, deferred stock, deferred stock units, performance awards, retainers, committee fees, and meeting-based fees.

2.34 Performance-Based Compensation” shall mean any compensation that is intended to qualify as “performance-based compensation” as described in Section 162(m)(4)(C) of the Code.

2.35 “Performance Criteria” shall mean the criteria (and adjustments) that the Administrator selects for an Award for purposes of establishing the Performance Goal or Performance Goals for a Performance Period, determined as follows:

(a) The Performance Criteria that shall be used to establish Performance Goals are limited to the following: (i) earnings before interest, taxes, depreciation, rent and amortization expenses, or EBITDAR; (ii) earnings before interest, taxes, depreciation and amortization, or EBITDA; (iii) earnings before interest and taxes, or EBIT; (iv) EBITDAR, EBITDA, EBIT or earnings before taxes and unusual, special or nonrecurring items as measured either against the annual budget or as a ratio to revenue or return on total capital; (v) net earnings; (vi) earnings per share; (vii) net income (before or after taxes); (viii) profit margin; (ix) operating margin; (x) operating income; (xi) net operating income; (xii) net operating income after taxes; (xiii) growth; (xiv) net worth; (xv) cash flow; (xvi) cash flow per share; (xvii) total stockholder return; (xviii) return on capital, assets, equity or investment; (xix) stock price performance; (xx) revenues; (xxi) revenues per available seat mile; (xxii) costs; (xxii) costs per available seat mile; (xxiv) working capital; (xxv) capital expenditures or statistics; (xxvi) improvements in capital structure; (xxvii) economic value added; (xxviii) industry indices; (xxix) regulatory ratings; (xxx) customer satisfaction ratings; (xxxi) expenses and expense ratio management; (xxxii) debt reduction; (xxxiii) profitability of an identifiable business unit or product; (xxxiv) levels of expense, cost or liability by category, operating unit or any other delineation; (xxxv) implementation or completion of projects or processes; (xxxvi) combination of airline operating certificates within a specified period; (xxxvii) measures of operational performance (including, without limitation, U.S. Department of Transportation performance rankings in operational areas), quality, safety, productivity or process improvement; or (xxxviii) measures of employee satisfaction or employee engagement, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared

to results of a peer group or to market performance indicators or indices or, where applicable, on a per-share or per seat-mile basis. The Administrator, in its sole discretion, may provide that one or more objectively determinable adjustments shall be made to one or more of the Performance Goals. Such adjustments may include, but are not limited to, one or more of the following: (i) items related to a change in Applicable Accounting Standards; (ii) items relating to financing activities; (iii) expenses for restructuring or productivity initiatives; (iv) other non-operating items; (v) items related to acquisitions; (vi) items attributable to the business operations of any entity acquired by the Company during the Performance Period; (vii) items related to the sale or disposition of a business or segment of a business; (viii) items related to discontinued operations that do not qualify as a segment of a business under Applicable Accounting Standards; (ix) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the Performance Period; (x) any other items of significant income or expense which are determined to be appropriate adjustments; (xi) items relating to unusual or extraordinary corporate transactions, events or developments, (xii) items related to amortization of acquired intangible assets; (xiii) items that are outside the scope of the Company's core, on-going business activities; (xiv) items related to acquired in-process research and development; (xv) items relating to changes in tax laws; (xvi) items relating to major licensing or partnership arrangements; (xvii) items relating to asset impairment charges; (xviii) items relating to gains or losses for litigation, arbitration and contractual settlements; (xix) items attributable to expenses incurred in connection with a reduction in force or early retirement initiative; (xx) items relating to foreign exchange or currency transactions and/or fluctuations; or (xxi) items relating to any other unusual or nonrecurring events or changes in Applicable Law, Applicable Accounting Standards or business conditions. For all Awards intended to qualify as Performance-Based Compensation, such determinations shall be made within the time prescribed by, and otherwise in compliance with, Section 162(m) of the Code.

2.36 "Performance Goals" shall mean, for a Performance Period, one or more goals established in writing by the Administrator for the Performance Period based upon one or more Performance Criteria. Depending on the Performance Criteria used to establish such Performance Goals, the Performance Goals may be expressed in terms of overall Company performance or the performance of a Subsidiary, division, business unit, or an individual. The achievement of each Performance Goal shall be determined, to the extent applicable, with reference to Applicable Accounting Standards.

2.37 "Performance Period" shall mean one or more periods of time, which may be of varying and overlapping durations, as the Administrator may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Holder's right to, vesting of, and/or the payment in respect of, an Award.

2.38 "Permitted Transferee" shall mean, with respect to a Holder, (a) prior to the Public Trading Date, any "family member" of the Holder, as defined under Rule 701 of the Securities Act and (b) on or after the Public Trading Date, any "family member" of the Holder, as defined in the General Instructions to Form S-8 Registration Statement under the Securities Act (or any successor form thereto), or any other transferee specifically approved by the Administrator after taking into account Applicable Law.

2.39 "Plan" shall have the meaning set forth in Article 1.

2.40 “Prior Plan” shall mean the Falcon Acquisition Group, Inc. 2014 Equity Incentive Plan.

2.41 “Program” shall mean any program adopted by the Administrator pursuant to the Plan containing the terms and conditions intended to govern a specified type of Award granted under the Plan and pursuant to which such type of Award may be granted under the Plan.

2.42 “Public Trading Date” shall mean the first date upon which Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system.

2.43 “Restricted Stock” shall mean Common Stock awarded under Article 8 that is subject to certain restrictions and may be subject to risk of forfeiture or repurchase.

2.44 “Restricted Stock Units” shall mean the right to receive Shares awarded under Article 9.

2.45 “Section 409A” shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including, without limitation, any such regulations or other guidance that may be issued after the Effective Date.

2.46 “Securities Act” shall mean the Securities Act of 1933, as amended.

2.47 “Shares” shall mean shares of Common Stock.

2.48 “Stock Appreciation Right” shall mean an Award entitling the Holder (or other person entitled to exercise pursuant to the Plan) to exercise all or a specified portion thereof (to the extent then exercisable pursuant to its terms) and to receive from the Company an amount determined by multiplying the difference obtained by subtracting the exercise price per share of such Award from the Fair Market Value on the date of exercise of such Award by the number of Shares with respect to which such Award shall have been exercised, subject to any limitations the Administrator may impose.

2.49 “SAR Term” shall have the meaning set forth in Section 6.4.

2.50 “Subsidiary” shall mean any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least fifty percent (50%) of the total combined voting power of all classes of securities or interests in one of the other entities in such chain.

2.51 “Substitute Award” shall mean an Award granted under the Plan in connection with a corporate transaction, such as a merger, combination, consolidation or acquisition of property or stock, in any case, upon the assumption of, or in substitution for, outstanding equity awards previously granted by a company or other entity; provided, however, that in no event shall the term “Substitute Award” be construed to refer to an award made in connection with the cancellation and repricing of an Option or Stock Appreciation Right.

2.52 "Termination of Service" shall mean:

(a) As to a Consultant, the time when the engagement of a Holder as a Consultant to the Company or a Subsidiary is terminated for any reason, with or without cause, including, without limitation, by resignation, discharge, death or retirement, but excluding terminations where the Consultant simultaneously commences or remains in employment or service with the Company or any Subsidiary.

(b) As to a Non-Employee Director, the time when a Holder who is a Non-Employee Director ceases to be a Director for any reason, including, without limitation, a termination by resignation, failure to be elected, death or retirement, but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company or any Subsidiary.

(c) As to an Employee, the time when the employee-employer relationship between a Holder and the Company or any Subsidiary is terminated for any reason, including, without limitation, a termination by resignation, discharge, death, disability or retirement; but excluding terminations where the Holder simultaneously commences or remains in employment or service with the Company or any Subsidiary.

The Administrator, in its sole discretion, shall determine the effect of all matters and questions relating to any Termination of Service, including, without limitation, whether a Termination of Service has occurred, whether a Termination of Service resulted from a discharge for cause and all questions of whether particular leaves of absence constitute a Termination of Service; provided, however, that, with respect to Incentive Stock Options, unless the Administrator otherwise provides in the terms of any Program, Award Agreement or otherwise, or as otherwise required by Applicable Law, a leave of absence, change in status from an employee to an independent contractor or other change in the employee-employer relationship shall constitute a Termination of Service only if, and to the extent that, such leave of absence, change in status or other change interrupts employment for the purposes of Section 422(a)(2) of the Code and the then-applicable regulations and revenue rulings under said Section. For purposes of the Plan, a Holder's employee-employer relationship or consultancy relations shall be deemed to be terminated in the event that the Subsidiary employing or contracting with such Holder ceases to remain an Subsidiary following any merger, sale of stock or other corporate transaction or event (including, without limitation, a spin-off).

ARTICLE 3.

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to Sections 3.1(b) and 13.2 the aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan is the sum of: (i) [ ], (ii) any Shares which as of the Effective Date are available for issuance under any of the Prior Plan,

or are subject to awards under the Prior Plan which are forfeited or lapse unexercised and which following the Effective Date are not issued under the Prior Plan; and (iii) an annual increase on the first day of each year beginning in 2018 and ending in 2027, equal to the lesser of (A) [percent] [(%)] of the Shares outstanding (on an as-converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of Shares as determined by the Board; provided, however, no more than [ ] Shares may be issued upon the exercise of Incentive Stock Options. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Common Stock, treasury Common Stock or Common Stock purchased on the open market.

(b) To the extent all or a portion of an Award or Prior Plan award is forfeited, expires or such Award, Prior Plan award or portion thereof is settled for cash (in whole or in part), the Shares subject to such Award, Prior Plan award or portion thereof, shall, to the extent of such forfeiture, expiration or cash settlement, again be available for future grants of Awards under the Plan. The following Shares shall be added to the Shares authorized for grant under Section 3.1(a) and will be available for future grants of Awards: (i) Shares tendered by a Holder or withheld by the Company in payment of the exercise price of an Option or any stock option granted under the Prior Plan; (ii) Shares tendered by the Holder or withheld by the Company to satisfy any tax withholding obligation with respect to an Award or an option granted under the Prior Plan; and (iii) Shares subject to Stock Appreciation Rights that are not issued in connection with the stock settlement of the Stock Appreciation Rights on exercise thereof. Notwithstanding anything to the contrary contained herein, Shares purchased on the open market with the cash proceeds from the exercise of Options or stock options granted under the Prior Plan shall not be added to the Shares authorized for grant under Section 3.1(a) and will not be available for future grants of Awards. Any Shares forfeited by the Holder or repurchased by the Company under Section 8.4 at a price not greater than the price originally paid by the Holder so that such Shares are returned to the Company will again be available for Awards in an amount corresponding to the reduction in the share reserve previously made in accordance with Section 3.1(a) above. The payment of Dividend Equivalents in cash in conjunction with any outstanding Awards shall not be counted against the shares available for issuance under the Plan. Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Stock Option to fail to qualify as an incentive stock option under Section 422 of the Code.

(c) Substitute Awards shall not reduce the Shares authorized for grant under the Plan, except as may be required by reason of Section 422 of the Code. Additionally, in the event that a company acquired by the Company or any Subsidiary or with which the Company or any Subsidiary combines has shares available under a pre-existing plan approved by its stockholders and not adopted in contemplation of such acquisition or combination, the shares available for grant pursuant to the terms of such pre-existing plan (as adjusted, to the extent appropriate, using the exchange ratio or other adjustment or valuation ratio or formula used in such acquisition or combination to determine the consideration payable to the holders of common stock of the entities party to such acquisition or combination) may be used for Awards under the Plan and shall not reduce the Shares authorized for grant under the Plan; provided that Awards using such available Shares shall not be made after the date awards or grants could have been made under the terms of the pre-existing plan, absent the acquisition or combination, and shall only be made to individuals who were not employed by or providing services to the Company or its Subsidiaries immediately prior to such acquisition or combination.

ARTICLE 4.

GRANTING OF AWARDS

4.1 Participation. The Administrator may, from time to time, select from among all Eligible Individuals, those to whom an Award shall be granted and shall determine the nature and amount of each Award, which shall not be inconsistent with the requirements of the Plan. Except for any Non-Employee Director's right to Awards that may be required pursuant to the Non-Employee Director Equity Compensation Policy as described in Section 4.6, no Eligible Individual or other Person shall have any right to be granted an Award pursuant to the Plan and neither the Company nor the Administrator is obligated to treat Eligible Individuals, Holders or any other persons uniformly. Participation by each Holder in the Plan shall be voluntary and nothing in the Plan or any Program shall be construed as mandating that any Eligible Individual or other Person shall participate in the Plan.

4.2 Award Agreement. Each Award shall be evidenced by an Award Agreement that sets forth the terms, conditions and limitations for such Award as determined by the Administrator in its sole discretion (consistent with the requirements of the Plan and any applicable Program). Award Agreements evidencing Awards intended to qualify as Performance-Based Compensation shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 162(m) of the Code. Award Agreements evidencing Incentive Stock Options shall contain such terms and conditions as may be necessary to meet the applicable provisions of Section 422 of the Code.

4.3 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any individual who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3 of the Exchange Act and any amendments thereto) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

4.4 At-Will Service. Nothing in the Plan or in any Program or Award Agreement hereunder shall confer upon any Holder any right to continue in the employ of, or as a Director or Consultant for, the Company or any Subsidiary, or shall interfere with or restrict in any way the rights of the Company and any Subsidiary, which rights are hereby expressly reserved, to discharge any Holder at any time for any reason whatsoever, with or without cause, and with or without notice, or to terminate or change all other terms and conditions of employment or engagement, except to the extent expressly provided otherwise in a written agreement between the Holder and the Company or any Subsidiary.

4.5 Foreign Holders. Notwithstanding any provision of the Plan or applicable Program to the contrary, in order to comply with the laws in countries other than the United

States in which the Company and its Subsidiaries operate or have Employees, Non-Employee Directors or Consultants, or in order to comply with the requirements of any foreign securities exchange or other Applicable Law, the Administrator, in its sole discretion, shall have the power and authority to: (a) determine which Subsidiaries shall be covered by the Plan; (b) determine which Eligible Individuals outside the United States are eligible to participate in the Plan; (c) modify the terms and conditions of any Award granted to Eligible Individuals outside the United States to comply with Applicable Law (including, without limitation, applicable foreign laws or listing requirements of any foreign securities exchange); (d) establish subplans and modify exercise procedures and other terms and procedures, to the extent such actions may be necessary or advisable; provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3.1 or the Director Limit; and (e) take any action, before or after an Award is made, that it deems advisable to obtain approval or comply with any necessary local governmental regulatory exemptions or approvals or listing requirements of any foreign securities exchange.

4.6 Non-Employee Director Awards.

(a) Non-Employee Director Equity Compensation Policy. The Administrator, in its sole discretion, may provide that Awards granted to Non-Employee Directors shall be granted pursuant to a written nondiscretionary formula established by the Administrator (the "Non-Employee Director Equity Compensation Policy"), subject to the limitations of the Plan. The Non-Employee Director Equity Compensation Policy shall set forth the type of Award(s) to be granted to Non-Employee Directors, the number of Shares to be subject to Non-Employee Director Awards, the conditions on which such Awards shall be granted, become exercisable and/or payable and expire, and such other terms and conditions as the Administrator shall determine in its sole discretion. The Non-Employee Director Equity Compensation Policy may be modified by the Administrator from time to time in its sole discretion.

(b) Director Limit. Notwithstanding any provision to the contrary in the Plan or in the Non-Employee Director Equity Compensation Policy, the value (determined as of the grant date in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or any successor thereto) of equity-based Awards granted to a Non-Employee Director as compensation for services as a Non-Employee Director during any fiscal year of the Company may not exceed $500,000, increased to $750,000 in the fiscal year of his or her initial service as a Non-Employee Director (the applicable amount, the "Director Limit").

ARTICLE 5.

PROVISIONS APPLICABLE TO AWARDS INTENDED TO QUALIFY AS PERFORMANCE-BASED COMPENSATION

5.1 Purpose. The Administrator may, in its sole discretion, (a) determine whether an Award is intended to qualify as Performance-Based Compensation and (b) at any time after any such determination, alter such intent for any or no reason. If the Administrator, in its sole discretion, decides to grant an Award that is intended to qualify as Performance-Based Compensation (other than an Option or Stock Appreciation Right), then the provisions of this Article 5 shall control over any contrary provision contained in the Plan or any applicable

Program; provided that, if after such decision the Administrator alters such intention for any reason, the provisions of this Article 5 shall no longer control over any other provision contained in the Plan or any applicable Program. The Administrator, in its sole discretion, may (i) grant Awards to Eligible Individuals that are based on Performance Criteria or Performance Goals or any such other criteria and goals as the Administrator shall establish, but that do not satisfy the requirements of this Article 5 and that are not intended to qualify as Performance-Based Compensation and (ii) subject any Awards intended to qualify as Performance-Based Compensation to additional conditions and restrictions unrelated to any Performance Criteria or Performance Goals (including, without limitation, continued employment or service requirements) to the extent such Awards otherwise satisfy the requirements of this Article 5 with respect to the Performance Criteria and Performance Goals applicable thereto. Unless otherwise specified by the Administrator at the time of grant, the Performance Criteria with respect to an Award intended to be Performance-Based Compensation payable to a Covered Employee shall be determined on the basis of Applicable Accounting Standards.

5.2 Procedures with Respect to Performance-Based Awards. To the extent necessary to comply with the requirements of Section 162(m)(4)(C) of the Code, with respect to any Award which is intended to qualify as Performance-Based Compensation, no later than 90 days following the commencement of any Performance Period or any designated fiscal period or period of service (or such earlier time as may be required under Section 162(m) of the Code), the Administrator shall, in writing, (a) designate one or more Eligible Individuals, (b) select the Performance Criteria applicable to the Performance Period, (c) establish the Performance Goals, and amounts of such Awards, as applicable, which may be earned for such Performance Period based on the Performance Criteria, and (d) specify the relationship between Performance Criteria and the Performance Goals and the amounts of such Awards, as applicable, to be earned by each Covered Employee for such Performance Period. Following the completion of each Performance Period, the Administrator shall certify in writing whether and the extent to which the applicable Performance Goals have been achieved for such Performance Period. In determining the amount earned under such Awards, the Administrator (i) shall, unless otherwise provided in an Award Agreement, have the right to reduce or eliminate the amount payable at a given level of performance to take into account additional factors that the Administrator may deem relevant, including the assessment of individual or corporate performance for the Performance Period, but (ii) shall in no event have the right to increase the amount payable for any reason.

5.3 Payment of Performance-Based Awards. Unless otherwise provided in the applicable Program or Award Agreement and only to the extent otherwise permitted by Section 162(m) of the Code, as to an Award that is intended to qualify as Performance-Based Compensation, the Holder must be employed by the Company or a Subsidiary throughout the Performance Period. Unless otherwise provided in the applicable Program or Award Agreement, a Holder shall be eligible to receive payment pursuant to such Awards for a Performance Period only if and to the extent the Performance Goals for such Performance Period are achieved.

5.4 Additional Limitations. Notwithstanding any other provision of the Plan and except as otherwise determined by the Administrator, any Award which is granted to an Eligible Individual and is intended to qualify as Performance-Based Compensation shall be subject to any additional limitations set forth in Section 162(m) of the Code or any regulations or rulings issued thereunder that are requirements for qualification as Performance-Based Compensation, and the Plan and the applicable Program and Award Agreement shall be deemed amended to the extent necessary to conform to such requirements.

ARTICLE 6.

GRANTING OF OPTIONS AND STOCK APPRECIATION RIGHTS

6.1 Granting of Options and Stock Appreciation Rights to Eligible Individuals. The Administrator is authorized to grant Options and Stock Appreciation Rights to Eligible Individuals from time to time, in its sole discretion, on such terms and conditions as it may determine, which shall not be inconsistent with the Plan.

6.2 Qualification of Incentive Stock Options. The Administrator may grant Options intended to qualify as Incentive Stock Options only to employees of the Company, any of the Company's present or future "parent corporations" or "subsidiary corporations" as defined in Sections 424(e) or (f) of the Code, respectively, and any other entities the employees of which are eligible to receive Incentive Stock Options under the Code. No person who qualifies as a Greater Than 10% Stockholder may be granted an Incentive Stock Option unless such Incentive Stock Option conforms to the applicable provisions of Section 422 of the Code. To the extent that the aggregate fair market value of stock with respect to which "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to Section 422(d) of the Code) are exercisable for the first time by a Holder during any calendar year under the Plan, and all other plans of the Company and any parent corporation or subsidiary corporation thereof (as defined in Section 424(e) and 424(f) of the Code, respectively), exceeds $100,000, the Options shall be treated as Non-Qualified Stock Options to the extent required by Section 422 of the Code. The rule set forth in the immediately preceding sentence shall be applied by taking Options and other "incentive stock options" into account in the order in which they were granted and the fair market value of stock shall be determined as of the time the respective options were granted. Any interpretations and rules under the Plan with respect to Incentive Stock Options shall be consistent with the provisions of Section 422 of the Code. Neither the Company nor the Administrator shall have any liability to a Holder, or any other Person, (a) if an Option (or any part thereof) which is intended to qualify as an Incentive Stock Option fails to qualify as an Incentive Stock Option or (b) for any action or omission by the Company or the Administrator that causes an Option not to qualify as an Incentive Stock Option, including without limitation, the conversion of an Incentive Stock Option to a Non-Qualified Stock Option or the grant of an Option intended as an Incentive Stock Option that fails to satisfy the requirements under the Code applicable to an Incentive Stock Option.

6.3 Option and Stock Appreciation Right Exercise Price. The exercise price per Share subject to each Option and Stock Appreciation Right shall be set by the Administrator, but shall not be less than 100% of the Fair Market Value of a Share on the date the Option or Stock Appreciation Right, as applicable, is granted (or, as to Incentive Stock Options, on the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). In addition, in the case of Incentive Stock Options granted to a Greater Than 10% Stockholder, such price shall not be less than 110% of the Fair Market Value of a Share on the date the Option is granted (or the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code). Notwithstanding the foregoing, in the case of an Option or Stock Appreciation Right that is a Substitute Award, the exercise price per share of the Shares subject to such Option or Stock

Appreciation Right, as applicable, may be less than the Fair Market Value per share on the date of grant; provided that the exercise price of any Substitute Award shall be determined in accordance with the applicable requirements of Section 424 and 409A of the Code.

6.4 Option and SAR Term. The term of each Option (the "Option Term") and the term of each Stock Appreciation Right (the "SAR Term") shall be set by the Administrator in its sole discretion; provided, however, that the Option Term or SAR Term, as applicable, shall not be more than (a) ten (10) years from the date the Option or Stock Appreciation Right, as applicable, is granted to an Eligible Individual (other than a Greater Than 10% Stockholder), or (b) five (5) years from the date an Incentive Stock Option is granted to a Greater Than 10% Stockholder. Except as limited by the requirements of Section 409A or Section 422 of the Code and regulations and rulings thereunder or the first sentence of this Section 6.4 and without limiting the Company's rights under Section 11.7, the Administrator may extend the Option Term of any outstanding Option or the SAR Term of any outstanding Stock Appreciation Right, and may extend the time period during which vested Options or Stock Appreciation Rights may be exercised, in connection with any Termination of Service of the Holder or otherwise, and may amend, subject to Section 11.7 and 13.1, any other term or condition of such Option or Stock Appreciation Right relating to such Termination of Service of the Holder or otherwise.

6.5 Option and SAR Vesting. The period during which the right to exercise, in whole or in part, an Option or Stock Appreciation Right vests in the Holder shall be set by the Administrator and set forth in the applicable Award Agreement. Unless otherwise determined by the Administrator in the Award Agreement, the applicable Program or by action of the Administrator following the grant of the Option or Stock Appreciation Right, (a) no portion of an Option or Stock Appreciation Right which is unexercisable at a Holder's Termination of Service shall thereafter become exercisable and (b) the portion of an Option or Stock Appreciation Right that is unexercisable at a Holder's Termination of Service shall automatically expire on the date of such Termination of Service.

6.6 Substitution of Stock Appreciation Rights; Early Exercise of Options. The Administrator may provide in the applicable Program or Award Agreement evidencing the grant of an Option that the Administrator, in its sole discretion, shall have the right to substitute a Stock Appreciation Right for such Option at any time prior to or upon exercise of such Option; provided that such Stock Appreciation Right shall be exercisable with respect to the same number of Shares for which such substituted Option would have been exercisable, and shall also have the same exercise price, vesting schedule and remaining term as the substituted Option. The Administrator may provide in the terms of an Award Agreement that the Holder may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

ARTICLE 7.

EXERCISE OF OPTIONS AND STOCK APPRECIATION RIGHTS

7.1 Exercise and Payment. An exercisable Option or Stock Appreciation Right may be exercised in whole or in part. However, an Option or Stock Appreciation Right shall not be exercisable with respect to fractional Shares and the Administrator may require that, by the terms of the Option or Stock Appreciation Right, a partial exercise must be with respect to a minimum number of Shares. Payment of the amounts payable with respect to Stock Appreciation Rights pursuant to this Article 7 shall be in cash, Shares (based on its Fair Market Value as of the date the Stock Appreciation Right is exercised), or a combination of both, as determined by the Administrator.

7.2 Manner of Exercise. Except as set forth in Section 7.3, all or a portion of an exercisable Option or Stock Appreciation Right shall be deemed exercised upon delivery of all of the following to the Secretary of the Company, the stock plan administrator of the Company or such other person or entity designated by the Administrator, or his, her or its office, as applicable:

(a) A written or electronic notice complying with the applicable rules established by the Administrator stating that the Option or Stock Appreciation Right, or a portion thereof, is exercised. The notice shall be signed or otherwise acknowledge electronically by the Holder or other person then entitled to exercise the Option or Stock Appreciation Right or such portion thereof;

(b) Such representations and documents as the Administrator, in its sole discretion, deems necessary or advisable to effect compliance with Applicable Law.

(c) In the event that the Option shall be exercised pursuant to Section 11.3 by any person or persons other than the Holder, appropriate proof of the right of such person or persons to exercise the Option or Stock Appreciation Right, as determined in the sole discretion of the Administrator; and

(d) Full payment of the exercise price and applicable withholding taxes for the Shares with respect to which the Option or Stock Appreciation Right, or portion thereof, is exercised, in a manner permitted by the Administrator in accordance with Sections 11.1 and 11.2.

7.3 Notification Regarding Disposition. The Holder shall give the Company prompt written or electronic notice of any disposition of Shares acquired by exercise of an Incentive Stock Option which occurs within (a) two years from the date of granting (including the date the Option is modified, extended or renewed for purposes of Section 424(h) of the Code) such Option to such Holder, or (b) one year after the date of transfer of such Shares to such Holder. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Holder in such disposition or other transfer.

ARTICLE 8.

AWARD OF RESTRICTED STOCK

8.1 Award of Restricted Stock. The Administrator is authorized to grant Restricted Stock to Eligible Individuals, and shall determine the terms and conditions, including the restrictions applicable to each award of Restricted Stock, which terms and conditions shall not be inconsistent with the Plan or any applicable Program, and may impose such conditions on the issuance of such Restricted Stock as it deems appropriate. The Administrator shall establish the purchase price, if any, and form of payment for Restricted Stock; provided, however, that if a purchase price is charged, such purchase price shall be no less than the par value, if any, of the Shares to be purchased, unless otherwise permitted by Applicable Law. In all cases, legal consideration shall be required for each issuance of Restricted Stock to the extent required by Applicable Law.

8.2 Rights as Stockholders. Subject to Section 8.4, upon issuance of Restricted Stock, the Holder shall have, unless otherwise provided by the Administrator, all the rights of a stockholder with respect to said Shares, subject to the restrictions in the Plan, any applicable Program and/or the applicable Award Agreement, including the right to receive all dividends and other distributions paid or made with respect to the Shares to the extent such dividends and other distributions have a record date that is on or after the date on which the Holder to whom such Restricted Stock are granted becomes the record holder of such Restricted Stock; provided, however, that, in the sole discretion of the Administrator, any extraordinary distributions with respect to the Shares may be subject to the restrictions set forth in Section 8.3. In addition, with respect to a share of Restricted Stock with performance-based vesting, dividends which are paid prior to vesting shall only be paid out to the Holder to the extent that the performance-based vesting conditions are subsequently satisfied and the share of Restricted Stock vests.

8.3 Restrictions. All shares of Restricted Stock (including any shares received by Holders thereof with respect to shares of Restricted Stock as a result of stock dividends, stock splits or any other form of recapitalization) shall be subject to such restrictions and vesting requirements as the Administrator shall provide in the applicable Program or Award Agreement. By action taken after the Restricted Stock is issued, the Administrator may, on such terms and conditions as it may determine to be appropriate, accelerate the vesting of such Restricted Stock by removing any or all of the restrictions imposed by the terms of the applicable Program or Award Agreement.

8.4 Repurchase or Forfeiture of Restricted Stock. Except as otherwise determined by the Administrator, if no price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Holder's rights in unvested Restricted Stock then subject to restrictions shall lapse, and such Restricted Stock shall be surrendered to the Company and cancelled without consideration on the date of such Termination of Service. If a price was paid by the Holder for the Restricted Stock, upon a Termination of Service during the applicable restriction period, the Company shall have the right to repurchase from the Holder the unvested Restricted Stock then subject to restrictions at a cash price per share equal to the price paid by the Holder for such Restricted Stock or such other amount as may be specified in the applicable Program or Award Agreement. Notwithstanding

the foregoing, the Administrator, in its sole discretion, may provide that upon certain events, including, without limitation, a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service or any other event, the Holder's rights in unvested Restricted Stock then subject to restrictions shall not lapse, such Restricted Stock shall vest and cease to be forfeitable and, if applicable, the Company shall cease to have a right of repurchase.

8.5 Section 83(b) Election. If a Holder makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Holder would otherwise be taxable under Section 83(a) of the Code, the Holder shall be required to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service along with proof of the timely filing thereof with the Internal Revenue Service.

ARTICLE 9.

AWARD OF RESTRICTED STOCK UNITS

9.1 Grant of Restricted Stock Units. The Administrator is authorized to grant Awards of Restricted Stock Units to any Eligible Individual selected by the Administrator in such amounts and subject to such terms and conditions as determined by the Administrator.

9.2 Vesting of Restricted Stock Units. At the time of grant, the Administrator shall specify the date or dates on which the Restricted Stock Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate, including, without limitation, vesting based upon the Holder's duration of service to the Company or any Subsidiary, one or more Performance Criteria, Company performance, individual performance or other specific criteria, in each case on a specified date or dates or over any period or periods, as determined by the Administrator.

9.3 Settlement. At the time of grant, the Administrator shall specify the settlement date applicable to each grant of Restricted Stock Units, which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the Holder (if permitted by the applicable Award Agreement); provided that, except as otherwise determined by the Administrator, and subject to compliance with Section 409A, in no event shall the settlement date relating to each Restricted Stock Unit occur following the later of (a) the 15th day of the third month following the end of calendar year in which the applicable portion of the Restricted Stock Unit vests; or (b) the 15th day of the third month following the end of the Company's fiscal year in which the applicable portion of the Restricted Stock Unit vests. On the settlement date, the Company shall, in accordance with the applicable Award Agreement and subject to Section 11.4(f), transfer to the Holder one unrestricted, fully transferable Share for each Restricted Stock Unit scheduled to be paid out on such date and not previously forfeited, or in the sole discretion of the Administrator, an amount in cash equal to the Fair Market Value of such Shares on the settlement date or a combination of cash and Common Stock as determined by the Administrator.

9.4 Settlement upon Termination of Service. An Award of Restricted Stock Units shall only be settled while the Holder is an Employee, a Consultant or a member of the Board, as

applicable; provided, however, that the Administrator, in its sole discretion, may provide (in an Award Agreement or otherwise) that a Restricted Stock Unit award may be settled subsequent to a Termination of Service in certain events, including a Change in Control, the Holder's death, retirement or disability or any other specified Termination of Service.

ARTICLE 10.

AWARD OF OTHER STOCK OR CASH BASED AWARDS AND DIVIDEND EQUIVALENTS

10.1 Other Stock or Cash Based Awards. The Administrator is authorized to (a) grant Other Stock or Cash Based Awards, including awards entitling a Holder to receive Shares or cash to be delivered immediately or in the future, to any Eligible Individual and (b) determine whether such Other Stock or Cash Based Awards shall be Performance-Based Compensation. Subject to the provisions of the Plan and any applicable Program, the Administrator shall determine the terms and conditions of each Other Stock or Cash Based Award, including the term of the Award, any exercise or purchase price, performance goals, including the Performance Criteria, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement. Other Stock or Cash Based Awards may be paid in cash, Shares, or a combination of cash and Shares, as determined by the Administrator, and may be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments, as a part of a bonus, deferred bonus, deferred compensation or other arrangement, and/or as payment in lieu of compensation to which an Eligible Individual is otherwise entitled.

10.2 Dividend Equivalents. Dividend Equivalents may be granted by the Administrator, either alone or in tandem with another Award, based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date the Dividend Equivalents are granted to a Holder and the date such Dividend Equivalents terminate or expire, as determined by the Administrator. Such Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time and subject to such restrictions and limitations as may be determined by the Administrator. In addition, Dividend Equivalents with respect to an Award with performance-based vesting that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Holder to the extent that the performance-based vesting conditions are subsequently satisfied and the Award vests.

ARTICLE 11.

ADDITIONAL TERMS OF AWARDS

11.1 Payment. The Administrator shall determine the method or methods by which payments by any Holder with respect to any Awards granted under the Plan shall be made, including, without limitation: (a) cash or check, (b) Shares (including, in the case of payment of the exercise price of an Award, Shares issuable pursuant to the exercise of the Award) or Shares held for such minimum period of time as may be established by the Administrator, in each case, having a Fair Market Value on the date of delivery equal to the aggregate payments required, (c)

delivery of a written or electronic notice that the Holder has placed a market sell order with a broker acceptable to the Company with respect to Shares then issuable upon exercise or vesting of an Award, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the aggregate payments required; provided that payment of such proceeds is then made to the Company upon settlement of such sale, (d) other form of legal consideration acceptable to the Administrator in its sole discretion, or (e) any combination of the above permitted forms of payment. Notwithstanding any other provision of the Plan to the contrary, no Holder who is a Director or an "executive officer" of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to make payment with respect to any Awards granted under the Plan, or continue any extension of credit with respect to such payment, with a loan from the Company or a loan arranged by the Company in violation of Section 13(k) of the Exchange Act.

11.2 Tax Withholding. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Holder to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Holder's FICA, employment tax or other social security contribution obligation) required by law to be withheld with respect to any taxable event concerning a Holder arising as a result of the Plan or any Award. The Administrator may, in its sole discretion and in satisfaction of the foregoing requirement, allow a Holder to satisfy such obligations by any payment means described in Section 11.1 hereof, including without limitation, by allowing such Holder to have the Company or any Subsidiary withhold Shares otherwise issuable under an Award (or allow the surrender of Shares). The number of Shares which may be so withheld or surrendered shall be limited to the number of Shares which have a fair market value on the date of withholding or repurchase no greater than the aggregate amount of such liabilities based on the maximum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income (or such other number as would not result in adverse financial accounting consequences for the Company or any of its Subsidiaries). The Administrator shall determine the fair market value of the Shares, consistent with applicable provisions of the Code, for tax withholding obligations due in connection with a broker-assisted cashless Option or Stock Appreciation Right exercise involving the sale of Shares to pay the Option or Stock Appreciation Right exercise price or any tax withholding obligation.

11.3 Transferability of Awards.

(a) Except as otherwise provided in Sections 11.3(b) and 11.3(c):

(i) No Award under the Plan may be sold, pledged, assigned or transferred in any manner other than (A) by will or the laws of descent and distribution or (B) subject to the consent of the Administrator, pursuant to a DRO, unless and until such Award has been exercised or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed;

(ii) No Award or interest or right therein shall be liable for or otherwise subject to the debts, contracts or engagements of the Holder or the Holder's successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be

voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until such Award has been exercised, or the Shares underlying such Award have been issued, and all restrictions applicable to such Shares have lapsed, and any attempted disposition of an Award prior to satisfaction of these conditions shall be null and void and of no effect, except to the extent that such disposition is permitted by Section 11.3(a)(i); and

(iii) During the lifetime of the Holder, only the Holder may exercise any exercisable portion of an Award granted to such Holder under the Plan, unless it has been disposed of pursuant to a DRO. After the death of the Holder, any exercisable portion of an Award may, prior to the time when such portion becomes unexercisable under the Plan or the applicable Program or Award Agreement, be exercised by the Holder's personal representative or by any person empowered to do so under the deceased Holder's will or under the then-applicable laws of descent and distribution.

(b) Notwithstanding Section 11.3(a), the Administrator, in its sole discretion, may determine to permit a Holder or a Permitted Transferee of such Holder to transfer an Award other than an Incentive Stock Option (unless such Incentive Stock Option is intended to become a Nonqualified Stock Option) to any one or more Permitted Transferees of such Holder, subject to the following terms and conditions: (i) an Award transferred to a Permitted Transferee shall not be assignable or transferable by the Permitted Transferee other than (A) to another Permitted Transferee of the applicable Holder or (B) by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO; (ii) an Award transferred to a Permitted Transferee shall continue to be subject to all the terms and conditions of the Award as applicable to the original Holder (other than the ability to further transfer the Award to any Person other than another Permitted Transferee of the applicable Holder); and (iii) the Holder (or transferring Permitted Transferee) and the receiving Permitted Transferee shall execute any and all documents requested by the Administrator, including, without limitation documents to (A) confirm the status of the transferee as a Permitted Transferee, (B) satisfy any requirements for an exemption for the transfer under Applicable Law and (C) evidence the transfer. In addition, and further notwithstanding Section 11.3(a), hereof, the Administrator, in its sole discretion, may determine to permit a Holder to transfer Incentive Stock Options to a trust that constitutes a Permitted Transferee if, under Section 671 of the Code and other Applicable Law, the Holder is considered the sole beneficial owner of the Incentive Stock Option while it is held in the trust.

(c) Notwithstanding Section 11.3(a), a Holder may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Holder and to receive any distribution with respect to any Award upon the Holder's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Program or Award Agreement applicable to the Holder and any additional restrictions deemed necessary or appropriate by the Administrator. If the Holder is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a community property state, a designation of a person other than the Holder's spouse or domestic partner, as applicable, as the Holder's beneficiary with respect to more than 50% of the Holder's interest in the Award shall not be effective without the prior written or electronic consent of the Holder's spouse or domestic partner. If no beneficiary has been designated or survives the Holder, payment shall be made to the person entitled thereto pursuant

to the Holder's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Holder at any time; provided that the change or revocation is delivered in writing to the Administrator prior to the Holder's death.

11.4 Conditions to Issuance of Shares.

(a) The Administrator shall determine the methods by which Shares shall be delivered or deemed to be delivered to Holders. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates or make any book entries evidencing Shares pursuant to the exercise of any Award, unless and until the Administrator has determined, with advice of counsel, that the issuance of such Shares is in compliance with Applicable Law and the Shares are covered by an effective registration statement or applicable exemption from registration. In addition to the terms and conditions provided herein, the Administrator may require that a Holder make such reasonable covenants, agreements and representations as the Administrator, in its sole discretion, deems advisable in order to comply with Applicable Law.

(b) All share certificates delivered pursuant to the Plan and all Shares issued pursuant to book entry procedures are subject to any stop-transfer orders and other restrictions as the Administrator deems necessary or advisable to comply with Applicable Law. The Administrator may place legends on any share certificate or book entry to reference restrictions applicable to the Shares (including, without limitation, restrictions applicable to Restricted Stock).

(c) The Administrator shall have the right to require any Holder to comply with any timing or other restrictions with respect to the settlement, distribution or exercise of any Award, including a window-period limitation, as may be imposed in the sole discretion of the Administrator.

(d) No fractional Shares shall be issued and the Administrator, in its sole discretion, shall determine whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding down.

(e) The Company, in its sole discretion, may (i) retain physical possession of any stock certificate evidencing Shares until any restrictions thereon shall have lapsed and/or (ii) require that the stock certificates evidencing such Shares be held in custody by a designated escrow agent (which may but need not be the Company) until the restrictions thereon shall have lapsed, and that the Holder deliver a stock power, endorsed in blank, relating to such Shares.

(f) In the Company's sole discretion and notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by Applicable Law, the Company shall not deliver to any Holder certificates evidencing Shares issued in connection with any Award and instead such Shares shall be recorded in the books of the Company (or, as applicable, its transfer agent or stock plan administrator).

11.5 Forfeiture and Claw-Back Provisions. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by a Holder upon any receipt or exercise of any Award or upon the receipt or resale of any Shares underlying the Award and

any payments of a portion of an incentive-based bonus pool allocated to a Holder) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of Applicable Law, including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, whether or not such claw-back policy was in place at the time of grant of an Award, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

11.6 Repricing. The Administrator shall, without the approval of the stockholders of the Company, have the authority to (a) amend any outstanding Option or Stock Appreciation Right to reduce its exercise price per Share, or (b) cancel any Option or Stock Appreciation Right in exchange for cash or another Award.

11.7 Amendment of Awards. Subject to Applicable Law, the Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type, changing the date of exercise or settlement, and converting an Incentive Stock Option to a Non-Qualified Stock Option. The Holder's consent to such action shall be required unless (a) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Holder, or (b) the change is otherwise permitted under the Plan (including, without limitation, under Section 13.2 or 13.10).

11.8 Data Privacy. As a condition of receipt of any Award, each Holder explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this Section 11.8 by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Holder's participation in the Plan. The Company and its Subsidiaries may hold certain personal information about a Holder, including but not limited to, the Holder's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares of stock held in the Company or any of its Subsidiaries, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "Data"). The Company and its Subsidiaries may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Holder's participation in the Plan, and the Company and its Subsidiaries may each further transfer the Data to any third parties assisting the Company and its Subsidiaries in the implementation, administration and management of the Plan. These recipients may be located in the Holder's country, or elsewhere, and the Holder's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Holder authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Holder's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or any of its Subsidiaries or the Holder may elect to deposit any Shares. The Data related to a Holder will be held only as long as is necessary to implement, administer, and manage the Holder's participation in the Plan. A Holder may, at any time, view the Data held by the Company with respect to such Holder, request additional information about the storage and processing of the Data with respect to such Holder, recommend any necessary corrections to the Data with respect to the Holder or refuse or

withdraw the consents herein in writing, in any case without cost, by contacting his or her local human resources representative. The Company may cancel Holder's ability to participate in the Plan and, in the Administrator's discretion, the Holder may forfeit any outstanding Awards if the Holder refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Holders may contact their local human resources representative.

ARTICLE 12.

ADMINISTRATION

12.1 Administrator. The Committee shall administer the Plan (except as otherwise permitted herein). To the extent necessary to comply with Rule 16b-3 of the Exchange Act, and with respect to Awards that are intended to be Performance-Based Compensation, including Options and Stock Appreciation Rights, then the Committee shall take all action with respect to such Awards, and the individuals taking such action shall consist solely of two or more Non-Employee Directors, each of whom is intended to qualify as both a "non-employee director" as defined by Rule 16b-3 of the Exchange Act or any successor rule and an "outside director" for purposes of Section 162(m) of the Code. Additionally, to the extent required by Applicable Law, each of the individuals constituting the Committee shall be an "independent director" under the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded. Notwithstanding the foregoing, any action taken by the Committee shall be valid and effective, whether or not members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership set forth in this Section 12.1 or the Organizational Documents. Except as may otherwise be provided in the Organizational Documents or as otherwise required by Applicable Law, (a) appointment of Committee members shall be effective upon acceptance of appointment, (b) Committee members may resign at any time by delivering written or electronic notice to the Board and (c) vacancies in the Committee may only be filled by the Board. Notwithstanding the foregoing, (i) the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to Awards granted to Non-Employee Directors and, with respect to such Awards, the terms "Administrator" as used in the Plan shall be deemed to refer to the Board and (ii) the Board or Committee may delegate its authority hereunder to the extent permitted by Section 12.6.

12.2 Duties and Powers of Administrator. It shall be the duty of the Administrator to conduct the general administration of the Plan in accordance with its provisions. The Administrator shall have the power to interpret the Plan, all Programs and Award Agreements, and to adopt such rules for the administration, interpretation and application of the Plan and any Program as are not inconsistent with the Plan, to interpret, amend or revoke any such rules and to amend the Plan or any Program or Award Agreement; provided that the rights or obligations of the Holder of the Award that is the subject of any such Program or Award Agreement are not materially and adversely affected by such amendment, unless the consent of the Holder is obtained or such amendment is otherwise permitted under Section 11.5 or Section 13.10. In its sole discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee in its capacity as the Administrator under the Plan except with respect to matters which under Rule 16b-3 under the Exchange Act or any successor rule, or Section

162(m) of the Code, or any regulations or rules issued thereunder, or the rules of any securities exchange or automated quotation system on which the Shares are listed, quoted or traded are required to be determined in the sole discretion of the Committee.

12.3 Action by the Administrator. Unless otherwise established by the Board, set forth in any Organizational Documents or as required by Applicable Law, a majority of the Administrator shall constitute a quorum and the acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by all members of the Administrator in lieu of a meeting, shall be deemed the acts of the Administrator. Each member of the Administrator is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

12.4 Authority of Administrator. Subject to the Organizational Documents, any specific designation in the Plan and Applicable Law, the Administrator has the exclusive power, authority and sole discretion to:

(a) Designate Eligible Individuals to receive Awards;

(b) Determine the type or types of Awards to be granted to each Eligible Individual (including, without limitation, any Awards granted in tandem with another Award granted pursuant to the Plan);

(c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, purchase price, any Performance Criteria or performance criteria, any restrictions or limitations on the Award, any schedule for vesting, lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, and any provisions related to non-competition and claw-back and recapture of gain on an Award, based in each case on such considerations as the Administrator in its sole discretion determines;

(e) Determine whether, to what extent, and under what circumstances an Award may be settled in, or the exercise price of an Award may be paid in cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Holder;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Establish, adopt, or revise any Programs, rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan, any Program or any Award Agreement;

(j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Administrator deems necessary or advisable to administer the Plan; and

(k) Accelerate wholly or partially the vesting or lapse of restrictions of any Award or portion thereof at any time after the grant of an Award, subject to whatever terms and conditions it selects and Section 13.2.

12.5 Decisions Binding. The Administrator's interpretation of the Plan, any Awards granted pursuant to the Plan, any Program or any Award Agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding and conclusive on all Persons.

12.6 Delegation of Authority. The Board or Committee may from time to time delegate to a committee of one or more members of the Board or one or more officers of the Company the authority to grant or amend Awards or to take other administrative actions pursuant to this Article 12; provided, however, that in no event shall an officer of the Company be delegated the authority to grant Awards to, or amend Awards held by, the following individuals: (a) individuals who are subject to Section 16 of the Exchange Act, (b) Covered Employees with respect to Awards intended to constitute Performance Based Compensation, or (c) officers of the Company (or Directors) to whom authority to grant or amend Awards has been delegated hereunder; provided, further, that any delegation of administrative authority shall only be permitted to the extent it is permissible under any Organizational Documents and Applicable Law (including, without limitation, Section 162(m) of the Code). Any delegation hereunder shall be subject to the restrictions and limits that the Board or Committee specifies at the time of such delegation or that are otherwise included in the applicable Organizational Documents, and the Board or Committee, as applicable, may at any time rescind the authority so delegated or appoint a new delegatee. At all times, the delegatee appointed under this Section 12.6 shall serve in such capacity at the pleasure of the Board or the Committee, as applicable, and the Board or the Committee may abolish any committee at any time and re-vest in itself any previously delegated authority.

ARTICLE 13.

MISCELLANEOUS PROVISIONS

13.1 Amendment, Suspension or Termination of the Plan.

(a) Except as otherwise provided in Section 13.1(b), the Plan may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Board; provided that, except as provided in Section 11.5 and Section 13.10, no amendment, suspension or termination of the Plan shall, without the consent of the Holder, materially and adversely affect any rights or obligations under any Award theretofore granted or awarded, unless the Award itself otherwise expressly so provides.

(b) Notwithstanding Section 13.1(a) and except as provided in Section 13.2, the Board may not without approval of the Company's stockholders given within twelve (12) months before or after such action increase the limit imposed in Section 3.1 on the maximum number of Shares which may be issued under the Plan.

(c) No Awards may be granted or awarded during any period of suspension or after termination of the Plan, and notwithstanding anything herein to the contrary, in no event may any Incentive Stock Option be granted under the Plan after the tenth (10^{th}) anniversary of the earlier of (i) the date on which the Plan was adopted by the Board and (ii) the date the Plan was approved by the Company's stockholders.

13.2 Changes in Common Stock or Assets of the Company, Acquisition or Liquidation of the Company and Other Corporate Events.

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of the Company's stock or the share price of the Company's stock other than an Equity Restructuring, the Administrator may make equitable adjustments, if any, to reflect such change with respect to: (i) the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan, and adjustments of the Director Limit); (ii) the number and kind of Shares (or other securities or property) subject to outstanding Awards; (iii) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); (iv) the grant or exercise price per share for any outstanding Awards under the Plan; and (v) the number and kind of Shares (or other securities or property) for which automatic grants are subsequently to be made to new and continuing Non-Employee Directors pursuant to Section 4.6. Any adjustment affecting an Award intended as Performance-Based Compensation shall be made consistent with the requirements of Section 162(m) of the Code unless otherwise determined by the Administrator.

(b) In the event of any transaction or event described in Section 13.2(a) or any unusual or nonrecurring transactions or events affecting the Company, any Subsidiary of the Company, or the financial statements of the Company or any Subsidiary, or of changes in Applicable Law or Applicable Accounting Standards, the Administrator, in its sole discretion, and on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in Applicable Law or Applicable Accounting Standards:

(i) To provide for the termination of any such Award in exchange for an amount of cash and/or other property with a value equal to the amount that would have been attained upon the exercise of such Award or realization of the Holder's rights (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in

this Section 13.2 the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Holder's rights, then such Award may be terminated by the Company without payment);

(ii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iii) To make adjustments in the number and type of Shares of the Company's stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, outstanding Awards and Awards which may be granted in the future;

(iv) To provide that such Award shall be exercisable or payable or fully vested with respect to all Shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Program or Award Agreement;

(v) To replace such Award with other rights or property selected by the Administrator; and/or

(vi) To provide that the Award cannot vest, be exercised or become payable after such event.

(c) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in Sections 13.2(a) and 13.2(b):

(i) The number and type of securities subject to each outstanding Award and the exercise price or grant price thereof, if applicable, shall be equitably adjusted (and the adjustments provided under this Section 13.2(c)(i) shall be nondiscretionary and shall be final and binding on the affected Holder and the Company); and/or

(ii) The Administrator shall make such equitable adjustments, if any, as the Administrator, in its sole discretion, may deem appropriate to reflect such Equity Restructuring with respect to the aggregate number and kind of Shares that may be issued under the Plan (including, but not limited to, adjustments of the limitation in Section 3.1 on the maximum number and kind of Shares which may be issued under the Plan, and adjustments of the Director Limit).

(d) Notwithstanding any other provision of the Plan, in the event of a Change in Control, unless the Administrator elects to (i) terminate an Award in exchange for cash, rights or property, or (ii) cause an Award to become fully exercisable and no longer subject to any forfeiture restrictions prior to the consummation of a Change in Control, pursuant to Section 13.2, (A) such Award (other than any portion subject to performance-based vesting) shall continue in effect or be assumed or an equivalent Award substituted by the successor corporation or a parent or subsidiary of the successor corporation and (B) the portion of such Award subject to performance-based vesting shall be subject to the terms and conditions of the applicable Award Agreement and, in the absence of applicable terms and conditions, the Administrator's discretion.

(e) In the event that the successor corporation in a Change in Control refuses to assume or substitute for an Award (other than any portion subject to performance-based vesting), the Administrator may cause (i) any or all of such Award (or portion thereof) to terminate in exchange for cash, rights or other property pursuant to Section 13.2(b)(i) or (ii) any or all of such Award (or portion thereof) to become fully exercisable immediately prior to the consummation of such transaction and all forfeiture restrictions on any or all of such Award to lapse. If any such Award is exercisable in lieu of assumption or substitution in the event of a Change in Control, the Administrator shall notify the Holder that such Award shall be fully exercisable for a period of fifteen (15) days from the date of such notice, contingent upon the occurrence of the Change in Control, and such Award shall terminate upon the expiration of such period.

(f) For the purposes of this Section 13.2, an Award shall be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control was not solely common stock of the successor corporation or its parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Award, for each Share subject to an Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per-share consideration received by holders of Common Stock in the Change in Control.

(g) The Administrator, in its sole discretion, may include such further provisions and limitations in any Award, agreement or certificate, as it may deem equitable and in the best interests of the Company that are not inconsistent with the provisions of the Plan.

(h) Unless otherwise determined by the Administrator, no adjustment or action described in this Section 13.2 or in any other provision of the Plan shall be authorized to the extent it would (i) with respect to Awards which are granted to Covered Employees and are intended to qualify as Performance-Based Compensation, cause such Award to fail to so qualify as Performance-Based Compensation, (ii) cause the Plan to violate Section 422(b)(1) of the Code, (iii) result in short-swing profits liability under Section 16 of the Exchange Act or violate the exemptive conditions of Rule 16b-3 of the Exchange Act, or (iv) cause an Award to fail to be exempt from or comply with Section 409A.

(i) The existence of the Plan, any Program, any Award Agreement and/or the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose

rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

(j) In the event of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Shares or the share price of the Common Stock including any Equity Restructuring, for reasons of administrative convenience, the Administrator, in its sole discretion, may refuse to permit the exercise of any Award during a period of up to thirty (30) days prior to the consummation of any such transaction.

13.3 Approval of Plan by Stockholders. The Plan shall be submitted for the approval of the Company's stockholders within twelve (12) months after the date of the Board's initial adoption of the Plan.

13.4 No Stockholders Rights. Except as otherwise provided herein or in an applicable Program or Award Agreement, a Holder shall have none of the rights of a stockholder with respect to Shares covered by any Award until the Holder becomes the record owner of such Shares.

13.5 Paperless Administration. In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Holder may be permitted through the use of such an automated system.

13.6 Effect of Plan upon Other Compensation Plans. The adoption of the Plan shall not affect any other compensation or incentive plans in effect for the Company or any Subsidiary. Nothing in the Plan shall be construed to limit the right of the Company or any Subsidiary: (a) to establish any other forms of incentives or compensation for Employees, Directors or Consultants of the Company or any Subsidiary, or (b) to grant or assume options or other rights or awards otherwise than under the Plan in connection with any proper corporate purpose including without limitation, the grant or assumption of options in connection with the acquisition by purchase, lease, merger, consolidation or otherwise, of the business, stock or assets of any corporation, partnership, limited liability company, firm or association.

13.7 Compliance with Laws. The Plan, the granting and vesting of Awards under the Plan and the issuance and delivery of Shares and the payment of money under the Plan or under Awards granted or awarded hereunder are subject to compliance with all Applicable Law (including but not limited to state, federal and foreign securities law and margin requirements), and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any securities delivered under the Plan shall be subject to such restrictions, and the person acquiring such securities shall, if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with all

Applicable Law. The Administrator, in its sole discretion, may take whatever actions it deems necessary or appropriate to effect compliance with Applicable Law, including, without limitation, placing legends on share certificates and issuing stop-transfer notices to agents and registrars. Notwithstanding anything to the contrary herein, the Administrator may not take any actions hereunder, and no Awards shall be granted, that would violate Applicable Law. To the extent permitted by Applicable Law, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to Applicable Law.

13.8 Titles and Headings, References to Sections of the Code or Exchange Act. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code or the Exchange Act shall include any amendment or successor thereto.

13.9 Governing Law. The Plan and any Programs and Award Agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

13.10 Section 409A. To the extent that the Administrator determines that any Award granted under the Plan is subject to Section 409A, the Plan, the Program pursuant to which such Award is granted and the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A. In that regard, to the extent any Award under the Plan or any other compensatory plan or arrangement of the Company or any of its Subsidiaries is subject to Section 409A, and such Award or other amount is payable on account of a Participant's Termination of Service (or any similarly defined term), then (a) such Award or amount shall only be paid to the extent such Termination of Service qualifies as a "separation from service" as defined in Section 409A, and (b) if such Award or amount is payable to a "specified employee" as defined in Section 409A then to the extent required in order to avoid a prohibited distribution under Section 409A, such Award or other compensatory payment shall not be payable prior to the earlier of (i) the expiration of the six-month period measured from the date of the Participant's Termination of Service, or (ii) the date of the Participant's death. To the extent applicable, the Plan, the Program and any Award Agreements shall be interpreted in accordance with Section 409A. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Administrator determines that any Award may be subject to Section 409A, the Administrator may (but is not obligated to), without a Holder's consent, adopt such amendments to the Plan and the applicable Program and Award Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Administrator determines are necessary or appropriate to (A) exempt the Award from Section 409A and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (B) comply with the requirements of Section 409A and thereby avoid the application of any penalty taxes under Section 409A. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 13.10 or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Holder or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Section 409A.

13.11 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Holder pursuant to an Award, nothing contained in the Plan or any Program or Award Agreement shall give the Holder any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.12 Indemnification. To the extent permitted under Applicable Law and the Organizational Documents, each member of the Administrator shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Organizational Documents, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.13 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.14 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

* * * * *

I hereby certify that the foregoing Plan was duly adopted by the Board of Directors of Frontier Group Holdings, Inc. on , 2017.

* * * * *

I hereby certify that the foregoing Plan was approved by the stockholders of Frontier Group Holdings, Inc. on , 2017.

Executed on this day of , 2017.

Corporate Secretary

FRONTIER GROUP HOLDINGS, INC.
2017 INCENTIVE AWARD PLAN
STOCK OPTION GRANT NOTICE

Frontier Group Holdings, Inc., a Delaware corporation, (the "Company"), pursuant to its 2017 Incentive Award Plan, as may be amended from time to time (the "Plan"), hereby grants to the holder listed below ("Participant"), an option to purchase the number of shares of the Company's Common Stock (the "Shares"), set forth below (the "Option"). This Option is subject to all of the terms and conditions set forth herein, as well as in the Plan and the Stock Option Agreement attached hereto as Exhibit A (the "Stock Option Agreement"), each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Grant Notice and the Stock Option Agreement.

Participant: [_____]

Grant Date: [_____]

Vesting Commencement Date: [_____]

Exercise Price per Share: $[_____]

Total Exercise Price: [_____]

Total Number of Shares Subject to the Option: [_____] shares

Expiration Date: [_____]

Vesting Schedule: [_____]

Type of Option: ☐ Incentive Stock Option ☐ Non-Qualified Stock Option

By his or her signature and the Company's signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Stock Option Agreement, and this Grant Notice. Participant has reviewed the Stock Option Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Stock Option Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Stock Option Agreement.

FRONTIER GROUP HOLDINGS, INC.:		**PARTICIPANT:**	
By:	_____	By:	_____
Print Name:	_____	Print Name:	_____
Title:	_____		
Address:	_____	Address:	_____
	_____		_____

EXHIBIT A
TO STOCK OPTION GRANT NOTICE

FRONTIER GROUP HOLDINGS, INC. STOCK OPTION AGREEMENT

Pursuant to the Stock Option Grant Notice (the "Grant Notice") to which this Stock Option Agreement (this "Agreement") is attached, Frontier Group Holdings, Inc., a Delaware corporation (the "Company"), has granted to the Participant an Option under the Company's 2017 Incentive Award Plan, as may be amended from time to time (the "Plan"), to purchase the number of shares of Stock indicated in the Grant Notice.

ARTICLE 1.

GENERAL

1.1 Defined Terms. Wherever the following terms are used in this Agreement they shall have the meanings specified below, unless the context clearly indicates otherwise. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE 2.

GRANT OF OPTION

2.1 Grant of Option. In consideration of the Participant's past and/or continued employment with or service to the Company or any Subsidiary and for other good and valuable consideration, effective as of the Grant Date set forth in the Grant Notice (the "Grant Date"), the Company irrevocably grants to the Participant the Option to purchase any part or all of an aggregate of the number of shares of Stock set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement, subject to adjustments as provided in Section 13.2 of the Plan. Unless designated as a Non-Qualified Stock Option in the Grant Notice, the Option shall be an Incentive Stock Option to the maximum extent permitted by law.

2.2 Exercise Price. The exercise price of the shares of Stock subject to the Option shall be as set forth in the Grant Notice, without commission or other charge; *provided*, *however*, that the price per share of the shares of Stock subject to the Option shall not be less than 100% of the Fair Market Value of a share of Stock on the Grant Date. Notwithstanding the foregoing, if this Option is designated as an Incentive Stock Option and the Participant is a Greater Than 10% Stockholder as of the Date of Grant, the exercise price per share of the shares of Stock subject to the Option shall not be less than 110% of the Fair Market Value of a share of Stock on the Grant Date.

2.3 Consideration to the Company. In consideration of the grant of the Option by the Company, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continue in the employ or service of the Company or any Subsidiary or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of the Participant at any time for any reason whatsoever, with or without cause,

except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and the Participant.

ARTICLE 3.

PERIOD OF EXERCISABILITY

3.1 Commencement of Exercisability.

(a) Subject to Sections 3.2, 3.3, 5.11 and 5.17 hereof, the Option shall become vested and exercisable in such amounts and at such times as are set forth in the Grant Notice.

(b) No portion of the Option which has not become vested and exercisable at the date of the Participant's Termination of Service shall thereafter become vested and exercisable, except as may be otherwise provided by the Administrator or as set forth in a written agreement between the Company and the Participant.

(c) Notwithstanding Section 3.1(a) hereof and the Grant Notice, but subject to Section 3.1(b) hereof, in the event of a Change in Control the Option shall be treated pursuant to Section 13.2 of the Plan.

3.2 Duration of Exercisability. The installments provided for in the vesting schedule set forth in the Grant Notice are cumulative. Each such installment which becomes vested and exercisable pursuant to the vesting schedule set forth in the Grant Notice shall remain vested and exercisable until it becomes unexercisable under Section 3.3 hereof.

3.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Expiration Date set forth in the Grant Notice, which shall in no event be more than ten (10) years from the Grant Date;

(b) If this Option is designated as an Incentive Stock Option and the Participant, at the time the Option was granted, was a Greater Than 10% Stockholder, the expiration of five (5) years from the Grant Date;

(c) The expiration of three (3) months from the date of the Participant's Termination of Service, unless such termination occurs by reason of the Participant's death or disability; or

(d) The expiration of one (1) year from the date of the Participant's Termination of Service by reason of the Participant's death or disability.

3.4 Special Tax Consequences. The Participant acknowledges that, to the extent that the aggregate Fair Market Value (determined as of the time the Option is granted) of all shares of Stock with respect to which Incentive Stock Options, including the Option (if applicable), are exercisable for the first time by the Participant in any calendar year exceeds $100,000, the Option and such other options shall be Non-Qualified Stock Options to the extent necessary to comply with the limitations imposed by Section 422(d) of the Code. The Participant further acknowledges that the rule set forth in the preceding sentence shall be applied by taking the Option and other "incentive stock options" into account in the order in which they were granted, as determined under Section 422(d) of the Code and the Treasury Regulations thereunder. The Participant also acknowledges that an Incentive Stock Option exercised more than three

(3) months after the Participant's Termination of Employment, other than by reason of death or disability, will be taxed as a Non-Qualified Stock Option.

3.5 Tax Indemnity.

(a) The Participant agrees to indemnify and keep indemnified the Company, any Subsidiary and the Participant's employing company, if different, from and against any liability for or obligation to pay any Tax Liability (a "Tax Liability" being any liability for income tax, withholding tax and any other employment related taxes or social security contributions in any jurisdiction) that is attributable to (1) the grant or exercise of, or any benefit derived by the Participant from, the Option, (2) the acquisition by the Participant of the Stock on exercise of the Option or (3) the disposal of any Stock.

(b) The Option cannot be exercised until the Participant has made such arrangements as the Company may require for the satisfaction of any Tax Liability that may arise in connection with the exercise of the Option and/or the acquisition of the Stock by the Participant. The Company shall not be required to issue, allot or transfer Stock until the Participant has satisfied this obligation.

(c) The Participant hereby acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax Liabilities in connection with any aspect of the Option and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of any Award, including the Option, to reduce or eliminate the Participant's liability for Tax Liabilities or achieve any particular tax result. Furthermore, if the Participant becomes subject to tax in more than one jurisdiction between the date of grant of an Award, including the Option, and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax Liabilities in more than one jurisdiction.

ARTICLE 4.

EXERCISE OF OPTION

4.1 Person Eligible to Exercise. Except as provided in Section 5.3 hereof, during the lifetime of the Participant, only the Participant may exercise the Option or any portion thereof, unless it has been disposed of pursuant to a DRO. After the death of the Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 3.3 hereof, be exercised by the deceased the Participant's personal representative or by any person empowered to do so under the deceased the Participant's will or under the then applicable laws of descent and distribution.

4.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.3 hereof. However, the Option shall not be exercisable with respect to fractional shares of Stock.

4.3 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company (or any third party administrator or other person or entity designated by the Company; for the avoidance of doubt, delivery shall include electronic delivery), during regular business hours, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 3.3 hereof:

(a) An exercise notice in a form specified by the Administrator, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator. The notice shall be signed by the Participant or other person then entitled to exercise the Option or such portion of the Option;

(b) The receipt by the Company of full payment for the shares of Stock with respect to which the Option or portion thereof is exercised, including payment of any applicable withholding tax, which shall be made by deduction from other compensation payable to the Participant or in such other form of consideration permitted under Section 4.4 hereof that is acceptable to the Company;

(c) Any other written representations or documents as may be required in the Administrator's sole discretion to evidence compliance with the Securities Act, the Exchange Act or any other applicable law, rule or regulation; and

(d) In the event the Option or portion thereof shall be exercised pursuant to Section 4.1 hereof by any person or persons other than the Participant, appropriate proof of the right of such person or persons to exercise the Option.

Notwithstanding any of the foregoing, the Company shall have the right to specify all conditions of the manner of exercise, which conditions may vary by country and which may be subject to change from time to time.

4.4 Method of Payment. Payment of the exercise price shall be by any of the following, or a combination thereof, at the election of the Participant:

(a) Cash or check;

(b) With the consent of the Administrator, surrender of shares of Stock (including, without limitation, shares of Stock otherwise issuable upon exercise of the Option) held for such period of time as may be required by the Administrator in order to avoid adverse accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(c) Other legal consideration acceptable to the Administrator (including, without limitation, through the delivery of a notice that the Participant has placed a market sell order with a broker with respect to shares of Stock then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company at such time as may be required by the Company, but in any event not later than the settlement of such sale).

4.5 Conditions to Issuance of Stock. The shares of Stock deliverable upon the exercise of the Option, or any portion thereof, may be either previously authorized but unissued shares of Stock or issued shares of Stock which have then been reacquired by the Company. Such shares of Stock shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any shares of Stock purchased upon the exercise of the Option or portion thereof prior to fulfillment of all of the conditions in Section 11.4 of the Plan and following conditions:

(a) The admission of such shares of Stock to listing on all stock exchanges on which such Stock is then listed;

(b) The completion of any registration or other qualification of such shares of Stock under any state or federal law or under rulings or regulations of the Securities and Exchange Commission

or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable;

(d) The receipt by the Company of full payment for such shares of Stock, including payment of any applicable withholding tax, which may be in one or more of the forms of consideration permitted under Section 4.4 hereof; and

(e) The lapse of such reasonable period of time following the exercise of the Option as the Administrator may from time to time establish for reasons of administrative convenience.

4.6 Rights as Stockholder. The holder of the Option shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of any shares of Stock purchasable upon the exercise of any part of the Option unless and until such shares of Stock shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment will be made for a dividend or other right for which the record date is prior to the date the shares of Stock are issued, except as provided in Section 13.2 of the Plan.

ARTICLE 5.

OTHER PROVISIONS

5.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Committee or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Option.

5.2 Whole Shares. The Option may only be exercised for whole shares of Stock.

5.3 Option Not Transferable.

(a) Subject to Section 4.1 hereof, the Option may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution or, subject to the consent of the Administrator, pursuant to a DRO, unless and until the Option has been exercised and the shares of Stock underlying the Option have been issued, and all restrictions applicable to such shares of Stock have lapsed. Neither the Option nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, hypothecation, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy) unless and until the Option has been exercised, and any attempted disposition thereof prior to exercise shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

(b) During the lifetime of the Participant, only the Participant may exercise the Option (or any portion thereof), unless it has been disposed of pursuant to a DRO; after the death of the Participant, any exercisable portion of the Option may, prior to the time when such portion becomes unexercisable under the Plan or this Agreement, be exercised by the Participant's personal representative or by any person empowered to do so under the deceased the Participant's will or under the then-applicable laws of descent and distribution.

(c) Notwithstanding any other provision in this Agreement, the Participant may, in the manner determined by the Administrator, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to the Option upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and this Agreement, except to the extent the Plan and this Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Administrator. If the Participant is married or a domestic partner in a domestic partnership qualified under Applicable Law and resides in a community property state, a designation of a person other than the Participant's spouse or domestic partner, as applicable, as his or her beneficiary with respect to more than 50% of the Participant's interest in the Option shall not be effective without the prior written consent of the Participant's spouse or domestic partner. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by the Participant at any time provided the change or revocation is filed with the Administrator prior to the Participant's death.

5.4 Tax Consultation. The Participant understands that the Participant may suffer adverse tax consequences as a result of the grant, vesting and/or exercise of the Option, and/or with the purchase or disposition of the shares of Stock subject to the Option. The Participant represents that Pthe articipant has consulted with any tax consultants the Participant deems advisable in connection with the purchase or disposition of such shares of Stock and that the Participant is not relying on the Company for any tax advice.

5.5 Binding Agreement. Subject to the limitation on the transferability of the Option contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

5.6 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the Option in such circumstances as it, in its sole discretion, may determine. In addition, upon the occurrence of certain events relating to the Stock contemplated by Section 13.2 of the Plan (including, without limitation, an extraordinary cash dividend on such Stock), the Administrator shall make such adjustments the Administrator deems appropriate in the number of shares of Stock subject to the Option, the exercise price of the Option and the kind of securities that may be issued upon exercise of the Option. The Participant acknowledges that the Option is subject to adjustment, modification and termination in certain events as provided in this Agreement and Section 13.2 of the Plan.

5.7 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 5.7, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to the Participant shall, if the Participant is then deceased, be given to the person entitled to exercise his or her Option pursuant to Section 4.1 hereof by written notice under this Section 5.7. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return

receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

5.8 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.9 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

5.10 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all Applicable Law and regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such Applicable Law. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

5.11 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; *provided, however,* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the Option in any material way without the prior written consent of the Participant.

5.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 5.3 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

5.13 Notification of Disposition. If this Option is designated as an Incentive Stock Option, the Participant shall give prompt notice to the Company of any disposition or other transfer of any shares of Stock acquired under this Agreement if such disposition or transfer is made (a) within two (2) years from the Grant Date with respect to such shares of Stock or (b) within one (1) year after the transfer of such shares of Stock to the Participant. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

5.14 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, the Plan, the Option and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

5.15 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company

or any of its Subsidiaries, which rights are hereby expressly reserved, to discharge or to terminate for any reason whatsoever, with or without cause, the services of the Participant's at any time.

5.16 Entire Agreement. The Plan, the Grant Notice and this Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.

5.17 Section 409A. This Option is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that the Option (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify the Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate either for the Option to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

5.18 Limitation on the Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the Option, and rights no greater than the right to receive the Stock as a general unsecured creditor with respect to options, as and when exercised pursuant to the terms hereof.

FRONTIER GROUP HOLDINGS, INC.
2017 INCENTIVE AWARD PLAN
RESTRICTED STOCK AWARD GRANT NOTICE

Frontier Group Holdings, Inc., a Delaware corporation, (the "Company"), pursuant to its 2017 Incentive Award Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below (the "Participant") the number of shares of the Company's Common Stock set forth below (the "Shares") subject to all of the terms and conditions as set forth herein and in the Restricted Stock Award Agreement attached hereto as Exhibit A (the "Agreement") (including without limitation the Restrictions on the Shares set forth in the Agreement) and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Award Grant Notice (the "Grant Notice") and the Agreement.

Participant:	[_____]
Grant Date:	[_____]
Total Number of Shares of Restricted Stock:	[_____] Shares
Vesting Commencement Date:	[_____]
Vesting Schedule:	[_____]
Termination:	If the Participant experiences a Termination of Service, any Shares that have not become vested on or prior to the date of such Termination of Service will thereupon be automatically forfeited by the Participant, and the Participant's rights in such Shares shall thereupon lapse and expire.

By his or her signature and the Company's signature below, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. The Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement. In addition, by signing below, the Participant also agrees that the Company, in its sole discretion, may satisfy any withholding obligations in accordance with Section 2.2(c) of the Agreement by (i) withholding shares of Common Stock otherwise issuable to the Participant upon vesting of the Shares, (ii) instructing a broker on the Participant's behalf to sell Shares upon vesting and submit the proceeds of such sale to the Company, or (iii) using any other method permitted by Section 2.2(c) of the Agreement or the Plan.

FRONTIER GROUP HOLDINGS, INC.:		**PARTICIPANT:**	
By:	_____	By:	_____
Print Name:	_____	Print Name:	_____
Title:	_____		
Address:	_____	Address:	_____
	_____		_____

EXHIBIT A
TO RESTRICTED STOCK AWARD GRANT NOTICE

RESTRICTED STOCK AWARD AGREEMENT

Pursuant to the Restricted Stock Award Grant Notice (the "Grant Notice") to which this Restricted Stock Award Agreement (this "Agreement") is attached, Frontier Group Holdings, Inc., a Delaware corporation, (the "Company") has granted to the Participant the number of shares of Restricted Stock (the "Shares") under the Company's 2017 Incentive Award Plan, as amended from time to time (the "Plan"), as set forth in the Grant Notice. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and Grant Notice.

ARTICLE I.

GENERAL

1.1 Incorporation of Terms of Plan. The Award (as defined below) is subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.

AWARD OF RESTRICTED STOCK

2.1 Award of Restricted Stock.

(a) Award. Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company has granted to the Participant an award of Restricted Stock (the "Award") under the Plan in consideration of the Participant's past and/or continued employment with or service to the Company or any Subsidiary, and for other good and valuable consideration. The number of Shares subject to the Award is set forth in the Grant Notice. The Participant is an Employee, Director or Consultant of the Company or one of its Subsidiaries.

(b) Escrow. The Participant, by acceptance of the Award, shall be deemed to appoint, and does so appoint, the Secretary of the Company or such other escrow holder as the Administrator may appoint to hold the Shares in escrow as the Participant's attorney(s)-in-fact to effect any transfer of unvested forfeited Shares (or Shares otherwise reacquired by the Company hereunder) to the Company as may be required pursuant to the Plan or this Agreement and to execute such documents as the Company or such representatives deem necessary or advisable in connection with any such transfer.

(c) Removal of Notations. As soon as administratively practicable after the vesting of any Shares subject to the Award pursuant to Section 2.2(b) hereof, the Company shall remove the notations on any Shares subject to the Award which have vested (or such lesser number of Shares as may be permitted pursuant to Section 11.2 of the Plan). The Participant (or the beneficiary or personal representative of the Participant in the event of the Participant's death or incapacity, as the case may be) shall deliver to the Company any representations or other documents or assurances required by the Company.

2.2 Restrictions.

(a) Forfeiture. Notwithstanding any contrary provision of this Agreement, upon the Participant's Termination of Service for any or no reason, any Shares subject to Restrictions shall thereupon be forfeited immediately and without any further action by the Company, and the Participant's rights in such Shares shall thereupon lapse and expire.

(b) Vesting and Lapse of Restrictions. As of the Grant Date, one hundred percent (100%) of the Shares shall be subject to a risk of forfeiture and the transfer restrictions set forth in Section 3.3 hereof (collectively, such risk of forfeiture and such transfer restrictions, the "Restrictions"). The Award shall vest and Restrictions shall lapse in accordance with the vesting schedule set forth in the Grant Notice (rounding down to the nearest whole Share).

(c) Tax Withholding. As set forth in Section 11.2 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the Award. The Company shall not be obligated to transfer Shares held in escrow to the Participant or the Participant's legal representative until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of the Participant resulting from the grant or vesting of the Award or the issuance of Shares.

(d) To ensure compliance with the Restrictions, the provisions of the charter documents of the Company, and/or Applicable Law and for other proper purposes, the Company may issue appropriate "stop transfer" and other instructions to its transfer agent with respect to the Restricted Stock. The Company shall notify the transfer agent as and when the Restrictions lapse.

2.3 Consideration to the Company. In consideration of the grant of the Award pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary.

ARTICLE III.

OTHER PROVISIONS

3.1 Section 83(b) Election. If the Participant makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Stock as of the date of transfer of the Restricted Stock rather than as of the date or dates upon which the Participant would otherwise be taxable under Section 83(a) of the Code, the Participant hereby agrees to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

3.2 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Award.

3.3 Restricted Stock Not Transferable. Until the Restrictions hereunder lapse or expire pursuant to this Agreement and the Shares vest, the Restricted Stock (including any Shares or other securities or property received by the Participant with respect to Restricted Stock as a result of stock

dividends, stock splits or any other form of recapitalization) shall be subject to the restrictions on transferability set forth in Section 11.3 of the Plan.

3.4 Rights as Stockholder. Except as otherwise provided herein, upon the Grant Date, the Participant shall have all the rights of a stockholder of the Company with respect to the Shares, subject to the Restrictions, including, without limitation, voting rights and rights to receive any cash or stock dividends, in respect of the Shares subject to the Award and deliverable hereunder.

3.5 Tax Consultation. The Participant understands that the Participant may suffer adverse tax consequences in connection with the Restricted Stock granted pursuant to this Agreement (and the Shares issuable with respect thereto). The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the Restricted Stock and that the Participant is not relying on the Company for any tax advice.

3.6 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the Restricted Stock in such circumstances as it, in its sole discretion, may determine. The Participant acknowledges that the Restricted Stock is subject to adjustment, modification and termination in certain events as provided in this Agreement and Section 13.2 of the Plan.

3.7 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.7, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

3.8 Participant's Representations. If the Shares issuable hereunder have not been registered under the Securities Act or any applicable state laws on an effective registration statement at the time of such issuance, the Participant shall, if required by the Company, concurrently with such issuance, make such written representations as are deemed necessary or appropriate by the Company and/or its counsel.

3.9 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.10 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.11 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act, and any and all Applicable Law. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Award is granted, only in such a manner as to conform to such Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

3.12 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; *provided*, *however*, that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this

Agreement shall adversely affect the Award in any material way without the prior written consent of the Participant.

3.13 Successors and Assigns. The Company or any Subsidiary may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company and its Subsidiaries. Subject to the restrictions on transfer set forth in Section 3.3 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

3.14 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the Award and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.15 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon the Participant any right to continue to serve as an Employee or other service provider of the Company or any of its Subsidiaries or shall interfere with or restrict in any way the rights of the Company and its Subsidiaries, which rights are hereby expressly reserved, to discharge or terminate the services of the Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company or a Subsidiary and the Participant.

3.16 Entire Agreement. The Plan, the Grant Notice and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and its Subsidiaries and the Participant with respect to the subject matter hereof.

3.17 Limitation on the Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company and its Subsidiaries with respect to amounts credited and benefits payable, if any, with respect to the Shares issuable hereunder.

FRONTIER GROUP HOLDINGS, INC.
2017 INCENTIVE AWARD PLAN

RESTRICTED STOCK UNIT AWARD GRANT NOTICE

Frontier Group Holdings, Inc., a Delaware corporation, (the "Company"), pursuant to its 2017 Incentive Award Plan, as amended from time to time (the "Plan"), hereby grants to the holder listed below (the "Participant"), an award of restricted stock units ("Restricted Stock Units" or "RSUs"). Each vested Restricted Stock Unit represents the right to receive, in accordance with the Restricted Stock Unit Award Agreement attached hereto as Exhibit A (the "Agreement"), one share of Common Stock ("Share"). This award of Restricted Stock Units is subject to all of the terms and conditions set forth herein and in the Agreement and the Plan, each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Unit Award Grant Notice (the "Grant Notice") and the Agreement.

Participant:	[_____]
Grant Date:	[_____]
Total Number of RSUs:	[_____]
Vesting Commencement Date:	[_____]
Vesting Schedule:	[_____]
Termination:	If the Participant experiences a Termination of Service, all RSUs that have not become vested on or prior to the date of such Termination of Service will thereupon be automatically forfeited by the Participant without payment of any consideration therefor.

By his or her signature and the Company's signature below, the Participant agrees to be bound by the terms and conditions of the Plan, the Agreement and this Grant Notice. The Participant has reviewed the Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Agreement and the Plan. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, this Grant Notice or the Agreement. In addition, by signing below, the Participant also agrees that the Company, in its sole discretion, may satisfy any withholding obligations in accordance with Section 2.6(b) of the Agreement by (i) withholding shares of Common Stock otherwise issuable to the Participant upon vesting of the RSUs, (ii) instructing a broker on the Participant's behalf to sell shares of Common Stock otherwise issuable to the Participant upon vesting of the RSUs and submit the proceeds of such sale to the Company, or (iii) using any other method permitted by Section 2.6(b) of the Agreement or the Plan.

FRONTIER GROUP HOLDINGS, INC.:		**PARTICIPANT:**	
By:	_____	By:	_____
Print Name:	_____	Print Name:	_____
Title:	_____		
Address:	_____	Address:	_____

EXHIBIT A
TO RESTRICTED STOCK UNIT AWARD GRANT NOTICE

RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Restricted Stock Unit Award Grant Notice (the "Grant Notice") to which this Restricted Stock Unit Award Agreement (this "Agreement") is attached, Frontier Group Holdings, Inc., a Delaware corporation (the "Company"), has granted to the Participant the number of restricted stock units ("Restricted Stock Units" or "RSUs") set forth in the Grant Notice under the Company's 2017 Incentive Award Plan, as amended from time to time (the "Plan"). Each Restricted Stock Unit represents the right to receive one share of Common Stock (a "Share") upon vesting. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and Grant Notice.

ARTICLE I.

GENERAL

1.1 Incorporation of Terms of Plan. The RSUs are subject to the terms and conditions of the Plan, which are incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control.

ARTICLE II.

GRANT OF RESTRICTED STOCK UNITS

2.1 Grant of RSUs. Pursuant to the Grant Notice and upon the terms and conditions set forth in the Plan and this Agreement, effective as of the Grant Date set forth in the Grant Notice, the Company hereby grants to the Participant an award of RSUs under the Plan in consideration of the Participant's past and/or continued employment with or service to the Company or any Subsidiaries and for other good and valuable consideration.

2.2 Unsecured Obligation to RSUs. Unless and until the RSUs have vested in the manner set forth in Article 2 hereof, the Participant will have no right to receive Common Stock under any such RSUs. Prior to actual payment of any vested RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

2.3 Vesting Schedule. Subject to Section 2.5 hereof, the RSUs shall vest and become nonforfeitable with respect to the applicable portion thereof according to the vesting schedule set forth in the Grant Notice (rounding down to the nearest whole Share).

2.4 Consideration to the Company. In consideration of the grant of the award of RSUs pursuant hereto, the Participant agrees to render faithful and efficient services to the Company or any Subsidiary.

2.5 Forfeiture, Termination and Cancellation upon Termination of Service. Notwithstanding any contrary provision of this Agreement or the Plan, upon the Participant's Termination of Service for any or no reason, all Restricted Stock Units which have not vested prior to or in connection with such Termination of Service shall thereupon automatically be forfeited, terminated and cancelled as of the applicable termination date without payment of any consideration by the Company, and the Participant, or the Participant's beneficiary or personal representative, as the case may be, shall have no

further rights hereunder. No portion of the RSUs which has not become vested as of the date on which the Participant incurs a Termination of Service shall thereafter become vested.

2.6 Issuance of Common Stock upon Vesting.

(a) As soon as administratively practicable following the vesting of any Restricted Stock Units pursuant to Section 2.3 hereof, but in no event later than thirty (30) days after such vesting date (for the avoidance of doubt, this deadline is intended to comply with the "short term deferral" exemption from Section 409A of the Code), the Company shall deliver to the Participant (or any transferee permitted under Section 3.2 hereof) a number of Shares equal to the number of RSUs subject to this Award that vest on the applicable vesting date. Notwithstanding the foregoing, in the event Shares cannot be issued pursuant to Section 11.4 of the Plan, the Shares shall be issued pursuant to the preceding sentence as soon as administratively practicable after the Administrator determines that Shares can again be issued in accordance with such Section.

(b) As set forth in Section 11.2 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes required by law to be withheld with respect to any taxable event arising in connection with the Restricted Stock Units. The Company shall not be obligated to deliver any Shares to the Participant or the Participant's legal representative unless and until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of the Participant resulting from the grant or vesting of the Restricted Stock Units or the issuance of Shares.

2.7 Conditions to Delivery of Shares. The Shares deliverable hereunder may be either previously authorized but unissued Shares, treasury Shares or issued Shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue Shares deliverable hereunder prior to fulfillment of the conditions set forth in Section 11.4 of the Plan.

2.8 Rights as Stockholder. The holder of the RSUs shall not be, nor have any of the rights or privileges of, a stockholder of the Company, including, without limitation, voting rights and rights to dividends, in respect of the RSUs and any Shares underlying the RSUs and deliverable hereunder unless and until such Shares shall have been issued by the Company and held of record by such holder (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company). No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13.2 of the Plan.

ARTICLE III.

OTHER PROVISIONS

3.1 Administration. The Administrator shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator in good faith shall be final and binding upon the Participant, the Company and all other interested persons. No member of the Administrator or the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the RSUs.

3.2 RSUs Not Transferable. The RSUs shall be subject to the restrictions on transferability set forth in Section 11.3 of the Plan.

3.3 Tax Consultation. The Participant understands that the Participant may suffer adverse tax consequences in connection with the RSUs granted pursuant to this Agreement (and the Shares issuable with respect thereto). The Participant represents that the Participant has consulted with any tax consultants the Participant deems advisable in connection with the RSUs and the issuance of Shares with respect thereto and that the Participant is not relying on the Company for any tax advice.

3.4 Binding Agreement. Subject to the limitation on the transferability of the RSUs contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

3.5 Adjustments Upon Specified Events. The Administrator may accelerate the vesting of the RSUs in such circumstances as it, in its sole discretion, may determine. The Participant acknowledges that the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and Section 13.2 of the Plan.

3.6 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to the Participant shall be addressed to the Participant at the Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.6, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

3.7 Participant's Representations. If the Shares issuable hereunder have not been registered under the Securities Act or any applicable state laws on an effective registration statement at the time of such issuance, the Participant shall, if required by the Company, concurrently with such issuance, make such written representations as are deemed necessary or appropriate by the Company and/or its counsel.

3.8 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

3.9 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws.

3.10 Conformity to Securities Laws. The Participant acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any other Applicable Law. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such Applicable Law.

3.11 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board; *provided, however,* that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this

Agreement shall adversely affect the RSUs in any material way without the prior written consent of the Participant.

3.12 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth in Section 3.2 hereof, this Agreement shall be binding upon the Participant and his or her heirs, executors, administrators, successors and assigns.

3.13 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Participant is subject to Section 16 of the Exchange Act, then the Plan, the RSUs and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

3.14 Not a Contract of Service Relationship. Nothing in this Agreement or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of the Company or any of its Subsidiaries or interfere with or restrict in any way with the right of the Company or any of its Subsidiaries, which rights are hereby expressly reserved, to discharge or to terminate for any reason whatsoever, with or without cause, the services of the Participant's at any time.

3.15 Entire Agreement. The Plan, the Grant Notice and this Agreement (including all Exhibits thereto, if any) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof.

3.16 Section 409A. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A of the Code (together with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof, "Section 409A"). However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A.

3.17 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Company and its Subsidiaries with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

Exhibit 10.7

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249

May 9, 2017

Mr. James Nides

Re: COO Employment Terms

Dear Jim:

Frontier Airlines, Inc. ("Frontier") is pleased to have you continue to serve as a full-time employee of Frontier. This letter agreement sets forth the terms of your continued employment and amends and restates that certain letter agreement between you and the Company dated as of February 23, 2015 (the "Prior Agreement") in its entirety, effective as of May 3, 2017 (the "Effective Date"). Your employment with Frontier under this letter agreement will be for a term commencing on the Effective Date and ending on the second anniversary of the Effective Date (the "Term").

During the Term, your title will be Chief Operating Officer, and you will have such duties as are normally associated with this position as such duties may be modified or supplemented by Frontier's Chief Executive Officer, to whom you will report. You will continue to reside in Denver, Colorado and work in Frontier's headquarters located there, except for such travel as may be necessary to fulfill your responsibilities. In the course of your employment with Frontier, you will continue to be subject to and required to comply with all company policies, and applicable laws and regulations. These include equal employment opportunity in hiring, assignments, training, promotions, compensation, employee benefits, employee discipline and discharge, and all other terms and conditions of employment.

Retroactive to January 1, 2017, you will be paid a base salary at the annual rate of $350,000 (subject to required tax withholding and other authorized deductions). Your base salary will be payable in accordance with Frontier's standard payroll policies and be subject to adjustment pursuant to Frontier's policies as in effect from time to time, which policies currently include an annual review.

In addition to your base salary, you will be eligible to earn an annual cash performance bonus, at the discretion of Frontier's Board of Directors or one of such board's committees, based on the attainment of performance metrics for Frontier and/or individual performance objectives, in each case established and evaluated by such board or one of its committees. Your target annual bonus will be 75% of your base salary, but the actual amount of your annual bonus may range from 0% of your base salary to 150% of your base salary. Any annual bonus will be contingent upon your continued employment through the applicable payment date. You hereby acknowledge and agree that nothing contained herein confers upon you any right to an annual bonus in any year, and that whether Frontier pays you an annual bonus and the amount of any such annual bonus will be determined by Frontier in its sole discretion.

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249

Frontier is owned by Frontier Group Holdings, Inc. ("FGHI"). FGHI has adopted an equity incentive plan (the "Equity Plan") pursuant to which FGHI may grant equity awards.

You acknowledge that in connection with your appointment as Frontier's Chief Operating Officer, on May 3, 2017, FGHI's board of directors granted to you, pursuant to the Equity Plan, an option to purchase 5,750 shares of FGHI common stock, which vests with respect to 50% of the shares underlying the option on each of the first two anniversaries of the vesting commencement date, subject to your continuing employment with Frontier through each applicable vesting date. You also received an initial option to purchase 5,750 shares of FGHI common stock on April 13, 2015, with a four-year vesting period. Both your initial and secondary stock options shall vest, and become exercisable, in full upon the closing of any Change in Control (as defined in the Equity Plan). Such options are otherwise subject to the terms of the Equity Plan and the agreements evidencing the options.

During the Term, Frontier will continue to provide you, your spouse, your eligible children and your parents privileges to travel positive space on Frontier Airlines with the priority code PS2B in accordance with Frontier policy as to the extent and use of such benefits by senior executives (the "Flight Benefit").

During the Term, you will also continue to be entitled to three weeks of annual paid vacation, in accordance with Frontier's vacation policy as it may be amended from time to time.

You will continue to be eligible during your employment to participate in all of the employee benefits and benefit plans that Frontier generally makes available to its regular full-time employees. In addition, during your employment, you will continue to be eligible for other standard benefits, to the extent applicable generally to other similarly situated employees of Frontier. Frontier reserves the right to terminate, modify or add to its benefits and benefit plans at any time.

If Frontier terminates your employment without Cause (as defined in the Equity Plan) and you deliver a general release of all claims against Frontier and its affiliates in a form acceptable to Frontier that becomes effective and irrevocable within 60 days following such termination of employment, then you shall be entitled to the following: (i) you shall receive a lump sum payment equal to the sum of your base salary at the time of termination (or two times such base salary if such termination occurs within twelve months after a Change in Control (as defined in the Equity Plan)), less applicable withholdings; and (ii) Frontier will continue to provide the Flight Benefit until the first anniversary of your termination date (or the second anniversary of such date if such termination occurs within twelve months after a Change in Control).

No amount deemed deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall be payable pursuant to this letter agreement unless your termination of employment constitutes a "separation from service" with Frontier within the meaning of Section 409A and the Department of Treasury regulations and other guidance promulgated thereunder. For purposes of Section 409A of the Code (including, without limitation,

for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this letter agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment. To the extent that any reimbursements or in-kind benefits provided pursuant to this letter agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to you pursuant to this letter agreement shall be paid to you no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed or the amount of in-kind benefits provided in one year shall not affect the amount eligible for reimbursement or the amount of in-kind benefits to which you are entitled, respectively, in any subsequent year, and your right to reimbursement or in-kind benefits under this letter agreement will not be subject to liquidation or exchange for another benefit. If Frontier determines that you are a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code at the time of your separation from service, any amount deemed deferred compensation subject to Section 409A of the Code to which you are entitled under this letter agreement in connection with such separation from service shall be delayed to the extent required in order to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code.

Frontier requires that, as a full-time employee, you devote your full business time, attention, skill, and efforts to the tasks and duties of your position as assigned by Frontier. If you wish to request consent to provide services (for any or no form of compensation) to any other person or business entity while employed by Frontier, please discuss that with Frontier's Chief Executive Officer in advance of accepting another position.

You acknowledge your ongoing obligations under the Additional Terms attached hereto as Exhibit A, which by this reference are incorporated in this letter agreement.

Notwithstanding any of the above, your employment with Frontier is "at will". This means that it can be terminated by you or by Frontier at any time, with or without advance notice, and for any or no particular reason or cause. It also means that your job duties, title and responsibility and reporting level, work schedule, compensation and benefits, as well as Frontier's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time in the sole discretion of Frontier.

This letter agreement shall be interpreted and construed in accordance with Colorado law without regard to any conflicts of laws principles. While other terms and conditions of your employment may change in the future, the at-will nature of your employment may not be changed, except in a subsequent written agreement, signed by you and the Chief Executive Officer of Frontier. Any prior or contemporaneous representations (whether oral or written) not contained in this letter agreement, including the Prior Agreement, that may have been made to you will be expressly cancelled and superseded by this letter agreement.

Please sign and date this letter agreement and return it to me by email at howard.diamond@flyfrontier.com by close of business May 10, 2017 to indicate your acceptance of the terms in this letter agreement. If you accept this the terms of this letter agreement by

Frontier Airlines, Inc.
7001 Tower Road
Denver, Colorado 80249

signing a counterpart and returning it to the undersigned as thus described, this letter agreement shall constitute the complete agreement between you and Frontier with respect to the terms and conditions of your employment.

We look forward to continuing a productive and enjoyable work relationship.

Sincerely,

FRONTIER AIRLINES, INC.

By: /s/ Howard Diamond
Howard Diamond

Accepted by:

/s/ James Nides

Date: May 10, 2017

Frontier Airlines, Inc.
P.O. Box 492085
Denver, CO 80249-7312

Exhibit A
Additional Terms

(a) Non-Competition/Non-Solicitation. You acknowledge and recognize the highly competitive nature of Frontier's business, and further acknowledge and recognize that Frontier has agreed to employ you in reliance on, among other things, your agreement to be bound by these additional terms. Accordingly, you agree as follows:

(i) You shall not, while employed by Frontier or during the twelve month period following termination of such employment (or the twenty-four month period following such termination in the event Frontier terminates your employment without Cause within twelve months after a Change in Control or your duties are substantially diminished within such twelve months and you resign within such twelve months), directly or indirectly, (A) engage, participate or assist in any Competing Business (defined as any commercial passenger airline business which is certificated by any governmental authority to operate in any part of North America, other than any commercial passenger airline business which is (i) based outside North America and (ii) does not include in its route network point to point flying within North America), (B) enter the employ of, or render any services to, any person or entity engaged in any Competing Business, (C) acquire a financial interest in, or otherwise become actively involved with, any person or entity engaged in any Competing Business, whether as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant. Nothing herein shall prohibit you from being a passive owner of not more than two percent (2%) of the outstanding equity interest in any entity that is publicly traded, so long as you have no active participation in the business of such entity.

(ii) You agree that you shall not, while employed by Frontier or during the twelve month period following termination of such employment (or the twenty-four month period following such termination in the event Frontier terminates your employment without Cause within twelve months after a Change in Control or your duties are substantially diminished within such twelve months and you resign within such twelve months), directly or indirectly, either for yourself or any other person or entity, (A) recruit or otherwise solicit or induce any employee, customer or supplier of Frontier to terminate its employment or arrangement with Frontier, or otherwise change its relationship with Frontier, or (B) hire, or cause to be hired, any individual who was employed by Frontier at any time during the twelve (12)-month period immediately prior to the termination of your employment or who thereafter becomes employed by Frontier.

(iii) In the event the terms of this exhibit shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to, and may be modified by a court of competent jurisdiction to, extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(iv) You understand that the restrictions set forth in this exhibit are intended to protect Frontier's established employee, customer and supplier relations, and the general goodwill of its business, and you agree that such restrictions are reasonable and appropriate for this purpose.

(v) In the event you engage in conduct in violation of your covenants in this section (a), the applicable restricted period shall be extended for a period of time equal to the time in which you engaged in activity prohibited by this section (a).

(b) Confidentiality. As used in this exhibit, "Confidential Information" means information belonging to Frontier which is of value to Frontier in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to Frontier. Confidential information includes, without limitation, patient or other medical information, financials information, reports, forecasts, inventions, improvements and other intellectual property, trade secrets, know-how, designs, processes or formulae, software, market or sales information or plans, customer lists, business plans and prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of Frontier. Confidential information also includes information you develop in the course of your employment by Frontier, as well as other information to which you may have access in connection with your employment. Confidential Information also includes the confidential information of others with which Frontier has a business relationship. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of your duties under this exhibit.

(i) You understand and agree that your employment creates a relationship of confidence and trust between you and Frontier with respect to all Confidential Information. At all times, both during your employment with Frontier and after its termination, you will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of Frontier, except as may be necessary in the ordinary course of performing your duties to Frontier or as otherwise required by law.

(ii) All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to you by Frontier or are produced by you in connection with your employment will be and remain the sole property of Frontier. You will return to Frontier all such materials and property as and when requested by Frontier. In any event, you will return all such materials and property immediately upon termination of your employment for any reason, and will not retain copies thereof following such termination.

(c) Non-Disparagement. Employee shall not make negative statements against the employer, its employees, or its products/services. This non-disparagement provision does not affect or limit your right to communicate or file a charge with, or participate in any investigation or proceeding conducted by the EEOC, or any other comparable federal, state or local agency.

FRONTIER GROUP HOLDINGS, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Non-employee members of the board of directors (the "Board") of Frontier Group Holdings, Inc. (the "Company") shall be eligible to receive cash and equity compensation as set forth in this Non-Employee Director Compensation Program (this "Program"). The cash and equity compensation described in this Program shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a "Non-Employee Director") who may be eligible to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Program shall remain in effect until it is revised or rescinded by further action of the Board. This Program may be amended, modified or terminated by the Board at any time, without advance notice, in its sole discretion. The terms and conditions of this Program shall supersede any prior cash and/or equity compensation arrangements for service as a member of the Board between the Company and any of its Non-Employee Directors. This Program shall become effective on the date of the pricing of the initial public offering of Company common stock (the "Effective Date").

1. Cash Compensation.

(a) Annual Retainers. Each Non-Employee Director shall be eligible to receive an annual retainer of $75,000 for service on the Board.

(b) Additional Annual Retainers. In addition, a Non-Employee Director shall receive the following annual retainers, as applicable:

(i) Chair of the Audit Committee. A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of $17,000 for such service.

(ii) Chair of the Compensation Committee. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of $12,000 for such service.

(iii) Chair of the Nominating and Corporate Governance Committee. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $12,000 for such service.

(c) Payment of Retainers. The annual retainers described in Sections 1(a) and 1(b) shall be earned on a quarterly basis based on a calendar quarter and shall be paid by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section 1(b), for an entire calendar quarter, the retainer paid to such Non-Employee Director shall be prorated for the portion of such calendar quarter actually served as a Non-Employee Director, or in such position, as applicable.

2. Equity Compensation. Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2017 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "Equity Plan") and shall be evidenced by the

execution and delivery of award agreements, including attached exhibits, in substantially the forms previously approved by the Board. All applicable terms of the Equity Plan apply to this Program as if fully set forth herein, and all grants of Restricted Stock Units hereby are subject in all respects to the terms of the Equity Plan.

(a) Initial Awards. Each person who is initially elected to the Board as a Non-Employee Director shall be granted, automatically and without necessity of any action by the Board or any committee thereof, on the date of such initial election Restricted Stock Units with respect to that number of shares of Company common stock (the "Common Stock") calculated by dividing (i) the product of (A) $100,000 multiplied times (B) a fraction, the numerator of which is the number of days remaining until either (1) the first anniversary of the annual meeting of the Company's stockholders that immediately preceded such Non-Employee Director's election or appointment or (2) in the event such election or appointment occurs prior to the first annual meeting of the Company's stockholders that occurs after the Effective Date, the projected date of such first annual meeting and the denominator of which is 365, by (ii) the per share Fair Market Value (as defined in the Equity Plan) of the Common Stock as of the date of appointment or election and rounding down to the nearest whole number. The awards described in this Section 2(a) shall be referred to as "Initial Awards." No Non-Employee Director shall be granted more than one Initial Award.

(b) Subsequent Awards. On the date of each annual meeting of the Company's stockholders, each Non-Employee Director who will continue to serve as a Non-Employee Director immediately following such annual meeting shall be granted, automatically and without necessity of any action by the Board or any committee thereof, on the date of such annual meeting Restricted Stock Units with respect to that number of shares of Common Stock calculated by dividing (i) $100,000 by (ii) the per share Fair Market Value of the Common Stock on the date of grant ("Subsequent Award"). For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an annual meeting of the Company's stockholders shall only receive an Initial Award having a value of $100,000 in connection with such election, and shall not receive any Subsequent Award on the date of such meeting.

(c) Terms of Awards Granted to Non-Employee Directors

(i) Vesting. Each Initial Award and each Subsequent Award shall vest in full on the earlier of (A) the first anniversary of the date of grant or (B) immediately prior to the next annual meeting of the Company's stockholders after the date of grant, subject to the Non-Employee Director continuing to provide services to the Company through such vesting date.

(ii) Change in Control Acceleration. All of a Non-Employee Director's Initial Awards and Subsequent Awards, and any other equity-based awards outstanding and held by the Non-Employee Director, shall vest and, if applicable, become exercisable and all restrictions thereon shall lapse with respect to one hundred percent (100%) of the shares subject thereto immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

3. Reimbursements. The Company shall reimburse each Non-Employee Director for all reasonable, documented, out-of-pocket travel and other business expenses incurred by such Non-Employee Director in the performance of his or her duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures as in effect from time to time.

4. Flight Benefits. Each Non-Employee Director shall be eligible to receive flight benefits on Frontier Airlines in the form of a Universal Air Travel Plan, Inc. ("UATP") card made available once per 12-month period that provides for travel solely on Frontier Airlines in the amount of $5,500, for each

Non-Employee Director other than the Chairman of the Board, and $13,750, for the Chairman of the Board, in each case, that must be used, if at all, within 12 months of the date the UATP card is issued.

* * * * *

AIRBUS

A320 FAMILY AIRCRAFT

PURCHASE AGREEMENT

BETWEEN

AIRBUS S.A.S.

as Seller

AND

REPUBLIC AIRWAYS HOLDINGS INC.

as Buyer

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A320 FAMILY AIRCRAFT PURCHASE AGREEMENT

This A320 Family Aircraft Purchase Agreement ("**Agreement**") is dated as of September 30, 2011

BETWEEN:

AIRBUS S.A.S., a *société par actions simplifiée*, created and existing under French law having its registered office at 1 Rond-Point Maurice Bellonte, 31707 Blagnac-Cedex, France and registered with the Toulouse Registre du Commerce under number RCS Toulouse 383 474 814 (the "**Seller**"),

and

REPUBLIC AIRWAYS HOLDINGS INC., a corporation organized and existing under the laws of the State of Delaware, United States of America, having its principal corporate offices located at 8909 Purdue Road, Suite 300, Indianapolis, Indiana 46268, United States of America (the "**Buyer**").

WHEREAS subject to the terms and conditions of this Agreement, the Seller desires to sell the Aircraft to the Buyer and the Buyer desires to purchase the Aircraft from the Seller.

NOW THEREFORE IT IS AGREED AS FOLLOWS:

0 – DEFINITIONS

For all purposes of this Agreement (defined below), except as otherwise expressly provided, the following terms will have the following meanings:

A319 Aircraft – any or all of the A319-100 aircraft for which the delivery schedule as of the date hereof is set forth in Clause 9.1 to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the A319 Airframe and all components, equipment, parts and accessories installed in or on such A319 Airframe and the A319 Propulsion System, as applicable, installed thereon upon delivery.

A319 Airframe – any A319 Aircraft, excluding the A319 Propulsion System therefor.

A319 Propulsion System – as defined in Clause 2.3.

A319 Specification – the A319 Standard Specification as amended by all applicable SCNs.

A319 Standard Specification – the A319 standard specification document number *****, a copy of which is annexed as Exhibit A-2 to the Agreement.

A320 Aircraft – any or all of the A320-200 aircraft for which the delivery schedule as of the date hereof is set forth in Clause 9.1 to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the A320 Airframe and all components, equipment, parts and accessories installed in or on such A320 Airframe and the A320 Propulsion System, as applicable, installed thereon upon delivery.

A320 Airframe – any A320 Aircraft, excluding the A320 Propulsion System therefor.

A320 Propulsion System – as defined in Clause 2.3.

A320 Specification – the A320 Standard Specification as amended by all applicable SCNs.

A320 Standard Specification – the A320 standard specification document number *****, a copy of which is annexed hereto as Exhibit A-1.

AACS – Airbus Americas Customer Services, Inc., a corporation organized and existing under the laws of Delaware, having its principal offices at 198 Van Buren Street, Suite 300, Herndon, VA 20170, or any successor thereto.

Affiliate – with respect to any person or entity, any other person or entity directly or indirectly controlling, controlled by or under common control with such person or entity.

Agreement – this Airbus A320 family aircraft purchase agreement, including all exhibits and appendixes attached hereto, as the same may be amended or modified and in effect from time to time.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

AirbusWorld – as defined in Clause 14.10.1.

Aircraft – as applicable, any or all of the A319 Aircraft and any or all of the A320 Aircraft.

Aircraft Training Services – all flight support services including but not limited to any and all training courses, flight training, flight assistance, line training, line assistance and more generally all flights of any kind performed by the Seller, its agents, employees or subcontractors, and maintenance support, maintenance training (including Practical Training), training support of any kind performed on aircraft and provided to the Buyer pursuant to this Agreement.

Airframe – as applicable, the A319 Airframe or the A320 Airframe.

AirN@v Family – as defined in Clause 14.9.1.

Approved BFE Supplier – as defined in Clause 18.1.2.

AOG – as defined in Clause 15.1.4.

ATA Specification – recommended specifications developed by the Air Transport Association of America reflecting consensus in the commercial aviation industry on accepted means of communicating information, conducting business, performing operations and adhering to accepted practices.

Attestation – as defined in Clause 16.3.3.

Aviation Authority – when used with respect to any jurisdiction, the government entity that, under the laws of such jurisdiction, has control over civil aviation or the registration, airworthiness or operation of civil aircraft in such jurisdiction.

Balance of the Final Price – as defined in Clause 5.4.

Base Flight Training – as defined in Clause 16.6.2.1.

Base Period – as defined in Clause 3.1.1.3.

Base Price – for any Aircraft, Airframe, SCNs or Propulsion System, as defined in Clause 3.1.

BFE Data – as defined in Clause 14.3.2.1.

BFE Engineering Definition – as defined in Clause 18.1.3.

BFE Supplier – as defined in Clause 18.1.1.

Bill of Sale – as defined in Clause 9.2.2.

Business Day – with respect to any action to be taken hereunder, a day other than a Saturday, Sunday or other day designated as a holiday in the jurisdiction in which such action is required to be taken.

Buyer Furnished Equipment or BFE – as defined in Clause 18.1.1.

Buyer's Inspector(s) – as defined in Clause 6.2.1.

CDF Date – as defined in Clause 2.4.2.

CDR – as defined in Clause 18.1.5(iii)(b).

Certificate – as defined in Clause 16.3.3.

Certificate of Acceptance – as defined in Clause 8.3.

Change in Law – as defined in Clause 7.3.1.

COC Data – as defined in Clause 14.8.

Confidential Information – as defined in Clause 22.11.

Contractual Definition Freeze or CDF – as defined in Clause 2.4.2.

Customization Milestones Chart – as defined in Clause 2.4.1.

DDU or Delivery Duty Unpaid – is the term Delivery Duty Unpaid as defined by publication n° 560 of the International Chamber of Commerce, published in January 2000.

Declaration of Design and Performance or DDP – the documentation provided by an equipment manufacturer guaranteeing that the corresponding equipment meets the requirements of the Specification, the interface documentation and all the relevant certification requirements.

Delivery – with respect to any Aircraft, the transfer of title to such Aircraft from the Seller to the Buyer in accordance with Clause 9.

Delivery Date – the date on which Delivery occurs.

Delivery Location – the facilities of the Seller at the location of final assembly of the Aircraft.

Delivery Period – as defined in Clause 11.1.

Development Changes – as defined in Clause 2.2.2.

EASA – the European Aviation Safety Agency or any successor thereto.

End-User License Agreement for Airbus Software – as defined in Clause 14.9.4.

Excusable Delay – as defined in Clause 10.1.

Export Certificate of Airworthiness – an export certificate of airworthiness issued by the Aviation Authority of the Delivery Location for export of an Aircraft to the United States.

FAA – the U.S. Federal Aviation Administration, or any successor thereto.

FAI – as defined in Clause 18.1.5 (iv).

Failure – as defined in Clause 12.2.1(ii).

Final Price – as defined in Clause 3.2.

First Quarter or 1Q – means the 3-month period of January, February and March.

Fleet Serial Numbers – as defined in Clause 14.2.1.

Fourth Quarter or 4Q – means the 3-month period of October, November and December.

Goods and Services – any goods, excluding Aircraft, and services that may be purchased by the Buyer from the Seller or its designee.

GTC – as defined in Clause 14.10.3.

Indemnitee – as defined in Clause 19.3.

Indemnitor – as defined in Clause 19.3.

Inexcusable Delay – as defined in Clause 11.1.

Inhouse Warranty – as defined in Clause 12.1.7.1.

Inhouse Warranty Labor Rate – as defined in Clause 12.1.7.5(ii).

Inspection – as defined in Clause 6.2.1.

Instructor(s) – as defined in Clause 16.3.3.

Interface Problem – as defined in Clause 12.4.1.

Irrevocable SCN – an SCN which is irrevocably part of the A319 Specification or the A320 Specification, as expressly set forth in Appendix 1 to Exhibit A-1 and Appendix 1 to Exhibit A-2, as applicable.

Item – as defined in Clause 12.2.1(i).

LIBOR – means, for any period, the rate per annum equal to the quotation that appears on the LIBOR01 page of the Reuters screen (or such other page as may replace the LIBOR01 page) or if such service is not available, the British Bankers' Association LIBOR rates on Bloomberg (or such other service or services as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, two (2) Business Days prior to the beginning of such period as the rate for twelve-month U.S. dollar deposits to be delivered on the first day of each period.

Losses – as defined in Clause 19.1.

Major BFE – as defined in Clause 18.1.5(iii).

Manufacture Facilities – means the various manufacture facilities of the Seller, its Affiliates or any subcontractor, where the Airframe or its parts are manufactured or assembled.

Manufacturer Specification Change Notice or MSCN – as defined in Clause 2.2.2.1.

NEO Aircraft – means an Aircraft incorporating the New Engine Option.

New Engine Option or NEO – as defined in Clause 2.1.

Option Catalogs – as defined in Clause 2.4.1.

Other Agreement – as defined in Clause 5.12.1.

Other Indebtedness – as defined in Clause 20.5(iv).

Paris Convention – as defined in Clause 13.1.1(ii)(b).

PDR – as defined in Clause 18.1.5(iii)(a).

PEP – as defined in Clause 14.13.1.

Practical Training – as defined in Clause 16.8.2.

Predelivery Payment – any of the payments determined in accordance with Clause 5.3.

Predelivery Payment Reference Price – as defined in Clause 5.3.2.

Propulsion System – either or both, as the context requires, of the A319 Propulsion System and the A320 Propulsion System.

Propulsion System Manufacturer – means the manufacturer of the Propulsion System as set out in Clause 2.3.

Propulsion System Price Revision Formula – the applicable Propulsion System price revision formula set forth in Part 2 of Exhibit C.

Propulsion System Reference Price – the applicable Propulsion System reference price set forth in Part 2 of Exhibit C.

Quarter – means any or, depending on the context, all of the First Quarter, Second Quarter, Third Quarter and Fourth Quarter.

Ready for Delivery – means the time when the Technical Acceptance Process has been completed in accordance with Clause 8 and all technical conditions required for the issuance of the Export Certificate of Airworthiness have been satisfied.

Relevant Amounts – as defined in Clause 5.12.1(ii).

Revision Service Period – as defined in Clause 14.5.

Scheduled Delivery Month – as defined in Clause 9.1.

Scheduled Delivery Quarter – as defined in Clause 9.1.

SEC – as defined in Clause 20.5(i).

Second Quarter or 2Q – means the 3-month period of April, May and June.

Seller Price Revision Formula – the Seller price revision formula set forth in Part 1 of Exhibit C.

Seller Representative – as defined in Clause 15.1.1.

Seller's Customer Services Catalog – as defined in Clause 16.3.1.

Seller's Training Center(s) – as defined in Clause 16.2.1.

Service Life Policy – as described in Clause 12.2.

Sharklets – means a new large wingtip device, currently under development by the Seller, designed to enhance the eco-efficiency and payload range performance of the A320 family aircraft and which are part of the New Engine Option and corresponding Irrevocable SCNs.

SI – as defined in Clause 18.1.5(v).

Software Services – as defined in Clause 14.1.

Specification – as applicable, the A319 Specification or the A320 Specification.

Specification Change Notice or SCN – as defined in Clause 2.2.1.

Standard Specification – the A319 Standard Specification or the A320 Standard Specification, as applicable.

Successor – as defined in Clause 21.4.

Supplier – as defined in Clause 12.3.1.1.

Supplier Part – as defined in Clause 12.3.1.2.

Supplier Product Support Agreements – as defined in Clause 12.3.1.3.

Taxes – as defined in Clause 5.5.

Technical Acceptance Flight – as defined in Clause 8.1.2(iv).

Technical Acceptance Process – as defined in Clause 8.1.1.

Technical Data – as defined in Clause 14.1.

Termination – as defined in Clause 20.2.1(i)(d).

Termination Event – as defined in Clause 20.1.

Third Party – as defined in Clause 14.15.2.

Third Party Entity – as defined in Clause 12.8.

Third Quarter or 3Q – means the 3-month period of July, August and September.

Total Loss – as defined in Clause 10.4.

Training Conference – as defined in Clause 16.1.3.

Type Certificate – as defined in Clause 7.1.

VAT – as defined in Clause 5.5.1.

Warranted Part – as defined in Clause 12.1.1.1.

Warranty Claim – as defined in Clause 12.1.5.

Warranty Period – as defined in Clause 12.1.3.

The definition of a singular in this Clause 0 will apply to the plural of the same word.

Except where otherwise indicated, references in this Agreement to an exhibit, schedule, article, section, subsection or clause refer to the appropriate exhibit or schedule to, or article, section, subsection or clause in this Agreement.

Each agreement defined in this Clause 0 will include all appendices, exhibits and schedules thereto. If the prior written consent of any person is required hereunder for an amendment, restatement, supplement or other modification to any such agreement and the

consent of each such person is obtained, references in this Agreement to such agreement shall be to such agreement as so amended, restated, supplemented or modified.

References in this Agreement to any statute will be to such statute as amended or modified and in effect at the time any such reference is operative.

The term “including” when used in this Agreement means “including without limitation” except when used in the computation of time periods.

Technical and trade terms not otherwise defined herein will have the meanings assigned to them as generally accepted in the aircraft manufacturing industry.

1 – SALE AND PURCHASE

The Seller will sell and deliver to the Buyer, and the Buyer will purchase and take delivery of 80 (eighty) NEO Aircraft, consisting of 20 (twenty) A319 Aircraft and 60 (sixty) A320 Aircraft from the Seller, subject to the terms and conditions contained in this Agreement.

2 – SPECIFICATION

2.1 Aircraft Specification

2.1.1 The A320 Aircraft will be manufactured in accordance with the A320 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A-1 which includes the Irrevocable SCNs.

The A319 Aircraft will be manufactured in accordance with the A319 Standard Specification, as modified or varied prior to the date of this Agreement by the Specification Change Notices listed in Appendix 1 to Exhibit A-2 which includes the Irrevocable SCNs.

2.1.2 New Engine Option

2.1.2.1 The Seller is currently developing a new engine option (the “**New Engine Option**” or “**NEO**”), applicable to the Aircraft. The specification of the NEO Aircraft shall be derived from the current Standard Specification and based on the new Propulsion Systems, as set forth in Clause 2.3 below, and Sharklets, combined with the required airframe structural adaptations, as well as Aircraft systems and software adaptations required to operate such NEO Aircraft. The foregoing is currently reflected in the Irrevocable SCNs listed in Appendix 1 to Exhibits A-1 and Appendix 1 to Exhibit A-2, the implementation of which is hereby irrevocably accepted by the Buyer.

2.1.2.2 The New Engine Option shall modify the design weights of the Standard Specification as follows:

	A319	A320
MLW	*****	*****
MZFW	*****	*****

2.2 Specification Amendment

The parties understand and agree that the Specification may be further amended following signature of this Agreement in accordance with the terms of this Clause 2.

2.2.1 Specification Change Notice

The Specification may be amended by written agreement between the parties in a notice, substantially in the form set out in Exhibit B-1 (each, a "**Specification Change Notice**" or "**SCN**") and will set out the SCN's Aircraft embodiment rank and will also set forth, in detail, the particular change to be made to the Specification and the effect, if any, of such change on design, performance, weight, Delivery Date of the Aircraft affected thereby and on the text of the Specification. An SCN may result in an adjustment to the Base Price of the Aircraft, which adjustment, if any, will be specified in the SCN.

2.2.2 Development Changes

The Specification may also be amended to incorporate changes deemed necessary by the Seller to improve the Aircraft, prevent delay or ensure compliance with this Agreement ("**Development Changes**"), as set forth in this Clause 2.

2.2.2.1 Manufacturer Specification Changes Notices

(i) The Specification may be amended by the Seller through a Manufacturer Specification Change Notice ("**MSCN**"), which will be substantially in the form set out in Exhibit B-2 hereto, or by other appropriate means, and will set out the MSCN's Aircraft embodiment rank as well as, in detail, the particular change to be made to the Specification and the effect, if any, of such change on performance, weight, Base Price of the Aircraft, Delivery Date of the Aircraft affected thereby and interchangeability or replaceability requirements under the Specification.

(ii) Except when the MSCN is necessitated by an Aviation Authority directive or by equipment obsolescence, in which case the MSCN will be accomplished without requiring the Buyer's consent, if the MSCN adversely affects the performance, weight, Base Price, Delivery Date of the Aircraft affected thereby or the interchangeability or replaceability requirements under the Specification,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

the Seller will notify the Buyer of a reasonable period of time during which the Buyer must accept or reject such MSCN. If the Buyer does not notify the Seller of the rejection of the MSCN within such period, the MSCN will be deemed accepted by the Buyer and the corresponding modification will be accomplished.

2.2.2.2 If the Seller revises the Specification to incorporate Development Changes which have no adverse effect on any of the elements identified in Clause 2.2.2.1, such Development Change will be performed by the Seller without the Buyer's consent.

In such cases, the Seller will provide to the Buyer the details of all changes in an adapted format and on a regular basis.

2.2.2.3 The Seller may at its discretion notify Seller from time to time that certain items, which are currently BFE in the Specification, shall be deemed to be seller-furnished equipment ("**SFE**") and the parties agree that, upon such notice, such BFE items shall thereafter be excluded from the provisions of Clauses 2.2.2.1 (ii) and 2.2.2.2 above and shall be considered instead SFE and thereafter chargeable to the Buyer.

2.3 Propulsion System

2.3.1 Each A320 Airframe will be equipped with a set of two (2) CFM International LEAP-X1A26 engines (such set, an "**A320 Propulsion System**").

Each A319 Airframe will be equipped with a set of two (2) CFM International LEAP-X1A24 engines (such set, an "**A319 Propulsion System**").

2.4 Milestones

2.4.1 Customization Milestones Chart

Within a reasonable period following signature of this Agreement, the Seller will provide the Buyer with a customization milestones chart (the "**Customization Milestones Chart**"), setting out how far in advance of the Scheduled Delivery Month of the Aircraft an SCN must be executed in order to integrate into the Specification any items requested by the Buyer from the Seller's catalogues of Specification change options (the "**Option Catalogs**").

2.4.2 Contractual Definition Freeze

The Customization Milestone Chart will in particular specify the date(s) by which the contractual definition of the Aircraft must be finalized and all SCNs need to have been executed by the Buyer (the "**Contractual Definition Freeze**" or "**CDF**") in order to enable their incorporation into the manufacturing of the Aircraft and Delivery of the Aircraft in the Scheduled Delivery Month. Each such date will be referred to as a "**CDF Date**".

3 – PRICE

3.1 Base Price of the Aircraft

The Base Price of the Aircraft is the sum of:

(i) the Base Price of the Airframe and

(ii) the Base Price of the Propulsion System.

3.1.1 Base Price of the A320 Airframe

3.1.1.1 In respect of the A320 Aircraft, the Base Price of the A320 Airframe is the sum of the following base prices:

(i) *****

(ii) ***** and

(iii) *****

3.1.1.2 The Base Price of the A320 Airframe has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** (the "**Base Period**").

3.1.2 Base Price of the A320 Propulsion System

3.1.2.1 The Base Price of a set of two (2) CFM International LEAP-X engines (the "LEAP- X1A26 Engines") is:

*****.

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

3.1.3 Base Price of the A319 Airframe

In respect of A319 Aircraft, the Base Price of the A319 Airframe is the sum of the following base prices:

(i) *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(ii) ***** and

(iii) *****

3.1.3.1 The Base Price of the A319 Airframe has been established in accordance with the average economic conditions prevailing in ***** and corresponding to a theoretical delivery in ***** (the "**Base Period**").

3.1.4 Base Price of the A319 Propulsion System

3.1.4.1 The Base Price of a set of two (2) CFM International CFM LEAP-X1A24 model engines for the A319 Aircraft (the "LEAP-X1A24 Engines") is the sum of:

(i) *****

Said Base Price has been established in accordance with the delivery conditions prevailing in ***** and has been calculated from the reference price indicated by CFM International and set forth in Part 2 of Exhibit C.

3.2 Final Price of the Aircraft

The "**Final Price**" of each Aircraft will be the sum of:

(i) the Base Price of the Airframe, as adjusted to the applicable Delivery Date of such Aircraft in accordance with Clause 4.1;

(ii) the aggregate of all increases or decreases to the Base Price of the Airframe as agreed in any Specification Change Notice or part thereof applicable to the Airframe subsequent to the date of this Agreement as adjusted to the Delivery Date of such Aircraft in accordance with Clause 4.1;

(iii) the Propulsion System Reference Price as adjusted to the Delivery Date of in accordance with Clause 4.2;

(iv) the aggregate of all increases or decreases to the Propulsion System Reference Price as agreed in any Specification Change Notice or part thereof applicable to the Propulsion System subsequent to the date of this Agreement as adjusted to the Delivery Date in accordance with Clause 4.2; and

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(v) any other amount resulting from any other provisions of this Agreement relating to the Aircraft and/or any other written agreement between the Buyer and the Seller relating to the Aircraft.

4 – PRICE REVISION

4.1 Seller Price Revision Formula

The Base Prices of the Airframe and of the SCNs relating to the Airframe are subject to revision up to and including the Delivery Date in accordance with the Seller Price Revision Formula.

4.2 Propulsion System Price Revision

4.2.1 The Propulsion System Reference Price and SCNs relating to the Propulsion System are subject to revision up to and including the Delivery Date in accordance with the Propulsion System Price Revision Formula.

4.2.2 The Reference Price of the Propulsion System, the prices of the related equipment and the Propulsion System Price Revision Formula are based on information received from the Propulsions Systems Manufacturer and are subject to amendment by the Propulsion System Manufacturer at any time prior to Delivery. If the Propulsion System Manufacturer makes any such amendment, the amendment will be deemed to be incorporated into this Agreement and the Reference Price of the Propulsion System, the prices of the related equipment and the Propulsion System Price Revision Formula will be adjusted accordingly. The Seller agrees to notify the Buyer promptly upon receiving notice of any such amendment from the Propulsion System Manufacturer.

5 – PAYMENT TERMS

5.1 Seller's Account

The Buyer will pay, from bank accounts within the United States, the Predelivery Payments, the Balance of the Final Price and any other amount due hereunder at the relevant times required by the Agreement and in immediately available funds in United States dollars to:

Beneficiary Name: *****

Account Identification: *****

with:

*****
SWIFT: *****
ABA: *****
*****

or to such other account as may be designated by the Seller in written notice to Buyer at least two Business Days prior to the date such payment is due.

5.2 *****

5.3 Predelivery Payments

5.3.1 Predelivery Payments are nonrefundable (although amounts equal to Predelivery Payments may be paid to the Buyer pursuant to Clause 10 or 11) and will be paid by the Buyer to the Seller for the Aircraft.

5.3.2 The Predelivery Payment Reference Price for an Aircraft to be delivered in calendar year T is determined in accordance with the following formula:

*****

5.3.3 Predelivery Payments will be paid according to the following schedule:

Payment Date		Percentage of Predelivery Payment Reference Price
*****	*****	*****
	*****	
*****	*****	*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

*****	*****	*****
*****	*****	*****
*****	*****	*****
TOTAL PAYMENT PRIOR TO DELIVERY		*****

In the event of the above schedule resulting in any Predelivery Payment falling due prior to the date of signature of the Agreement, such Predelivery Payments shall be made upon signature of this Agreement.

5.3.4 ***** The Seller will be under no obligation to segregate any Predelivery Payment, or any amount equal thereto, from the Seller's funds generally.

5.3.5 *****

*****

(i) *****

(ii) *****

(iii) *****

5.4 Payment of Balance of the Final Price of the Aircraft

Before the Delivery Date or concurrent with the Delivery of each Aircraft, the Buyer will pay to the Seller the Final Price of such Aircraft less an amount equal to the Predelivery Payments received for such Aircraft by the Seller (the "**Balance of the Final Price**").

The Seller's receipt of the full amount of all Predelivery Payments and of the Balance of the Final Price of such Aircraft, and any amounts due under Clause 5.8, are a condition precedent to the Seller's obligation to deliver such Aircraft to the Buyer.

5.5 Taxes

5.5.1 *****

5.5.2 *****

5.5.3 *****

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"**Taxes**" means any present or future stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority or any political subdivision or taxing authority thereof or therein.

5.6 Application of Payments

*****

5.7 Setoff Payments

Notwithstanding anything to the contrary contained herein, the Seller may set-off any matured obligation owed by the Buyer or any of its Affiliates to the Seller or any of its Affiliates against any obligation (whether or not matured) owed by the Seller or any of its Affiliates to the Buyer or any of its Affiliates, regardless of the place of payment or currency.

5.8 Overdue Payments

5.8.1 If any payment due to the Seller from the Buyer is not received by the Seller on the date or dates due, the Seller will have the right to claim from the Buyer, and the Buyer will *****

5.8.2 If any Predelivery Payment is not received by the date on which it is due, the Seller, in addition to any other rights and remedies available to it, will be under no obligation to deliver any Aircraft remaining to be delivered under this Agreement within such Aircraft's Scheduled Delivery Month(s). Upon receipt of the full amount of all such overdue Predelivery Payments, together with interest on such Predelivery Payments in accordance with Clause 5.8.1, the Seller will provide the Buyer with new Scheduled Delivery Months for the affected Aircraft, subject to the Seller's commercial and industrial constraints.

5.9 Proprietary Interest

Notwithstanding any provision of law to the contrary, the Buyer will not, by virtue of anything contained in this Agreement (including, without limitation, any Predelivery Payments hereunder, or any designation or identification by the Seller of a particular aircraft as an Aircraft to which any of the provisions of this Agreement refers) acquire any proprietary, insurable or other interest whatsoever in any Aircraft before Delivery of and payment for such Aircraft, as provided in this Agreement.

5.10 Payment in Full

The Buyer's obligation to make payments to the Seller hereunder will not be affected by and will be determined without regard to any setoff, counterclaim, recoupment, defense or other right that the Buyer may have against the Seller or any other person and all such payments will be made without deduction or withholding of any kind. The Buyer will ensure that the sums received by the Seller under this Agreement will

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be equal to the full amounts expressed to be due to the Seller hereunder, without deduction or withholding on account of and free from any and all taxes, levies, imposts, duties or charges of whatever nature, except that if the Buyer is compelled by law to make any such deduction or withholding the Buyer will pay such additional amounts to the Seller as may be necessary so that the net amount received by the Seller after such deduction or withholding will equal the amounts that would have been received in the absence of such deduction or withholding.

5.11 Other Charges

Unless expressly stipulated otherwise, any charges due under this Agreement other than those set out in Clauses 5.3 and 5.8 will be paid by the Buyer at the same time as payment of the Balance of the Final Price or, if invoiced, within ***** after the invoice date.

5.12 *****

5.12.1 *****

(i) *****

(ii) *****

*****

5.12.2 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

6 – MANUFACTURE PROCEDURE – INSPECTION

6.1 Manufacture Procedures

The Airframe will be manufactured in accordance with the requirements of the laws of the jurisdiction of incorporation of the Seller or of its relevant Affiliate as enforced by the Aviation Authority of such jurisdiction.

6.2 Inspection

6.2.1 The Buyer or its duly authorized representatives (the "**Buyer's Inspector(s)**") will be entitled to inspect the manufacture of the Airframe and all materials and parts obtained by the Seller for the manufacture of the Airframe (the "**Inspection**") on the following terms and conditions;

(i) any Inspection will be conducted pursuant to the Seller's system of inspection and the relevant Airbus Procedures, as developed under the supervision of the relevant Aviation Authority and generally applicable to commercial airline customers of Seller for A320 family aircraft;

(ii) the Buyer's Inspector(s) will have access to such relevant technical documentation solely to the extent reasonably necessary for the purpose of the Inspection;

(iii) any Inspection and any related discussions with the Seller and other relevant personnel by the Buyer's Inspector(s) will be at reasonable times during business hours and will take place in the presence of the relevant inspection department personnel of the Seller;

(iv) the Inspections will be performed in a manner not to unduly delay or hinder the manufacture or assembly of the Aircraft or the performance of this Agreement by the Seller or any other work in progress at the Manufacture Facilities.

6.2.2 Location of Inspections

The Buyer's Inspector(s) will be entitled to conduct any such Inspection at the relevant Manufacture Facility of the Seller or the Affiliates and where possible at the Manufacture Facilities of the sub-contractors provided that if access to any part of the Manufacture Facilities where the Airframe manufacture is in progress or materials or parts are stored are restricted for security or confidentiality reasons, the Seller will be allowed reasonable time to make the relevant items available elsewhere.

6.3 Seller's Service for Buyer's Inspector(s)

For the purpose of the Inspections with respect to an Aircraft, and starting from a mutually agreed date until the Delivery Date of such Aircraft, the Seller will furnish without additional charge suitable space and office equipment in or conveniently located with respect to the Delivery Location for the use of a reasonable number of Buyer's Inspector(s).

7 – CERTIFICATION

Except as set forth in this Clause 7, the Seller will not be required to obtain any certificate or approval with respect to the Aircraft.

7.1 Type Certification

The Seller will obtain or cause to be obtained (i) a type certificate under EASA procedures for joint certification in the transport category and (ii) an FAA type certificate (the "**Type Certificate**") to allow the issuance of the Export Certificate of Airworthiness.

7.2 Export Certificate of Airworthiness

Subject to the provisions of Clause 7.3, each Aircraft will be delivered to the Buyer with an Export Certificate of Airworthiness issued by EASA in a condition enabling the Buyer to obtain at the time of Delivery a Standard Airworthiness Certificate issued pursuant to Part 21 of the US Federal Aviation Regulations and a Certificate of Sanitary Construction issued by the U.S. Public Health Service of the Food and Drug Administration. However, the Seller will have no obligation to make and will not be responsible for any costs of alterations or modifications to such Aircraft to enable such Aircraft to meet FAA or U.S. Department of Transportation requirements for specific operation on the Buyer's routes, whether before, at or after Delivery of any Aircraft.

If the FAA requires additional or modified data before the issuance of the Export Certificate of Airworthiness, the Seller will provide such data or implement the required modification to the data, in either case, at the Buyer's cost.

7.3 Specification Changes before Aircraft Ready for Delivery

7.3.1 If, any time before the date on which an Aircraft is Ready for Delivery, any law, rule or regulation is enacted, promulgated, becomes effective and/or an interpretation of any law, rule or regulation is issued by the EASA that requires any change to the Specification for the purposes of obtaining the Export Certificate of Airworthiness (a "**Change in Law**"), the Seller will make the required modification and the parties hereto will sign an SCN pursuant to Clause 2.2.1.

7.3.2 The Seller will as far as practicable, but at its sole discretion and without prejudice to Clause 7.3.3(ii), take into account the information available to it concerning any proposed law, rule or regulation or interpretation that could become a Change in Law, in order to minimize the costs of changes to the Specification as a result of such proposed law, regulation or interpretation becoming effective before the applicable Aircraft is Ready for Delivery.

7.3.3 The cost of implementing the required modifications referred to in Clause 7.3.1 will be:

(i) ***** and

(ii) *****

7.3.4 Notwithstanding the provisions of Clause 7.3.3, if a Change in Law relates to an item of BFE or to the Propulsion System the costs related thereto will ***** and the Seller will have no obligation with respect thereto.

7.4 Specification Changes after Aircraft Ready For Delivery

Nothing in Clause 7.3 will require the Seller to make any changes or modifications to, or to make any payments or take any other action with respect to, any Aircraft that is Ready for Delivery before the compliance date of any law or regulation referred to in Clause 7.3. Any such changes or modifications made to an Aircraft after it is Ready for Delivery will be at the *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

8 – TECHNICAL ACCEPTANCE

8.1 Technical Acceptance Process

8.1.1 Prior to Delivery, the Aircraft will undergo a technical acceptance process developed by the Seller (the "**Technical Acceptance Process**"). Completion of the Technical Acceptance Process will demonstrate the satisfactory functioning of the Aircraft and will be deemed to demonstrate compliance with the Specification. Should it be established that the Aircraft does not comply with the Technical Acceptance Process requirements, the Seller will without hindrance from the Buyer be entitled to carry out any necessary changes and, as soon as practicable thereafter, resubmit the Aircraft to such further Technical Acceptance Process as is necessary to demonstrate the elimination of the noncompliance.

8.1.2 The Technical Acceptance Process will:

(i) commence on a date notified by the Seller to the Buyer not later than ***** notice prior thereto,

(ii) take place at the Delivery Location,

(iii) be carried out by the personnel of the Seller, and

(iv) include a technical acceptance flight that will ***** (the "**Technical Acceptance Flight**"), and

8.2 Buyer's Attendance

8.2.1 The Buyer is entitled to elect to attend the Technical Acceptance Process.

8.2.2 If the Buyer elects to attend the Technical Acceptance Process, the Buyer:

(i) will comply with the reasonable requirements of the Seller, with the intention of completing the Technical Acceptance Process within ***** after its commencement, and

(ii) may have a maximum of ***** of its representatives (no more than ***** of whom will have access to the cockpit at any one time) accompany the Seller's representatives on the Technical Acceptance Flight, during which the Buyer's representatives will comply with the instructions of the Seller's representatives.

8.2.3 If the Buyer does not attend or fails to cooperate in the Technical Acceptance Process, the Seller will be entitled to complete the Technical Acceptance Process and the Buyer will be deemed to have accepted that the Technical Acceptance Process has been satisfactorily completed, in all respects.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

8.3 Certificate of Acceptance

Upon successful completion of the Technical Acceptance Process, the Buyer will, on or before the Delivery Date, sign and deliver to the Seller a certificate of acceptance in respect of the Aircraft in the form of Exhibit D (the "**Certificate of Acceptance**").

8.4 Finality of Acceptance

The Buyer's signature of the Certificate of Acceptance for the Aircraft will constitute waiver by the Buyer of any right it may have, under the Uniform Commercial Code as adopted by the State of New York or otherwise, to revoke acceptance of the Aircraft for any reason, whether known or unknown to the Buyer at the time of acceptance.

8.5 Aircraft Utilization

The Seller will, *****, be entitled to use the Aircraft prior to Delivery as may be necessary to obtain the certificates required under Clause 7. Such use will not limit the Buyer's obligation to accept Delivery of the Aircraft hereunder.

The Seller will be authorized to use the Aircraft for ***** for any other purpose without the specific agreement of the Buyer.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9 – DELIVERY

9.1 Delivery Schedule

Subject to Clauses 2, 7, 8 10 and 18:

the Seller will have the Aircraft listed in the table below Ready for Delivery at the Delivery Location within the following months (each a "**Scheduled Delivery Month**") or quarters (each a "**Scheduled Delivery Quarter**"):

Aircraft Rank		Scheduled Delivery Quarter	Scheduled Delivery Year
1	A320 Aircraft	*****	*****
2	A320 Aircraft	*****	*****
3	A320 Aircraft	*****	*****
4	A320 Aircraft	*****	*****
5	A320 Aircraft	*****	*****
6	A320 Aircraft	*****	*****
7	A320 Aircraft	*****	*****
8	A320 Aircraft	*****	*****
9	A320 Aircraft	*****	*****
10	A320 Aircraft	*****	*****
11	A320 Aircraft	*****	*****
12	A320 Aircraft	*****	*****
13	A320 Aircraft	*****	*****
14	A320 Aircraft	*****	*****
15	A320 Aircraft	*****	*****
16	A320 Aircraft	*****	*****
17	A320 Aircraft	*****	*****
18	A320 Aircraft	*****	*****
19	A320 Aircraft	*****	*****
20	A320 Aircraft	*****	*****
21	A320 Aircraft	*****	*****
22	A320 Aircraft	*****	*****
23	A320 Aircraft	*****	*****
24	A320 Aircraft	*****	*****
25	A320 Aircraft	*****	*****
26	A320 Aircraft	*****	*****
27	A320 Aircraft	*****	*****
28	A320 Aircraft	*****	*****
29	A320 Aircraft	*****	*****

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Aircraft Rank		Scheduled Delivery	
30	A320 Aircraft	*****	*****
31	A320 Aircraft	*****	*****
32	A320 Aircraft	*****	*****
33	A320 Aircraft	*****	*****
34	A320 Aircraft	*****	*****
35	A320 Aircraft	*****	*****
36	A320 Aircraft	*****	*****
37	A320 Aircraft	*****	*****
38	A320 Aircraft	*****	*****
39	A320 Aircraft	*****	*****
40	A320 Aircraft	*****	*****
41	A320 Aircraft	*****	*****
42	A320 Aircraft	*****	*****
43	A320 Aircraft	*****	*****
44	A320 Aircraft	*****	*****
45	A320 Aircraft	*****	*****
46	A320 Aircraft	*****	*****
47	A320 Aircraft	*****	*****
48	A320 Aircraft	*****	*****
49	A320 Aircraft	*****	*****
50	A320 Aircraft	*****	*****
51	A320 Aircraft	*****	*****
52	A320 Aircraft	*****	*****
53	A320 Aircraft	*****	*****
54	A320 Aircraft	*****	*****
55	A320 Aircraft	*****	*****
56	A320 Aircraft	*****	*****
57	A320 Aircraft	*****	*****
58	A320 Aircraft	*****	*****
59	A320 Aircraft	*****	*****
60	A320 Aircraft	*****	*****
61	A320 Aircraft	*****	*****
62	A320 Aircraft	*****	*****
63	A319 Aircraft	*****	*****
64	A319 Aircraft	*****	*****
65	A319 Aircraft	*****	*****
66	A319 Aircraft	*****	*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Aircraft Rank		Scheduled Delivery	
67	A319 Aircraft	*****	*****
68	A319 Aircraft	*****	*****
69	A319 Aircraft	*****	*****
70	A319 Aircraft	*****	*****
71	A319 Aircraft	*****	*****
72	A319 Aircraft	*****	*****
73	A319 Aircraft	*****	*****
74	A319 Aircraft	*****	*****
75	A319 Aircraft	*****	*****
76	A319 Aircraft	*****	*****
77	A319 Aircraft	*****	*****
78	A319 Aircraft	*****	*****
79	A319 Aircraft	*****	*****
80	A319 Aircraft	*****	*****

The Seller will give the Buyer the Scheduled Delivery Month of each Aircraft ***** before the first day of the Scheduled Delivery Quarter of the respective Aircraft. The Seller will give the Buyer at least ***** written notice of the anticipated date on which the Aircraft will be Ready for Delivery. Thereafter, the Seller will notify the Buyer of any change to such dates.

9.2 Delivery Process

9.2.1 The Buyer will, when the Aircraft is Ready for Delivery, pay the Balance of the Final Price, take Delivery of the Aircraft and remove the Aircraft from the Delivery Location.

9.2.2 The Seller will deliver and transfer title to the Aircraft to the Buyer free and clear of all encumbrances (except for any liens or encumbrances created by or on behalf of the Buyer) provided that the Balance of the Final Price of such Aircraft has been paid by the Buyer pursuant to Clause 5.4 and that the Certificate of Acceptance has been signed and delivered to the Seller pursuant to Clause 8.3. The Seller will provide the Buyer with a bill of sale in the form of Exhibit E (the "**Bill of Sale**") and such other documentation confirming transfer of title and receipt of the Final Price of the Aircraft as may reasonably be requested by the Buyer. Title to, property in and risk of loss of or damage to the Aircraft will transfer to the Buyer contemporaneously with the delivery by the Seller to the Buyer of such Bill of Sale.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

9.2.3 If the Buyer fails to (i) deliver the signed Certificate of Acceptance with respect to an Aircraft to the Seller when required pursuant to Clause 8.3, or (ii) pay the Balance of the Final Price of such Aircraft to the Seller and take Delivery of the Aircraft, then the Buyer will be deemed to have rejected Delivery wrongfully when such Aircraft was duly tendered to the Buyer hereunder. If such a deemed rejection arises, then in addition to the remedies of Clause 5.8.1, (a) the Seller will retain title to such Aircraft and (b) the Buyer will indemnify and hold the Seller harmless against any and all costs (including but not limited to any parking, storage, and insurance costs) and consequences resulting from the Buyer's rejection (including but not limited to risk of loss of or damage to such Aircraft), it being understood that the Seller will be under no duty to the Buyer to store, park, insure or otherwise protect such Aircraft. These rights of the Seller will be in addition to the Seller's other rights and remedies in this Agreement.

9.2.4 If the Buyer fails to remove the Aircraft from the Delivery Location, then, without prejudice to the Seller's other rights and remedies under this Agreement or at law, the provisions of Clause 9.2.3 (b) shall apply.

9.3 Flyaway

9.3.1 The Buyer and the Seller will cooperate to obtain any licenses that may be required by the Aviation Authority of the Delivery Location for the purpose of exporting the Aircraft.

9.3.2 All expenses of, or connected with, flying the Aircraft from the Delivery Location after Delivery will be borne by the Buyer. The Buyer will make direct arrangements with the supplying companies for the fuel and oil required for all post-Delivery flights.

10 – EXCUSABLE DELAY AND TOTAL LOSS

10.1 Scope of Excusable Delay

Neither the Seller nor any Affiliate of the Seller, will be responsible for or be deemed to be in default on account of delays in delivery of the Aircraft or failure to deliver or otherwise in the performance of this Agreement or any part hereof due to causes beyond the Seller's, or any Affiliate's control or not occasioned by the Seller's, fault or negligence ("Excusable Delay"), including, but not limited to: *****.

10.2 Consequences of Excusable Delay

If an Excusable Delay occurs:

(i) the Seller will notify the Buyer of such Excusable Delay as soon as practicable after becoming aware of the same;

(ii) the Seller will not be responsible for any damages arising from or in connection with such Excusable Delay suffered or incurred by the Buyer;

(iii) the Seller will not be deemed to be in default in the performance of its obligations hereunder as a result of such Excusable Delay;

(iv) the Seller will as soon as practicable after the removal of the cause of such delay resume performance of its obligations under this Agreement and in particular will notify the Buyer of the revised Scheduled Delivery Month.

10.3 Termination on Excusable Delay

10.3.1 If any Delivery is delayed as a result of an Excusable Delay for a period of more than ***** after the last day of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft, by giving written notice to the other party ***** after the *****. However, the Buyer will not be entitled to terminate this Agreement pursuant to this Clause 10.3.1 if the Excusable Delay is caused directly or indirectly by the action or inaction of the Buyer.

10.3.2 If the Seller advises the Buyer in its notice of a revised Scheduled Delivery Month pursuant to Clause 10.2.1(iv) that there will be a delay in Delivery of an Aircraft of more than ***** of the Scheduled Delivery Month, then either party may terminate this Agreement with respect to the affected Aircraft. Termination will be made by giving written notice to the other party ***** after the Buyer's receipt of the notice of a revised Scheduled Delivery Month.

10.3.3 If this Agreement is not terminated under the terms of Clause 10.3.1 or 10.3.2, then the Seller will be entitled to reschedule Delivery. The Seller will notify the Buyer of the new Scheduled Delivery Month after the ***** referred to in Clause 10.3.1 or 10.3.2, and this new Scheduled Delivery Month will be deemed to be an amendment to the applicable Scheduled Delivery Month in Clause 9.1.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

10.4 Total Loss, Destruction or Damage

If, prior to Delivery, any Aircraft is lost or destroyed or in the reasonable opinion of the Seller is damaged beyond economic repair ("Total Loss"), the Seller will notify the Buyer to this effect within ***** of such occurrence. The Seller will include in said notification (or as soon after the issue of the notice as such information becomes available to the Seller) the earliest date consistent with the Seller's other commitments and production capabilities that an aircraft to replace the Aircraft may be delivered to the Buyer, and the Scheduled Delivery Month will be extended as specified in the Seller's notice to accommodate the delivery of the replacement aircraft; provided, however, that if the Scheduled Delivery Month is extended to a month that is later than ***** after the last day of the original Scheduled Delivery Month then this Agreement will terminate with respect to said Aircraft unless:

(i) the Buyer notifies the Seller within ***** month of the date of receipt of the Seller's notice that it desires the Seller to provide a replacement aircraft during the month quoted in the Seller's notice; and

(ii) the parties execute an amendment to this Agreement recording the change in the Scheduled Delivery Month.

Nothing herein will require the Seller to manufacture and deliver a replacement aircraft if such manufacture would require the reactivation of its production line for the model or series of aircraft that includes the Aircraft.

10.5 Termination Rights Exclusive

If this Agreement is terminated as provided for under the terms of Clauses 10.3 or 10.4, such termination will discharge all obligations and liabilities of the parties hereunder with respect to such affected Aircraft and undelivered material, services, data or other items applicable thereto and to be furnished under the Agreement.

10.6 Remedies

THIS CLAUSE 10 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 11, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING, WITHOUT LIMITATION, ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 10 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 10 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

11 – INEXCUSABLE DELAY

11.1 *****

*****

11.2 Renegotiation

If, as a result of an Inexcusable Delay, the Delivery does not occur within ***** of the Delivery Period the Buyer will have the right, exercisable by written notice to the Seller given between *****, to require from the Seller a renegotiation of the Scheduled Delivery Month for the affected Aircraft. Unless otherwise agreed between the Seller and the Buyer during such renegotiation, the said renegotiation will not prejudice the Buyer's right to receive liquidated damages in accordance with Clause 11.1.

11.3 Termination

If, as a result of an Inexcusable Delay, the Delivery does not occur within ***** of the Delivery Period and the parties have not renegotiated the Delivery Date pursuant to Clause 11.2, then both parties will have the right exercisable by written notice to the other party, given between *****, to terminate this Agreement in respect of the affected Aircraft. In the event of termination, *****.

11.4 Remedies

THIS CLAUSE 11 SETS FORTH THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER FOR DELAYS IN DELIVERY OR FAILURE TO DELIVER, OTHER THAN SUCH DELAYS AS ARE COVERED BY CLAUSE 10, AND THE BUYER HEREBY WAIVES ALL RIGHTS TO WHICH IT WOULD OTHERWISE BE ENTITLED IN RESPECT THEREOF, INCLUDING WITHOUT LIMITATION ANY RIGHTS TO INCIDENTAL AND CONSEQUENTIAL DAMAGES OR SPECIFIC PERFORMANCE. THE BUYER WILL NOT BE ENTITLED TO CLAIM THE REMEDIES AND RECEIVE THE BENEFITS PROVIDED IN THIS CLAUSE 11 WHERE THE DELAY REFERRED TO IN THIS CLAUSE 11 IS CAUSED BY THE NEGLIGENCE OR FAULT OF THE BUYER OR ITS REPRESENTATIVES.

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12 – WARRANTIES AND SERVICE LIFE POLICY

This Clause covers the terms and conditions of the warranty and service life policy.

12.1 Standard Warranty

12.1.1 Nature of Warranty

12.1.1.1 For the purpose of this Agreement the term "**Warranted Part**" will mean any Seller proprietary component, equipment, accessory or part, which is installed on an Aircraft at Delivery thereof and

(i) which is manufactured to the detailed design of the Seller or a subcontractor of the Seller and

(ii) which bears a part number of the Seller at the time of such Delivery.

12.1.1.2 Subject to the conditions and limitations as hereinafter provided for and except as provided for in Clause 12.1.2, the Seller warrants to the Buyer that each Aircraft and each Warranted Part will at Delivery to the Buyer be free from defects:

(i) in material;

(ii) in workmanship, including without limitation processes of manufacture;

(iii) in design (including without limitation the selection of materials) having regard to the state of the art at the date of such design; and

(iv) arising from failure to conform to the Specification, except to those portions of the Specification relating to performance or where it is expressly stated that they are estimates or approximations or design aims.

12.1.2 Exclusions

The warranties set forth in Clause 12.1.1 will not apply to Buyer Furnished Equipment, nor to the Propulsion System, nor to any component, equipment, accessory or part installed on the Aircraft at Delivery that is not a Warranted Part except that:

(i) any defect in the Seller's workmanship in respect of the installation of such items in the Aircraft, including any failure by the Seller to conform to the installation instructions of the manufacturers of such items, that invalidates any applicable warranty from such manufacturers, will constitute a defect in workmanship for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(ii); and

(ii) any defect inherent in the Seller's design of the installation, in consideration of the state of the art at the date of such design, which impairs the use of such items, will constitute a defect in design for the purpose of this Clause 12.1 and be covered by the warranty set forth in Clause 12.1.1.2(iii).

12.1.3 Warranty Period

The warranties set forth in Clauses 12.1.1 and 12.1.2 will be limited to those defects that become apparent within ***** of the affected Aircraft (the "**Warranty Period**").

12.1.4 Limitations of Warranty

12.1.4.1 The Buyer's remedy and the Seller's obligation and liability under Clauses 12.1.1 and 12.1.2 are limited to, at the Seller's expense and option, the repair, replacement or correction of any Warranted Part which is defective (or to the supply of modification kits, rectifying the defect), together with a credit to the Buyer's account with the Seller of an amount equal to the mutually agreed direct labor costs expended in performing the removal and reinstallation thereof on the Aircraft at the labor rate defined in Clause 12.1.7.5.

The Seller may alternatively furnish to the Buyer's account with the Seller a credit equal to the price at which the Buyer is then entitled to purchase a replacement for the defective Warranted Part.

12.1.4.2 In the event of a defect covered by Clauses 12.1.1.2(iii), 12.1.1.2(iv) and 12.1.2(ii) becoming apparent within the Warranty Period, the Seller shall also, if so requested by the Buyer in writing, correct such defect in any Aircraft which has not yet been delivered to the Buyer, *****

(i) *****

(ii) *****

12.1.4.3 Cost of Inspection

In addition to the remedies set forth in Clauses 12.1.4.1 and 12.1.4.2, the Seller will reimburse the direct labor costs incurred by the Buyer in performing inspections of the Aircraft to determine whether or not a defect exists in any Warranted Part within the Warranty Period subject to the following conditions:

(i) such inspections are recommended by a Seller Service Bulletin to be performed within the Warranty Period;

(ii) the reimbursement will not apply for any inspections performed as an alternative to accomplishing corrective action as recommended by the Seller prior to the date of such inspection;

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(iii) the labor rate for the reimbursement will be the Inhouse Warranty Labor Rate; and

(iv) the manhours used to determine such reimbursement will not exceed the Seller's estimate of the manhours required for such inspections.

12.1.5 Warranty Claim Requirements

The Buyer's remedy and the Seller's obligation and liability under this Clause 12.1 with respect to any warranty claim submitted by the Buyer (each a "**Warranty Claim**") are subject to the following conditions:

(i) the defect having become apparent within the Warranty Period;

(ii) the Buyer having filed a warranty claim within ***** of discovering the defect;

(iii) *****

(iv) the Seller having received a Warranty Claim complying with the provisions of Clause 12.1.6 below.

12.1.6 Warranty Administration

The warranties set forth in Clause 12.1 will be administered as hereinafter provided for:

12.1.6.1 Claim Determination

Determination as to whether any claimed defect in any Warranted Part is a valid Warranty Claim will be made by the Seller and will be based upon the claim details, reports from the Seller's Representatives, historical data logs, inspections, tests, findings during repair, defect analysis and other relevant documents.

12.1.6.2 Transportation Costs

The cost of transporting a Warranted Part claimed to be defective to the facilities designated by the Seller and for the return therefrom of a repaired or replaced Warranted Part will be *****.

12.1.6.3 Return of an Aircraft

If the Buyer and the Seller mutually agree, prior to such return, that it is necessary to return an Aircraft to the Seller for consideration of a Warranty Claim, the Seller *****. The Buyer will make reasonable efforts to minimize the duration of the corresponding flights.

12.1.6.4 On Aircraft Work by the Seller

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If the Seller determines that a defect subject to this Clause 12.1 justifies the dispatch by the Seller of a working team to repair or correct such defect through the embodiment of one or several Seller's Service Bulletins at the Buyer's facilities, or if the Seller accepts the return of an Aircraft to perform or have performed such repair or correction, then the *****.

The condition which has to be fulfilled for on-Aircraft work by the Seller is that, in the reasonable opinion of the Seller, the work necessitates the technical expertise of the Seller as manufacturer of the Aircraft.

If said condition is fulfilled and if the Seller is requested to perform the work, the Seller and the Buyer will agree on a schedule and place for the work to be performed.

12.1.6.5 Warranty Claim Substantiation

Each Warranty Claim filed by the Buyer under this Clause 12.1 will contain at least the following data:

(i) description of defect and any action taken, if any,

(ii) date incident and/or removal date,

(iii) description of Warranted Part claimed to be defective,

(iv) part number,

(v) serial number (if applicable),

(vi) position on Aircraft,

(vii) total flying hours or calendar time, as applicable, at the date of defect appearance,

(viii) time since last shop visit at the date of defect appearance,

(ix) Manufacturer Serial Number of the Aircraft and/or its registration,

(x) Aircraft total flying hours and/or number of landings at the date of defect appearance,

(xi) Warranty Claim number,

(xii) date of Warranty Claim,

(xiii) Delivery Date of Aircraft or Warranted Part to the Buyer,

Warranty Claims are to be addressed as follows:

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AIRBUS
CUSTOMER SERVICES DIRECTORATE
WARRANTY ADMINISTRATION
Rond Point Maurice Bellonte
B.P. 33
F 31707 BLAGNAC CEDEX
FRANCE

12.1.6.6 Replacements

Replaced components, equipment, accessories or parts will become the Seller's property.

Title to and risk of loss of any Aircraft, component, accessory, equipment or part and returned by the Buyer to the Seller will at all times remain with the Buyer, except that:

(i) when the Seller has possession of a returned Aircraft, component, accessory, equipment or part to which the Buyer has title, the Seller will have such responsibility therefor as is chargeable by law to a bailee for hire, but the Seller will not be liable for loss of use; and

(ii) title to and risk of loss of a returned component, accessory, equipment or part will pass to the Seller upon shipment by the Seller to the Buyer of any item furnished by the Seller to the Buyer as a replacement therefor.

Upon the Seller's shipment to the Buyer of any replacement component, accessory, equipment or part provided by the Seller pursuant to this Clause 12.1, title to and risk of loss of such replacement component, accessory, equipment or part will pass to the Buyer.

12.1.6.7 Rejection

The Seller will provide reasonable written substantiation in case of rejection of a Warranty Claim. In such event the Buyer will refund to the Seller reasonable inspection and test charges incurred in connection therewith.

12.1.6.8 Inspection

The Seller will have the right to inspect the affected Aircraft, documents and other records relating thereto in the event of any Warranty Claim under this Clause 12.1.

12.1.7 Inhouse Warranty

12.1.7.1 Seller's Authorization

The Seller hereby authorizes the Buyer to repair Warranted Parts ("**Inhouse Warranty**") subject to the terms of this Clause 12.1.7.

12.1.7.2 Conditions for Seller's Authorization

The Buyer will be entitled to repair such Warranted Parts:

(i) provided the Buyer notifies the Seller Representative of its intention to perform Inhouse Warranty repairs before any such repairs are started where the estimated cost of such repair is in excess of *****. The Buyer's notification will include sufficient detail regarding the defect, estimated labor hours and material to allow the Seller to ascertain the reasonableness of the estimate. The Seller agrees to use all reasonable efforts to ensure a prompt response and will not unreasonably withhold authorization;

(ii) if adequate facilities and qualified personnel are available to the Buyer;

(iii) if repairs are performed in accordance with the Seller's Technical Data or written instructions; and

(iv) only to the extent specified by the Seller, or, in the absence of such specification, to the extent reasonably necessary to correct the defect, in accordance with the standards set forth in Clause 12.1.10.

12.1.7.3 Seller's Rights

The Seller will have the right to require the return of any Warranted Part, or any part removed therefrom, which is claimed to be defective if, in the judgment of the Seller, the nature of the claimed defect requires technical investigation. Such return will be subject to the provisions of Clause 12.1.6.2. Furthermore, the Seller will have the right to have a Seller representative present during the disassembly, inspection and testing of any Warranted Part claimed to be defective, subject to such presence being practical and not unduly delaying the repair.

12.1.7.4 Inhouse Warranty Claim Substantiation

Claims for Inhouse Warranty credit will be filed within the time period set forth in 12.1.5 (ii) and will contain the same information as that required for Warranty Claims under Clause 12.1.6.5 and in addition will include:

(i) a report of technical findings with respect to the defect;

(ii) for parts required to remedy the defect:

- part numbers,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

- serial numbers (if applicable),
- parts description,
- quantity of parts,
- unit price of parts,
- related Seller's or third party's invoices (if applicable),
- total price of parts,

(iii) detailed number of labor hours;

(iv) Inhouse Warranty Labor Rate;

(v) total claim value.

12.1.7.5 *****

The Buyer's sole remedy and the Seller's sole obligation and liability with respect to Inhouse Warranty Claims will be ***** determined as set forth below:

(i) *****

(ii) *****

The Inhouse Warranty Labor Rate is *****. For the purposes of this Clause 12.1.7.5 only, *****, defined in the Seller's Price Revision Formula set forth in Exhibit C to the Agreement.

(iii) *****

12.1.7.6 Limitation

The Buyer will in *****.

12.1.7.7 Scrapped Material

The Buyer will retain any defective Warranted Part beyond economic repair and any defective part removed from a Warranted Part during repair for a period of either ***** of the Seller's request to that effect.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Notwithstanding the foregoing, the Buyer may scrap any such defective parts, which are beyond economic repair and not required for technical evaluation locally, with the agreement of the Seller Representative(s).

Scrapped Warranted Parts will be evidenced by a record of scrapped material certified by an authorized representative of the Buyer and will be kept in the Buyer's file for a least the duration of the applicable Warranty Period.

12.1.8 Standard Warranty in case of Pooling or Leasing Arrangements

Without prejudice to Clause 21.1, the warranties provided for in this Clause 12.1 for any Warranted Part will accrue to the benefit of any airline in revenue service, other than the Buyer, if the Warranted Part enters into the possession of any such airline as a result of a pooling or leasing agreement between such airline and the Buyer, in accordance with the terms and subject to the limitations and exclusions of the foregoing warranties and to the extent permitted by any applicable law or regulations.

12.1.9 Warranty for Corrected, Replaced or Repaired Warranted Parts

Whenever any Warranted Part, which contains a defect for which the Seller is liable under Clause 12.1, has been corrected, replaced or repaired pursuant to the terms of this Clause 12.1, *****.

If a defect is attributable to a defective repair or replacement by the Buyer, a Warranty Claim with respect to such defect will be rejected, notwithstanding any subsequent correction or repair, and will immediately terminate the remaining warranties under this Clause 12.1 in respect of the affected Warranted Part.

12.1.10 Accepted Industry Standard Practices Normal Wear and Tear

The Buyer's rights under this Clause 12.1 are subject to the Aircraft and each component, equipment, accessory and part thereof being maintained, overhauled, repaired and operated in accordance with accepted industry standard practices, all Technical Data and any other instructions issued by the Seller, the Suppliers and the Propulsion System Manufacturer and all applicable rules, regulations and directives of the relevant Aviation Authorities.

The Seller's liability under this Clause 12.1 will not extend to normal wear and tear nor to:

(i) any Aircraft or component, equipment, accessory or part thereof, which has been repaired, altered or modified after Delivery, except by the Seller or in a manner approved by the Seller;

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(ii) any Aircraft or component, equipment, accessory or part thereof, which has been operated in a damaged state; or

(iii) any component, equipment, accessory and part from which the trademark, name, part or serial number or other identification marks have been removed.

12.1.11 DISCLAIMER OF SELLER LIABILITY

THE SELLER WILL NOT BE LIABLE FOR, AND THE BUYER WILL INDEMNIFY THE SELLER AGAINST, THE CLAIMS OF ANY THIRD PARTIES FOR LOSSES DUE TO ANY DEFECT, NONCONFORMANCE OR PROBLEM OF ANY KIND, ARISING OUT OF OR IN CONNECTION WITH ANY REPAIR OF WARRANTED PARTS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12.1 OR ANY OTHER ACTIONS UNDERTAKEN BY THE BUYER UNDER THIS CLAUSE 12, WHETHER SUCH CLAIM IS ASSERTED IN CONTRACT OR IN TORT, OR IS PREMISED ON ALLEGED, ACTUAL, IMPUTED, ORDINARY OR INTENTIONAL ACTS OR OMISSIONS OF THE BUYER OR THE SELLER.

12.2 Seller Service Life Policy

In addition to the warranties set forth in Clause 12.1, the Seller further agrees that should a Failure occur in any Item (as these terms are defined herein below) that has not suffered from an extrinsic force, then, subject to the general conditions and limitations set forth in Clause 12.2.4, the provisions of this Clause 12.2 will apply.

For the purposes of this Clause 12.2:

(i) "**Item**" means any item listed in Exhibit F;

(ii) "**Failure**" means a breakage or defect that can reasonably be expected to occur on a fleetwide basis and which materially impairs the utility of the Item.

12.2.1 Periods and Seller's Undertakings

Subject to the general conditions and limitations set forth in Clause 12.2.4, the Seller agrees that if a Failure occurs in an Item before the Aircraft in which such Item was originally installed has completed thirty thousand (30,000) flying hours or twenty thousand (20,000) flight cycles or within twelve (12) years after the Delivery of said Aircraft, whichever will first occur, the Seller will, at its discretion and as promptly as practicable and with the Seller's financial participation as hereinafter provided, either:

(i) design and furnish to the Buyer a correction for such Item with a Failure and provide any parts required for such correction (including Seller designed standard parts but excluding industry standard parts), or

(ii) replace such Item.

12.2.2 Seller's Participation in the Costs

Subject to the general conditions and limitations set forth in Clause 12.2.4, any part or Item that the Seller is required to furnish to the Buyer under this Service Life Policy in connection with the correction or replacement of an Item will be furnished to the Buyer ***** therefor, ***** determined in accordance with the following formula:

*****

(i) *****

(ii) *****

(iii) *****

12.2.3 General Conditions and Limitations

12.2.3.1 The undertakings set forth in this Clause 12.2 will be valid after the period of the Seller's warranty applicable to an Item under Clause 12.1.

12.2.3.2 The Buyer's remedies and the Seller's obligations and liabilities under this Service Life Policy are subject to the prior compliance by the Buyer with the following conditions:

(i) the Buyer will maintain log books and other historical records with respect to each Item, adequate to enable the Seller to determine whether the alleged Failure is covered by this Service Life Policy and, if so, to define the portion of the costs to be borne by the Seller in accordance with Clause 12.2.3;

(ii) the Buyer will keep the Seller informed of any significant incidents relating to an Aircraft, howsoever occurring or recorded;

(iii) the Buyer will comply with the conditions of Clause 12.1.10;

(iv) the Buyer will implement specific structural inspection programs for monitoring purposes as may be established from time to time by the Seller. Such programs will be as compatible as possible with the Buyer's operational requirements and will be carried out at the Buyer's expense. Reports relating thereto will be regularly furnished to the Seller;

(v) the Buyer will report any breakage or defect in a Item in writing to the Seller within ***** after such breakage or defect becomes apparent, whether or not said breakage or defect can reasonably be expected to occur in any other aircraft, and the Buyer will have provided to the Seller sufficient detail on the breakage or defect to enable the Seller, acting reasonably, to determine whether said breakage or defect is subject to this Service Life Policy.

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12.2.3.3 Except as otherwise provided for in this Clause 12.2, any claim under this Service Life Policy will be administered as provided for in, and will be subject to the terms and conditions of, Clause 12.1.6.

12.2.3.4 In the event of the Seller having issued a modification applicable to an Aircraft, the purpose of which is to avoid a Failure, the Seller may elect to supply the necessary modification kit ***** established by the Seller. If such a kit is so offered to the Buyer, then, to the extent of such Failure and any Failures that could ensue therefrom, the validity of the Seller's commitment under this Clause 12.2 will be subject to the Buyer incorporating such modification in the relevant Aircraft, as promulgated by the Seller and in accordance with the Seller's instructions, within a reasonable time.

12.2.3.5 THIS SERVICE LIFE POLICY IS NEITHER A WARRANTY, PERFORMANCE GUARANTEE, NOR AN AGREEMENT TO MODIFY ANY AIRCRAFT OR AIRFRAME COMPONENTS TO CONFORM TO NEW DEVELOPMENTS OCCURRING IN THE STATE OF AIRFRAME DESIGN AND MANUFACTURING ART. THE SELLER'S OBLIGATION UNDER THIS CLAUSE 12.2 IS TO MAKE ONLY THOSE CORRECTIONS TO THE ITEMS OR FURNISH REPLACEMENTS THEREFOR AS PROVIDED FOR IN THIS CLAUSE 12.2. THE BUYER'S SOLE REMEDY AND RELIEF FOR THE NON-PERFORMANCE OF ANY OBLIGATION OR LIABILITY OF THE SELLER ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY WILL BE IN A CREDIT FOR GOODS AND SERVICES (NOT INCLUDING AIRCRAFT), LIMITED TO THE AMOUNT THE BUYER REASONABLY EXPENDS IN PROCURING A CORRECTION OR REPLACEMENT FOR ANY ITEM THAT IS THE SUBJECT OF A FAILURE COVERED BY THIS SERVICE LIFE POLICY AND TO WHICH SUCH NON-PERFORMANCE IS RELATED, LESS THE AMOUNT THAT THE BUYER OTHERWISE WOULD HAVE BEEN REQUIRED TO PAY UNDER THIS CLAUSE 12.2 IN RESPECT OF SUCH CORRECTED OR REPLACEMENT ITEM. WITHOUT LIMITING THE EXCLUSIVITY OF WARRANTIES AND GENERAL LIMITATIONS OF LIABILITY PROVISIONS SET FORTH IN CLAUSE 12.5, THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL CLAIMS TO ANY FURTHER DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES, ARISING UNDER OR BY VIRTUE OF THIS SERVICE LIFE POLICY.

12.3 Supplier Warranties and Service Life Policies

Prior to or at Delivery of the first Aircraft, the Seller will provide the Buyer, in accordance with the provisions of Clause 17, with the warranties and, where applicable, service life policies that the Seller has obtained for Supplier Parts pursuant to the Supplier Product Support Agreements.

12.3.1 Definitions

12.3.1.1 "**Supplier**" means any supplier of Supplier Parts.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

12.3.1.2 "**Supplier Part**" means any component, equipment, accessory or part installed in an Aircraft at the time of Delivery thereof and for which there exists a Supplier Product Support Agreement. For the sake of clarity, Propulsion System and Buyer Furnished Equipment and other equipment selected by the Buyer to be supplied by suppliers with whom the Seller has no existing enforceable warranty agreements are not Supplier Parts.

12.3.1.3 "**Supplier Product Support Agreements**" means agreements between the Seller and Suppliers, as described in Clause 17.1.2, containing enforceable and transferable warranties and, in the case of landing gear suppliers, service life policies for selected structural landing gear elements.

12.3.2 Supplier's Default

12.3.2.1 In the event of any Supplier, under any standard warranty obtained by the Seller pursuant to Clause 12.3.1, ***** (ii) the Buyer submitting in reasonable time to the Seller reasonable evidence that such default has occurred, then Clause 12.1 will apply to the extent (a) the same would have been applicable had such Supplier Part been a Warranted Part, and (b) the Seller can reasonably perform said Supplier's obligations, except that the Supplier's warranty period as indicated in the Supplier Product Support Agreement will apply.

12.3.2.2 In the event of any Supplier, under any Supplier Service Life Policy obtained by the Seller pursuant to Clause 12.3.1,***** (ii) the Buyer submitting in reasonable time to the Seller reasonable evidence that such default has occurred, then Clause 12.2 will apply to the extent (a) the same would have been applicable had such Supplier Item been listed in Exhibit F, Seller Service Life Policy, and (b) the Seller can reasonably perform said Supplier's obligations, except that the Supplier's Service Life Policy period as indicated in the Supplier Product Support Agreement will apply.

12.3.2.3 At the Seller's request, the Buyer will assign to the Seller, and the Seller will be subrogated to, all of the Buyer's rights against the relevant Supplier with respect to and arising by reason of such default and will provide reasonable assistance to enable the Seller to enforce the rights so assigned.

12.4 Interface Commitment

12.4.1 Interface Problem

If the Buyer experiences any technical problem in the operation of an Aircraft or its systems due to a malfunction, the cause of which, after due and reasonable investigation, is not readily identifiable by the Buyer but which the Buyer reasonably believes to be attributable to the design characteristics of one or more components of the Aircraft ("**Interface Problem**"), the Seller will, if so requested by the Buyer, and without additional charge to the Buyer except for transportation of the Seller's or its designee's personnel to the Buyer's facilities, promptly conduct or have conducted an

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

investigation and analysis of such problem to determine, if possible, the cause or causes of the problem and to recommend such corrective action as may be feasible. The Buyer will furnish to the Seller all data and information in the Buyer's possession relevant to the Interface Problem and will cooperate with the Seller in the conduct of the Seller's investigations and such tests as may be required.

At the conclusion of such investigation, the Seller will promptly advise the Buyer in writing of the Seller's opinion as to the cause or causes of the Interface Problem and the Seller's recommendations as to corrective action.

12.4.2 Seller's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of a Warranted Part, the Seller will, if so requested by the Buyer and pursuant to the terms and conditions of Clause 12.1, correct the design of such Warranted Part to the extent of the Seller's obligation as defined in Clause 12.1.

12.4.3 Supplier's Responsibility

If the Seller determines that the Interface Problem is primarily attributable to the design of any Supplier Part, the Seller will, if so requested by the Buyer, reasonably assist the Buyer in processing any warranty claim the Buyer may have against the Supplier.

12.4.4 Joint Responsibility

If the Seller determines that the Interface Problem is attributable partially to the design of a Warranted Part and partially to the design of any Supplier Part, the Seller will, if so requested by the Buyer, seek a solution to the Interface Problem through cooperative efforts of the Seller and any Supplier involved.

The Seller will promptly advise the Buyer of such corrective action as may be proposed by the Seller and any such Supplier. Such proposal will be consistent with any then existing obligations of the Seller hereunder and of any such Supplier towards the Buyer. Such corrective action, unless reasonably rejected by the Buyer, will constitute full satisfaction of any claim the Buyer may have against either the Seller or any such Supplier with respect to such Interface Problem.

12.4.5 General

12.4.5.1 All requests under this Clause 12.4 will be directed to both the Seller and the affected Supplier.

12.4.5.2 Except as specifically set forth in this Clause 12.4, this Clause will not be deemed to impose on the Seller any obligations not expressly set forth elsewhere in this Agreement.

12.4.5.3 All reports, recommendations, data and other documents furnished by the Seller to the Buyer pursuant to this Clause 12.4 will be deemed to be delivered under this Agreement and will be subject to the terms, covenants and conditions set forth in this Clause 12 and in Clause 22.11.

12.5 Exclusivity of Warranties

THIS CLAUSE 12 SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICE DELIVERED BY THE SELLER UNDER THIS AGREEMENT.

THE BUYER RECOGNIZES THAT THE RIGHTS, WARRANTIES AND REMEDIES IN THIS CLAUSE 12 ARE ADEQUATE AND SUFFICIENT TO PROTECT THE BUYER FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN THE GOODS AND SERVICES SUPPLIED UNDER THIS AGREEMENT. THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICE DELIVERED BY THE SELLER UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

(I) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;

(II) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;

(III) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;

(IV) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;

(V) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;

(VI) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;

(VII) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:

(A) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;

(B) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THIS AGREEMENT;

(C) LOSS OF PROFITS AND/OR REVENUES;

(D) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES AND SERVICE LIFE POLICY PROVIDED BY THIS AGREEMENT WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS CLAUSE 12 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS CLAUSE 12 WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS CLAUSE 12.5, THE “SELLER” SHALL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS, SUBCONTRACTORS, AND AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

12.6 Duplicate Remedies

The remedies provided to the Buyer under Clause 12.1 and Clause 12.2 as to any defect in respect of the Aircraft or any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and conditions of this Clause 12 for any particular defect for which remedies are provided under this Clause 12; provided, however, that the Buyer will not be entitled to elect a remedy under both Clause 12.1 and Clause 12.2 for the same defect. The Buyer’s rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Clause 12, and the Buyer will not have any right to require specific performance by the Seller.

12.7 Negotiated Agreement

The Buyer specifically recognizes that:

(i) the Specification has been agreed upon after careful consideration by the Buyer using its judgment as a professional operator of aircraft used in public transportation and as such is a professional within the same industry as the Seller;

(ii) this Agreement, and in particular this Clause 12, has been the subject of discussion and negotiation and is fully understood by the Buyer; and

(iii) the price of the Aircraft and the other mutual agreements of the Buyer set forth in this Agreement were arrived at in consideration of, inter alia, the provisions of this Clause 12, specifically including the waiver, release and renunciation by the Buyer set forth in Clause 12.5.

12.8 Disclosure to Third Party Entity

In the event of the Buyer intending to designate a third party entity (a "**Third Party Entity**") to administer this Clause 12, the Buyer will notify the Seller of such intention prior to any disclosure of this Clause to the selected Third Party Entity and will cause such Third Party Entity to enter into a confidentiality agreement and or any other relevant documentation with the Seller solely for the purpose of administrating this Clause 12.

12.9 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 12 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent, which will not be unreasonably withheld.

Any transfer in violation of this Clause 12.9 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 12 and any and all other warranties that might arise under or be implied in law.

13 – PATENT AND COPYRIGHT INDEMNITY

13.1 Indemnity

13.1.1.1 Subject to the provisions of Clause 13.2.3, the Seller will indemnify the Buyer from and against any damages, costs and/or expenses including legal costs (excluding damages, costs, expenses, loss of profits and other liabilities in respect of or resulting from loss of use of the Aircraft) resulting from any infringement or claim of infringement by the Airframe (or any part or software installed therein at Delivery) of:

(i) any British, French, German, Spanish or U.S. patent;

and

(ii) any patent issued under the laws of any other country in which the Buyer may lawfully operate the Aircraft, provided that:

(a) from the time of design of such Airframe, accessory, equipment and/or part and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the Chicago Convention on International Civil Aviation of December 7, 1944, and are each fully entitled to all benefits of Article 27 thereof,

or in the alternative,

(b) from such time of design and until infringement claims are resolved, such country and the flag country of the Aircraft are each a party to the International Convention for the Protection of Industrial Property of March 20, 1883 (“Paris Convention”);

and

(iii) in respect of computer software installed on the Aircraft, any copyright, provided that the Seller’s obligation to indemnify will be limited to infringements in countries which, at the time of infringement, are members of The Berne Union and recognize computer software as a “work” under the Berne Convention.

13.1.2 Clause 13.1.1 will not apply to

(i) Buyer Furnished Equipment or Propulsion System; or

(ii) parts not the subject of a Supplier Product Support Agreement; or

(iii) software not developed or created by the Seller.

13.1.3 In the event that the Buyer, due to circumstances contemplated in Clause 13.1.1, is prevented from using the Aircraft (whether by a valid judgment of a court of

competent jurisdiction or by a settlement arrived at between claimant, Seller and Buyer), the Seller will at its discretion and expense either:

(i) procure for the Buyer the right to use the Aircraft to the Buyer; or

(ii) replace the infringing part of the Aircraft as soon as possible with a non-infringing substitute complying in all other respects with the requirements of this Agreement.

13.2 Administration of Patent and Copyright Indemnity Claims

13.2.1 If the Buyer receives a written claim or a suit is threatened or commenced against the Buyer for infringement of a patent or copyright referred to in Clause 13.1, the Buyer will:

(i) forthwith notify the Seller giving particulars thereof;

(ii) furnish to the Seller all data, papers and records within the Buyer's control or possession relating to such patent or claim;

(iii) refrain from admitting any liability or making any payment or assuming any expenses, damages, costs or royalties or otherwise acting in a manner prejudicial to the defense or denial of such suit or claim provided always that nothing in this sub-Clause (iii) will prevent the Buyer from paying such sums as may be required in order to obtain the release of the Aircraft, provided such payment is accompanied by a denial of liability and is made without prejudice;

(iv) fully co-operate with, and render all such assistance to, the Seller as may be pertinent to the defense or denial of the suit or claim;

(v) act in such a way as to mitigate damages, costs and expenses and / or reduce the amount of royalties which may be payable.

13.2.2 The Seller will be entitled either in its own name or on behalf of the Buyer to conduct negotiations with the party or parties alleging infringement and may assume and conduct the defense or settlement of any suit or claim in the manner which, in the Seller's opinion, it deems proper.

13.2.3 The Seller's liability hereunder will be conditional upon the strict and timely compliance by the Buyer with the terms of this Clause and is in lieu of any other liability to the Buyer express or implied which the Seller might incur at law as a result of any infringement or claim of infringement of any patent or copyright.

THE INDEMNITY PROVIDED IN THIS CLAUSE 13 AND THE OBLIGATIONS AND LIABILITIES OF THE SELLER UNDER THIS CLAUSE 13 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER INDEMNITIES, WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES ON THE PART OF THE SELLER AND RIGHTS,

CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM OR WITH RESPECT TO LOSS OF USE OR REVENUE OR CONSEQUENTIAL DAMAGES), WITH RESPECT TO ANY ACTUAL OR ALLEGED PATENT INFRINGEMENT OR THE LIKE BY ANY AIRFRAME, PART OR SOFTWARE INSTALLED THEREIN AT DELIVERY, OR THE USE OR SALE THEREOF, PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS CLAUSE WILL REMAIN IN FULL FORCE AND EFFECT. THIS INDEMNITY AGAINST PATENT AND COPYRIGHT INFRINGEMENTS WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER.

14 – TECHNICAL DATA AND SOFTWARE SERVICES

14.1 Scope

This Clause 14 covers the terms and conditions for the supply of technical data (hereinafter "**Technical Data**") and software services described hereunder (hereinafter "**Software Services**") to support the Aircraft operation.

14.1.1 The Technical Data will be supplied in the English language using the aeronautical terminology in common use.

14.1.2 Range, form, type, format, quantity and delivery schedule of the Technical Data to be provided under this Agreement are outlined in Exhibit G hereto.

14.2 Aircraft Identification for Technical Data

14.2.1 For those Technical Data that are customized to the Buyer's Aircraft, the Buyer agrees to the allocation of fleet serial numbers ("**Fleet Serial Numbers**") in the form of block of numbers selected in the range from 001 to 999.

14.2.2 The sequence will not be interrupted unless two (2) different Propulsion Systems or two (2) different models of Aircraft are selected.

14.2.3 The Buyer will indicate to the Seller the Fleet Serial Number allocated to each Aircraft corresponding to the delivery schedule set forth in Clause 9.1 no later than ***** before the Scheduled Delivery Month of the first Aircraft. Neither the designation of such Fleet Serial Numbers nor the subsequent allocation of the Fleet Serial Numbers to Manufacturer Serial Numbers for the purpose of producing certain customized Technical Data will constitute any property, insurable or other interest of the Buyer in any Aircraft prior to the Delivery of such Aircraft as provided for in this Agreement.

The customized Technical Data that are affected thereby are the following:

(i) Aircraft Maintenance Manual,

(ii) Illustrated Parts Catalogue,

(iii) Trouble Shooting Manual,

(iv) Aircraft Wiring Manual,

(v) Aircraft Schematics Manual,

(vi) Aircraft Wiring Lists.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.3 Integration of Equipment Data

14.3.1 Supplier Equipment

Information, including revisions, relating to Supplier equipment that is installed on the Aircraft at Delivery, or through Airbus Service Bulletins thereafter, will be introduced into the customized Technical Data to the extent necessary for understanding of the affected systems, at no additional charge to the Buyer.

14.3.2 Buyer Furnished Equipment

14.3.2.1 The Seller will introduce Buyer Furnished Equipment data for Buyer Furnished Equipment that is installed on the Aircraft by the Seller (hereinafter "**BFE Data**") into the customized Technical Data, ***** to the Buyer for the initial issue of the Technical Data provided at or before Delivery of the first Aircraft, provided such BFE Data is provided in accordance with the conditions set forth in Clauses 14.3.2.2 through 14.3.2.6.

14.3.2.2 The Buyer will supply the BFE Data to the Seller at least ***** prior to the Scheduled Delivery Month of the first Aircraft.

14.3.2.3 The Buyer will supply the BFE Data to the Seller in English and will be established in compliance with the then applicable revision of ATA *iSpec*ification 2200 (*iSpec* 2200), Information Standards for Aviation Maintenance.

14.3.2.4 The Buyer and the Seller will agree on the requirements for the provision to the Seller of BFE Data for "on-aircraft maintenance", such as but not limited to timeframe, media and format in which the BFE Data will be supplied to the Seller, in order to manage the BFE Data integration process in an efficient, expeditious and economic manner.

14.3.2.5 The BFE Data will be delivered in digital format (SGML) and/or in Portable Document Format (PDF), as agreed between the Buyer and the Seller.

14.3.2.6 *****

14.4 Supply

14.4.1 Technical Data will be supplied on-line and/or off-line, as set forth in Exhibit G hereto.

14.4.2 The Buyer will not receive any credit or compensation for any unused or only partially used Technical Data supplied pursuant to this Clause 14.

14.4.3 Delivery

14.4.3.1 For Technical Data provided off-line, such Technical Data and corresponding revisions will be sent to up to two (2) addresses as indicated by the Buyer.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.4.3.2 Technical Data provided off-line will be delivered by the Seller at the Buyer's named place of destination under DDU conditions.

14.4.3.3 The Technical Data will be delivered according to a mutually agreed schedule to correspond with the Deliveries of Aircraft. The Buyer will provide no less than ***** notice when requesting a change to such delivery schedule.

14.4.3.4 It will be the responsibility of the Buyer to coordinate and satisfy local Aviation Authorities' requirements with respect to Technical Data. Reasonable quantities of such Technical Data will be supplied by the Seller at no charge to the Buyer at the Buyer's named place of destination.

Notwithstanding the foregoing, and in agreement with the relevant Aviation Authorities, preference will be given to the on-line access to such Buyer's Technical Data through AirbusWorld.

14.5 Revision Service

For each firmly ordered Aircraft covered under this Agreement, revision service for the Technical Data will be provided ***** (each a "**Revision Service Period**").

Thereafter revision service will be provided in accordance with the terms and conditions set forth in the Seller's then current Customer Services Catalog.

14.6 Service Bulletins (SB) Incorporation

During Revision Service Period and upon the Buyer's request, which will be made ***** of the applicable Service Bulletin, Seller Service Bulletin information will be incorporated into the Technical Data, provided that the Buyer notifies the Seller through the relevant AirbusWorld on-line Service Bulletin Reporting application that it intends to accomplish such Service Bulletin. The split effectivity for the corresponding Service Bulletin will remain in the Technical Data until notification from the Buyer that embodiment has been completed on all of the Buyer's Aircraft. The foregoing is applicable for Technical Data relating to maintenance only. For operational Technical Data either the pre or post Service Bulletin status will be shown.

14.7 Technical Data Familiarization

Upon request by the Buyer, the Seller will provide up to ***** of Technical Data familiarization training at the Seller's or the Buyer's facilities. The basic familiarization course is tailored for maintenance and engineering personnel.

14.8 Customer Originated Changes (COC)

If the Buyer wishes to introduce Buyer originated data (hereinafter "**COC Data**") into any of the customized Technical Data that are identified as eligible for such incorporation in the Seller's then current Customer Services Catalog, the Buyer will notify the Seller of such intention.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The incorporation of any COC Data will be performed under the methods and tools for achieving such introduction and the conditions specified in the Seller's then current Customer Services Catalog.

14.9 AirN@v Family products

14.9.1 The Technical Data listed herebelow are provided on DVD and include integrated software (hereinafter together referred to as "**AirN@v Family**").

14.9.2 The AirN@v Family covers several Technical Data domains, reflected by the following AirN@v Family products:

(i) AirN@v / Maintenance,

(ii) AirN@v / Planning,

(iii) AirN@v / Repair,

(iv) AirN@v / Workshop,

(v) AirN@v / Associated Data,

(vi) AirN@v / Engineering.

14.9.3 Further details on the Technical Data included in such products are set forth in Exhibit G.

14.9.4 The licensing conditions for the use of AirN@v Family integrated software will be set forth in a separate agreement to be executed by the parties the earlier of *****, the "**End-User License Agreement for Airbus Software**".

14.9.5 The revision service and the license to use AirN@v Family products will be granted ***** Revision Service Period. At the end of such Revision Service Period, *****.

14.10 On-Line Technical Data

14.10.1 The Technical Data defined in Exhibit G as being provided on-line will be made available to the Buyer through the Airbus customer portal AirbusWorld ("**AirbusWorld**") as set forth in a separate agreement to be executed by the parties the earlier of *****.

14.10.2 Access to Technical Data through AirbusWorld will be ***** Revision Service Period.

14.10.3 Access to AirbusWorld will be subject to the General Terms and Conditions of Access to and Use of AirbusWorld (hereinafter the "**GTC**"), as set forth in a separate agreement to be executed by the parties the earlier of *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.10.4 The list of the Technical Data provided on-line may be extended from time to time. For any Technical Data which is or becomes available on-line, the Seller reserves the right to eliminate other formats for the concerned Technical Data.

14.10.5 Access to AirbusWorld will be granted ***** for the Technical Data related to the Aircraft which will be operated by the Buyer.

14.10.6 For the sake of clarification, Technical Data accessed through AirbusWorld – which access will be covered by the terms and conditions set forth in the GTC – will remain subject to the conditions of this Clause 14.

In addition, should AirbusWorld provide access to Technical Data in software format, the use of such software will be subject to the conditions of the End-User License Agreement for Airbus Software.

14.11 Waiver, Release and Renunciation

The Seller warrants that the Technical Data are prepared in accordance with the state of the art at the date of their development. Should any Technical Data prepared by the Seller contain a non-conformity or defect, the sole and exclusive liability of the Seller will be to take all reasonable and proper steps to correct such Technical Data. Irrespective of any other provisions herein, no warranties of any kind will be given for the Customer Originated Changes, as set forth in Clause 14.8.

THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER (AS DEFINED BELOW FOR THE PURPOSES OF THIS CLAUSE) [AND REMEDIES OF THE BUYER SET FORTH IN THIS CLAUSE 14] ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF THE SELLER AND RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER, EXPRESS OR IMPLIED, ARISING BY LAW, CONTRACT OR OTHERWISE, WITH RESPECT TO ANY NON-CONFORMITY OR DEFECT OF ANY KIND, IN ANY TECHNICAL DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO:

(I) ANY WARRANTY AGAINST HIDDEN DEFECTS;

(II) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS;

(III) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OR TRADE;

(IV) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY, WHETHER IN CONTRACT OR IN TORT, WHETHER OR NOT ARISING FROM THE SELLER'S NEGLIGENCE, ACTUAL OR IMPUTED; AND

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(V) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY, PART, SOFTWARE, DATA OR SERVICES DELIVERED UNDER THIS AGREEMENT, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY OTHER [DIRECT,] INCIDENTAL OR CONSEQUENTIAL DAMAGES;

PROVIDED THAT, IN THE EVENT THAT ANY OF THE AFORESAID PROVISIONS SHOULD FOR ANY REASON BE HELD UNLAWFUL OR OTHERWISE INEFFECTIVE, THE REMAINDER OF THIS AGREEMENT WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS CLAUSE 14, THE "SELLER" WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS AND SUBCONTRACTORS, ITS AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

14.12 Proprietary Rights

14.12.1 All proprietary rights relating to Technical Data, including but not limited to patent, design and copyrights, will remain with the Seller and/or its Affiliates, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

14.12.2 Whenever this Agreement and/or any Technical Data provides for manufacturing by the Buyer, the consent given by the Seller will not be construed as any express or implicit endorsement or approval whatsoever of the Buyer or of the manufactured products. The supply of the Technical Data will not be construed as any further right for the Buyer to design or manufacture any Aircraft or part thereof, including any spare part.

14.13 Performance Engineer's Program

14.13.1 In addition to the Technical Data provided under Clause 14, the Seller will provide to the Buyer Software Services, which will consist of the Performance Engineer's Programs ("**PEP**") for the Aircraft type covered under this Agreement. Such PEP is composed of software components and databases, and its use is subject to the license conditions set forth in the End-User License Agreement for Airbus Software.

14.13.2 Use of the PEP will be limited to one (1) copy to be used on the Buyer's computers for the purpose of computing performance engineering data. The PEP is intended for use on ground only and will not be placed or installed on board the Aircraft.

14.13.3 The license to use the PEP and the revision service will be provided ***** Revision Service Period as set forth in Clause 14.5.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

14.13.4 At the end of such PEP Revision Service Period, the PEP will be provided to the Buyer at the standard commercial conditions set forth in the Seller's then current Customer Services Catalog.

14.14 Future Developments

The Seller continuously monitors technological developments and applies them to Technical Data, document and information systems' functionalities, production and methods of transmission.

The Seller will implement and the Buyer will accept such new developments, it being understood that the Buyer will be informed in due time by the Seller of such new developments and their application and of the date by which the same will be implemented by the Seller.

14.15 Confidentiality

14.15.1 This Clause, the Technical Data, the Software Services and their content are designated as confidential. All such Technical Data and Software Services are provided to the Buyer for the sole use of the Buyer who undertakes not to disclose the contents thereof to any third party without the prior written consent of the Seller, except as permitted therein or pursuant to any government or legal requirement imposed upon the Buyer.

14.15.2 If the Seller authorizes the disclosure of this Clause or of any Technical Data or Software Services to third parties either under this Agreement or by an express prior written authorization or, specifically, where the Buyer intends to designate a maintenance and repair organization or a third party to perform the maintenance of the Aircraft or to perform data processing on its behalf (each a "**Third Party**"), the Buyer will notify the Seller of such intention prior to any disclosure of this Clause and/or the Technical Data and/or the Software Services to such Third Party.

The Buyer hereby undertakes to cause such Third Party to agree to be bound by the conditions and restrictions set forth in this Clause 14 with respect to the disclosed Clause, Technical Data or Software Services and will in particular cause such Third Party to enter into a confidentiality agreement with the Seller and appropriate licensing conditions, and to commit to use the Technical Data solely for the purpose of maintaining the Buyer's Aircraft and the Software Services exclusively for processing the Buyer's data.

14.16 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 14 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

Any transfer in violation of this Clause 14.16 will, as to the particular Aircraft involved, void the rights and warranties of the Buyer under this Clause 14 and any and all other warranties that might arise under or be implied in law.

15 – SELLER REPRESENTATIVE SERVICES

The Seller will ***** to the Buyer the services described in this Clause 15, at the Buyer's main base or at other locations to be mutually agreed.

15.1 Customer Support Representative(s)

15.1.1 The Seller will ***** to the Buyer the services of Seller customer support representative(s), as defined in Appendix A to this Clause 15 (each a "**Seller Representative**"), at the Buyer's main base or such other locations as the parties may agree.

15.1.2 In providing the services as described herein, any Seller Representatives, or any Seller employee(s) providing services to the Buyer hereunder, are deemed to be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees, contractors or agents, either directly or indirectly.

15.1.3 The Seller will provide to the Buyer an annual written accounting of the consumed man- months and any remaining man-month balance from the ***** defined in Appendix A to this Clause 15. Such accounting will be deemed final and accepted by the Buyer unless the Seller receives written objection from the Buyer within ***** of receipt of such accounting.

15.1.4 In the event of a need for Aircraft On Ground ("AOG") technical assistance after the end of the assignment referred to in Appendix A to this Clause 15, the Buyer will have nonexclusive access to:

(i) AIRTAC (Airbus Technical AOG Center);

(ii) The Seller Representative network closest to the Buyer's main base. A list of contacts of the Seller Representatives closest to the Buyer's main base will be provided to the Buyer.

As a matter of reciprocity, the Buyer agrees that Seller Representative(s) may provide services to other airlines during any assignment with the Buyer.

15.1.5 Should the Buyer request Seller Representative services ***** specified in Appendix A to this Clause 15, the Seller may provide such additional services subject to terms and conditions to be mutually agreed.

15.1.6 The Seller will cause similar services to be provided by representatives of the Propulsion System Manufacturer and Suppliers, when necessary and applicable.

15.2 Buyer's Support

15.2.1 From the date of arrival of the first Seller Representative and for the duration of the assignment, the Buyer will provide ***** a suitable, lockable office, conveniently located with respect to the Buyer's principal maintenance facilities for the Aircraft,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

with complete office furniture and equipment including telephone, internet, email and facsimile connections for the sole use of the Seller Representative(s). All related communication costs will be *****.

15.2.2 *****

15.2.3 *****

15.2.4 Should the Buyer request any Seller Representative referred to in Clause 15.1 above to travel on business to a city other than his usual place of assignment, the Buyer will be responsible for all related transportation costs and expenses.

15.2.5 Absence of an assigned Seller Representative during normal statutory vacation periods will be covered by other seller representatives on the same conditions as those described in Clause 15.1.4, and such services will be counted against the total ***** provided in Appendix A to this Clause 15.

15.2.6 The Buyer will assist the Seller in obtaining from the civil authorities of the Buyer's country those documents that are necessary to permit the Seller Representative to live and work in the Buyer's country.

15.2.7 *****

(i) *****

(ii) *****

(iii) *****

15.3 Withdrawal of the Seller Representative

The Seller will have the right to withdraw its assigned Seller Representatives as it sees fit if conditions arise, which are in the Seller's reasonable opinion dangerous to their safety or health or prevent them from fulfilling their contractual tasks.

15.4 Indemnities

INDEMNIFICATION PROVISIONS APPLICABLE TO THIS CLAUSE 15 ARE SET FORTH IN CLAUSE 19.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SELLER REPRESENTATIVE ALLOCATION

The Seller Representative allocation provided to the Buyer pursuant to Clause 15.1 is defined hereunder.

1. *****

2. *****

3. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16 – TRAINING SUPPORT AND SERVICES

16.1 General

16.1.1 This Clause 16 sets forth the terms and conditions for the supply of training support and services for the Buyer's personnel to support the Aircraft operation.

16.1.2 The range, quantity and validity of training to be ***** under this Agreement are covered in Appendix A to this Clause 16.

16.1.3 Scheduling of training courses covered in Appendix A to this Clause 16 will be mutually agreed during a training conference (the "**Training Conference**") that will be held no later than ***** prior to Delivery of the first Aircraft.

16.2 Training Location

16.2.1 The Seller will provide training at its training center in ***** (individually a "**Seller's Training Center**" and collectively the "**Seller's Training Centers**").

16.2.2 If the unavailability of facilities or scheduling difficulties make training by the Seller at any Seller's Training Center impractical, the Seller will ensure that the Buyer is provided with such training at another location designated by the Seller.

16.2.2.1 Upon the Buyer's request, the Seller may also provide certain training at a location other than the Seller's Training Centers, including one of the Buyer's bases, if and when practicable for the Seller, under terms and conditions to be mutually agreed upon. In such event, all additional charges listed in Clauses 16.5.2 and 16.5.3 will be *****.

16.2.2.2 If the Buyer requests training at a location as indicated in Clause 16.2.2.1 and requires such training to be an Airbus approved course, the Buyer undertakes that the training facilities will be approved prior to the performance of such training. The Buyer will, as necessary and with adequate time prior to the performance of such training, provide access to the training facilities set forth in Clause 16.2.2.1 to the Seller's and the competent Aviation Authority's representatives for approval of such facilities.

16.3 Training Courses

16.3.1 Training courses will be as described in the Seller's customer services catalog (the "**Seller's Customer Services Catalog**"). The Seller's Customer Services Catalog also sets forth the minimum and maximum number of trainees per course.

All training requests or training course changes made outside of the scope of the Training Conference will be submitted by the Buyer with a minimum of ***** prior notice.

16.3.2 The following terms and conditions will apply to training performed by the Seller:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(i) Training courses will be the Seller's standard courses as described in the Seller's Customer Services Catalog valid at the time of execution of the course. The Seller will be responsible for all training course syllabi, training aids and training equipment necessary for the organization of the training courses. For the avoidance of doubt, such training equipment does not include provision of aircraft for the purpose of performing training.

(ii) The training equipment and the training curricula used for the training of flight, cabin and maintenance personnel will not be fully customized but will be configured in order to obtain the relevant Aviation Authority's approval and to support the Seller's training programs.

(iii) Training data and documentation for trainees receiving the training at the Seller's Training Centers will be *****. Training data and documentation will be marked "FOR TRAINING ONLY" and as such are supplied for the sole and express purpose of training; training data and documentation will not be revised.

16.3.3 When the Seller's training courses are provided by the Seller's instructors (individually an "**Instructor**" and collectively "**Instructors**") the Seller will deliver a Certificate of Recognition or a Certificate of Course Completion (each a "**Certificate**") or an attestation (an "**Attestation**"), as applicable, at the end of any such training course. Any such Certificate or Attestation will not represent authority or qualification by any Aviation Authority but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

In the event of training courses being provided by a training provider selected by the Seller as set forth in Clause 16.2.2, the Seller will cause such training provider to deliver e a Certificate or Attestation, which will not represent authority or qualification by any Aviation Authority, but may be presented to such Aviation Authority in order to obtain relevant formal qualification.

16.3.3.1 Should the Buyer wish to exchange any of the training courses provided under Appendix A to this Clause 16, the Buyer will place a request for exchange to this effect with the Seller. The Buyer may exchange, subject to the Seller's confirmation, the ***** under Appendix A to this Clause 16 as follows:

(i) flight operations training courses as listed under Article 1 of Appendix A to this Clause 16 may be exchanged for any flight operations training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;

(ii) maintenance training courses as listed under Article 3 of Appendix A to this Clause 16 may be exchanged for any maintenance training courses described in the Seller's Customer Services Catalog current at the time of the Buyer's request;

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(iii) should any one of the ***** thereunder (flight operations or maintenance) have been fully drawn upon, the Buyer will be entitled to exchange for flight operations or maintenance training courses as needed against the remaining allowances.

The exchange value will be based on the Seller's Training Course Exchange Matrix applicable at the time of the request for exchange and which will be provided to the Buyer at such time.

It is understood that the above provisions will apply to the extent that ***** under Appendix A to this Clause 16 remain available to the full extent necessary to perform the exchange.

All requests to exchange training courses will be submitted by the Buyer with a minimum of ***** prior notice. The requested training will be subject to the Seller's then existing planning constraints.

16.3.3.2 Should the Buyer use none or only part of the training to be provided pursuant to this Clause 16, no compensation or non-training credit of any nature will be provided.

16.3.3.3 Should the Buyer decide to cancel or reschedule a training course, fully or partially, and irrespective of the location of the training, a minimum advance notification of at least ***** prior to the relevant training course start date is required.

16.3.3.4 If the notification occurs ***** prior to such training, ***** of such training will be, as applicable, either deducted from the training allowance defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.5 If the notification occurs ***** prior to such training, a ***** of such training will be, as applicable, either deducted from the ***** defined in Appendix A to this Clause 16 or invoiced at the Seller's then applicable price.

16.3.3.6 All courses exchanged under Clause 16.3.3.1 will remain subject to the provisions of this Clause 16.3.3.

16.4 Prerequisites and Conditions

16.4.1 Training will be conducted in English and all training aids used during such training will be written in English using common aeronautical terminology.

16.4.2 The Buyer hereby acknowledges that all training courses conducted pursuant to this Clause 16 are "Standard Transition Training Courses" and not "Ab Initio Training Courses".

16.4.3 Trainees will have the prerequisite knowledge and experience specified for each course in the Seller's Customer Services Catalog.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16.4.3.1 The Buyer will be responsible for the selection of the trainees and for any liability with respect to the entry knowledge level of the trainees.

16.4.3.2 The Seller reserves the right to verify the trainees' proficiency and previous professional experience.

16.4.3.3 The Seller will provide to the Buyer during the Training Conference an Airbus PreTraining Survey for completion by the Buyer for each trainee.

The Buyer will provide the Seller with an attendance list of the trainees for each course, with the validated qualification of each trainee, at the time of reservation of the training course and in no event any later than ***** before the start of the training course. The Buyer will return concurrently thereto the completed Airbus Pre-Training Survey, detailing the trainees' associated background. If the Seller determines through the Airbus Pre-Training Survey that a trainee does not match the prerequisites set forth in the Seller's Customer Services Catalog, following consultation with the Buyer, such trainee will be withdrawn from the program or directed through a relevant entry level training (ELT) program, which will be at the Buyer's expense.

16.4.3.4 If the Seller determines at any time during the training that a trainee lacks the required level, following consultation with the Buyer, such trainee will be withdrawn from the program or, upon the Buyer's request, the Seller may be consulted to direct the above mentioned trainee(s), if possible, to any other required additional training, which will be at the Buyer's expense.

16.4.4 The Seller will in no case warrant or otherwise be held liable for any trainee's performance as a result of any training provided.

16.5 Logistics

16.5.1 Trainees

16.5.1.1 Living and travel expenses for the Buyer's trainees will be *****.

16.5.1.2 It will be the responsibility of the Buyer to make all necessary arrangements relative to authorizations, permits and/or visas necessary for the Buyer's trainees to attend the training courses to be provided hereunder. Rescheduling or cancellation of courses due to the Buyer's failure to obtain any such authorizations, permits and/or visas will be subject to the provisions of Clauses 16.3.3.3 thru 16.3.3.5.

16.5.2 Training at External Location – Seller's Instructors

16.5.2.1 In the event of training being provided at the Seller's request at any location other than the Seller's Training Centers, as provided for in Clause 16.2.2, the expenses of the Seller's Instructors will be *****.

16.5.2.2 In the event of training being provided by the Seller's Instructor(s) at any location other than the Seller's Training Centers at the Buyer's request, the Buyer will

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

reimburse the Seller for all the expenses related to the assignment of such Seller Instructors and the performance of their duties as aforesaid.

Such per diem will include, but will not be limited to, lodging, food and local transportation to and from the place of lodging and the training course location.

16.5.2.3 *****

*****

16.5.2.4 *****

*****

16.5.2.5 Buyer's Indemnity

Except in case of gross negligence or willful misconduct of the Seller, the Seller will not be held liable to the Buyer for any delay or cancellation in the performance of any training outside of the Seller's Training Centers associated with any transportation described in this Clause 16.5.2, and the Buyer will indemnify and hold harmless the Seller from any such delay and/or cancellation and any consequences arising therefrom.

16.5.3 Training Material and Equipment Availability – Training at External Location

Training material and equipment necessary for course performance at any location other than the Seller's Training Centers or the facilities of a training provider selected by the Seller will be provided by the Buyer ***** in accordance with the Seller's specifications.

Notwithstanding the foregoing, should the Buyer request the performance of a course at another location as per Clause 16.2.2.1, the Seller may, upon the Buyer's request, provide the training material and equipment necessary for such course's performance. Such provision will be at the Buyer's expense.

16.6 Flight Operations Training

The Seller will provide training for the Buyer's flight operations personnel as further detailed in Appendix A to this Clause 16, including the courses described in this Clause 16.6.

16.6.1 Flight Crew Training Course

The Seller will perform a flight crew training course program for the Buyer's flight crews, each of which will consist of two (2) crew members, who will be either captain(s) or first officer(s).

16.6.2 Base Flight Training

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

16.6.2.1 The Buyer will provide at its own cost its delivered Aircraft, or any other aircraft it operates, for any base flight training, which will consist of ***** per pilot, performed in accordance with the related Airbus training course definition (the "**Base Flight Training**").

16.6.2.2 Should it be necessary to ferry the Buyer's delivered Aircraft to the location where the Base Flight Training will take place, the additional flight time required for the ferry flight to and/or from the Base Flight Training field will not be deducted from the Base Flight Training time.

16.6.2.3 If the Base Flight Training is performed outside of the zone where the Seller usually performs such training, the ferry flight to the location where the Base Flight Training will take place will be performed by a crew composed of the Seller's and/or the Buyer's qualified pilots, in accordance with the relevant Aviation Authority's regulations related to the place of performance of the Base Flight Training.

16.6.3 Flight Crew Line Initial Operating Experience

In order to assist the Buyer with initial operating experience after Delivery of the first Aircraft, the Seller will provide to the Buyer pilot Instructor(s) as set forth in Appendix A to this Clause 16.

Should the Buyer request, subject to the Seller's consent, such Seller pilot Instructors to perform any other flight support during the flight crew line initial operating period, such as but not limited to line assistance, demonstration flight(s), ferry flight(s) or any flight(s) required by the Buyer during the period of entry into service of the Aircraft, it is understood that such flight(s) will be ***** set forth in Appendix A to this Clause 16.

It is hereby understood by the Parties that the Seller's pilot Instructors will only perform the above flight support services to the extent they bear the relevant qualifications to do so.

16.6.4 Type Specific Cabin Crew Training Course

The Seller will provide type specific training for cabin crews at one of the locations defined in Clause 16.2.1.

If the Buyer's Aircraft is to incorporate special features, the type specific cabin crew training course will be performed no earlier than ***** before the scheduled Delivery Date of the Buyer's first Aircraft.

16.6.5 Training on Aircraft

During any and all flights performed in accordance with this Clause 16.6, the Buyer will bear full responsibility for the aircraft upon which the flight is performed, including but not limited to any required maintenance, ***** in line with Clause 16.13.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Buyer will assist the Seller, if necessary, in obtaining the validation of the licenses of the Seller's pilots performing Base Flight Training or initial operating experience by the Aviation Authority of the place of registration of the Aircraft.

16.7 Performance / Operations Courses

The Seller will provide performance/operations training for the Buyer's personnel as defined in Appendix A to this Clause 16.

The available courses will be listed in the Seller's Customer Services Catalog current at the time of the course.

16.8 Maintenance Training

16.8.1 The Seller will provide maintenance training for the Buyer's ground personnel as further set forth in Appendix A to this Clause 16.

The available courses will be as listed in the Seller's Customer Services Catalog current at the time of the course.

The practical training provided in the frame of maintenance training will be performed on the training devices in use in the Seller's Training Centers.

16.8.2 Practical Training on Aircraft

Notwithstanding Clause 16.8.1 above, upon the Buyer's request, the Seller may provide Instructors for the performance of practical training on aircraft ("**Practical Training**").

Irrespective of the location at which the training takes place, the Buyer will provide at its own cost an aircraft for the performance of the Practical Training.

Should the Buyer require the Seller's Instructors to provide Practical Training at facilities selected by the Buyer, such training will be subject to prior approval of the facilities by the Seller. All costs related to such Practical Training, including but not limited to the Seller's approval of the facilities, will be borne by the Buyer.

The provision of a Seller Instructor for the Practical Training will be deducted from the trainee days allowance defined in Appendix A to this Clause 16, subject to the conditions detailed in Paragraph 4.4 thereof.

16.9 Supplier and Propulsion System Manufacturer Training

Upon the Buyer's request, the Seller will provide to the Buyer the list of the maintenance and overhaul training courses provided by major Suppliers and the applicable Propulsion System Manufacturer on their respective products.

16.10 Proprietary Rights

All proprietary rights, including but not limited to patent, design and copyrights, relating to the Seller's training data and documentation will remain with the Seller and/or its Affiliates and/or its Suppliers, as the case may be.

These proprietary rights will also apply to any translation into a language or languages or media that may have been performed or caused to be performed by the Buyer.

16.11 Confidentiality

The Seller's training data and documentation are designated as confidential and as such are provided to the Buyer for the sole use of the Buyer, for training of its own personnel, who undertakes not to disclose the content thereof in whole or in part, to any third party without the prior written consent of the Seller, save as permitted herein or otherwise pursuant to any government or legal requirement imposed upon the Buyer.

In the event of the Seller having authorized the disclosure of any training data and documentation to third parties either under this Agreement or by an express prior written authorization, the Buyer will cause such third party to agree to be bound by the same conditions and restrictions as the Buyer with respect to the disclosed training data and documentation and to use such training data and documentation solely for the purpose for which they are provided.

16.12 Transferability

Without prejudice to Clause 21.1, the Buyer's rights under this Clause 16 may not be assigned, sold, transferred, novated or otherwise alienated by operation of law or otherwise, without the Seller's prior written consent.

16.13 Indemnities and Insurance

INDEMNIFICATION PROVISIONS AND INSURANCE REQUIREMENTS APPLICABLE TO THIS CLAUSE 16 ARE AS SET FORTH IN CLAUSE 19.

THE BUYER WILL PROVIDE THE SELLER WITH AN ADEQUATE INSURANCE CERTIFICATE PRIOR TO ANY TRAINING ON AIRCRAFT.

APPENDIX A TO CLAUSE 16

TRAINING ALLOWANCE

For the avoidance of doubt, all quantities indicated below are the total quantities *****, unless otherwise specified.

The contractual training courses defined in this Appendix A will be provided up to ***** under this Agreement.

Notwithstanding the above, flight operations training courses ***** in this Appendix A will be provided by the Seller within a period starting ***** before and ending six (6) months after Delivery of such Aircraft.

Any deviation to said training delivery schedule will be mutually agreed between the Buyer and the Seller.

1 FLIGHT OPERATIONS TRAINING

1.1 Flight Crew Training (standard transition course)

The Seller will provide flight crew training (standard transition course) ***** for ***** of the Buyer's flight crews ***** Aircraft as of the date hereof.

1.2 Flight Crew Line Initial Operating Experience

The Seller will provide to the Buyer pilot Instructor(s) ***** for a period of *****.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of pilot Instructors present at any one time will be limited to ***** pilot Instructors.

1.3 Type Specific Cabin Crew Training Course

The Seller will provide to the Buyer ***** type specific training for cabin crews for ***** of the Buyer's cabin crew instructors, pursers or cabin attendants.

1.4 Airbus Pilot Instructor Course (APIC)

The Seller will provide to the Buyer transition Airbus Pilot Instructor Course(s) (APIC), for flight and synthetic instruction, ***** for ***** of the Buyer's flight instructors. APIC courses will be performed in groups of ***** trainees.

2 PERFORMANCE / OPERATIONS COURSE(S)

The Seller will provide to the Buyer ***** trainee days of performance / operations training ***** for the Buyer's personnel.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

3 MAINTENANCE TRAINING

3.1 The Seller will provide to the Buyer ***** trainee days of maintenance training ***** for the Buyer's personnel.

3.2 The Seller will provide to the Buyer ***** Engine Run-up courses.

4 TRAINEE DAYS ACCOUNTING

Trainee days are counted as follows:

4.1 For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees originally registered at the beginning of the course will be counted as the number of trainees to have taken the course.

4.2 For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days, except for structure maintenance training course(s).

4.3 For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees as indicated in the Seller's Customer Services Catalog.

4.4 For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals ***** trainee days.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

17 – EQUIPMENT SUPPLIER PRODUCT SUPPORT

17.1 Equipment Supplier Product Support Agreements

17.1.1 The Seller has obtained enforceable and transferable Supplier Product Support Agreements from Suppliers of Supplier Parts, the benefit of which is hereby accepted by the Buyer. Said Supplier Product Support Agreements become enforceable by Buyer from the date of this Agreement and for as long as Buyer is an operator of Airbus aircraft.

17.1.2 These agreements are based on the World Airlines Suppliers Guide, are made available to the Buyer through the SPSA Application, and include Supplier commitments as contained in the Supplier Product Support Agreements which include the following provisions:

17.1.2.1 Technical data and manuals required to operate, maintain, service and overhaul the Supplier Parts will be prepared in accordance with the applicable provisions of ATA Specification including revision service and be published in the English language. The Seller will recommend that a software user guide, where applicable, be supplied in the form of an appendix to the Component Maintenance Manual. Such data will be provided in compliance with the applicable ATA Specification;

17.1.2.2 Warranties and guarantees, including standard warranties. In addition, landing gear Suppliers will provide service life policies for selected structural landing gear elements;

17.1.2.3 Training to ensure efficient operation, maintenance and overhaul of the Supplier Parts for the Buyer's instructors, shop and line service personnel;

17.1.2.4 Spares data in compliance with ATA *iSpec*ification 2200, initial provisioning recommendations, spare parts and logistic service including routine and expedite deliveries;

17.1.2.5 Technical service to assist the Buyer with maintenance, overhaul, repair, operation and inspection of Supplier Parts as well as required tooling and spares provisioning.

17.2 Supplier Compliance

The Seller will monitor Suppliers' compliance with support commitments defined in the Supplier Product Support Agreements and will, if necessary, jointly take remedial action with the Buyer.

17.3 Nothing in this Clause 17 shall be construed to prevent or limit the Buyer from entering into direct negotiations with a Supplier with respect to different or additional terms and conditions applicable to Suppliers Parts selected by the Buyer to be installed on the Aircraft.

17.4 Familiarization Training

Upon the Buyer’s request, the Seller will provide the Buyer with Supplier Product Support Agreements familiarization training at the Seller’s facilities in Blagnac, France. An on-line training module will be further available through AirbusWorld, access to which will be subject to the GTC.

18 – BUYER FURNISHED EQUIPMENT

18.1 Administration

18.1.1 In accordance with the Specification, the Seller will install those items of equipment that are identified in the Specification as being furnished by the Buyer ("**Buyer Furnished Equipment**" or "**BFE**"), provided that the BFE and the supplier of such BFE (the "**BFE Supplier**") are referred to in the Airbus BFE Product Catalog valid at the time the BFE Supplier is selected.

18.1.2 Notwithstanding the foregoing and without prejudice to Clause 2.4, if the Buyer wishes to install BFE manufactured by a supplier who is not referred to in the Airbus BFE Product Catalog, the Buyer will so inform the Seller and the Seller will conduct a feasibility study of the Buyer's request, in order to consider approving such supplier, provided that such request is compatible with the Seller's industrial planning and the associated Scheduled Delivery Month for the Buyer's Aircraft. In addition, it is a prerequisite to such approval that the considered supplier be qualified by the Seller's Aviation Authorities to produce equipment for installation on civil aircraft. Any approval of a supplier by the Seller under this Clause 18.1.2 will be *****. The Buyer will cause any BFE supplier approved under this Clause 18.1.2 (each an "**Approved BFE Supplier**") to comply with the conditions set forth in this Clause 18 and specifically Clause 18.2.

Except for the specific purposes of this Clause 18.1.2, the term "**BFE Supplier**" will be deemed to include Approved BFE Suppliers.

18.1.3 The Seller will advise the Buyer of the dates by which, in the planned release of engineering for the Aircraft, the Seller requires from each BFE Supplier a written detailed engineering definition encompassing a Declaration of Design and Performance (the "**BFE Engineering Definition**"). The Seller will reasonably provide to the Buyer and/or the BFE Supplier(s), the interface documentation necessary for development of the BFE Engineering Definition.

The BFE Engineering Definition will include the description of the dimensions and weight of BFE, the information related to its certification and the information necessary for the installation and operation thereof, including when applicable 3D models compatible with the Seller's systems. The Buyer will furnish, or cause the BFE Suppliers to furnish, the BFE Engineering Definition by the dates advised by the Seller pursuant to the preceding paragraph after which the BFE Engineering Definition will not be revised, except through an SCN executed in accordance with Clause 2.

18.1.4 The Seller will also provide in due time to the Buyer a schedule of dates and the shipping addresses for delivery of the BFE and, where requested by the Seller, additional spare BFE to permit installation in the Aircraft in a timely manner. The Buyer will provide, or cause the BFE Suppliers to provide, the BFE by such dates in a serviceable condition. The Buyer will, upon the Seller's request, provide to the Seller dates and references of all BFE purchase orders placed by the Buyer.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Buyer will also provide, when requested by the Seller, at Airbus Operations S.A.S. in Toulouse, France, and/or at Airbus Operations GmbH, Division Hamburger Flugzeugbau in Hamburg, Germany, adequate field service including support from BFE Suppliers to act in a technical advisory capacity to the Seller in the installation, calibration and possible repair of a BFE.

18.1.5 Without prejudice to the Buyer's obligations hereunder, in order to facilitate the development of the BFE Engineering Definition, the Seller will organize meetings between the Buyer and BFE Suppliers. The Buyer hereby agrees to participate in such meetings and to provide adequate technical and engineering expertise to reach decisions within a timeframe specified by the Seller.

In addition, prior to Delivery of the Aircraft to the Buyer, the Buyer agrees:

(i) to monitor the BFE Suppliers and ensure that they will enable the Buyer to fulfil its obligations, including but not limited to those set forth in the Customization Milestone Chart;

(ii) that, should a timeframe, quality or other type of risk be identified at a given BFE Supplier, the Buyer will allocate resources to such BFE Supplier so as not to jeopardize the industrial schedule of the Aircraft;

(iii) for major BFE, including, but not being limited to, seats, galleys and IFE ("**Major BFE**") to participate on a mandatory basis in the specific meetings that take place between BFE Supplier selection and BFE delivery, namely:

(a) Preliminary Design Review ("**PDR**"),

(b) Critical Design Review ("**CDR**");

(iv) to attend the First Article Inspection ("**FAI**") for the first shipset of all Major BFE. Should the Buyer not attend such FAI, the Buyer will delegate the FAI to the BFE Supplier thereof and confirmation thereof will be supplied to the Seller in writing;

(v) to attend the Source Inspection ("**SI**") that takes place at the BFE Supplier's premises prior to shipping, for each shipset of all Major BFE. Should the Buyer not attend such SI, the Buyer will delegate the SI to the BFE Supplier and confirmation thereof will be supplied to the Seller in writing. Should the Buyer not attend the SI, the Buyer will be deemed to have accepted the conclusions of the BFE Supplier with respect to such SI.

The Seller will be entitled to attend the PDR, the CDR and the FAI. In doing so, the Seller's employees will be acting in an advisory capacity only and at no time will they be deemed to be acting as Buyer's employees or agents, either directly or indirectly.

18.1.6 The BFE will be imported into France or into Germany by the Buyer under a suspensive customs system (Régime de l'entrepôt douanier ou régime de

perfectionnement actif or Zollverschluss) without application of any French or German tax or customs duty, and will be delivered on a DDU basis, to the following shipping addresses:

Airbus Operations S.A.S.
316 Route de Bayonne
31300 Toulouse
France

or

Airbus Operations GmbH
Kreetslag 10
21129 Hamburg
Germany

Or such other location as may be specified by the Seller.

18.2 Applicable Requirements

The Buyer is responsible for ensuring, at its expense, and warrants that the BFE will:

(i) be manufactured by either a BFE Supplier referred to in the Airbus BFE Product Catalog or an Approved BFE Supplier, and

(ii) meet the requirements of the applicable Specification of the Aircraft, and

(iii) be delivered with the relevant certification documentation, including but not limited to the DDP, and

(iv) comply with the BFE Engineering Definition, and

(v) comply with applicable requirements incorporated by reference to the Type Certificate and listed in the Type Certificate Data Sheet, and

(vi) be approved by the Aviation Authority issuing the Export Certificate of Airworthiness and by the Buyer’s Aviation Authority for installation and use on the Aircraft at the time of Delivery of the Aircraft, and

(vii) not infringe any patent, copyright or other intellectual property right of the Seller or any third party, and

(viii) not be subject to any legal obligation or other encumbrance that may prevent, hinder or delay the installation of the BFE in the Aircraft and/or the Delivery of the Aircraft.

The Seller will be entitled to refuse any item of BFE that it considers incompatible with the Specification, the BFE Engineering Definition or the certification requirements.

18.3 Buyer's Obligation and Seller's Remedies

18.3.1 Any delay or failure by the Buyer or the BFE Suppliers in:

(i) complying with the foregoing warranty or in providing the BFE Engineering Definition or field service mentioned in Clause 18.1.4, or

(ii) furnishing the BFE in a serviceable condition at the requested delivery date, or

(iii) obtaining any required approval for such BFE equipment under the above mentioned Aviation Authorities' regulations,

may delay the performance of any act to be performed by the Seller, including Delivery of the Aircraft. The Seller will not be responsible for such delay which will cause the Final Price of the affected Aircraft to be adjusted in accordance with the updated delivery schedule and to include in particular the amount of the Seller's additional costs attributable to such delay or failure by the Buyer or the BFE Suppliers, such as storage, taxes, insurance and costs of out-of sequence installation.

18.3.2 In addition, in the event of any delay or failure mentioned in 18.3.1 above, the Seller may:

(i) select, purchase and install equipment similar to the BFE at issue, in which event the Final Price of the affected Aircraft will also be increased by the purchase price of such equipment plus reasonable costs and expenses incurred by the Seller for handling charges, transportation, insurance, packaging and, if so required and not already provided for in the Final Price of the Aircraft, for adjustment and calibration; or

(ii) if the BFE is delayed by more than ten (10) days beyond, or is not approved within ten (10) days of the dates specified in Clause 18.1.4, deliver the Aircraft without the installation of such BFE, notwithstanding applicable terms of Clauses 7 and 8, and the Seller will thereupon be relieved of all obligations to install such equipment.

18.4 Title and Risk of Loss

Title to and risk of loss of any BFE will at all times remain with the Buyer except that risk of loss (limited to cost of replacement of said BFE) will be with the Seller for as long as such BFE is under the care, custody and control of the Seller.

18.5 Disposition of BFE Following Termination

18.5.1 *****

18.5.2 The Buyer will cooperate with the Seller in facilitating the sale of BFE pursuant to Clause 18.5.1 and will be responsible for all costs incurred by the Seller in removing and facilitating the sale of such BFE. The Buyer will *****

18.5.3 The Seller will notify the Buyer as to those items of BFE not sold by the Seller pursuant to Clause 18.5.1 above and, at the Seller's request, the Buyer will undertake to remove such items from the Seller' facility within ***** of the date of such notice. The Buyer will have no claim against the Seller for damage, loss or destruction of any item of BFE removed from the Aircraft and not removed from Seller's facility within such period.

18.5.4 The Buyer will have no claim against the Seller for damage to or destruction of any item of BFE damaged or destroyed in the process of being removed from the Aircraft, provided that the Seller will use reasonable care in such removal.

18.5.5 The Buyer will grant the Seller title to any BFE items that cannot be removed from the Aircraft without causing damage to the Aircraft or rendering any system in the Aircraft unusable.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

19 – INDEMNITIES AND INSURANCE

The Seller and the Buyer will each be liable for Losses (as defined below) arising from the acts or omissions of their respective directors, officers, agents or employees occurring during or incidental to such party's exercise of its rights and performance of its obligations under this Agreement, except as provided in Clauses 19.1 and 19.2.

19.1 Seller's Indemnities

The Seller will, except in the case of gross negligence or wilful misconduct of the Buyer, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Buyer, its Affiliates and each of their respective directors, officers, agents, employees and insurers harmless against all losses, liabilities, claims, damages, costs and expenses, including court costs and reasonable attorneys' fees ("**Losses**"), arising from:

(i) claims for injuries to, or death of, the Seller's directors, officers, agents or employees, or loss of, or damage to, property of the Seller or its employees when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and

(ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to the Technical Acceptance Flights.

19.2 Buyer's Indemnities

The Buyer will, except in the case of gross negligence or wilful misconduct of the Seller, its directors, officers, agents and/or employees, be solely liable for and will indemnify and hold the Seller, its Affiliates, its subcontractors, and each of their respective directors, officers, agents, employees and insurers, harmless against all Losses arising from:

(i) claims for injuries to, or death of, the Buyer's directors, officers, agents or employees, or loss of, or damage to, property of the Buyer or its employees, when such Losses occur during or are incidental to either party's exercise of any right or performance of any obligation under this Agreement, and

(ii) claims for injuries to, or death of, third parties, or loss of, or damage to, property of third parties, occurring during or incidental to (a) the provision of Seller Representatives services under Clause 15 including services performed on board the aircraft or (b) the provision of Aircraft Training Services to the Buyer.

19.3 Notice and Defense of Claims

If any claim is made or suit is brought against a party or entity entitled to indemnification under this Clause 19 (the "**Indemnitee**") for damages for which liability has been assumed by the other party under this Clause 19 (the "**Indemnitor**"), the Indemnitee will promptly give notice to the Indemnitor and the Indemnitor (unless otherwise requested by the Indemnitee) will assume and conduct the defense, or settlement, of such claim or suit, as the Indemnitor will deem prudent. Notice of the claim or suit will be accompanied by all information pertinent to the matter as is reasonably available to the Indemnitee and will be followed by such cooperation by the Indemnitee as the Indemnitor or its counsel may reasonably request, at the expense of the Indemnitor.

*****

19.4 Insurance

19.4.1 For all Aircraft Training Services, to the extent of the Buyer's undertaking set forth in Clause 19.2, the Buyer will:

(i) cause the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents and employees to be named as additional insured under the Buyer's Comprehensive Aviation Legal Liability insurance policies, including War Risks and Allied Perils (such insurance to include the AVN 52E Extended Coverage Endorsement Aviation Liabilities or any further Endorsement replacing AVN 52E as may be available as well as any excess coverage in respect of War and Allied Perils Third Parties Legal Liabilities Insurance), and

(ii) with respect to the Buyer's Hull All Risks and Hull War Risks insurances and Allied Perils, cause the insurers of the Buyer's hull insurance policies to waive all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers.

19.4.2 Any applicable deductible will be borne by the Buyer. The Buyer will furnish to the Seller, not less than seven (7) Business Days prior to the start of any Aircraft Training Services, certificates of insurance, in English, evidencing the limits of liability cover and period of insurance coverage in a form acceptable to the Seller from the Buyer's insurance broker(s), certifying that such policies have been endorsed as follows:

(i) under the Comprehensive Aviation Legal Liability Insurances, the Buyer's policies are primary and non-contributory to any insurance maintained by the Seller,

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(ii) such insurance can only be cancelled or materially altered by the giving of not less than ***** (but ***** or such lesser period as may be customarily available in respect of War Risks and Allied Perils) prior written notice thereof to the Seller, and

(iii) under any such cover, all rights of subrogation against the Seller, its Affiliates, its subcontractors and each of their respective directors, officers, agents, employees and insurers have been waived.

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20 – TERMINATION

20.1 Termination Events

Each of the following will constitute a "**Termination Event**"

(1) *****

(2) *****

(3) *****

(4) *****

(5) *****

(6) *****

(7) *****

(8) *****

(9) *****

(10) *****

(11) *****

20.2 Remedies in Event, of Termination

20.2.1 *****

A. *****

B. *****

C. *****

D. *****

20.2.2 *****

A. *****

B. *****

C. *****

20.2.3 *****

A. *****

i. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

ii. *****

iii. *****

iv. *****

v. *****

vi. *****

vii. *****

B. *****

20.2.4 The parties to this Agreement are commercially sophisticated parties acting within the same industry, and represented by competent counsel and the parties expressly agree and declare as follows:

A. *****;

B. *****

C. *****

20.3 Definitions

*****

i. *****

ii. *****

iii. *****.

20.4 Notice of Termination Event

Within ***** of becoming aware of the occurrence of a Termination Event by the Buyer, the Buyer will notify the Seller of such occurrence in writing, provided, that any failure by the Buyer to notify the Seller will not prejudice the Seller's rights or remedies hereunder.

20.5 Information Covenants

The Buyer hereby covenants and agrees that, from the date of this Agreement until no further Aircraft are to be delivered hereunder, the Buyer will furnish or cause to be furnished to the Seller the following:

a. *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

b. *****

c. *****

d. *****

e. *****

For the purposes of this Clause 20, (x) an "Authorized Officer" of the Buyer will mean the Chief Executive Officer, the Chief Financial Officer or any Vice President and above who reports directly or indirectly to the Chief Financial Officer and (y) "Subsidiaries" will mean, as of any date of determination, those companies owned by the Buyer whose financial results the Buyer is required to include in its statements of consolidated operations and consolidated balance sheets.

20.6 Nothing contained in this Clause 20 will be deemed to waive or limit the Seller's rights or ability to request adequate assurance under Article 2, Section 609 of the Uniform Commercial Code (the "**UCC**"). It is further understood that any commitment of the Seller or the Propulsion Systems manufacturer to provide financing to the Buyer shall not constitute adequate assurance under Article 2, Section 609 of the UCC.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

21 – ASSIGNMENTS AND TRANSFERS

21.1 Assignments

Except as hereinafter provided, neither party may sell, assign, novate or transfer its rights or obligations under this Agreement to any person without the prior written consent of the other, except that the Seller may sell, assign, novate or transfer its rights or obligations under this Agreement to any Affiliate without the Buyer's consent.

21.2 Assignments on Sale, Merger or Consolidation

The Buyer will be entitled to assign its rights under this Agreement at any time due to a merger, consolidation or a sale of all or substantially all of its assets, provided the Buyer first obtains the written consent of the Seller. The Buyer will provide the Seller with no less than 90 days notice if the Buyer wishes the Seller to provide such consent. The Seller will provide its consent if:

(i) the surviving or acquiring entity is organized and existing under the laws of the United States;

(ii) the surviving or acquiring entity has executed an assumption agreement, in form and substance reasonably acceptable to the Seller, agreeing to assume all of the Buyer's obligations under this Agreement;

(iii) at the time, and immediately following the consummation, of the merger, consolidation or sale, no Termination Event exists or will have occurred and be continuing;

(iv) there exists with respect to the surviving or acquiring entity no basis for a Termination Event;

(v) the surviving or acquiring entity is an air carrier holding an operating certificate issued by the FAA at the time, and immediately following the consummation, of such sale, merger or consolidation; and

(vi) *****

21.3 Designations by Seller

The Seller may at any time by notice to the Buyer designate facilities or personnel of the Seller or any other Affiliate of the Seller at which or by whom the services to be performed under this Agreement will be performed. Notwithstanding such designation, the Seller will remain ultimately responsible for fulfilment of all obligations undertaken by the Seller in this Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

21.4 Transfer of Rights and Obligations upon Reorganization

In the event that the Seller is subject to a corporate restructuring having as its object the transfer of, or succession by operation of law in, all or a substantial part of its assets and liabilities, rights and obligations, including those existing under this Agreement, to a person (the "**Successor**") that is an Affiliate of the Seller at the time of that restructuring, for the purpose of the Successor carrying on the business carried on by the Seller at the time of the restructuring, such restructuring will be completed without consent of the Buyer following notification by the Seller to the Buyer in writing. The Buyer recognizes that succession of the Successor to the Agreement by operation of law that is valid under the law pursuant to which that succession occurs will be binding upon the Buyer.

22 – MISCELLANEOUS PROVISIONS

22.1 Data Retrieval

On the Seller's reasonable request no more frequently than *****, the Buyer will provide the Seller with all the necessary data, as customarily compiled by the Buyer and pertaining to the operation of the Aircraft, to assist the Seller in making an efficient and coordinated survey of all reliability, maintenance, operational and cost data with a view to monitoring the efficient and cost effective operations of the Airbus fleet worldwide

22.2 Notices

All notices, requests and other communications required or authorized hereunder will be given in writing either by personal delivery to a authorized officer of the party to whom the same is given or by commercial courier, certified air mail (return receipt requested) or facsimile at the addresses and numbers set forth below. The date on which any such notice or request is received (or delivery is refused), will be deemed to be the effective date of such notice or request.

The Seller will be addressed at:

Airbus S.A.S.
Attention: Senior Vice President Contracts
1, Rond Point Maurice Bellonte
31707 Blagnac Cedex,
France

Telephone: *****
Facsimile: *****

The Buyer will be addressed at:

Republic Airways Holdings Inc.
8909 Purdue Road Suite 300
Indianapolis, Indiana 46268
Attention: President

Telephone: *****
Facsimile: *****

From time to time, the party receiving the notice or request may designate another address or another person.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

22.3 Waiver

The failure of either party to enforce at any time any of the provisions of this Agreement, to exercise any right herein provided or to require at any time performance by the other party of any of the provisions hereof will in no way be construed to be a present or future waiver of such provisions nor in any way to affect the validity of this Agreement or any part hereof or the right of the other party thereafter to enforce each and every such provision. The express waiver by either party of any provision, condition or requirement of this Agreement will not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

22.4 International Supply Contract

The Buyer and the Seller recognize that this Agreement is an international supply contract which has been the subject of discussion and negotiation, that all its terms and conditions are fully understood by the parties, and that the Specification and price of the Aircraft and the other mutual agreements of the parties set forth herein were arrived at in consideration of, inter alia, all provisions hereof specifically including all waivers, releases and remunerations by the Buyer set out herein.

22.5 Certain Representations of the Parties

22.5.1 Buyer’s Representations

The Buyer represents and warrants to the Seller:

(i) the Buyer is a corporation organized and existing in good standing under the laws of the State of Delaware and has the corporate power and authority to enter into and perform its obligations under this Agreement;

(ii) neither the execution and delivery by the Buyer of this Agreement, nor the consummation of any of the transactions by the Buyer contemplated thereby, nor the performance by the Buyer of the obligations thereunder, constitutes a breach of any agreement to which the Buyer is a party or by which its assets are bound;

(iii) this Agreement has been duly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms.

22.5.2 Seller’s Representations

The Seller represents and warrants to the Buyer:

(i) the Seller is organized and existing in good standing under the laws of the Republic of France and has the corporate power and authority to enter into and perform its obligations under the Agreement;

(ii) neither the execution and delivery by the Seller of this Agreement, nor the consummation of any of the transactions by the Seller contemplated thereby, nor the performance by the Seller of the obligations thereunder, constitutes a breach of any agreement to which the Seller is a party or by which its assets are bound;

(iii) this Agreement has been duly authorized, executed and delivered by the Seller and constitutes the legal, valid and binding obligation of the Seller enforceable against the Seller in accordance with its terms.

22.6 Interpretation and Law

22.6.1 THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED AND THE PERFORMANCE THEREOF WILL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ITS CONFLICTS OF LAWS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION.

Each of the Seller and the Buyer (i) hereby irrevocably submits itself to the nonexclusive jurisdiction of the courts of the state of New York, New York County, and of the United States District Court for the Southern District of New York, for the purposes of any suit, action or other proceeding arising out of this Agreement, the subject matter hereof or any of the transactions contemplated hereby brought by any party or parties hereto, and (ii) hereby waives, and agrees not to assert, by way of motion, as a defense or otherwise, in any such suit, action or proceeding, to the extent permitted by applicable law, any defense based on sovereign or other immunity or that the suit, action or proceeding which is referred to in clause (i) above is brought in an inconvenient forum, that the venue of such suit, action or proceeding is improper, or that this Agreement or the subject matter hereof or any of the transactions contemplated hereby may not be enforced in or by these courts.

THE PARTIES HEREBY ALSO AGREE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS WILL NOT APPLY TO THIS TRANSACTION.

22.6.2 Service of process in any suit, action or proceeding in respect of any matter as to which the Seller or the Buyer has submitted to jurisdiction under Clause 22.6 may be made (i) on the Seller by delivery of the same personally or by dispatching the same via Federal Express, UPS, or similar international air courier service prepaid to, CT Corporation, New York City offices as agent for the Seller, it being agreed that service upon CT Corporation will constitute valid service upon the Seller or by any other method authorized by the laws of the State of New York, and (ii) on the Buyer by delivery of the same personally or by dispatching the same by Federal Express, UPS, or similar international air courier service prepaid, return receipt requested to its address for notices designated pursuant to Clause 22.2, or by any other method authorized by the laws of the State of New York; provided in each case that failure to deliver or mail

such copy will not affect the validity or effectiveness of the service of process made as aforesaid.

22.7 Headings

All headings in this Agreement are for convenience of reference only and do not constitute a part of this Agreement.

22.8 Waiver of Jury Trial

EACH OF THE PARTIES HERETO WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM OR CROSS-CLAIM THEREIN.

22.9 Waiver of Consequential Damages

In no circumstances shall either party claim or receive incidental (other than as provided in Clause 20) or consequential damages under this Agreement.

22.10 No Representations Outside of this Agreement

The parties declare that, prior to the execution of this Agreement, they, with the advice of their respective counsel, apprised themselves of sufficient relevant data in order that they might intelligently exercise their own judgments in deciding whether to execute this Agreement and in deciding on the contents of this Agreement. Each party further declares that its decision to execute this Agreement is not predicated on or influenced by any declarations or representations by any other person, party, or any predecessors in interest, successors, assigns, officers, directors, employees, agents or attorneys of any said person or party, except as set forth in this Agreement. This Agreement resulted from negotiation involving counsel for all of the parties hereto and no term herein will be construed or interpreted against any party under the contra proferentum or any related doctrine.

22.11 Confidentiality

Subject to any legal or governmental requirements of disclosure (whether imposed by applicable law, court order otherwise), the parties (which for this purpose will include their employees and legal counsel) will maintain the terms and conditions of this Agreement and any reports or other data furnished hereunder strictly confidential, including but not limited to, the Aircraft pricing and all confidential, proprietary or trade secret information contained in any reports or other data furnished to it by the other party hereunder (the "**Confidential Information**"), provided that disclosure may be made to each party's respective accountants and lawyers so long as such accountants and lawyers have agreed to maintain the Confidential Information as strictly confidential. To the extent the Buyer furnishes any Confidential Information to its accountants or lawyers in accordance with this Clause 22.11, the Buyer agrees that it shall be liable to the Seller for damages resulting from unauthorized disclosures of Confidential Information by such parties. Without limiting the generality of the

foregoing, the Buyer and the Seller will use their best efforts to limit the disclosure of the contents of this Agreement to the extent legally permissible in (i) any filing required to be made by the Buyer or the Seller with any governmental agency and will make such applications as will be necessary to implement the foregoing, and (ii) any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto. With respect to any public disclosure or filing, each party agrees to submit to the other a copy of the proposed document to be filed or disclosed and will give the other party a reasonable period of time in which to review said document. The Buyer and the Seller will consult with each other prior to the making of any public disclosure or filing, permitted hereunder, of this Agreement or the terms and conditions thereof.

The provisions of this Clause 22.11 will survive any termination of this Agreement.

22.12 Severability

If any provision of this Agreement should for any reason be held ineffective, the remainder of this Agreement will remain in full force and effect. To the extent permitted by applicable law, each party hereto hereby waives any provision of law that renders any provision of this Agreement prohibited or unenforceable in any respect.

22.13 Entire Agreement

This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes any previous understanding, commitments or representations whatsoever, whether oral or written. This Agreement will not be amended or modified except by an instrument in writing of even date herewith or subsequent hereto executed by both parties or by their fully authorized representatives.

22.14 Inconsistencies

In the event of any inconsistency between the terms of this Agreement and the terms contained in either (i) the Specification, or (ii) any other Exhibit, in each such case the terms of this Agreement will prevail over the terms of the Specification or any other Exhibit. For the purpose of this Clause 22.14, the term Agreement will not include the Specification or any other Exhibit hereto.

22.15 Language

All correspondence, documents and any other written matters in connection with this Agreement will be in English.

22.16 Counterparts

This Agreement has been executed in two (2) original copies.

Notwithstanding the foregoing, this Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered will be an

original, but all such counterparts will together constitute but one and the same instrument.

IN WITNESS WHEREOF, this A320 Family Aircraft Purchase Agreement was entered into as of the day and year first above written.

AIRBUS S.A.S.

By: /s/ Patrick de Castelbajac

Title: Vice President Contracts

REPUBLIC AIRWAYS HOLDINGS INC.

By: /s/ Bryan Bedford

Title: President

EXHIBIT A-1

A320 SPECIFICATION

The A320 Standard Specification is contained in a separate folder.

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***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT A-2

A319 SPECIFICATION

The A319 Standard Specification is contained in a separate folder.

APPENDIX 1 TO EXHIBIT A-2

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***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

FORM OF

SPECIFICATION CHANGE NOTICE

[**LOGO**]

For

SPECIFICATION CHANGE NOTICE

(SCN)

SCN Number
Issue
Dated
Page

Title:

Description:

Remarks/References

Specification changed by this SCN

This SCN requires prior or concurrent acceptance of the following SCN(s):

Price per aircraft

US DOLLARS:
AT DELIVERY CONDITIONS:

This change will be effective on AIRCRAFT No. and subsequent.

Provided approval is received by

Buyer approval	**Seller approval**
By:	By:
Date:	Date:

[LOGO]	For
SPECIFICATION CHANGE NOTICE	SCN Number
	Issue
(SCN)	Dated
	Page

Specification repercussion:

After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:

[LOGO]

For

SPECIFICATION CHANGE NOTICE

SCN Number
Issue
Dated
Page

(SCN)

Scope of change (FOR INFORMATION ONLY)

AIRBUS

MANUFACTURER'S SPECIFICATION CHANGE NOTICE

(MSCN)

Airline

MSCN Number
Issue
Dated
Page 1 of 3

Title:

Description:

Effect on weight

Manufacturer's Weight Empty Change:

Operational Weight Empty Change:

Allowable Payload Change:

Remarks/References

Specification changed by this MSCN

Price per aircraft

US DOLLARS:
AT DELIVERY CONDITIONS:

This change will be effective on AIRCRAFT No. and subsequent.

Provided MSCN is not rejected by

Buyer Approval

By:

Date:

Seller Approval

By:

Date:

AIRBUS	**Airline**
MANUFACTURER'S SPECIFICATION CHANGE NOTICE	MSCN Number
	Issue
(MSCN)	Dated
	Page 2 of 3

Specification repercussion:

After contractual agreement with respect to weight, performance, delivery, etc, the indicated part of the specification wording will read as follows:

AIRBUS

MANUFACTURER'S SPECIFICATION CHANGE NOTICE

(MSCN)

Airline

MSCN Number
Issue
Dated
Page 3 of 3

Scope of change (FOR INFORMATION ONLY)

EXHIBIT C

PART 1 SELLER PRICE REVISION FORMULA

1 BASE PRICE

The Base Price of the A320 Airframe quoted in Clause 3.1.1.1 of the Agreement, ***** (each a, "**Base Price**"), if applicable, are subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics, and in accordance with the provisions hereof.

2 BASE PERIOD

Each Base Price has been established in accordance with the average economic conditions prevailing in ***** as defined by "ECIb" and "ICb" index values indicated hereafter.

3 INDEXES

Labor Index: "Employment Cost Index for Workers in Aerospace manufacturing" hereinafter referred to as "ECI336411W", quarterly published by the US Department of Labor, Bureau of Labor Statistics, in "NEWS", and found in Table 9, "WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group", or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100).

The quarterly value released for a certain month (March, June, September and December) shall be the one deemed to apply for the two preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: "Industrial Commodities" (hereinafter referred to as "IC") as published in "PPI Detailed Report" (found in Table 6. "Producer price indexes and percent changes for commodity and service groupings and individual items not seasonally adjusted" or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4 REVISION FORMULA

*****

5 GENERAL PROVISIONS

5.1 Roundings

The Labor Index average and the Material Index average shall be computed to the first decimal. If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

Each quotient (*****) and (*****) shall be rounded to the nearest ten-thousandth (4 decimals). If the next succeeding place is five (5) or more, the preceding decimal place shall be raised to the next higher figure.

The final factor shall be rounded to the nearest ten-thousandth (4 decimals).

The final price shall be rounded to the nearest whole number (0.5 or more rounded to 1).

5.2 Substitution of Indexes for Seller Price Revision Formula

If:

(i) the United States Department of Labor substantially revises the methodology of calculation of the Labor Index or the Material Index as used in the Seller Price Revision Formula, or

(ii) the United States Department of Labor discontinues, either temporarily or permanently, such Labor Index or such Material Index, or

(iii) the data samples used to calculate such Labor Index or such Material Index are substantially changed;

the Seller shall select a substitute index for inclusion in the Seller Price Revision Formula (the "**Substitute Index**").

The Substitute Index shall reflect as closely as possible the actual variance of the Labor Costs or of the material costs used in the calculation of the original Labor Index or Material Index as the case may be.

As a result of the selection of the Substitute Index, the Seller shall make an appropriate adjustment to the Seller Price Revision Formula to combine the successive utilization of the original Labor Index or Material Index (as the case may be) and of the Substitute Index.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5.3 Final Index Values

The Index values as defined in Clause 4 above shall be considered final and no further adjustment to the base prices as revised at Delivery of the Aircraft shall be made after Aircraft Delivery for any subsequent changes in the published Index values.

5.4 *****

*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

PART 2 PROPULSION SYSTEM PRICE REVISION FORMULA
CFM INTERNATIONAL

1 REFERENCE PRICE OF THE PROPULSION SYSTEM

The "**Reference Price**" (as such term is used in this Exhibit C Part 2) of a set of two (2) CFM International A320 LEAP-X Engines is *****.

The Reference Price is subject to adjustment for changes in economic conditions as measured by data obtained from the US Department of Labor, Bureau of Labor Statistics and in accordance with the provisions of this Exhibit C Part 2.

2 REFERENCE PERIOD

The Reference Price has been established in accordance with the economic conditions prevailing for ***** as defined by CFM International by the Reference *****.

3 INDEXES

Labor Index: "Employment Cost Index for Workers in Aerospace manufacturing" hereinafter referred to as "ECI336411W", quarterly published by the US Department of Labor, Bureau of Labor Statistics, in "NEWS", and found in: Table 9, "WAGES and SALARIES (not seasonally adjusted): Employment Cost Indexes for Wages and Salaries for private industry workers by industry and occupational group", or such other name that may be from time to time used for the publication title and/or table, (Aircraft manufacturing, NAICS Code 336411, base month and year December 2005 = 100, *****).

The quarterly value released for a certain month (March, June, September and December) will be the one deemed to apply for the two (2) preceding months.

Index code for access on the Web site of the US Bureau of Labor Statistics: CIU2023211000000I.

Material Index: "Industrial Commodities" (hereinafter referred to as "IC") as published in "PPI detailed report" (found in Table 6. "Producer price indexes and percent changes for commodity groupings and individual items not seasonally adjusted" or such other names that may be from time to time used for the publication title and/or table). (Base Year 1982 = 100).

Index code for access on the Web site of the US Bureau of Labor Statistics: WPU03THRU15.

4 REVISION FORMULA

*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

5 GENERAL PROVISIONS

5.1 Roundings

(i) The Material Index average (*****) will be rounded to the nearest second decimal place and the Labor Index average (*****) will be rounded to the nearest first decimal place.

(ii) ***** will be rounded to the nearest second decimal place.

(iii) The final factor (*****) will be rounded to the nearest fourth decimal place. If the next succeeding place is five (5) or more, the preceding decimal place will be raised to the next higher figure.

(iv) After final computation, ***** will be rounded to the nearest whole number (0.5 rounds to 1).

5.2 Final Index Values

The revised LEAP-X Reference Price at the date of Aircraft delivery will not be subject to any further adjustment in the indexes.

5.3 Interruption of Index Publication

If the US Department of Labor substantially revises the methodology of calculation or discontinues any of the indexes referred to hereabove, the Seller will reflect the substitute for the revised or discontinued index selected by CFM International, such substitute index to lead in application to the same adjustment result, insofar as possible, as would have been achieved by continuing the use of the original index as it may have fluctuated had it not been revised or discontinued.

Appropriate revision of the formula will be made to accomplish this result.

5.4 Annulment of the Formula

Should the above ***** provisions become null and void by action of the US Government, the LEAP-X Reference Price will be adjusted due to increases in the costs of labor and material which have occurred from the period represented by the applicable Reference ***** to the ***** prior to the scheduled month of Aircraft delivery.

5.5 *****

*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT D

CERTIFICATE OF ACCEPTANCE

In accordance with the terms of Clause 8.3 of the Purchase Agreement dated [*day*] [*month*] 2011 and made between Republic Airways Holdings Inc. (the "**Customer**") and Airbus S.A.S. as amended and supplemented from time to time (the "**Purchase Agreement**"), the technical acceptance tests relating to one Airbus A3 [●]-[●] aircraft, bearing manufacturer's serial number [●], and registration mark [●] (the "**Aircraft**") have taken place in ***** (the "**Owner**")].

In view of said tests having been carried out successfully, the undersigned accepts the Aircraft for delivery in accordance with Clause 8.1.1 and the other provisions of the Purchase Agreement.

Such acceptance shall not impair the rights that may be derived from the warranties relating to the Aircraft set forth in the Purchase Agreement.

Any right at law or otherwise to revoke this acceptance of the Aircraft is hereby irrevocably waived.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this day of [*month*], [*year*] in *****.

[**OWNER**].

Name:

Title:

Signature:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT E

BILL OF SALE

Know all men by these presents that Airbus S.A.S., a *Société par Actions Simplifiée* existing under French law and having its principal office at 1 rond-point Maurice Bellonte, 31707 Blagnac Cedex, FRANCE (the "**Seller**"), was this [*day*] [*month*] [*year*] the owner of the title to the following airframe (the "**Airframe**"), the propulsion system as specified (the "**Propulsion System**") and all appliances, components, parts, instruments, accessories, furnishings, modules and other equipment of any nature, ***** incorporated therein, installed thereon or attached thereto on the date hereof (the "**Parts**"):

AIRFRAME:

AIRBUS Model A3[●]-[●]

MANUFACTURER'S SERIAL NUMBER: [●]

PROPULSION SYSTEMS:

[propulsion system manufacturer] Model [●]

ENGINE SERIAL NUMBERS
LH: [●]
RH: [●]

REGISTRATION MARK: [●]

*****.

The Airframe, [Propulsion System] and Parts are hereafter together referred to as the "**Aircraft**".

The Seller did this day of [month] [year], sell, transfer and deliver all of its rights, title and interest in and to the Aircraft ***** to the following entity and to its successors and assigns forever, said Aircraft ***** to be the property thereof.

[ ]
(the "**Buyer**")

The Seller hereby warrants to the Buyer, its successors and assigns that it had [(i)] good and lawful right to sell, deliver and transfer title to the Aircraft to the Buyer and that there was conveyed to the Buyer good, legal and valid title to the Aircraft, free and clear of all liens, claims, charges, encumbrances and rights of others and that the Seller will warrant and defend such title forever against all claims and demands whatsoever *****.

This Bill of Sale shall be governed by and construed in accordance with the laws of the State of New York, United States of America.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized representative this day of [month], [year] in *****.

AIRBUS S.A.S.

Name:
Title:
Signature:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SERVICE LIFE POLICY

LIST OF ITEMS

SELLER SERVICE LIFE POLICY

1 The Items covered by the Service Life Policy pursuant to Clause 12.2 are those Seller Items of primary and auxiliary structure described hereunder.

2 **WINGS – CENTER AND OUTER WING BOX (LEFT AND RIGHT)**

2.1 *****

2.1.1 *****

2.1.2 *****

2.1.3 *****

2.2 *****

2.2.1 *****

2.2.2 *****

2.2.3 *****

2.2.4 *****

2.3 *****

2.3.1 *****

2.3.1.1 *****

2.3.1.2 *****

2.3.2 *****

2.3.2.1 *****

2.3.2.2 *****

2.3.3 *****

2.3.3.1 *****

2.3.3.2 *****

2.4 *****

2.4.1 *****

2.4.1.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

2.4.1.2 *****

2.4.1.3 *****

2.4.1.4 *****

3 FUSELAGE

3.1 *****

3.1.1 *****

3.1.2 *****

3.1.3 *****

3.1.4 *****

3.1.5 *****

3.1.6 *****

3.1.7 *****

3.1.8 *****

3.2 *****

3.2.1 *****

3.2.2 *****

3.2.3 *****

4 STABILIZERS

4.1 *****

4.1.1 *****

4.1.2 *****

4.1.3 *****

4.1.4 *****

4.1.5 *****

4.1.5.1 *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

4.1.5.2 *****

4.2 *****

4.2.1 *****

4.2.2 *****

4.2.3 *****

4.2.4 *****

4.2.5 *****

4.2.5.1 *****

4.2.5.2 *****

5 EXCLUSIONS

*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

TECHNICAL DATA INDEX

TECHNICAL DATA INDEX

Where applicable data will be established in general compliance with ATA 100 Information Standards for Aviation Maintenance, and the applicable provisions for digital standard of ATA Specification 2200 (*iSpec*2200).

The following index identifies the Technical Data provided in support of the Aircraft.

The explanation of the table is as follows:

NOMENCLATURE	Self-explanatory.
ABBREVIATED DESIGNATION (Abbr)	Self-explanatory.
AVAILABILITY (Avail)	

Technical Data can be made available :

- ON-LINE (ON) through the relevant service on AirbusWorld,

  and / or

- OFF-LINE (OFF) through the most suitable means applicable to the size of the concerned document (e.g CD or DVD).

FORMAT (Form)

Following Technical Data formats may be used:

- SGML – Standard Generalized Mark-up Language, which allows further data processing by the Buyer.
- XML – Extensible Mark-up Language, evolution of the SGML text format to cope with WEB technology requirements.
  - XML is used for data processing. Processed data shall be consulted through the e-doc Viewer FOCT – Flight Operations Consultation Tool.
  - XML data may be customized using Airbus customization tools (Flight Operations Documentation Manager, ADOC) or the Buyer’s own XML based editing tools.
- CGM – Computer Graphics Metafile, format of the interactive graphics associated with the XML and /or SGML text file delivery.
- PDF (PDF) – Portable Document Format allowing data consultation.

- Advanced Consultation Tool – refers to Technical Data consultation application that offers advanced consultation & navigation functionality compared to PDF. Both browser software & Technical Data are packaged together.
- P1 / P2 – refers to manuals printed on one side or both sides of the sheet.
- CD-P – refers to CD-Rom including Portable Document Format (PDF) Data.
- CD-XML – Refers to CD-Rom including XML data

TYPE	C	CUSTOMIZED. Refers to manuals that are applicable to customer/operator fleet or aircraft.
	G	GENERIC. Refers to manuals that are applicable for all Airbus aircraft types/models/series.
	E	ENVELOPE. Refers to manuals that are applicable to a whole group of Airbus customers for a specific aircraft type/model/series.
QUANTITY (Qty)		Self-explanatory for physical media.
DELIVERY (Deliv)		Delivery refers to scheduled delivery dates and is expressed in either the number of corresponding days prior to first Aircraft delivery, or nil (0) referring to the Delivery Date of corresponding Aircraft. The number of days indicated shall be rounded up to the next regular revision release date.

OPERATIONAL MANUALS AND DATA

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****		*****
Flight Crew Operating Manual	FCOM	ON	XML	C	*****	*****		
		OFF	CD-XML	C	*****	*****		
Flight Crew Training Manual	FCTM	ON	XML	C	*****	*****	*****	
		OFF	CD-XML	C	*****	*****		
Cabin Crew Operating Manual	CCOM	ON	XML	C	*****	*****	*****	
		OFF	CD-XML	C	*****	*****		
Flight Manual	FM	ON	XML	C	*****	*****		
		OFF	CD-XML	C	*****	*****		
		OFF	PDF	C	*****	*****	*****	
Master Minimum Equipment List	MMEL	ON	XML	C	*****	*****	*****	
		OFF	CD-XML	C	*****	*****		
Quick Reference Handbook	QRH	ON	XML	C	*****	*****		
		OFF	CD-XML	C	*****	*****		
Trim Sheet	TS	OFF	Electronic format	C	*****	*****	*****	
Weight and Balance Manual	WBM	ON	XML	C	*****	*****		

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****		*****
		OFF	CD-XML	C	*****	*****		
Performance Engineer’s Programs	PEP	ON	Performance Computation Tool	C	*****	*****	*****	
		OFF	Performance Computation Tool on CD	C	*****	*****		
Performance Programs Manual	PPM	OFF	CD-P	C	*****	*****	*****	

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

MAINTENANCE AND ASSOCIATED MANUALS

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****	*****
AirN@v / Maintenance, including :							
Aircraft Maintenance Manual – AMM **Illustrated Parts Catalog (Airframe) – IPC** **Illustrated Parts Catalog (Powerplant) – PIPC*** **Trouble Shooting Manual – TSM** **Aircraft Schematics Manual – ASM** **Aircraft Wiring Lists – AWL Aircraft Wiring Manual – AWM Electrical Standard Practices Manual – ESPM**	**AirN@v / Maintenance**	**ON**	**Advanced Consultation Tool**	**C**	*****	*****	
		OFF	**Advanced Consultation Tool on DVD**	**C**	*****	*****	*****
AirN@v / Associated Data **Consumable Material List – CML** **Standards Manual – SM Electrical** **Standard Practices Manual – ESPM** **Tool and Equipment Manual – TEM (*)**	**AirN@v / Associated Data**	**ON**	**Advanced Consultation Tool**	**G**	*****	*****	*****
		OFF	**Advanced Consultation Tool on DVD**	**G**	*****	*****	
Technical Follow-up	**TFU**	**ON**	**PDF**	**E**	*****	*****	*****
Aircraft Maintenance Manual	**AMM**	**ON**	**PDF**	**C**	*****	*****	*****
		OFF	**CD-P**	**C**	*****	*****	
		ON	**SGML**	**C**	*****	*****	*****
		OFF	**SGML**	**C**	*****	*****	*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****	*****
Aircraft Schematics Manual	ASM	ON	PDF	C	*****	*****	*****
		OFF	CD-P	C	*****	*****	
		ON	SGML	C	*****	*****	*****
		OFF	SGML	C	*****	*****	*****
Aircraft Wiring List	AWL	ON	PDF	C	*****	*****	*****
		OFF	CD-P	C	*****	*****	
		ON	SGML	C	*****	*****	*****
		OFF	SGML	C	*****	*****	*****
Aircraft Wiring Manual		ON	PDF	C	*****	*****	*****
		OFF	CD-P	C	*****	*****	
		ON	SGML	C	*****	*****	*****
		OFF	SGML	C	*****	*****	*****
Consumable Material List	CML	OFF	SGML	G	*****	*****	*****
Ecam System Logic Data	ESLD	ON	PDF	E	*****	*****	*****
Electrical Load Analysis	ELA	OFF	PDF/MS Word Excel	C	*****	*****	*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****	*****
Electrical Standard Practices Manual	ESPM	OFF	SGML	G	*****	*****	*****
Electrical Standard Practices booklet	ESP	OFF	P2*	G	*****	*****	*****
Flight Data Recording Parameter Library	FDRPL	OFF	Advanced Consultation Tool on CD	E	*****	*****	
Illustrated Parts Catalog (Airframe)	IPC	ON	PDF	C	*****	*****	*****
		OFF	CD-P	C	*****	*****	
		ON	SGML	C	*****	*****	*****
		OFF	SGML	C	*****	*****	*****
Illustrated Parts Catalog (Powerplant)	PIPC	ON	PDF	C	*****	*****	*****
		OFF	CD-P	C	*****	*****	
AirN@v / Planning, including Maintenance Planning Document – MPD	AirN@v/ Planning	ON	Advanced Consultation Tool	E	*****	*****	*****
		OFF	Advanced Consultation Tool on DVD	E	*****	*****	
Maintenance Review Board Report – MRBR	MRBR	ON	PDF	E	*****	*****	*****
Airworthiness Limitation Section – ALS	ALS						
Tool & Equipment Bulletins	TEB	ON	PDF	E	*****	*****	

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****	*****
Tool and Equipment Drawings	TED	ON	Advanced Consultation Tool	E	*****	*****	*****
AirN@v / Engineering, including: Airworthiness Directives – AD European Airworthiness Directives – EUAD (incl. French DGAC AD's) All Operator Telex – AOT Operator Information Telex – OIT Flight Operator Telex – FOT Modification – MOD Modification Proposal – MP Service Bulletin – SB Service Information Letter – SIL Technical Follow-Up – TFU Vendor Service Bulletin – VSB	AirN@v/ Engineering	ON	Advanced Consultation Tool	C	*****	*****	
							*****
		OFF	Advanced Consultation Tool on DVD	C	*****	*****	
Trouble Shooting Manual	TSM	ON	PDF	C	*****	*****	*****
		OFF	CD-P	C	*****	*****	
		ON	SGML	C	*****	*****	*****
		OFF	SGML	C	*****	*****	*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

STRUCTURAL MANUALS

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****	*****
AirN@v / Repair, including: Structural Repair Manual (*) – SRM Non Destructive Testing Manual – NTM	AirN@v / Repair	ON	Advanced Consultation Tool	E	*****	*****	*****
		OFF	Advanced Consultation Tool on DVD	E	*****	*****	
Structural Repair Manual	SRM	ON	SGML	E	*****		*****
		OFF	SGML	E	*****		
Non Destructive Testing Manual	NTM	ON	SGML	E	*****	*****	*****
		OFF	SGML	E	*****	*****	

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

OVERHAUL DATA

NOMENCLATURE	**Abbr**	**Avail**	**Form**	**Type**	*****	*****	*****
AirN@v / Workshop, including: Component Maintenance Manual Manufacturer – CMMM Duct Fuel Pipe Repair Manual – DFPRM	AirN@v / Workshop	ON	Advanced Consultation Tool	E	*****	*****	*****
		OFF	Advanced Consultation Tool on DVD	E	*****	*****	
Component Maintenance Manual Manufacturer	CMMM	ON	SGML	E	*****	*****	*****
		OFF	SGML	E	*****	*****	
Component Maintenance Manual Vendor	CMMV	OFF	CD-P	E	*****	*****	*****
		ON	PDF	E	*****	*****	*****
Component Documentation Status	CDS	OFF	CD	C	*****	*****	*****
Component Evolution List	CEL	ON	PDF	G	*****	-	
		OFF	CD-P	G	*****	-	*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

ENGINEERING DOCUMENTS

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****		*****
Mechanical Drawings, including the Drawing Picture, Parts List / Parts Usage	MD	ON	Advanced Consultation Tool	C	*****	*****	*****	
Standards Manual	SM	ON	SGML	G	*****	*****	*****	
		OFF	SGML	G	*****	*****		
Process and Material Specification	PMS	ON	PDF	G	*****	*****		
		OFF	CD-P	G	*****	*****		

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

MISCELLANEOUS PUBLICATIONS

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****		*****
Airplane Characteristics for Airport Planning – AC Maintenance Facility Planning – MFP	AC/MFP	ON	PDF	E	*****	*****	*****	
		OFF	CD-P	E	*****	*****	*****	
ATA 100 Index	ATI	ON	PDF	E	*****	*****	*****	
C@DETS /Technical Data Training Courseware and Software	C@DETS	ON	Advanced Consultation Tool on CD	G	*****	*****	*****	
		OFF	Advanced Consultation Tool	G	*****	*****		
Aircraft Recovery Manual	ARM	ON	PDF	E	*****	*****		
		OFF	CD-P	E	*****	*****		
Aircraft Rescue & Firefighting Chart	ARFC	ON	PDF	E	*****	*****	*****	
		OFF	P1	E	*****	*****	*****	
Cargo Loading System Manual	CLS	ON	PDF	E	*****	*****		
		OFF	CD-P	E	*****	*****	*****	
List of Effective Technical Data	LETD	ON	PDF	C	*****	*****	*****	

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

NOMENCLATURE	Abbr	Avail	Form	Type	*****	*****		*****
List of Radioactive and Hazardous Elements	LRE	ON	PDF	G	*****	*****		
		OFF	CD-P	G	*****	*****		
Live Animal Transportation Calculation Tool	LATC	ON	Advanced Calculation Tool	E	*****	*****	*****	
	LATC	OFF	Advanced Calculation Tool on CD	E	*****	*****		
Service Bulletins	SB	ON	Advanced Consultation Tool	C	*****	*****	*****	
		OFF	CD-P	C	*****	*****	*****	
Supplier Product Support Agreements 2000	SPSA	ON	PDF	G	*****	*****	*****	
Transportability Manual	TM	OFF	CD-P	G	*****	*****		
Vendor Information Manual + Aircraft On Ground & Repair Guide	VIM + AOG & RG	ON	Advanced Consultation Tool	G	*****	*****	*****	

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT H

MATERIAL

SUPPLY AND SERVICES

1 GENERAL

1.1 Scope

1.1.1 This Exhibit H sets forth the terms and conditions for the support and services offered by the Seller to the Buyer with respect to Material (as defined below).

1.1.2 References made to Articles will be deemed to refer to articles of this Exhibit H unless otherwise specified.

1.1.3 For purposes of this Exhibit H:

1.1.4 The term "**Supplier**" will mean any supplier (other than the Seller) providing any of the Material listed in Article 1.2.1 and the term "**Supplier Part**" will mean an individual item of Material.

1.1.5 The term "**SPEC 2000**" means the "E-Business Specification for Materials Management" document published by the Air Transport Association of America.

1.2 Material Categories

1.2.1 Each of the following constitutes "**Material**" for purposes of this Exhibit H:

(i) Seller Parts;

(ii) Supplier Parts classified as Repairable Line Maintenance Parts (as defined in SPEC 2000);

(iii) Supplier Parts classified as Expendable Line Maintenance Parts (as defined in SPEC 2000);

(iv) Seller and Supplier ground support equipment and specific-to-type tools

where "**Seller Parts**" means Seller's proprietary parts bearing a part number of the Seller or for which the Seller has the exclusive sales rights.

1.2.2 Propulsion Systems, engine exchange kits, their accessories and parts for any of the foregoing, are not covered under this Exhibit H.

1.3 Term

During a period commencing on the date hereof and continuing as long as at least ***** aircraft of the model of the Aircraft are operated in commercial air transport service, of which ***** (the "**Term**"), the Seller will maintain, or cause to be maintained, a reasonable stock of *****.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

The Seller will use reasonable efforts to obtain a similar service from all Suppliers of Supplier Parts originally installed on an Aircraft at Delivery.

1.4 Airbus Material Store

1.4.1 AACS Spares Center

The Seller has established and will maintain or cause to be maintained, during the Term, a US store ("**US Spares Center**"). The US Spares Center will be operated twenty-four (24) hours per day, seven (7) days per week, for the handling of AOG and critical orders for Seller Parts.

The Seller will make reasonable efforts to deliver Seller Parts to the Buyer from the US Spares Center.

1.4.2 Material Support Center, Germany

The Seller has established its material headquarters in Hamburg, Germany (the "**Airbus Material Center**") and will, during the Term, maintain, or have maintained on its behalf, a central store of Seller Parts. The Airbus Material Center will be operated twenty-four (24) hours per day, seven (7) days per week.

1.4.3 Other Points of Shipment

1.4.3.1 In addition to the US Spares Center and the Airbus Material Center, the Seller and its Affiliates operate a global network of regional satellite stores (the "**Regional Satellite Stores**"). A list of such stores will be provided to the Buyer upon the Buyer's request.

1.4.3.2 The Seller reserves the right to effect deliveries from distribution centers other than the US Spares Center or the Airbus Material Center, which may include the Regional Satellite Stores or any other production or Supplier's facilities.

1.5 Customer Order Desk

The Seller operates a "**Customer Order Desk**", the main functions of which are:

(i) Management of order entries for all priorities, including Aircraft On Ground ("**AOG**");

(ii) Management of order changes and cancellations;

(iii) Administration of Buyer's routing instructions;

(iv) Management of Material returns;

(v) Clarification of delivery discrepancies;

(vi) Issuance of credit and debt notes.

The Buyer hereby agrees to communicate its orders for Material to the Customer Order Desk either in electronic format (SPEC 2000) or via the Internet.

1.7 Commitments of the Buyer

1.7.1 During the Term, the Buyer agrees to purchase Seller Parts from

(a) the Seller, AACS or the Seller's licensee(s) that are required for the Buyer's own needs; or

(b) other operators or from distributors, provided said Seller Parts were originally designed by the Seller and manufactured by the Seller or its licensees.

1.7.2 *****

(i) *****

(ii) *****

(iii) *****

1.7.3

1.7.3.1 *****

1.7.3.2 *****

1.7.3.3 *****

1.7.3.4 *****

2 INITIAL PROVISIONING

2.1 Period

The initial provisioning period commences with the Pre-Provisioning Meeting, as defined in Article 2.2.1, and expires on the ***** under the Agreement as of the date hereof ("**Initial Provisioning Period**").

2.2 Pre-Provisioning Meeting

2.2.1 The Seller will organize a pre-provisioning meeting at US Spares Center or at the Airbus Material Center, or at any other agreed location, for the purpose of setting an acceptable schedule and working procedure for the preparation of the initial issue of the Provisioning Data and the Initial Provisioning Conference referred to, respectively, in Articles 2.4 and 2.3 below (the "**Pre-Provisioning Meeting**").

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

During the Pre-Provisioning Meeting, the Seller will familiarize the Buyer with the provisioning processes, methods and formulae of calculation and documentation.

2.2.2 The Pre-Provisioning Meeting will take place on an agreed date that is no later than ***** prior to Scheduled Delivery Month of the first Aircraft, allowing a minimum preparation time of ***** for the Initial Provisioning Conference.

2.3 Initial Provisioning Conference

The Seller will organize an initial provisioning conference at the US Spares Center or at the Airbus Material Center (the "**Initial Provisioning Conference**"), the purpose of which will be to agree the material scope and working procedures to accomplish the initial provisioning of Material (the "**Initial Provisioning**").

The Initial Provisioning Conference will take place at the earliest ***** after Aircraft Manufacturer Serial Number allocation or Contractual Definition Freeze, whichever occurs last and latest ***** before the Scheduled Delivery Month of the first Aircraft.

2.4 Provisioning Data

2.4.1 Provisioning data generally in accordance with SPEC 2000, Chapter 1, for Material described in Articles 1.2.1 (i) through 1.2.1 (iii) ("**Provisioning Data**") will be supplied by the Seller to the Buyer in the English language, in a format and timeframe to be agreed during the Pre-Provisioning Meeting.

2.4.1.1 Unless a longer revision cycle has been agreed between the Buyer and the Seller, the Provisioning Data will be revised every ***** up to the end of the Initial Provisioning Period.

2.4.1.2 The Seller will ensure that Provisioning Data is provided to the Buyer in time to permit the Buyer to perform any necessary evaluation and to place orders in a timely manner.

2.4.1.3 Provisioning Data generated by the Seller will comply with the configuration of the Aircraft as documented ***** before the date of issue.

This provision will not cover:

(i) Buyer modifications not known to the Seller,

(ii) other modifications not approved by the Seller's Aviation Authorities or by the FAA.

2.4.2 **Supplier-Supplied Data**

Provisioning Data relating to each Supplier Part (both initial issue and revisions) will be produced by Supplier thereof and may be delivered to the Buyer either by the Seller or such Supplier. It is agreed and understood by the Buyer that the Seller will not be

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responsible for the substance, accuracy or quality of such data. Such Provisioning Data will be provided in either SPEC 2000 format or any other agreed format.

2.4.3 **Supplementary Data**

The Seller will provide the Buyer with data supplementary to the Provisioning Data, comprising local manufacture tables, ground support equipment, specific-to-type tools and a pool item candidate list.

2.5 Commercial Offer

Upon the Buyer's request, the Seller will submit a commercial offer for Initial Provisioning.

2.6 Delivery of Initial Provisioning Material

2.6.1 During the Initial Provisioning Period, Initial Provisioning Material will conform to the latest known configuration standard of the Aircraft for which such Material is intended as reflected in the Provisioning Data transmitted by the Seller.

2.6.2 The delivery of Initial Provisioning Material will take place according to the conditions specified in the commercial offer mentioned in Article 2.5.

2.6.3 All Initial Provisioning Material will be packaged in accordance with ATA 300 Specification.

2.7 Buy-Back Period and Buy-Back of Initial Provisioning Surplus Material

a) *****

b) *****

c) *****

i) *****

ii) *****

iii) *****

iv) *****

v) *****

vi) *****

vii) *****

d) *****

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i) *****

ii) *****

e) *****

f) *****

3 OTHER MATERIAL SUPPORT

3.1 As of the date hereof, the Seller currently offers various types of parts support through the Customer Services Catalog on the terms and conditions set forth therein from time to time, including, but not limited to the lease of certain Seller Parts, the repair of Seller Parts and the sale or lease of ground support equipment and specific-to-type tools.

4 WARRANTIES

4.1 Seller Parts

Subject to the limitations and conditions as hereinafter provided, the Seller warrants to the Buyer that all Seller Parts, sold under this Exhibit H will at delivery to the Buyer:

(i) be free from defects in material.

(ii) be free from defects in workmanship, including without limitation processes of manufacture.

(iii) be free from defects arising from failure to conform to the applicable specification for such part.

(iv) be free from defects in design (including without limitation the selection of material) having regard to the state of the art at the date of such design.

4.1.1 **Warranty Period**

4.1.1.1 The warranty period for Seller Parts is ***** for new Seller Parts and ***** for used Seller Parts from delivery of such parts to the Buyer.

4.1.1.2 Whenever any Seller Part that contains a defect for which the Seller is liable under Article 4.1 has been corrected, replaced or repaired pursuant to the terms of this Article 4.1, the period of the Seller's warranty with respect to such corrected, repaired or replacement Seller Part, as the case may be, will be the remaining portion of the original warranty period or *****, whichever is longer.

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4.1.2 **Buyer's Remedy and Seller's Obligation**

The Buyer's remedy and Seller's obligation and liability under this Article 4.1 are limited to the repair, replacement or correction, at the Seller's expense and option, of any Seller Part that is defective.

The Seller may alternatively furnish to the Buyer's account with the Seller a *****.

The provisions of Clauses 12.1.5 through 12.1.11 of the Agreement will apply to claims made pursuant to this Article 4.1.

4.2 Supplier Parts

With respect to Supplier Parts to be delivered to the Buyer under this Exhibit H, the Seller agrees to transfer to the Buyer the benefit of any warranties, which the Seller may have obtained from the corresponding Suppliers and the Buyer hereby agrees that it will accept the same.

4.3 Waiver, Release and Renunciation

THIS ARTICLE 4 (INCLUDING ITS SUBPARTS) SETS FORTH THE EXCLUSIVE WARRANTIES, EXCLUSIVE LIABILITIES AND EXCLUSIVE OBLIGATIONS OF THE SELLER, AND THE EXCLUSIVE REMEDIES AVAILABLE TO THE BUYER, WHETHER UNDER THIS AGREEMENT OR OTHERWISE, ARISING FROM ANY DEFECT OR NONCONFORMITY OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, OR SERVICES (IF ANY) DELIVERED BY THE SELLER UNDER THIS EXHIBIT H.

THE BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS, GUARANTEES AND LIABILITIES OF THE SELLER AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF THE BUYER AGAINST THE SELLER AND ITS SUPPLIERS, WHETHER EXPRESS OR IMPLIED BY CONTRACT, TORT, OR STATUTORY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMITY OR DEFECT OR PROBLEM OF ANY KIND IN ANY SELLER PART, MATERIAL, LEASED PART, OR SERVICES (IF ANY) DELIVERED BY THE SELLER UNDER THIS EXHIBIT H, INCLUDING BUT NOT LIMITED TO:

(1) ANY IMPLIED WARRANTY OF MERCHANTABILITY AND/OR FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE;

(2) ANY IMPLIED OR EXPRESS WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;

(3) ANY RIGHT, CLAIM OR REMEDY FOR BREACH OF CONTRACT;

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(4) ANY RIGHT, CLAIM OR REMEDY FOR TORT, UNDER ANY THEORY OF LIABILITY, HOWEVER ALLEGED, INCLUDING, BUT NOT LIMITED TO, ACTIONS AND/OR CLAIMS FOR NEGLIGENCE, GROSS NEGLIGENCE, INTENTIONAL ACTS, WILLFUL DISREGARD, IMPLIED WARRANTY, PRODUCT LIABILITY, STRICT LIABILITY OR FAILURE TO WARN;

(5) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER STATE OR FEDERAL STATUTE;

(6) ANY RIGHT, CLAIM OR REMEDY ARISING UNDER ANY REGULATIONS OR STANDARDS IMPOSED BY ANY INTERNATIONAL, NATIONAL, STATE OR LOCAL STATUTE OR AGENCY;

(7) ANY RIGHT, CLAIM OR REMEDY TO RECOVER OR BE COMPENSATED FOR:

(a) LOSS OF USE OR REPLACEMENT OF ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;

(b) LOSS OF, OR DAMAGE OF ANY KIND TO, ANY AIRCRAFT, COMPONENT, EQUIPMENT, ACCESSORY OR PART PROVIDED UNDER THE AGREEMENT;

(c) LOSS OF PROFITS AND/OR REVENUES;

(d) ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGE.

THE WARRANTIES PROVIDED BY THIS AGREEMENT WILL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY THE SELLER AND THE BUYER. IN THE EVENT THAT ANY PROVISION OF THIS ARTICLE 4 SHOULD FOR ANY REASON BE HELD UNLAWFUL, OR OTHERWISE UNENFORCEABLE, THE REMAINDER OF THIS ARTICLE 4 WILL REMAIN IN FULL FORCE AND EFFECT.

FOR THE PURPOSES OF THIS ARTICLE 4, THE “SELLER” WILL BE UNDERSTOOD TO INCLUDE THE SELLER, ANY OF ITS SUPPLIERS, SUBCONTRACTORS, AND AFFILIATES AND ANY OF THEIR RESPECTIVE INSURERS.

4.4 Duplicate Remedies

The remedies provided to the Buyer under this Article 4 as to any part thereof are mutually exclusive and not cumulative. The Buyer will be entitled to the remedy that provides the maximum benefit to it, as the Buyer may elect, pursuant to the terms and

conditions of this Article 4 for any particular defect for which remedies are provided under this Article 4; provided, however, that the Buyer will not be entitled to elect a remedy under one part of this Article 4 that constitutes a duplication of any remedy elected by it under any other part hereof for the same defect. The Buyer's rights and remedies herein for the nonperformance of any obligations or liabilities of the Seller arising under these warranties will be in monetary damages limited to the amount the Buyer expends in procuring a correction or replacement for any covered part subject to a defect or nonperformance covered by this Article 4, and the Buyer will not have any right to require specific performance by the Seller.

5 COMMERCIAL CONDITIONS

5.1 Delivery Terms

All Material prices are quoted on the basis of Free Carrier (FCA) delivery terms, without regard to the place from which such Material is shipped. The term "**Free Carrier (FCA)**" is as defined by publication n° 560 of the International Chamber of Commerce, published in January 2000.

5.2 Payment Procedures and Conditions

All payments under this Exhibit H will be made in accordance with the terms and conditions set forth in the then current Customer Services e-Catalog.

5.3 Title

Title to any Material purchased under this Exhibit H will remain with the Seller until full payment of the invoices and interest thereon, if any, has been received by the Seller.

The Buyer hereby undertakes that Material title to which has not passed to the Buyer will be kept free from any debenture or mortgage or any similar charge or claim in favour of any third party.

5.4 Cessation of Deliveries

The Seller has the right to restrict, stop or otherwise suspend deliveries of Material in this Exhibit H, or its other obligations under this Exhibit H, if the Buyer fails to meet its material obligations set forth in this Exhibit H.

6 EXCUSABLE DELAY

Clauses 10.1 and 10.2 of the Agreement will apply, mutatis mutandis, to all Material support and services provided under this Exhibit H.

7 TERMINATION OF MATERIAL PROCUREMENT COMMITMENTS

7.1 If the Agreement is terminated with respect to any Aircraft, then the rights and obligations of the parties with respect to undelivered spare parts, services, data or other items to be purchased hereunder and which are applicable to those Aircraft for which the Agreement has been terminated will also be terminated. Unused Material in excess of the Buyer's requirements due to such termination may be repurchased by the Seller, at the Seller's option, as provided in Article 2.7.

8 INCONSISTENCY

In the event of any inconsistency between this Exhibit H and the Customer Services Catalog or any order placed by the Buyer, this Exhibit H will prevail to the extent of such inconsistency.

Exhibit 10.23

EXECUTION VERSION

DATED AS OF DECEMBER 16, 2016

VERTICAL HORIZONS, LTD.,
AS BORROWER

EACH LENDER
IDENTIFIED ON SCHEDULE I HERETO
AS LENDERS

CITIBANK, N.A.,
AS FACILITY AGENT

CITIGROUP GLOBAL MARKETS, INC.,
AS ARRANGER

BANK OF UTAH,
NOT IN ITS INDIVIDUAL CAPACITY BUT SOLELY
AS SECURITY TRUSTEE

SECOND AMENDED AND RESTATED CREDIT AGREEMENT IN RESPECT OF THE PDP FINANCING OF NINETEEN (19) AIRBUS A321-200 AIRCRAFT, FORTY-NINE (49) AIRBUS A320NEO AIRCRAFT AND TWO (2) AIRBUS A320-200 AIRCRAFT

CONTENTS

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT dated as of December 16, 2016 (this "**Agreement**") is among

(1) **VERTICAL HORIZONS, LTD**., a Cayman Islands exempted company (the "**Borrower**");

(2) **EACH LENDER IDENTIFIED ON SCHEDULE I HERETO**;

(3) **CITIBANK, N.A.**, as the Facility Agent acting on behalf of the Lenders;

(4) **CITIGROUP GLOBAL MARKETS, INC.**, in its capacity as the Arranger (the "**Arranger**"); and

(5) **BANK OF UTAH**, not in its individual capacity but solely as Security Trustee acting on behalf of the Facility Agent and the Lenders.

WHEREAS, this Agreement amends and restates in its entirety the credit agreement dated as of December 23, 2014 (such date, the "**Original Signing Date**" and such agreement, the "**Original Credit Agreement**"), as amended and restated by the amended and restated credit agreement dated as of August 11, 2015 (such date, the "**AR Signing Date**"), as further amended by that certain amendment no. 1 to the amended and restated credit agreement dated as of December 30, 2015 and that certain amendment no. 2 to the amended and restated credit agreement dated as of January 14, 2016 (such date, the "**Amendment No. 2 Signing Date**") among the Borrower, each Lender identified on Schedule I thereto, the Facility Agent, the Arranger and the Security Trustee, pursuant to which the Lenders made Loans available with respect to the Existing Aircraft;

WHEREAS, the parties have agreed to enter into this Agreement for the purpose of making Loans available with respect to the Existing Aircraft and the Additional Aircraft; and

WHEREAS, upon the execution and delivery of this Agreement, the Borrower, the Facility Agent and the Security Trustee shall enter into that certain Second Amended and Restated Mortgage and Security Agreement on the date hereof (the "**Mortgage**") pursuant to which the Borrower agrees, among other things, that Loan Certificates issued hereunder and all other obligations to the Lenders and/or any Agent hereunder or under any other Operative Document will be secured by the mortgage and security interest granted by the Borrower in favour of the Security Trustee with respect to the Existing Aircraft and the Additional Aircraft.

NOW, **THEREFORE**, in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. CERTAIN DEFINITIONS

1.1 Except as otherwise defined in this Agreement, including its annexes, schedules and exhibits, terms used herein in capitalized form shall have the meanings attributed thereto in Annex A.

1.2 Unless the context otherwise requires, any reference herein to any of the Operative Documents refers to such document as it may be modified, amended or supplemented from time to time in accordance with its terms and the terms of each other agreement restricting the modification, amendment or supplement thereof.

2. COMMITMENTS; BORROWER'S NOTICE OF PAYMENT DATES; CLOSING PROCEDURE

2.1 Subject to the terms and conditions of this Agreement, each Lender agrees to make a secured loan to the Borrower in respect of each Advance (herein called, for such Advance, a "**Loan**") on a Borrowing Date to be designated pursuant to Clause 2.3, but in no event later than the Commitment Termination Date. In the case of each Lender on any Borrowing Date, such Loan shall, in respect of each Aircraft, be equal to the least of:

(a) such Lender's Participation Percentage multiplied by, on any Borrowing Date, the relevant Financed Amount; and

(b) such Lender's Maximum Commitment minus the aggregate amount of all Loans made by such Lender prior to such Borrowing Date that remain outstanding on such Borrowing Date.

2.2 If any Lender shall default in its obligation to make the amount of its Commitment available pursuant to Clause 2.1, *****. Without limiting the above, if the Facility Agent disburses a Lender's Commitment without first having received funds from a defaulting Lender, then such defaulting Lender hereby agrees to indemnify the Facility Agent against any loss it may incur as a result of such failure to fund by such defaulting Lender.

2.3 As more particularly specified in Clause 5.2, the Borrower shall execute and deliver to each Lender with appropriate insertions a Loan Certificate to evidence such Lender's Maximum Commitment. The Loan Certificates shall be issued such that each Lender receives a Loan Certificate. Each Loan shall be evidenced by this Agreement, the Loan Certificate with respect thereto, and notations made from time to time by each Lender in its books and records, including computer records. Each Lender shall record in its books and records, including computer records, the principal amount of the Loans owing to it from time to time. Absent evidence to the contrary, each Lender's books and records shall constitute presumptive evidence of the accuracy of the information contained therein. Failure by any Lender to make any such notation or record shall not affect the obligations of the Borrower to such Lender with respect to the repayment of its Loans.

(a) Each Party hereby acknowledges that (i) prior to the Effective Date the Lenders have made Loans in respect of certain Advances relating to certain Existing Aircraft which were paid by or on behalf of the Borrower on certain dates prior to the Effective Date in the amounts as set out in the column entitled Financed Amount in the table set out in Schedule III, (ii) the proceeds of such Loans were paid to the Borrower or to its direction and (iii) the terms of this Agreement and the other Operative Documents shall continue to apply to such Loans.

(b) The Borrower agrees to give the Facility Agent at least ***** prior written notice (the "**Funding Notice**") of the Effective Date and each other Borrowing Date, such notice to be received by the Facility Agent prior to *****, and which shall be in substantially the form of Exhibit A. On the date of the execution and delivery of this Agreement and the satisfaction of the conditions precedent in Clause 4.1 (the "**Effective Date**"), the Lenders shall make Loans (subject to the limitations specified in Clause 2.1) in respect of certain Advances relating to certain Additional Aircraft which were paid by or on behalf of the Borrower prior to the Effective Date in the amounts equal to the applicable Financed Amounts. The proceeds of such Loans shall be paid to the Borrower; provided, however,

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that the Borrower shall have paid all Advances relating to any Additional Aircraft that were due and payable prior to the Effective Date, and the Borrower shall remain responsible for the Advances in an amount equal to the Equity Contributions applicable as of the Effective Date for each Aircraft (including the Existing Aircraft and the Additional Aircraft).

(c) In the event that any Loan shall not be consummated in accordance with the terms hereof on the Effective Date or the Borrowing Date specified in a Funding Notice, the Lenders and the Borrower shall cooperate with each other to arrange a mutually acceptable postponement of such date (the "**Delayed Borrowing Date**"). *****.

Notwithstanding anything to the contrary herein, in the event that any amount paid by or on behalf of the Borrower on any Borrowing Date with respect to a pre-delivery payment obligation for any Aircraft exceeds the required Equity Contribution set forth on Schedule III for such Aircraft on such Borrowing Date as a result of any portion of the Financed Amount for such Aircraft not being available on such Borrowing Date as a result of a PDP Funding Date Deficiency, Lender agrees to refund to the Borrower the amount of such excess either by netting such excess amount against a future Equity Contribution or Loan payment obligation of the Borrower or by directly funding such amount as an additional Loan the Borrower, in each case, as soon as reasonably practicable after such PDP Funding Date Deficiency ceases to exist. The Lender shall have the right in its sole discretion to choose whether to fund such excess amount as an additional Loan or to net such excess amount against the Borrower's future payment obligations hereunder.

2.4 On the Effective Date, each Lender, through or on behalf of the Facility Agent, agrees to pay the amount of its Commitment for the Loans in respect of the initial Advances under this second amended and restated Agreement to such account as the Borrower shall direct the Facility Agent in writing to reimburse Borrower for a portion of previously funded Purchase Price Installments relating to Additional Aircraft. On each other Borrowing Date for each subsequent Loan specified in a Borrower's notice referred to in Clause 2.3, subject to the terms and conditions of this Agreement, each Lender, through or on behalf of the Facility Agent, agrees to pay the amount of its Commitment for the Loan in respect of each such Advance directly to Airbus by wiring such amounts to the account or accounts specified in the applicable Funding Notice. The Borrower agrees that the actual transfer of the proceeds of Loans to the bank designated by the Borrower for credit to Airbus's or the Borrower's account (as applicable) shall constitute conclusive evidence that the Loans were made.

3. FEES; CANCELLATION OF FACILITY AMOUNT

3.1 Each Loan Certificate shall bear interest and be repaid in accordance with the applicable terms of this Agreement and the Mortgage.

3.2 In consideration of the Lenders' Commitments hereunder, the Borrower shall pay to the Arranger on the date of execution and delivery of this Agreement the non-refundable arrangement fee specified in the Fee Letter.

3.3 The Borrower shall pay to the Facility Agent for the account of each Lender, the Commitment Fee quarterly in arrears, based on the daily average of the undrawn portion of the Facility Amount during such period, as the Facility Amount may be cancelled or reduced under Clause 3.5 on every Interest Payment Date following the Effective Date calculated daily on the basis of a year of 360 days and the actual number of days elapsed.

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3.4 The Borrower paid to the Facility Agent for the account of the Facility Agent, an amount equal to ***** on the Original Signing Date, and shall pay an amount equal to ***** to the Facility Agent on each anniversary of the Original Signing Date until the date on which the Security Trustee releases the Collateral from the Lien of the Mortgage in accordance with Clause 7.1 of the Mortgage.

3.5 The Borrower may at any time permanently and irrevocably cancel or reduce the Facility Amount (in whole or in part) provided that the amount thereof shall be specified in a written notice to the Facility Agent from the Borrower and countersigned by the Guarantors ***** before the effective date of such cancellation and the undrawn portion of the Facility Amount may not be cancelled or reduced to the extent that the undrawn portion of the Facility will be required to be drawn in the future to make future Advances in respect of an Aircraft with respect to which a Loan is outstanding.

4. CONDITIONS

4.1 Conditions Precedent to the Effectiveness of the Commitments

It is agreed that the Commitments of each Lender and the effectiveness of the Lender's obligations pursuant to this Agreement are subject to the satisfaction prior to or on the Effective Date of the following conditions precedent and the occurrence of the initial Loan by the Lenders on or following the Effective Date shall be conclusive and binding evidence that such conditions precedent has been satisfied or waived by the Lender:

(a) The following documents shall have been duly authorized, executed and delivered by the party or parties thereto, shall each be satisfactory in form and substance to the Facility Agent and shall be in full force and effect and executed counterparts shall have been delivered to the Facility Agent and its counsel:

(i) this Agreement;

(ii) the Mortgage;

(iii) each Guarantee;

(iv) the Share Charge;

(v) the Step-In Agreement;

(vi) each Engine Agreement;

(vii) each Lender's Loan Certificate;

(viii) the Assignment and Assumption Agreement;

(ix) the Option Agreement;

(x) the Subordinated Loan Agreement;

(xi) the Servicing Agreement;

(xii) the Process Agent Appointment;

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(xiii) Amendment Agreement No. 1;

(xiv) Amendment Agreement No. 2;

(xv) Amendment Agreement No. 3;

(xvi) Amendment Agreement No. 2 to Assignment and Assumption Agreement; and

(xvii) Amendment Agreement No. 3 to Assignment and Assumption Agreement.

(b) The Facility Agent shall have received the following, in each case in form and substance satisfactory to it:

(i) the memorandum and articles of association of the Borrower, a certificate of good standing of the Borrower, the certificate of incorporation of the Borrower, the declaration of trust in respect of the shares of the Borrower (as amended) and a copy of resolutions of the board of directors of the Borrower duly authorizing the execution, delivery and performance by the Borrower of this Agreement, the Mortgage and each other document required to be executed and delivered by the Borrower on the Effective Date, each certified by a director of the Borrower;

(ii) a copy of the organizational documents of the Parent and a copy of resolutions of the board of directors of the Parent duly authorizing the execution, delivery and performance by the Parent of the Share Charge and each other document required to be executed and delivered by the Parent on the Effective Date, each certified by the Secretary or an Assistant Secretary or two duly authorized signatories of the Parent;

(iii) an officer's certificate from an officer of each Guarantor (a) attaching copies of the constituent documents of such Guarantor, (b) attaching copies of the resolutions of the board of directors of such Guarantor, certified by an officer of such Guarantor, duly authorizing the execution, delivery and performance by such Guarantor of the Guarantee made by such Guarantor, and the Subordinated Loan Agreement, the Assignment and Assumption Agreement, the Step-In Agreement, the Engine Agreements, the Option Agreement, the Servicing Agreement (in each case to the extent it is a party to such Operative Document) and each other document required to be executed and delivered by such Guarantor on the Effective Date and (c) listing the Person or Persons authorized to execute and deliver the Operative Documents, and any other documents to be executed on behalf of such Guarantor in connection with the transactions contemplated hereby, including a sample signature of such Person or Persons;

(iv) a certificate of the Borrower as to the Person or Persons authorized to execute and deliver the Operative Documents, and any other documents to be executed on behalf of the Borrower in connection with the transactions contemplated hereby and as to the signature of such Person or Persons; and

(v) a certificate of the Parent as to the Person or Persons authorized to execute and deliver the Operative Documents, and any other documents to be executed on behalf of the Parent in connection with the transactions contemplated hereby, including a sample signature of such Person or Persons.

(c) The Facility Agent (with sufficient copies for each Lender) shall have received a certificate of the Borrower that the aggregate amount of Financed Amounts together with all Equity Contributions in connection with each Aircraft (including each Additional Aircraft), shall be sufficient when paid to Airbus in accordance with this Agreement to satisfy the obligation of the Borrower with respect to all Advances due and payable for each such Aircraft.

(d) Uniform Commercial Code financing statements covering all the security interests created by or pursuant to the granting clause of the Mortgage (including with respect to the Collateral relating to the Additional Aircraft) shall have been delivered by the Borrower, and such financing statements shall have been filed in all places deemed necessary or advisable in the opinion of counsel for the Lenders, and any additional Uniform Commercial Code financing statements deemed advisable by any Lender or its counsel shall have been delivered by the Borrower and duly filed.

(e) Evidence shall have been delivered of the entry into the Parent's register of mortgages and charges of the Share Charge (other than in respect of such entry in anticipation of the Share Charge).

(f) All documentation required to accomplish any necessary or advisable filings or registrations in the Cayman Islands shall have been delivered to local Cayman Islands counsel, and such registrations shall be initiated and there shall exist no Lien of record in respect of the Collateral that ranks in priority to the Lien of the Mortgage and the other Operative Documents.

(g) The Facility Agent (with sufficient copies for each Lender and the Security Trustee) shall have received an opinion addressed to each Lender, and each Agent from one or more special counsel to the Borrower, in each applicable jurisdiction (including in the Cayman Islands and New York), with such opinions satisfactory in form and substance to such Lender, as to the valid, binding and enforceable nature of the Operative Documents in place on the Effective Date, due execution by the Borrower, each Guarantor, and the creation and perfection in the Collateral (including Collateral relating to the Additional Aircraft) assigned and charged pursuant to the Mortgage.

(h) [Reserved].

(i) The Facility Agent (with sufficient copies for each Lender) shall have received an opinion addressed to each Lender and each Agent from Airbus in-house counsel, in form and substance reasonably satisfactory to the addressees thereof.

(j) The Facility Agent (with sufficient copies for each Lender) shall have received an incumbency certificate together with a company extract evidencing the signing authority of the persons named in the incumbency certificate or such other evidence as shall be reasonably satisfactory to the Finance Parties as regards the signing authority of the Engine Manufacturer.

(k) The Arranger shall have received the arrangement fee specified in Clause 3.2 and the Facility Agent should have received the amount due and payable pursuant to Clause 3.4.

(l) Since December 31, 2015, (i) there shall have been no material adverse change in the business condition (financial or otherwise), or operations or prospects of either Guarantor which taken as a whole for either of them could have a material adverse effect on the

ability of either Guarantor to perform its obligations under any Operative Document to which it is a party and no event or circumstance shall have occurred which in the reasonable judgment of any Lender had or would be reasonably likely to have a Material Adverse Effect and (ii) there shall have been no material and adverse change in the LIBOR funding markets or any financial markets applicable to a Lender which would materially impair the ability of such Lender to fund a Loan in respect of an Advance hereunder.

(m) The Facility Agent and each Lender shall have received its customary "know your customer" documentation completed by the Borrower and/or each Guarantor, as the case may be.

(n) The Facility Agent shall have received a copy of each Assigned Airbus Purchase Agreement in the forms agreed between the Borrower, Airbus and the Security Trustee.

(o) The Facility Agent shall have received a certificate from the Borrower confirming that payment to Airbus of the Loans will to the extent of such payments satisfy the pre-delivery payment obligations of the Borrower to Airbus.

(p) The Facility Agent shall have received an audited consolidated balance sheet and related statements of Frontier Holdings and its subsidiaries at and as of the end of the fiscal year of such Guarantor ended December 31, 2015, together with an audited consolidated statement of income for such fiscal year, each of which shall be prepared in accordance with GAAP.

(q) The Borrower shall discharge its obligations under the Security Trustee Fee Letter as such obligations are due to be performed.

(r) The Facility Agent shall have received evidence that Frontier Holdings has, as of such date, Unrestricted Cash and Cash Equivalents in an aggregate amount of not less than *****.

The Borrower shall discharge or shall procure the discharge of all fees payable to the Parent in respect of the Borrower and the transaction as such obligations are due to be performed in accordance with the Operative Documents.

4.2 **Conditions Precedent to the Lenders' Participation in each Loan**

It is agreed that the obligations of each Lender to lend all or any portion of its Commitment to the Borrower in respect of each Loan (including Loans in respect of Advances made by the Borrower prior to the Effective Date) is subject to the satisfaction prior to or on the Borrowing Date for such Loan of the following conditions precedent:

(a) The Facility Agent shall have received a Funding Notice with respect to the Borrowing Date for such Loan pursuant to Clause 2 (or shall have waived such notice either in writing or as provided in Clause 2).

(b) In respect of the first Loan to be made hereunder with respect of an Aircraft, the Facility Agent and each Lender shall have received evidence from Airbus in form and substance reasonably satisfactory to them that the Advances falling due and payable prior to such Borrowing Date and the part of such Advance due and payable on such Borrowing Date which is financed by an Equity Contribution has been received by Airbus in full and in

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

respect of each subsequent Loan, neither the Facility Agent nor and Lender shall have received evidence from Airbus that an Equity Contribution has not been received by Airbus in full.

(c) As of the Borrowing Date it is not illegal for a Lender to fund a Loan in respect of such Advance, to acquire its Loan Certificate(s) or to realize the benefits of the security afforded by the Mortgage and the Share Charge, and (ii) since 26 November 2014 there shall have been no material and adverse change, whether in effect on the Original Signing Date or coming into effect thereafter in the LIBOR funding markets or any financial markets applicable to a Lender which would materially impair the ability of such Lender to fund a Loan in respect of an Advance hereunder.

(d) A certificate of a director of the Borrower, certifying that on such Borrowing Date, (A) the representations and warranties of the Borrower contained in Clause 7 are true and accurate in all material respects as though made on and as of such date except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties shall be true and accurate on and as of such earlier date) and (B) no event has occurred or is continuing which constitutes (or would, with the passage of time or the giving of notice or both, constitute) an Event of Default, and (C) no event or circumstance has occurred which is reasonably likely to have a Material Adverse Effect.

(e) On such Borrowing Date, when taking into consideration future Equity Contributions required to be paid as set forth in Schedule III, the available undrawn Commitment is sufficient to satisfy all future Advances payable under the terms of the Assigned Purchase Agreements except for an aggregate amount of future Advances not to exceed ***** for a single period not to exceed *****.

(f) The Facility Agent shall have received for the account of the Lenders all fees specified in Clauses 3.3 and 3.4 that are due and payable on or prior to such Borrowing Date and any other amounts the Borrower is required to pay in connection with such Advance in accordance with this Agreement.

(g) The Facility Agent shall not have received any notice, or is not otherwise aware, that an Airbus Termination Event has occurred and is continuing, and the Facility Agent is satisfied (acting reasonably) that the Aircraft Purchase Agreements are in full force and effect.

(h) The Facility Agent shall have received a copy of any other Authorization which the Facility Agent reasonably considers to be necessary following advice from its legal advisors (if it has notified the Borrower accordingly) in connection with the entry into and performance of the transactions contemplated by any Operative Document or for the validity and enforceability of any Operative Document.

(i) The Facility Agent shall be satisfied that the Liens constituted by the relevant Operative Documents which purport to create such Liens and which are required pursuant to the terms of this Agreement are in full force and effect and have been fully perfected.

(j) No Default or Event of Default shall have occurred and be continuing.

(k) Each Guarantee shall be in full force and effect.

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(l) The Borrower is in compliance with the LTV Test before and after giving effect to the making of the applicable Loan.

(m) The Loans have not become due and payable or will, with the passing of time, become due and payable pursuant to Clause 5.9(c), (d), or (e).

4.3 **Conditions Subsequent.**

It is agreed that if there is an LTV Test failure on the Effective Date, the Borrower will issue an irrevocable prepayment notice to the Facility Agent on the Effective Date for the prepayment on the Business Day following the Effective Date of such portion of the Loans as is necessary to bring the Borrower into compliance with the LTV Test. Such prepayment shall be treated as a voluntary prepayment and the provisions of Clauses 5.9(b) and 5.10 shall apply.

5. THE CERTIFICATES

5.1 **Form of Loan Certificates**

The Loan Certificates shall each be substantially in the form specified in Exhibit F.

5.2 **Terms of Loan Certificates; Loans**

(a) On the Effective Date, each Lender shall return the original counterparts of the existing Loan Certificates to the Borrower and the Borrower shall issue a Loan Certificate to each Lender in an aggregate original principal amount equal to such Lender's Maximum Commitment. The Borrower shall be entitled to borrow Loans against each Loan Certificate in accordance with Clauses 2.1 and 4.

(b) Each Loan Certificate shall bear interest on the unpaid principal amount thereof from time to time outstanding from and including the date thereof until such principal amount is paid in full. Such interest shall accrue with respect to each Interest Period at the Applicable Rate in effect for such Interest Period and shall be payable in arrears on each Interest Payment Date and on the date such Loan is repaid in full. The Interest Periods for the Loans can vary in accordance with the definition of Interest Period. Interest shall be payable with respect to the first but not the last day of each Interest Period and shall be payable from (and including) the date of a Loan or the immediately preceding Interest Payment Date, as the case may be, to (and excluding) the next succeeding Interest Payment Date. Interest hereunder and under the Loan Certificates shall be calculated on the basis of a year of 360 days and actual number of days elapsed.

(c) If any sum payable under the Loan Certificates or under the Mortgage falls due on a day which is not a Business Day, then such sum shall be payable on the next succeeding Business Day.

(d) The principal of the Loans relating to an Aircraft shall be due and payable in full upon the first to occur of (i) the Delivery Date of such Aircraft, as notified by the Borrower to the Facility Agent ***** prior to such day, (ii) except as specified in clause (iii), the date falling ***** after the final day of the Scheduled Delivery Month for such Aircraft, (iii) in the event of a Relevant Delay, the date falling ***** after the final day of the Scheduled Delivery Month of such Aircraft, and (iv) the Termination Date. The Borrower shall notify the Facility Agent and the Lenders of the expected Delivery Date of each Aircraft, not less than ***** prior to the Interest Payment Date immediately preceding

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such expected Delivery Date. Upon receipt of such notice, the Lenders shall effect a stub Interest Period ending on such expected Delivery Date for the Loans allocable to such Aircraft. If a Delivery Date is delayed, then the Facility Agent and the Lenders shall continue to make funds available in accordance with the terms hereof, at a LIBOR rate determined based on the Lenders' Cost of Funds until the earlier of (x) the actual Delivery Date of such Aircraft (y) the date falling ***** after the final day of the Scheduled Delivery Month of such Aircraft and (z) in the event of a Relevant Delay, the date falling ***** after the last day of the Scheduled Delivery Month specified for such Aircraft in Schedule III.

(e) Each Loan Certificate shall bear interest at the Past Due Rate on any principal thereof and, to the extent permitted by Applicable Law, interest (other than interest accrued at the Past Due Rate) and other amounts due thereunder and hereunder, not paid when due (whether at stated maturity, by acceleration or otherwise), for any period during which the same shall be overdue, payable on demand by the Lender given through the Facility Agent.

(f) The Loan Certificates shall be executed on behalf of the Borrower by one of its authorized officers. Loan Certificates bearing the signatures of individuals who were at any time the proper officers of the Borrower shall bind the Borrower, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the delivery of such Loan Certificates or did not hold such offices at the respective dates of such Loan Certificates. No Loan Certificates shall be issued hereunder except those provided for in Clause 5.2(a) and any Loan Certificates issued in exchange or replacement therefor pursuant to the terms of this Agreement.

(g) Upon the request of the Borrower, the Lenders shall have the right in their sole discretion to extend the Commitment Termination Date by one year to the next Extension Date by delivering an Extension Notice to the Borrower no later than ***** prior to the then-current Commitment Termination Date. Any such extension shall require the unanimous consent of all Lenders, each acting at their own discretion.

5.3 **Taxes**

(a) Any and all payments by or on account of any obligation of the Borrower hereunder to the Lenders, the Facility Agent or the Security Trustee, under the Loan Certificates and each other Operative Document shall be made free and clear of and without deduction for any Taxes, except as required by Applicable Law; provided that if the Borrower shall be required to deduct any Indemnified Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Clause 5.3) the Security Trustee, the Facility Agent and each Lender (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall, or shall cause the Security Trustee to, make such deductions and (iii) the Borrower shall, or shall cause the Security Trustee to, pay the full amount deducted to the relevant Governmental Entity in accordance with Applicable Law.

(b) In addition, the Borrower shall, or shall cause the Security Trustee to, pay any Indemnified Taxes or Taxes addressed in Section 5.3(j) to the relevant Governmental Entity in accordance with Applicable Law and shall indemnify the Security Trustee, the Facility Agent and each Lender on an After-Tax Basis within ***** after written demand

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therefor, for the full amount of any Indemnified Taxes paid by the Security Trustee, the Facility Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Borrower hereunder or under the other Operative Documents (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Clause) and, other than any of the following to the extent (but only to the extent) resulting from the gross negligence or willful misconduct of the Security Trustee, the Facility Agent or such Lender, any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes are correctly or legally imposed or asserted by the relevant Governmental Entity. Determinations and calculations made by a Lender with respect to an indemnity due hereunder shall be conclusive absent manifest error, provided that such determinations and calculations are made on a reasonable basis.

(c) As soon as practicable after any payment of Taxes by the Borrower to a Governmental Entity, the Borrower shall, or shall cause the Security Trustee to, deliver to the Facility Agent the original or a certified copy of a receipt issued by such Governmental Entity evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Facility Agent.

(d) Any Person that at any time is entitled to an exemption from or reduction of any Indemnified Tax, at the request of the Borrower or the Security Trustee, shall deliver to it (with a copy to the Facility Agent) such properly completed and executed documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Security Trustee as will permit the utilization of such exemption or reduction, provided that such Person has determined in its reasonable good faith judgment that to do so will not result in any adverse consequences to such Person, unless the adverse consequence can be cured through an indemnity (such determination to be made by such Person in its reasonable good faith judgment), and such Person is indemnified for any adverse consequence by the Borrower in a manner reasonably satisfactory to such Person.

(e) If the Borrower becomes obligated to pay any Indemnified Taxes pursuant to this Clause 5.3, each applicable Lender and the Facility Agent hereby agrees to cooperate with the Borrower, as described in Clauses 5.11(d).

(f) (i) If the Security Trustee, the Facility Agent or a Lender receives a refund of any Taxes in respect of which additional amounts were paid by the Borrower pursuant to this Clause 5.3, the Security Trustee, the Facility Agent or such Lender shall, as soon as reasonably practicable, pay to the Borrower the amount of such refund plus any interest received on such refund fairly attributable to such Tax and not in excess of amounts previously paid by the Borrower to the Security Trustee, the Facility Agent or such Lender pursuant to this Clause 5.3 (other than interest actually received on such refund and fairly attributable to such Tax), provided, however, that such amount shall be reduced by the amount of any obligation of the Borrower under this Agreement then due and not made (and the amount of such reduction shall not be payable before such time and to the extent as such obligation shall have been satisfied). The Security Trustee, the Facility Agent and each Lender shall in good faith use diligence in filing its tax returns and in dealing with taxing authorities to seek and claim any such refund and to minimize the Taxes payable or indemnifiable by the Borrower hereunder if it can do so, in its sole opinion, without adverse consequences. If the Facility Agent or a Lender actually utilizes any credit with respect to any Taxes in respect of which additional amounts were paid by the Borrower pursuant to this Clause 5.3, the Security Trustee, the Facility Agent or such Lender shall

pay to the Borrower an amount equal to the amount of such credit, but not in excess of amounts previously paid by the Borrower to the Security Trustee, the Facility Agent or such Lender, provided, however, that such amount shall be reduced by the amount of any obligation of the Borrower under this Agreement then due and not made (and the amount of such reduction shall not be payable before such time and to the extent as such obligation shall have been satisfied) and that no Person shall be required to claim any credit if to do so would, in its sole opinion, result in any adverse consequences to it and, provided, further, that no Person shall be required to claim any credit in respect of this Clause 5.3 in priority of any other credits (any utilization of such credit being in such Person's sole discretion). Any refund or credit which is subsequently disallowed in whole or in part shall be promptly repaid by the Borrower on the demand of the Security Trustee, the Facility Agent or relevant Lender.

(g) Each Lender hereby agrees to indemnify the Borrower or the Security Trustee, as the case may be, for any Taxes of a type collected by way of withholding which the Borrower or the Security Trustee fails to withhold on payments to such Lender as a direct result of the failure of such Lender to provide the form or certificate required to be provided by such Lender by Clause 5.3(d) or the invalidity of any such form or certificate required to be provided by such Lender by Clause 5.3(d).

(h) Without limiting the foregoing, each Person that is an assignee of a Lender pursuant to Clause 5.6 and/or Clause 19.3(b) shall, upon the effectiveness of such transfer, be required to provide all of the forms and statements to the extent required pursuant to this Clause 5.3.

(i) The Borrower will pay to each Indemnitee interest at the Past Due Rate, to the extent permitted by Applicable Law, on any amount not paid when due under this Clause 5.3 until the same shall be paid.

(j) The Borrower agrees to pay any present or future stamp or documentary Taxes or any other license, excise or property Taxes (i) imposed by any taxing authority which may arise from the registration, filing, recording, or perfection of any security interest of or in connection with this Agreement or the other Operative Documents or (ii) imposed by any taxing authority in connection with an Event of Default. The Borrower will provide appropriate documentation, including receipts if available, when requested to evidence payment by the Borrower of any such Taxes.

(k) All consideration expressed to be payable under an Operative Document by any party to any Finance Party shall be deemed to be exclusive of any VAT. If VAT is chargeable on any supply made by any Finance Party to any party in connection with an Operative Document, that party shall pay to the Lender (in addition to and at the same time as paying the consideration) an amount equal to the amount of the VAT. Where an Operative Document requires any party to reimburse the Lender for any costs or expenses, that party shall also at the same time pay and indemnify the Lender against all VAT incurred by the Lender in respect of the costs or expenses to the extent that the Lender reasonably determines that neither it nor any other member of any group of which it is a member for VAT purposes is entitled to credit or repayment from the relevant tax authority in respect of the VAT.

5.3.2 If a payment made to a Lender under any Operative Document would be subject to withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as

applicable), such Lender shall deliver to the Borrower and the Security Trustee at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Security Trustee such documentation prescribed by Applicable Law (including as prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Security Trustee as may be necessary for the Borrower and the Security Trustee to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (l), "FATCA" shall include all amendments made to FATCA after the Original Signing Date.

5.4 **Distribution of Funds Received**

(a) The Facility Agent shall maintain records of all amounts paid to it by the Borrower hereunder.

(b) Provided that no Event of Default has occurred and is then continuing, each installment of interest payable on the Loan Certificates shall be distributed as promptly as possible on or after the date that such amount is actually received by the Facility Agent from the Borrower:

First, to the Lenders ratably, without priority of one over the other, to the payment in full of (A) the aggregate amount of interest due under the Loan Certificates in an amount equal to (i) accrued interest at the rate provided in each Loan Certificate, (ii) any overdue interest thereon, and (iii) Break Amount, if any, and (B) any other amounts (other than principal) then due and owing to the Lenders or any Agent hereunder and under the other Operative Documents;

Second, the balance, if any, thereof thereafter remaining to the Borrower or such other Person(s) as may then lawfully be entitled thereto.

(c) Provided that no Event of Default has occurred and is then continuing, on the Delivery Date of the related Aircraft, each payment made by the Borrower as repayment of Loans shall be distributed as promptly as possible on or after the date that such amount is actually received by the Facility Agent from the Borrower:

First, to the Lenders ratably, without priority of one over the other, to the payment in full of (A) the aggregate amount of interest due under the Loan Certificates in respect of such Aircraft being in an amount equal to (i) accrued interest at the rate provided in each Loan Certificate, and (ii) any overdue interest thereon plus the Break Amount, if any, due to the Lenders in respect of such payment, and (B) any other amounts (other than principal) then due and owing to the Lenders or any Agent hereunder and under the other Operative Documents;

Second, to the Lenders ratably, without priority of one over the other, to the payment in full of the outstanding principal amount of the Loans in respect of such Aircraft made by the Lenders which is being repaid;

Third, the balance, if any, thereof thereafter remaining to the Borrower or such other Person(s) as may then lawfully be entitled thereto.

(d) Upon any partial optional repayment of the Loan Certificates pursuant to Clause 5.10(a) hereof, the amount paid by Borrower shall be applied against the amounts which Borrower is obligated to pay in connection with such prepayment pursuant to Clause 5.10(a) (it being understood that no prepayment shall be permitted under Clause 5.10(a) unless the Borrower pays a sufficient amount to satisfy the amounts owed by it under Clause 5.10(a) in connection with such prepayment).

(e) After an Event of Default shall have occurred, and so long as such Event of Default shall be continuing, amounts actually received by the Security Trustee from the Borrower and all proceeds resulting from any sale of any of the Collateral shall be applied in the following order of priority:

First, to the extent not theretofore paid by or on behalf of the Borrower, to pay all costs and expenses of each Agent incurred in connection with the performance of its duties hereunder or under any other Operative Document, including reasonable attorneys' fees and expenses, and all costs and expenses incurred by the Security Trustee in connection with its entering upon, taking possession of, holding, operating, managing, selling or otherwise disposing of the Collateral or any part thereof, any and all Taxes, assessments or other charges of any kind prior to the Lien of any Operative Document that the Security Trustee determined in good faith to pay or be paid, and all amounts payable to each Agent hereunder or under any of the Operative Documents in respect of any indemnities or other obligations of the Borrower;

Second, to the Lenders ratably, without priority of one over the other, to the payment of all accrued and unpaid interest (including Break Amount, if any, and interest on account of overdue payments of principal and interest) then due the Lenders under this Agreement or any of Loan Certificates;

Third, to the Lenders ratably, without priority of one over the other, to the payment of any other amount, indebtedness or obligations (other than principal) due and payable to the Lenders under any Operative Documents;

Fourth, to the Lenders ratably, without priority of one over the other, to the payment in full of the principal amount of the Loan Certificates;

Sixth, the balance, if any, thereof thereafter remaining, to the Borrower or such other Person(s) as may then lawfully be entitled thereto.

If the Security Trustee purchases and subsequently sells any Aircraft to a third party (or otherwise disposes of any of its rights under the Operative Documents relating to such Aircraft), any net sale proceeds (after deduction of all relevant costs, including maintenance, storage and insurance) which exceed the Loan allocable to such Aircraft to the extent actually received by the Security Trustee shall be distributed under this Clause 5.3.2.

5.5 **Method of Payment**

(a) Principal and interest and other amounts due hereunder or under the Loan Certificates or in respect hereof or thereof shall be payable in Dollars in immediately available funds prior to *****, on the due date thereof, to the Facility Agent and the Facility Agent shall, subject to the terms and conditions of Clause 5.3.2, remit all such amounts so received by it to the Lenders at such account or accounts at such financial institution or institutions in New York as the Lenders shall have designated to the Facility Agent in writing, in immediately available funds for distribution to the relevant Lenders.

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(b) All such payments by the Borrower and the Facility Agent shall be made free and clear of and without reduction on account of all wire and other like charges. Prior to the due presentment for registration of transfer of any Loan Certificate, the Borrower and the Facility Agent may deem and treat the Person in whose name any Loan Certificate is registered on the Certificate Register as the absolute owner of such Loan Certificate for the purpose of receiving payment of all amounts payable with respect to such Loan Certificate and for all other purposes whether or not such Loan Certificate shall be overdue, and neither the Borrower nor the Facility Agent shall be affected by any notice to the contrary.

(c) If the Facility Agent disburses funds on a payment date without first having received funds from the Borrower and if the Borrower subsequently fails to make such payment before the end of the day, then on the next succeeding Business Day following demand from the Facility Agent, each Lender which has received such funds will refund to the Facility Agent the amount advanced by the Facility Agent which such Lender received.

5.6 **Registration, Transfer and Exchange of Loan Certificates**

(a) The Facility Agent agrees with the Borrower that the Facility Agent shall keep a register (herein sometimes referred to as the "**Certificate Register**") in which provision shall be made for the registration of Loan Certificates.

(b) Prior to the due presentment for registration of the transfer of any Loan Certificate, the Borrower and the Facility Agent shall deem and treat the person in whose name such Loan Certificate is registered on the Certificate Register as the absolute owner of such Loan Certificate, and the Lender for the purpose of receiving payment of all amounts payable with respect to such Loan Certificate, and for all other purposes whether or not such Loan Certificate is overdue, and neither the Borrower nor the Facility Agent shall be affected by notice to the contrary.

(c) The Certificate Register shall be kept at the office of the Facility Agent specified in this Agreement or at the office of any successor Facility Agent, and the Facility Agent is hereby appointed "Certificate Registrar" for the purpose of registering Loan Certificates and transfers of Loan Certificates as herein provided.

(d) Upon surrender for registration of transfer of any Loan Certificate at the office of the Facility Agent specified in this Agreement and upon delivery by the Facility Agent to the Borrower of such surrendered Loan Certificate, the Borrower shall execute, and the Facility Agent shall deliver, in the name of the designated transferee or transferees, one or more new Loan Certificates of a like aggregate principal amount.

(e) Each Lender may assign all or part of an interest in any Loan Certificate held by it to any Person, subject to the extent to which it may transfer its interest in any such Loan Certificate held by it in accordance with Clause 19.3(c), (d) and (e).

(f) All Loan Certificates issued upon any registration of transfer or exchange of Loan Certificates shall be the valid obligations of the Borrower evidencing the same obligations, and entitled to the same security and benefits under the Mortgage and this Agreement, as the Loan Certificates surrendered upon such registration of transfer.

(g) Every Loan Certificate presented or surrendered for registration of transfer, shall (if so required by the Facility Agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Facility Agent duly executed by the Lender thereof or its attorney duly authorized in writing, and the Facility Agent may require evidence satisfactory to it as to the compliance of any such transfer with the Securities Act and the securities laws of any applicable state.

(h) The Facility Agent shall make a notation on each new Loan Certificate or Loan Certificates of the then available Commitment on the old Loan Certificate or Loan Certificates with respect to which such new Loan Certificate is issued, the current outstanding principal and the date to which interest accrued on such old Loan Certificate or Loan Certificates has been paid and the extent, if any, to which any interest therein has been subject to a registered assignment.

(i) The Facility Agent shall not be required to register the transfer of any surrendered Loan Certificates as above provided during the ***** period preceding the due date of any payment on such Loan Certificates.

(j) The Facility Agent shall give the Borrower, the Security Trustee and each Lender notice of such transfer of a Loan Certificate under this Clause 5.6.

(k) Prior to or simultaneously with the transfer by a Lender of its Loan Certificates or its interest in this Agreement, the transferee of such Lender shall notify the Borrower of its identity and of the country of which such transferee is a resident for tax purposes.

5.7 Mutilated, Destroyed, Lost or Stolen Loan Certificates

(a) If any Loan Certificate shall become mutilated, destroyed, lost or stolen, the Borrower shall, upon the written request of the affected Lender, execute and deliver in replacement thereof, a new Loan Certificate, in the same principal amount, dated the date of such Loan Certificate.

(b) If the Loan Certificate being replaced has become mutilated, such Loan Certificate shall be surrendered to the Facility Agent and the original thereof shall be furnished to the Borrower by the Facility Agent.

(c) If the Loan Certificate being replaced has been destroyed, lost or stolen, the affected Lender shall furnish to the Borrower and the Facility Agent such security or indemnity as may be reasonably required by them to hold the Borrower and the Facility Agent harmless and evidence satisfactory to the Borrower and the Facility Agent of the destruction, loss or theft of such Loan Certificate and of the ownership thereof, provided, however, that if the affected Lender is an original party to this Agreement or an Affiliate thereof, the written notice of such destruction, loss or theft and such ownership and the written undertaking of such Lender delivered to the Borrower and the Facility Agent to hold harmless the Borrower and the Facility Agent in respect of the execution and delivery of such new Loan Certificate shall be sufficient evidence, security and indemnity.

5.8 **Payment of Expenses on Transfer**

Upon the issuance of a new Loan Certificate or new Loan Certificates pursuant to Clause 5.6 or 5.7, the Borrower and/or the Facility Agent may require from the party requesting such new Loan

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Certificate or Loan Certificates payment of a sum sufficient to reimburse the Borrower and/or the Facility Agent for, or to provide funds for, the payment of any transfer or registration tax or other governmental charge of the same type in connection therewith or any charges and expenses connected with such tax or other governmental charge paid or payable by the Borrower or the Facility Agent, and any out of pocket expenses, including legal fees (for external counsel) incurred, of the Borrower or the Facility Agent.

5.9 **Prepayment**

(a) The Borrower may at any time voluntarily prepay all or part of any Loan outstanding with respect to an Aircraft in accordance with the terms and conditions hereof; provided that, (i) the Borrower shall provide irrevocable written notice to the Facility Agent not less than ***** prior to the date of such prepayment specifying the outstanding principal amount of the Loans to be prepaid, together with accrued interest therein to the date of prepayment plus any Break Amount and all other amounts due under the Operative Documents with respect to such Aircraft, the Aircraft to which such prepayment is allocable and the Business Day on which such prepayment shall be made; and (ii) such prepayment shall be in an amount at least equal to ***** and multiples of ***** in excess thereof.

(b) If, as of any LTV Test Date, the LTV Test is not satisfied with respect to an Aircraft, the Borrower may prepay the Loan(s) relating to such Aircraft in respect of which such failure occurred in an amount equal to that which when applied to such Loan(s), would reduce the principal outstanding thereof in order that the LTV Test would be satisfied if the LTV for such Aircraft were calculated following such prepayment. Except with respect to a prepayment pursuant to Section 4.3, any such prepayment must be made with ***** notice to the Facility Agent and such prepayment may not exceed the amount required to cure the breach of the LTV Test. After giving effect to any prepayment pursuant to Clause 4.3, the parties hereby agree that (i) any failure to satisfy the LTV Test (as defined in the Original Credit Agreement) in respect of the Existing Aircraft which were A321-200 Aircraft, (ii) any requirement to make a prepayment in connection with a failure to satisfy the LTV Test in respect of the Existing Aircraft which were A321-200 Aircraft and (iii) any Default or Event of Default resulting from a failure to make such prepayment, in each case, that may have occurred during the period from the Original Signing Date to the Effective Date is hereby waived.

(c) In the event that Frontier Holdings ceases to Control or own the entire issued share capital of Frontier Airlines, the aggregate outstanding principal amount of all Loans shall become immediately due and payable, and the Borrower shall thereupon prepay the Loan Certificates relating to such Loans, together with accrued interest thereon to the date of prepayment plus any Break Amount and all other amounts due, owing and payable under the Operative Documents.

(d) Upon the occurrence of a Material Event of Default, the aggregate outstanding principal amount of all Loans shall become immediately due and payable, and the Borrower shall thereupon prepay the Loan Certificates relating to such Loans, together with accrued interest thereon to the date of prepayment plus any Break Amount and all other amounts due, owing and payable under the Operative Documents

(e) Upon the occurrence of a termination or cancellation of the Assigned Purchase Agreement with respect to any Aircraft for any reason whatsoever, the aggregate

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outstanding principal amount of all Loans relating to such Aircraft shall become due and payable within *****, and the Borrower shall thereupon prepay the Loan Certificates to the extent of the Loans with respect to such Aircraft, together with accrued interest thereon to the date of prepayment plus any Break Amount and all other amounts due under the Operative Documents with respect to such Aircraft.

(f) In the event that a Lender is entitled to a payment under Clause 5.3, 5.11, 5.12 or 5.13 (an "**Affected Lender**") and without prejudice to the Finance Party's rights hereunder and under the Mortgage, the Borrower, the Facility Agent and the Affected Lender shall cooperate (at no cost to itself) for a period of ***** to restructure the Loan for the Affected Lender with a view to eliminating or reducing the need for any such payment (it being agreed that the Affected Lender shall have no obligation to proceed with such restructuring to the extent such restructuring would or may reasonably be expected to:

(A) result in an adverse regulatory consequence for the Affected Lender; or

(B) involve any unreimbursed or unindemnified cost for the Affected Lender; or

(C) be inconsistent with the Affected Lender's internal policies).

If no restructuring can be arranged within such time period, the Borrower may, with notice to the Affected Lender, attempt within such time period to find an entity reasonably satisfactory to the Facility Agent to purchase the Affected Lender's Loan Certificate and assume the Affected Lender's Commitment.

The Affected Lender shall be paid (by the purchasing entity or the Borrower) the outstanding principal balance of its Loan Certificate, all accrued and unpaid interest thereon, any Break Amount incurred (calculated as if such purchase were a prepayment of such Affected Lender's Loan Certificate) and all other amounts owed to the Affected Lender under any Operative Document as a condition precedent to such purchase. Upon such payment, such Affected Lender shall transfer its Loan Certificate to the Borrower or such other purchaser, without representation or warranty except for the absence of any Liens.

(g) In the event the Borrower is unable to find a purchaser of the Affected Lender's Loan Certificate pursuant to clause (f) above, then, so long as no Default or Event of Default shall have occurred and be continuing on at least ***** prior written notice, the Borrower may prepay on the date specified in its notice of prepayment, in whole the Affected Lender's Loan Certificate at the principal amount thereof together with accrued and unpaid interest thereon to the date of prepayment plus the Break Amount, if any, and all other amounts due to the Affected Lender hereunder, thereunder and under the other Operative Documents.

(h) In the event that Airbus refunds any amounts under the Assigned Purchase Agreement relating to the Aircraft, a principal amount of the Loans (and any Break Amount related thereto) relating to such Aircraft equal to such refund shall become immediately due and payable.

(i) Any notice of prepayment delivered pursuant to Clauses 5.9(a), (f), (g) or (h) shall be irrevocable and shall identify the amount to be prepaid and the Loans relating to an Aircraft subject to prepayment (if applicable).

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5.10 **Provisions Relating to Prepayment**

(a) Notice of prepayment having been given, the principal amount of the Loan Certificates to be prepaid, plus accrued interest thereon to the date of prepayment, together with the Break Amount, if any, shall become due and payable on the prepayment date.

(b) On the date fixed for prepayment under Clause 5.9, immediately available funds in Dollars shall be deposited by the Borrower in the account of the Facility Agent at the place and by the time and otherwise in the manner provided in Clause 5.5, in an amount equal to the principal amount of Loan Certificates to be prepaid together with accrued and unpaid interest thereon to the date fixed for such prepayment, all Break Amounts, if any, and all other amounts due to the Lenders under the Operative Documents.

(c) Each Lender shall furnish to the Borrower, with a copy to the Facility Agent, a certificate setting forth the Break Amount due to such Lender, which certificate shall be presumptively correct.

5.11 **Increased Costs**

(a) The Borrower shall pay directly to each Lender from time to time such amounts as such Lender may determine to be necessary to compensate such Lender on an After-Tax Basis for any increase in costs that such Lender determines are attributable to its making or maintaining of its Commitment or the Loans evidenced by its Loan Certificates or funding arrangements utilized in connection with such Loans, or any reduction in any amount receivable by such Lender hereunder or under any Operative Document in respect of any of its Commitments, such Loans or such arrangements (such increases in costs and reductions in amounts receivable (including any amounts covered by clause (b) below) being herein called "**Additional Costs**"), resulting from any Regulatory Change that:

(i) imposes any Tax that is the functional equivalent of any reserve, special deposit or similar requirement of the sort covered by Clause 5.11(a)(ii); or

(ii) imposes or modifies any reserve, special deposit or similar requirements (including any Reserve Requirement) relating to any extension of credit or other assets of, or any deposits with or other liabilities of, such Lender, any commitment of such Lender (including, without limitation the Commitment of such Lender hereunder); or

(iii) imposes any other condition affecting this Agreement, the Loan Certificates (or any of such extensions of credit or liabilities) or its Commitments.

(b) Without limiting the effect of the foregoing provisions of this Clause 5.11 (but without duplication), the Borrower shall pay directly to each Lender from time to time on request such amounts as such Lender may determine to be necessary to compensate such Lender (or, without duplication, the bank holding company of which such Lender is a subsidiary) for any increase in costs that it determines are attributable to the maintenance by such Lender (or any lending office or such bank holding company) of capital in respect of the Commitments or Loan of such Lender hereunder, pursuant to any law or regulation or any interpretation, directive or request (whether or not having the force of law and whether or not failure to comply therewith would be unlawful so long as compliance therewith is standard banking practice in the relevant jurisdiction) of any court or governmental or monetary authority following:

(i) any Regulatory Change; or

(ii) implementing any risk-based capital guideline or other similar requirement issued by any government or governmental or supervisory authority implementing at the national level the Basel Accord; or

(iii) implementing any requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act;

in each case after the Original Signing Date (such compensation to include, without limitation, an amount equal to any reduction of the rate of return on assets or equity of such Lender (or any lending office or such bank holding company) could have achieved but for such law, regulation, interpretation, directive or request). For purposes of this Clause 5.11(b), "**Basel Accord**" means the proposals for risk-based capital framework described by the Basel Committee on Banking Regulations and Supervisory Practices commonly known as Basel III, as amended, modified and supplemented and in effect from time to time, or any replacement thereof.

(c) Clauses 5.11(d), (e) and (f) apply in respect of this Clause 5.11.

(d) Each Lender shall notify the Borrower of any event occurring after the Original Signing Date entitling such Lender to compensation under paragraph (a) or (b) of this Clause 5.11 as promptly as practicable, but in any event within *****, after such Lender obtains actual knowledge thereof; provided that (i) such Lender shall, with respect to compensation payable pursuant to this Clause 5.11 in respect of any Additional Costs resulting from such event, only be entitled to payment under this Clause 5.11 for Additional Costs incurred from and after the date that is ***** prior to the date of receipt of such notice by the Borrower, (ii) each Lender will use commercially reasonable efforts (at the Borrower's expense) to mitigate the amount of compensation under paragraph (a) or (b) of this Clause 5.11 associated with such event, including designating a different lending office for the Loan evidenced by such Lender's Loan Certificate affected by such event if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the sole opinion of such Lender, result in any economic, legal or regulatory disadvantage to such Lender, and (iii) no Lender shall discriminate against the Borrower in making any claim for compensation under this Clause 5.11, and no Lender shall treat the Borrower less favorably than such Lender's other similarly situated borrowers. When submitting a claim pursuant to Clause 5.11, each Lender will furnish to the Borrower an officer's certificate setting forth in reasonable detail (x) the events giving rise to compensation under paragraph (a) or (b) of this Clause 5.11, (y) the basis for determining and allocating such compensation and (z) the amount of each request by such Lender for such compensation (subject, however, to any limitations such Lender may require in respect of disclosure of confidential information relating to its capital structure), together with a statement that the determinations and allocations made in respect of such compensation comply with the provisions of this Clause 5.11, including as provided by the last proviso of this paragraph (d). Determinations and allocations by any Lender for purposes of this Clause 5.11 of the effect of any Regulatory Change pursuant to Clause 5.11(a), or of the effect of capital maintained pursuant to Clause 5.11(b), on its costs or rate of return of maintaining the Loan evidenced by its Loan Certificate or its Commitment, or on amounts receivable by it in respect of its Loan Certificate, and of the amounts required to compensate such Lender under this Clause 5.11, shall be conclusive absent manifest error; provided that such determinations and allocations are made on a reasonable basis and, in the case of allocations, are made fairly.

(e) The Borrower shall not be required to make payments under this Clause 5.11 to any Lender if (i) a claim hereunder arises solely through circumstances peculiar to such Lender and which do not affect commercial banks in the jurisdiction of organization of such Lender generally, (ii) such Lender is not seeking similar compensation for such costs from its borrowers generally in commercial loans, or (iii) the claim arises out of a voluntary relocation by such Lender of its lending office (it being understood that any such relocation effected pursuant to this Clause 5.11 is not "voluntary").

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5.12 **Illegality**

Notwithstanding any other provision of this Agreement or the Mortgage, if any Lender (an "**Illegal Lender**") shall notify the Facility Agent that the introduction after the Original Signing Date of or any change after the Original Signing Date in or in the interpretation of any law or regulation shall make it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender to make, fund or allow to remain outstanding its Loan Certificate, then such Lender shall, promptly after becoming aware of the same, deliver to the Borrower through the Facility Agent a certificate to that effect, and, if the Facility Agent on behalf of such Lender so requires, the Borrower shall attempt to cure such illegality or otherwise, on or before ***** (but in any event at least ***** before such illegality occurs and if such illegality has already occurred, immediately) following such notification, the Borrower shall prepay the aggregate outstanding principal amount of the Loan Certificate held by such Illegal Lender in full, together with accrued interest thereon to the date of prepayment plus all Break Amount, if any, and all other amounts due thereunder and hereunder and under the other Operative Documents to such Illegal Lender.

5.13 **Market Disruption Event**

If a Market Disruption Event occurs and so long as such Market Disruption Event is continuing, each Lender shall report to the Facility Agent and the Borrower its Cost of Funds for each Interest Period during which such a Market Disruption Event is continuing as soon as practicable and, if possible, prior to the first day of such Interest Period; provided, that, if such Lender is not able to obtain Dollar deposits in the London interbank (or other relevant) market matching such Interest Period, notice of its Cost of Funds rate shall be provided as follows: (i) prior to the first day of such Interest Period (or promptly thereafter), such Senior Lender shall provide to the Facility Agent an approximation of the cost to such Senior Lender of such funding for such Interest Period; and (ii) prior to the last day of such Interest Period (or earlier, to the extent practicable if Dollar deposits of a duration longer than one day are obtained), such Lender shall provide to the Facility Agent a certificate setting out the actual cost to such Lender of funding for such Interest Period. The Facility Agent shall, based on such certificate, advise the Borrower of the applicable Mismatch Interest Rate payable at the end of such Interest Period. The certification by any Lender to the Facility Agent and the Borrower of its Cost of Funds for any Interest Period shall be conclusive absent manifest error and shall constitute a certification by such Lender that such Lender's invocation of its rights under this Clause 5.13 and its assessments hereunder have been made on a non-discriminatory basis across all facilities which are similar to the credit facility provided pursuant to this Agreement.

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6. TERMINATION OF INTEREST IN COLLATERAL

None of the Facility Agent, Security Trustee or any Lender shall have any further interest in, or other right with respect to, the Collateral with respect to any Aircraft when and if the principal amount of, Break Amount on, if any, interest on and other amounts due under all Loans in relation to such Aircraft held by such Lender and all other sums due to such Lender hereunder and under the other Operative Documents in respect of such Aircraft shall have been finally and indefeasibly paid in full; provided, however, that the interests and rights of the Lenders in and with respect to the mortgage and security interests created by the Mortgage shall continue (except with respect to any Aircraft as to which the related Loans have been repaid) after all such amounts have been paid in full so long as no Event of Default has occurred and is continuing and the Commitments have not terminated. Upon payment in full of any Loans relating to an Aircraft, the Security Trustee shall release that portion of the Collateral which relates solely to the applicable Aircraft from the Lien of the Mortgage and such Aircraft shall thereafter cease to be an "Aircraft" for the purposes of the Operative Documents.

7. BORROWER'S REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants that on the date hereof and on each Borrowing Date:

(a) the Borrower is a Cayman Islands exempted company, duly organized and validly existing pursuant to the laws of the Cayman Islands; is duly qualified to do business as a foreign corporation in each jurisdiction in which its operations or the nature of its business requires, except where the failure to be so qualified would not have a Material Adverse Effect; and has the corporate power and authority to purchase the Aircraft under the Assigned Purchase Agreement and to enter into and perform its obligations under the Operative Documents to which it is or shall be a party;

(b) the execution, delivery and performance by the Borrower of the Operative Documents to which it is a party have been duly authorized by all necessary corporate action on the part of the Borrower, do not require any shareholder approval, or approval or consent of any trustee or holders of any indebtedness or obligations of the Borrower except such as have been duly obtained and are in full force and effect, and none of the execution, delivery or performance by the Borrower of such Operative Documents contravenes any law, judgment, government rule, regulation or order binding on the Borrower or the memorandum and articles of association of the Borrower or contravenes the provisions of, or constitutes a default under, or results in the creation of any Lien (other than Permitted Liens) upon the property of the Borrower under, any indenture, mortgage, contract or other agreement to which the Borrower is a party or by which it or its properties may be bound;

(c) neither the execution and delivery by the Borrower of the Operative Documents to which it is a party nor the performance by the Borrower of its obligations thereunder requires the consent or approval of, the giving of notice to, or the registration with, or the taking of any other action in respect of any Federal, state or foreign government authority or agency, except for those specified in the opinions referred to in Clause 4.1(g) or those that would not have a Material Adverse Effect (the "**Permits**");

(d) the Operative Documents to which the Borrower is a party each constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with the terms thereof except as such enforceability may be limited by equitable principles or applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally;

(e) there is no pending or (to the best of Borrower's knowledge) threatened action or proceeding before any court, arbitrator or administrative agency that individually (or in the aggregate in the case of any group of related actions or proceedings) is expected by the Borrower to have a Material Adverse Effect;

(f) except as specified in the opinions referred to in Clause 4.1(g), no further action, including any filing or recording of any document, is necessary or advisable in order to establish and perfect the first ranking Lien on the Collateral in favor of the Security Trustee pursuant to the Mortgage;

(g) there has not occurred any event which constitutes a Default or an Event of Default, in each case, which is presently continuing;

(h) the Assigned Purchase Agreements and the Engine Agreements are in full force and effect and none of the Borrower or, to the knowledge of the Borrower, Airbus or any Engine Manufacturer is in default of any of its material obligations thereunder. Neither the Borrower nor either Guarantor has assigned or granted any Lien in its rights under the Assigned Purchase Agreements in respect of any of the Aircraft or the Engine Agreements or the Engines;

(i) the Borrower has filed or caused to be filed all state, local and foreign tax returns which are required to be filed and has paid or caused to be paid or provided adequate reserves for the payment of all taxes shown to be due and payable on such returns or (except to the extent being contested in good faith and by appropriate proceedings and for the payment of which adequate reserves have been provided in accordance with generally accepted accounting principles) on any assessment received by the Borrower, to the extent that such taxes have become due and payable, except such returns or taxes as to which the failure to file or pay, as the case may be, could not be reasonably expected to materially and adversely affect the assets, operations or financial condition, of the Borrower;

(j) the Borrower is not in violation of any law, order, injunction, decree, rule or regulation applicable to the Borrower of any court or administrative body, which default or violation would reasonably be expected to materially and adversely affect the operations or financial condition of the Borrower or the Borrower's ability to execute, deliver and perform its obligations under the Operative Documents;

(k) the Borrower is not an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940;

(l) none of the information furnished by or on behalf of the Borrower to the Facility Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other information so furnished) contains any misstatement of a material fact or omits any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(m) the Borrower is fully solvent (on a cash flow and balance sheet basis) and will be fully solvent immediately following the execution of this Agreement and the Operative Documents;

(n) no Liens have been granted or created by any Person and exist over any of the Collateral except Permitted Liens; and

(o) Each of the dates in the column entitled "Borrowing Date" in the table set out in Schedule III is the date on which the Advance to which such date is expressed to correspond in such table is due and payable to Airbus in accordance with the Assigned Purchase Agreement.

8. GENERAL INDEMNITY.

8.1 Subject to the next following paragraph, the Borrower hereby agrees to indemnify each Indemnitee against, and agrees to protect, save and keep harmless each of them from any and all Expenses imposed on, incurred by or asserted against any Indemnitee arising out of or directly resulting from:

(a) following delivery of any Aircraft, Airframe or Engine, the operation, possession, use, maintenance, overhaul, testing, registration, re-registration, delivery, nondelivery, lease, non-use, modification, alteration, or sale of any such Aircraft, Airframe or Engine, or any engine used in connection with any such Airframe or any part of any of the foregoing, any lessee or any other Person whatsoever, including, without limitation, claims for death, personal injury or property damage or other loss or harm to any person whatsoever and claims relating to any laws, rules or regulations pertaining to such operation, possession, use, maintenance, overhaul, testing, registration, re-registration, delivery, non-delivery, lease, non-use, modification, alteration, sale or return including environmental control, noise and pollution laws, rules or regulations;

(b) following delivery of any Aircraft, Airframe or Engine, the manufacture, design, purchase, acceptance, rejection, delivery, or condition of any such Aircraft, Airframe or Engine, any engine used in connection with any such Airframe, or any part of any of the foregoing including, without limitation, latent and other defects, whether or not discoverable, or trademark or copyright infringement;

(c) any breach of or failure to perform or observe, or any other noncompliance with, any covenant or agreement to be performed, or other obligation of any Obligor under any of the Operative Documents, or the falsity of any representation or warranty of any Obligor in any of the Operative Documents;

(d) assuming the Lenders are making Loans in the ordinary course of their business for their own accounts, the offer, sale and delivery by the Borrower or anyone acting on behalf of the Borrower of any Loan Certificates or successor debt obligations issued in connection with the refunding or refinancing thereof (including, without limitation, any claim arising out of the Securities Act, the Securities Exchange Act of 1934, as amended, or any other federal or state statute, law or regulation, or at common law or otherwise relating to securities (collectively "**Securities Liabilities**")) (the indemnity provided in this Clause 8.1(d) to extend also to any Person who controls an Indemnitee, its successors, assigns, employees, directors, officers, servants and agents within the meaning of clause 15 of the Securities Act); and

(e) purchasing any Aircraft following an Event of Default, including any costs incurred after purchasing such Aircraft and prior to resale of such Aircraft and the recovery of all other amounts owing hereunder following an Event of Default or the enforcement against the Borrower or any other Obligor of any of the terms thereof (including, without limitation, pursuant to clause 5 of the Mortgage) and including any amounts payable by any Indemnitee pursuant to clause 11.2 of the Step-In Agreement.

8.2 The foregoing indemnity shall not extend to any Expense of any Indemnitee to the extent attributable to one or more of the following:

(a) acts or omissions involving the willful misconduct or gross negligence of such Indemnitee;

(b) any Tax, or increase in Tax liability under any Tax law (such matter being subject to the indemnity in Clause 5.3); provided, however, that this clause (b) shall not apply to (A) Taxes which have arisen as a result of or while an Event of Default has occurred and is continuing; (B) Taxes taken into consideration in making any payments on an After-Tax Basis or (C) to any license, documentation, registration or filing fees imposed upon or in connection with the execution, delivery, registration or filing in connection with the Mortgage as otherwise contemplated in the Operative Documents;

(c) except to the extent attributable to acts or events occurring prior thereto, acts or events (other than acts or events related to the performance by any Obligor of its obligations pursuant to the terms of the Operative Documents) that occur after the Mortgage is required to be terminated in accordance with clause 7.1 of the Mortgage; provided, that nothing in this clause (c) shall be deemed to exclude or limit any claim that any Indemnitee may have under Applicable Law by reason of an Event of Default or for damages from any Obligor for breach of any Obligor's covenants contained in the Operative Documents or to release any Obligor from any of its obligations under the Operative Documents that expressly provide for performance after termination of the Mortgage;

(d) to the extent attributable to any transfer by or on behalf of such Indemnitee of any Loan Certificate or interest therein, except for Expenses incurred as a result of any such transfer after an Event of Default, pursuant to the exercise of remedies under any Operative Document;

(e) to the extent solely attributable to the incorrectness or breach of any representation or warranty of such Indemnitee or any related Indemnitee contained in or made pursuant to any Operative Document;

(f) to the extent solely attributable to the failure by such Indemnitee or any related Indemnitee to perform or observe any agreement, covenant or condition on its part to be performed or observed in any Operative Document;

(g) to the extent solely attributable to the offer or sale by such Indemnitee or any related Indemnitee of any interest in the Collateral, the Loan Certificates, or any similar interest in violation of the Securities Act or other applicable federal, state or foreign securities laws (other than any thereof caused by acts or omissions of any Obligor);

(h) to the extent attributable to any amount which such Indemnitee expressly agrees with the Borrower to pay or such Indemnitee expressly agrees with the Borrower shall not be paid by or be reimbursed by the Borrower; or

(i) for any Lien attributable to such Indemnitee or any related Indemnitee other than any Lien created pursuant to any Operative Document.

8.3 For purposes of this Clause 8, a Person shall be considered a "related" Indemnitee with respect to an Indemnitee if such Person is an Affiliate or employer of such Indemnitee, a director, officer, employee, agent, or servant of such Indemnitee or any such Affiliate or a successor or permitted assignee of any of the foregoing.

8.4 The Borrower further agrees that any payment or indemnity pursuant to this Clause 8 in respect of any "Expense" shall be on an After-Tax Basis.

8.5 If a claim is made against an Indemnitee involving one or more Expenses and such Indemnitee has notice thereof, such Indemnitee shall after receiving such notice give notice of such claim to the Borrower; provided that the failure to provide such notice shall not release the Borrower from any of its obligations to indemnify hereunder except to the extent that the Borrower is prejudiced as a result of the failure to give such notice, and no payment by the Borrower to an Indemnitee pursuant to this Clause 8 shall be deemed to constitute a waiver or release of any right or remedy which the Borrower may have against such Indemnitee for any actual damages as a result of the failure by such Indemnitee to give the Borrower such notice.

8.6 Notwithstanding any other provision of this Clause 8 to the contrary, in the case of any Expense indemnified by the Borrower hereunder which is covered by a policy of insurance maintained by the Borrower, it shall be a condition of such indemnity with respect to any particular Indemnitee that such Indemnitee shall cooperate (at no cost or liability to itself, and (if so requested) subject to being indemnified by the Borrower with respect to any liabilities it may incur as a result of an insurer's investigation, defense or compromise) with the insurers in the exercise of their rights to investigate, defend or compromise such claim as may be required to retain the benefits of such insurance with respect to such claim.

8.7 To the extent of any payment of any Expense pursuant to this Clause 8, the Borrower, without any further action, shall be subrogated to any claims the Indemnitee may have relating thereto. The Indemnitee agrees to give such further assurances or agreements and to cooperate with the Borrower to permit the Borrower to pursue such claims, if any, to the extent reasonably requested by the Borrower (at no cost or liability to itself, and (if so requested) subject to being indemnified with respect to the Borrower's pursuit of such claims.

8.8 In the event that the Borrower shall have paid an amount to an Indemnitee pursuant to this Clause 8, and such Indemnitee subsequently shall be reimbursed in respect of such indemnified amount from any other Person, such Indemnitee shall promptly pay the Borrower the amount of such reimbursement, including interest received attributable thereto (but net of costs, if any, of recovery of such amounts), provided that no Default or Event of Default has occurred and is continuing.

8.9 The Borrower will pay to each Indemnitee on demand, to the extent permitted by Applicable Law, interest on any amount of indemnity not paid when due pursuant to this Clause 8 until the same shall be paid, at the Past Due Rate.

9. INDEMNITY TO THE FACILITY AGENT

The Borrower shall promptly indemnify the Facility Agent against any actual cost, loss or liability incurred by the Facility Agent as a result of investigating any event which it reasonably believes is an Event of Default and upon such investigation such event transpires to be a Default or an Event of Default other than any cost, loss or liability resulting from the Facility Agent willful misconduct or gross negligence.

10. COVENANTS OF THE BORROWER.

The Borrower hereby covenants for the benefit of all Lenders, as follows:

10.1 ***Transfer:*** Except as expressly contemplated by the Operative Documents the Borrower shall not (and the Borrower shall procure that each other Obligor shall not) directly or indirectly assign, convey or otherwise transfer any of its right, title or interest in and to the Collateral or this Agreement or any of the other Operative Documents.

10.2 ***Taxes and Adequate Records:*** The Borrower will (and will procure that each other Obligor will):

(a) pay and discharge all taxes, assessments and governmental charges or levies imposed on it or on its income or profits or on any of its property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge or levy the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained;

(b) (other than in respect of itself) keep adequate records and books of account, in which complete entries will be made in accordance with generally accepted accounting principles consistently applied; and

(c) permit representatives of any Lender, the Facility Agent or the Security Trustee, during normal business hours and upon reasonable prior notice, to examine, copy and make extracts from its books and records and to discuss its business and affairs with its officers, all to the extent reasonably requested by such Lender, the Facility Agent or the Security Trustee (as the case may be).

10.3 ***Special Purpose:*** The Borrower will not:

(a) have any employees earning compensation;

(b) except for the Loans and as expressly contemplated by the Operative Documents, incur or contract to incur any indebtedness;

(c) engage in any activity other than the execution, delivery and performance of the Operative Documents to which it is a party and activities incidental thereto, as well as ordinary corporate housekeeping activities;

(d) except as required to perform its obligation under the Operative Documents to which it is a party, make or agree to make any capital expenditure;

(e) create or own any subsidiary;

(f) except as required to perform its obligation under the Operative Documents to which it is a party, make any investments;

(g) except as required to perform its obligation under the Operative Documents to which it is a party, declare or make any dividend payment or distribution to its shareholders; or

(h) enter into any contracts with, incur any material obligation to, or grant any security interest, pledge or lien to, any third party (excluding any contracts entered into in connection with, any payment or other obligation incurred pursuant to, and any liens granted pursuant to, the Operative Documents).

10.4 ***Operative Documents:*** The Borrower shall ensure that the Servicing Agreement, the Option Agreement and the Subordinated Loan Agreement remain in place and in full force and effect and that neither it nor any other Obligor shall breach any of the terms of any of such documents. The Borrower shall ensure that no amendment, variation, waiver or other change is made to its memorandum and articles of association or other constituent documents, the Servicing Agreement, the Option Agreement or the Subordinated Loan Agreement.

10.5 ***Assigned Purchase Agreement and Engine Agreements***: The Borrower shall:

(a) duly perform all of its obligations under the Assigned Purchase Agreements and the Engine Agreements, and take all actions necessary to keep the Assigned Purchase Agreements and the Engine Agreements in full force and effect;

(b) promptly upon acquiring actual knowledge of the same, notify the Facility Agent of any material default (whether by the Borrower, Airbus or an Engine Manufacturer) under or cancellation, termination or rescission or purported cancellation, termination or rescission of the Assigned Purchase Agreement or the Engine Agreement specifying in reasonable detail the nature of such default, cancellation, rescission or termination;

(c) not, without the Security Trustee's prior written consent, in any way modify, cancel, terminate or amend or consent to the modification, cancellation, termination or amendment of the Assigned Purchase Agreement or the Engine Agreement;

(d) not accept delivery of any Aircraft from Airbus before or concurrently repaying to the Lenders all amounts owing in respect of the Loans relating to that Aircraft;

(e) not enter into or consent to any change order or other amendment, modification or supplement to the Assigned Purchase Agreement or the Engine Agreement, in relation to the Aircraft, without the written consent and countersignature of the Security Trustee (acting at the unanimous direction of the Lenders) if such change order, amendment, modification or supplement would require the consent of the Security Trustee under the Step-In Agreement or under this Agreement; and

(f) provide to the Security Trustee promptly after the execution of the same copies, certified by the Borrower, of all material change orders (other than non charge change orders), amendments, modifications or supplements to the Assigned Purchase Agreement that would require the consent of the Security Trustee under the Step-In Agreement or under this Agreement.

10.6 ***Leasing or Sale of Aircraft:*** The Borrower shall not enter into any binding agreement for the leasing or sale of any Aircraft other than pursuant to the Option Agreement.

10.7 ***Further Assurances:*** The Borrower covenants and agrees with each Agent and the Lenders as follows:

(a) The Borrower will cause to be done, executed, acknowledged and delivered all further documents and agreements and assurances as reasonably necessary and as any Lender shall reasonably require for accomplishing the purposes of this Agreement and the other Operative Documents;

(b) The Borrower, at its expense, will take, or cause to be taken, all actions (including the filing of financing statements under the Uniform Commercial Code in all applicable

jurisdictions and perfection in any other jurisdiction in relation to any Operative Document) to (A) cause the security interest granted in respect of the Collateral to at all times be and remain perfected, (B) establish the priority of the Mortgage with respect to the Mortgage Collateral, (C) cause the lien of the Mortgage to at all times be and remain a perfected Lien, (D) establish the priority of the Mortgage; and (E) establish the priority of the share charge with respect to the shares of the Borrower and (F) establish the priority of the Security Trustee's security interest in the Aircraft to the extent possible or feasible prior to delivery (or when manufacturer's serial numbers are available in respect of the Airframe and the Engines are anticipated as being delivered and there is a possibility that such equipment may be delivered by Airbus before the Lenders are repaid the Loans in respect of an Aircraft), including by, subject to the terms of the Step-In Agreement, making filings in respect of one or more of prospective international interests, international interests or associated rights with the International Registry.

(c) The Borrower shall pay all reasonable costs and expenses (including costs and disbursements of counsel) incurred by each Agent and the Lenders after the Original Signing Date in connection with (A) any supplements or amendments of the Operative Documents (including, without limitation, any related recording costs) (other than any supplement or amendment associated with the syndication or transfer of the Loan Certificates or the sale of participation interests therein), (B) any Default and any enforcement or collection proceedings resulting therefrom or in connection with the negotiation of any restructuring or "work-out" (whether or not consummated), or (C) the enforcement of this Clause 10.

10.8 ***Conduct of Business, Maintenance of Existence:*** The Borrower shall: (i) engage in business solely for the purpose of fulfilling its obligations under the Operative Documents; (ii) preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of business of the Borrower; provided that the Borrower shall not be required to maintain any such rights, privileges or franchises, if the failure to do so could not reasonably be expected to result in a Material Adverse Effect; and (iii) comply with all contractual obligations and requirements of law, except to the extent that failure to comply therewith could not reasonably be expected to result in a Material Adverse Effect; and comply with the provisions of its Memorandum and Articles of Association.

10.9 ***Increase in Lender's Net Price:*** The Borrower shall not amend the detail specification for an Aircraft or consent to the amendment of the detail specification for an Aircraft, including, without limitation, by issuing an SCN, if such amendment would cause the purchase price of the Aircraft to exceed the Lender's Net Price payable upon a Step-In pursuant to the Step-In Agreement.

10.10 ***BFE***: the Borrower shall not agree to any change in the specification of BFE to be installed on the Aircraft on or prior to the Delivery Date, which is listed in Schedule VI, if such amendment would result in the cost of the BFE outstanding to be paid on the Delivery Date in respect of such Aircraft to exceed the BFE Budget (as escalated in accordance with the escalation formula set out in Schedule VI).

10.11 ***Change in Configuration or Specification as a Passenger Carrying Aircraft:*** The Borrower shall not alter the configuration or specification of any Aircraft as a commercial passenger carrying aircraft and shall ensure that the Aircraft is at all times required to be delivered by Airbus in the Required Specification.

10.12 ***Extension of Scheduled Delivery Date:*** The Borrower shall not agree to extend the Scheduled Delivery Date of any Aircraft beyond the end of the applicable Scheduled Delivery Month; *provided* that if and to the extent that there is a delay in the delivery of an Aircraft by Airbus arising out of circumstances beyond the control of Frontier Airlines or the Borrower and which Airbus is entitled to impose upon Frontier Airlines or the Borrower without their consent pursuant to the terms of the Assigned Purchase Agreement (including an "Excusable Delay" and a "Non-Excusable Delay" under (and as defined in) the Assigned Purchase Agreement (any such delay, a "**Relevant Delay**"), then the Scheduled Delivery Date for such Aircraft may be delayed by no more than ***** from the last day of the Scheduled Delivery Month specified for such Aircraft in Schedule III.

10.13 ***Liens:*** The Borrower will not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to any of its assets including the Mortgage Collateral except:

(a) the rights of the Borrower as provided in the Mortgage, the Liens thereof and any other rights existing pursuant to the Operative Documents;

(b) Liens for Taxes of the Borrower either not yet due or being contested in good faith by appropriate proceedings (and for which adequate reserves have been provided in accordance with GAAP), so long as the continuing existence of such Liens during such proceedings do not involve any material risk of the termination, sale, forfeiture or loss of, the Assigned Purchase Agreement or the Engine Agreement;

(c) Liens arising out of any judgment or award against the Borrower with respect to which an appeal or proceeding for review is being prosecuted diligently and in good faith, so long as such Liens do not result in a material risk of the termination, sale, forfeiture or loss of, the Assigned Purchase Agreement or the Engine Agreement; and

(d) any other Lien with respect to which the Borrower shall have provided a bond or other security in an amount and under terms reasonably satisfactory to the Security Trustee.

The Borrower will promptly, at its own expense, take (or cause to be taken) such actions as may be necessary duly to discharge any Lien not excepted above if the same shall arise at any time.

10.14 ***Amendments, Supplements, Etc:*** Forthwith upon the execution and delivery of any amendment to the Mortgage, if an applicable legal system having jurisdiction over the Borrower or the Mortgage Collateral is in existence that permits for filing and/or recording of the Mortgage and amendments or supplements thereto, the Borrower will cause such amendment to be duly filed and recorded, and maintained of record, in accordance with all Applicable Laws. In addition, the Borrower will promptly and duly execute and deliver to the Security Trustee such further documents and take such further action as the Security Trustee may from time to time reasonably request in order to more effectively carry out the intent and purpose of the Mortgage and establish and protect the rights and remedies created or intended to be created in favor of the Security Trustee under the Mortgage and the other Operative Documents, including, without limitation, if requested by the Security Trustee, at the expense of Borrower, the execution and delivery of supplements or amendments hereto, each in recordable form, in accordance with the laws of such jurisdiction as the Security Trustee may reasonably request.

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10.15 ***Access to or Furnishing of Information:*** The Borrower agrees to furnish to the Facility Agent and to each Lender:

(a) as soon as available, but not later than ***** after the close of each fiscal year of Frontier Holdings occurring after the Original Signing Date, an audited and consolidated balance sheet and related statements of Frontier Holdings and its subsidiaries at and as of the end of such fiscal year, together with an audited and consolidated statement of income for such fiscal year, each of which shall be prepared in accordance with GAAP;

(b) as soon as available, but not later than ***** after the close of each of the first three quarters of each fiscal year of Frontier Holdings, an unaudited and consolidated balance sheet of Frontier Holdings and its subsidiaries at and as of the end of such quarter, together with an unaudited and consolidated statement of income for such quarter, each of which shall be prepared in accordance with GAAP;

(c) as soon as available, but not later than ***** after the close of each fiscal year of Frontier Holdings occurring while amounts are outstanding under this Agreement or any Loan Certificate, a certificate of the chief financial officer, Treasurer, any Vice President, or other officer of Frontier Holdings stating that such authorized officer has reviewed the activities of the Borrower and itself and that, to the best of the knowledge of such authorized officer, there exists no Default or Event of Default or event which would require the prepayment of any loans pursuant to Clause 5.9(c), (d) or (e);

(d) from time to time, notification of any material changes to BFE, optional features or SCNs with respect to any Aircraft, and such other information as the Facility Agent or any Lender may reasonably request;

(e) promptly after the occurrence thereof and actual knowledge thereof by a responsible officer of the Borrower, notice of any Default or Event of Default;

(f) promptly after the occurrence thereof, any Aviation Authority required modifications in respect of the Aircraft that the Borrower is aware of, and any optional changes effected in the prior calendar month, that would lead to an increase in the Lender's Net Price; and

(g) promptly upon receiving notification thereof from Airbus, the Scheduled Delivery Date of an Aircraft.

10.16 ***Maintenance of Separate Existence:*** The Borrower shall maintain certain policies and procedures relating to its existence as a separate company as follows, and shall do all things necessary to maintain their corporate existence separate and distinct from any other Person. The Borrower shall:

(a) observe all formalities necessary to remain a legal entity separate and distinct from each Guarantor and any other Person;

(b) maintain its assets and liabilities separate and distinct from those of each Guarantor and any other Person in such a manner that it is not difficult to segregate, identify or ascertain such assets;

(c) maintain records, books and accounts separate from those of each Guarantor and any other Person (other than as otherwise specified in the Operative Documents);

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(d) pay its obligations in the ordinary course of business as a legal entity separate from each Guarantor and any other Person;

(e) keep its funds separate and distinct from any funds of each Guarantor and any other Person, and receive, deposit, withdraw and disburse such funds separately from any funds of each Guarantor and any other Person;

(f) not agree to pay, assume, guarantee or become liable for any debt of, or otherwise pledge its assets for the benefit of, either Guarantor or any other Person except as otherwise permitted under the Operative Documents;

(g) not hold out that it is a division of either Guarantor or any other Person or that either Guarantor or any other Person is a division of it;

(h) not induce any third party to rely on the creditworthiness of either Guarantor or any other Person in order that such third party will contract with it (other than the guarantee of the Guarantors in favor of Airbus made in connection with the Assigned Purchase Agreement);

(i) allocate and charge fairly and reasonably any common overhead shared with either Guarantor or any other Person;

(j) hold itself out as a separate entity, and correct any known misunderstanding regarding its separate identity;

(k) conduct business in its own name and ensure that all communications are made solely in its name;

(l) not acquire the securities of either Guarantor or any Affiliate thereof;

(m) prepare separate financial statements, if required to prepare such pursuant to Applicable Law, and separate tax returns and pay any Taxes required to be paid under applicable Tax law (provided that each Guarantor and its Affiliates may publish financial statements that consolidate those of such Guarantor and its Affiliates, and subsidiaries of such Guarantor may file consolidated Tax returns with such Guarantor and its Affiliates for Tax purposes provided that so doing does not give rise to any incremental Tax liabilities on the part of the Borrower); and

(n) not enter into any transaction between itself and either Guarantor or their Affiliates that is more favorable to either such Guarantor or any of their Affiliates than transactions that either such Guarantor and its Affiliates would have been able to enter into at such time on an arm's-length basis with a non-affiliated third party, or vice versa.

For the avoidance of doubt, the Borrower is authorized to engage in any activity or other undertaking expressly required or expressly authorized by the Operative Documents.

10.17 ***Independent Director:*** The Borrower shall have at least one Independent Director whose vote shall be required to take any Material Action with respect to the Borrower (it being understood that this Agreement shall not require the vote of an Independent Director for any other matter other than a Material Action).

10.18 ***Management and Control; COMI:*** Management and control of, and the principal place of business of the Borrower shall be located in the Cayman Islands. The Borrower shall ensure that it does not have a Center of Main Interests (as defined in EU Insolvency Regulations) in the European Union.

10.19 ***Subordinated Loan:*** The Borrower shall not pay or repay any amount under the Subordinated Loan Agreement while the Secured Obligations remain outstanding provided that upon delivery of an Aircraft and following payment and repayment of principal, interest, breakage costs and the amounts allocable to such Aircraft and all other amounts the due and owing under the Mortgage, the Borrower may repay amounts payable under the Subordinated Loan Agreement to the extent of available funds at such time.

10.20 **LTV**:

(a) In this Clause 10.20 the following capitalized terms have the following meaning "**LTV**" means as of any applicable LTV Test Date for an Aircraft or an Aircraft Pool, the percentage equivalent of a fraction determined by the formula of AP – (PPI – LA - AEC)/BV where:

(i) "**AP**" means the Assignable Price of such Aircraft or the sum of the Assignable Prices of all Aircraft in such Aircraft Pool;

(ii) "**PPI**" means an amount equal to the aggregate of all Purchase Price Installments paid to Airbus as of the applicable LTV Test Date in respect of such Aircraft or the sum of the Purchase Price Installments paid to Airbus as of the applicable LTV Test Date in respect of all Aircraft in such Aircraft Pool;

(iii) "**LA**" means the aggregate amount of all Loans made in respect of such Aircraft, as of the applicable LTV Test Date (if any) or the sum of the Loans made in respect of all Aircraft in such Aircraft Pool, as of the applicable LTV Test Date;

(iv) "**AEC**" means the engine credits assigned to the Security Trustee pursuant to the Mortgage in respect of the Engines relating to such Aircraft or the sum of the engine credits assigned to the Security Trustee pursuant to the Mortgage in respect of the Engines relating to all Aircraft in such Aircraft Pool; and

(v) "**BV**" means the Base Value of such Aircraft, as stated in the Aircraft Appraisal prepared in respect of such LTV Test Date or the sum of the Base Values of all Aircraft in such Aircraft Pool, as stated in the Aircraft Appraisal for each Aircraft prepared in respect of such LTV Test Date.

"**Maximum LTV**" means

(i) if at any time Frontier Holdings has liquidity in the form of Unrestricted Cash and Cash Equivalents in an aggregate amount of not less than ***** as set forth in the most recent financial statements delivered pursuant to Clause 10.15 (such liquidity, the "**Liquidity Threshold**"), *****

(ii) *****

(b) The Borrower shall ensure that as of each LTV Test Date, with respect to an Aircraft or an Aircraft Pool (as the case may be), the LTV in respect of each applicable Aircraft or

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each Aircraft Pool (as the case may be) in respect of which a Loan is outstanding does not exceed an amount equal to the Maximum LTV for such Aircraft or such Aircraft Pool (as the case may be) (the "**LTV Test**") provided that the Borrower shall not be deemed to have breached the LTV Test if it is in compliance with its obligation set forth in Clause (c) below.

(c) In the event of an LTV Test failure, the Borrower shall, within ***** of the LTV Test Date on which such failure occurred either:

(i) prepay the applicable Loans in accordance with Clause 5.9(b); or

(ii) pay to the Security Trustee cash, or provide such other Cash Equivalent collateral in such form as the Facility Agent in its sole discretion agrees, ("**LTV Collateral**") in an amount, or with a value, equal to that which if applied to prepay the Loan or Loans relating to the Aircraft in respect of which the failure of the LTV Test has occurred, would reduce the principal outstanding thereto in order that a failure of the LTV Test would not occur if it were calculated following such prepayment. Upon provision LTV Collateral in the amount required pursuant to this Clause (ii) or prepayment of the applicable Loan(s) in accordance with Clause (i) above, the relevant failure of the LTV Test shall not constitute a Default.

(d) Except as expressly specified in this Clause 10.20(d), the Borrower shall have no entitlement to receive payment of any part of the LTV Collateral. Following the provision by the Borrower of any LTV Collateral, the Security Trustee shall, if the Borrower is in compliance with the LTV Test as of any LTV Test Date following provision of any LTV Collateral and provided no Default is continuing, within ***** after such LTV Test Date, release to the Borrower (at the request and cost of the Borrower), by way of release of such LTV Collateral from the related Eligible Account, an amount or value equal to that by which the amount or value of LTV Collateral provided by the Borrower exceeds the amount or value required in order to not be in any breach of the LTV Test as of such LTV Test Date.

(e) The Borrower agrees that any LTV Collateral shall be deposited in an Eligible Account.

(f) Following the occurrence of an Event of Default which is continuing, in addition to all rights and remedies of the Security Trustee elsewhere in this Agreement or under Law or pursuant to any Operative Document, the Security Trustee may immediately or at any time thereafter, without notice to the Borrower, use, enforce, apply and/or retain all or part of the LTV Collateral in or towards the payment or discharge of any matured obligation owed by the Borrower under this Agreement or any other Operative Documents, in such order as the Security Trustee sees fit.

(g) If the Security Trustee exercises any of the rights described in Clause (f) above and the LTV in respect of any Aircraft or any Aircraft Pool (as the case may be) exceeds the Maximum LTV in respect of such Aircraft or such Aircraft Pool (as the case may be) after such exercise, the Borrower shall, within ***** of demand in writing from the Security Trustee, perform one of the options in (c) to the extent necessary for the LTV Test.

(h) The Borrower shall notify the Facility Agent promptly if Frontier Holdings' Unrestricted Cash and Cash Equivalents have at any time fallen below the Liquidity Threshold required by Clause 10.20(a) of this Agreement or the threshold required by clause 9(f) of the Frontier Holdings Guarantee.

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10.21 ***Equity Contribution***: The Borrower shall pay an amount equal to each Equity Contribution in respect of an Aircraft to Airbus on or before the Borrowing Date to which such Equity Contribution corresponds as set out in Schedule III.

11. THE FACILITY AGENT

The provisions of Schedule IV (*Facility Agent*) shall apply to this Agreement.

12. THE SECURITY TRUSTEE

The provisions of Schedule V (*The Security Trustee*) shall apply to this Agreement.

13. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

13.1 No provision of this Agreement or any other Operative Document will:

13.1.1 interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

13.1.2 without limiting the obligations of the Finance Parties to mitigate or otherwise take actions contained in this Agreement, oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it in respect of Tax or to investigate the extent, order and manner of any such claim; or

13.1.3 oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or, except as otherwise required by Clauses 5.3 and 5.11, any computations in respect of Tax.

14. SUPPLEMENTS AND AMENDMENTS TO THIS AGREEMENT AND OTHER DOCUMENTS

14.1 **Instructions of Majority; Limitations**

(a) At any time and from time to time, at the request of the Borrower, the Facility Agent (but only on the written direction of the Majority Lenders) shall (x) execute a supplement hereto for the purpose of adding provisions to, or changing or eliminating provisions of, this Agreement or any other Operative Document as specified in such request or (y) provide a consent when required by the terms of any Operative Document, provided that, without the consent of each Lender adversely affected thereby, no such amendment of or supplement to any such document, or waiver or modification of the terms of any thereof, shall:

(i) modify any of the provisions of this Clause 14.1 or the definitions of the terms, “Majority Lenders” or “Operative Documents”, contained herein or in any other Operative Document;

(ii) increase the principal amount of any Loan Certificate or reduce the amount or extend the time of payment of any amount owing or payable under any Loan Certificate or (except as provided in the Operative Documents) increase or reduce

the Break Amount or interest payable on any Loan Certificate (except that only the consent of the Lender shall be required for any decrease in any amounts of or the rate of Break Amount or interest payable on such Loan Certificate or any extension for the time of payment of any amount payable under such Loan Certificate);

(iii) reduce, modify or amend any indemnities in favor of any Lender or in favor of or to be paid by the Borrower or alter the definition of "Indemnitee" to exclude any Lender; or

(iv) release the Borrower from its obligations in respect of the payment of the principal and interest then outstanding (or other amounts payable therewith) or change any of the circumstances under which any amounts payable pursuant to this Agreement and the other Operative Documents are payable.

(b) Notwithstanding the foregoing, without the consent of each Lender, no such supplement to this Agreement, the Mortgage or the Share Charge, or waiver or modification of the terms hereof or of any other agreement or document shall expressly permit the creation of any Lien on the Collateral or any part thereof, except as herein expressly permitted, or deprive any Lender of the benefit of the Lien of the Mortgage on the Collateral or the Lien of the Share Charge except in connection with the exercise of remedies under Clause 7 of the Mortgage or under equivalent provisions of the Share Charge.

(c) Except as provided in this Clause 14.1, the Security Trustee shall not amend, supplement or waive the terms of this Agreement, the Mortgage, the Share Charge or any other Operative Documents.

14.2 **Facility Agent Protected**

If, in the reasonable opinion of the institution acting as the Facility Agent hereunder any document required to be executed pursuant to the terms of Clause 14.1 affects any right, duty, immunity or indemnity with respect to it under this Agreement or any other Operative Document, the Facility Agent may in its reasonable discretion decline to execute such document.

14.3 **Documents Mailed to Lenders**

Promptly after the execution by the Facility Agent of any document entered into pursuant to Clause 14.1, the Facility Agent shall mail, by certified mail, postage prepaid, a conformed copy thereof to each Lender at its address shown on the Certificate Register, but the failure of the Borrower or Facility Agent, to mail such conformed copies shall not impair or affect the validity of such document.

15. NOTICES

15.1 All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, or by facsimile or electronic mail, or by prepaid courier service, and shall be effective upon receipt.

15.2 Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this Clause 15, notices, demands, instructions and other communications in writing shall be given to or made upon the parties hereto at their addresses (or to their facsimile numbers)

as follows: (a) if to the Borrower or the Security Trustee, to the addresses specified in clause 7.6 of the Mortgage, (b) if to a Lender or the Facility Agent to the address specified on Schedule I, or (c) if to any subsequent Lender, addressed to such Lender at its address specified in the Certificate Register maintained pursuant to Clause 5.6.

16. GOVERNING LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; AGENT FOR SERVICE OF PROCESS.

16.1 This Agreement shall in all respects be governed by, and construed in accordance with, the law of the State of New York.

16.2 The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and the Borrower irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by law, in such Federal court. The Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against another party or its properties in the courts of any jurisdiction.

16.3 The Borrower irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Clause 16.2. The Borrower hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

16.4 Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Clause 15. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

16.5 EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS CLAUSE.

16.6 The Borrower hereby irrevocably appoints and designates Corporation Service Company (the "**Agent for Service of Process**"), having an address at Corporation Service Company, 80 State Street, Albany, New York 12207-2543, as its true and lawful attorney-in-fact and duly authorized agent for the limited purpose of accepting service of legal process and the Borrower agrees that service of process upon such party shall constitute personal service of such process on such

person. The Borrower shall maintain the designation and appointment of the Agent for Service of Process at such address until all amounts payable under this Agreement shall have been paid in full. If the Agent for Service of Process shall cease to so act, the Borrower shall immediately designate and shall promptly deliver to the Facility Agent evidence in writing of acceptance by another agent for service of process of such appointment, which such other agent for service of process shall have an address for receipt of service of process in the State of New York and the provisions above shall equally apply to such other agent for service of process.

17. INVOICES AND PAYMENT OF EXPENSES

Each Agent and the Lenders shall promptly submit to the Borrower copies of invoices of the Transaction Expenses (as defined below) as they are received. The Borrower agrees to pay Transaction Expenses promptly upon receipt of detailed invoices of such Transaction Expenses regardless as to whether or not the Effective Date occurs (except in circumstances where such failure to occur is as a result of the breach by any Lender of its obligations hereunder following satisfaction by the Borrower of the Conditions Precedent set out in Clause 4 (*Conditions*)). For the purposes hereof, "Transaction Expenses" means:

(a) with respect to the preparation, negotiation, execution and delivery of this Agreement and the payment or anticipated drawing of each Loan on each Borrowing Date, the reasonable fees, expenses and disbursements of Clifford Chance US LLP, special counsel to the Lenders and the Facility Agent, as well as the reasonable fees and expenses of special Cayman Islands counsel and any counsel to the Security Trustee (subject to any agreed caps);

(b) all fees, taxes (including license, documentary, stamp, excise and property taxes) and other charges payable in connection with the recording or filing of instruments and financing statements;

(c) each Agent's and each Lender's reasonable out-of-pocket costs and expenses relating to the negotiation and closing of this transaction (with any travel expenses requiring prior notice to the Borrower);

(d) each Agent's and each Lender's reasonable out-of-pocket costs and expenses relating to any release of any Collateral or the delivery of the Aircraft contemplated hereby (including the reasonable fees, expenses and disbursements of legal counsel and with any travel expenses requiring prior notice to the Borrower); and

(e) each Agent's and each Lender's reasonable out-of-pocket costs and expenses relating to any waiver, amendment or modification of the Operative Documents (including the reasonable fees, expenses and disbursements of legal counsel and with any travel expenses requiring prior notice to the Borrower).

18. CONFIDENTIALITY

Each of the Lenders and each Agent covenants and agrees to keep confidential, and not to disclose to any third parties, the Operative Documents and all non-public information received by it from the Borrower, Airbus or the Engine Manufacturer pursuant to the Operative Documents or the Assigned Purchase Agreement or the Engine Agreement, if any is so delivered, provided that, to the extent permitted by any applicable confidentiality agreement with Airbus or the Engine Manufacturer, such information may be made available:

(a) to any transferee or participant (or any prospective transferee or participant) of a Lender's Commitments, Loan or Loan Certificates or the Security Trustee's respective interest in the Collateral, in each case so long as such transferee or participant (or prospective transferee or participant) first executes and delivers to the respective Lender a confidentiality agreement consistent with the foregoing or is otherwise bound by a substantially similar obligation of confidentiality;

(b) to any Lender's counsel or independent certified public accountants, independent insurance advisors or other agents who agree to hold such information confidential on the terms provided;

(c) as may be required by Applicable Law or by any statute, court or administrative order or decree or governmental ruling or regulation (or, in the case of any Lender, to any bank examiner or other regulatory personnel); or

(d) as may be necessary for purposes of enforcement of any Operative Document.

19. MISCELLANEOUS

19.1 The representations, warranties, indemnities and agreements of the Borrower provided for in this Agreement and each party's obligations under any and all thereof, shall survive the expiration or other termination of this Agreement or any other Operative Document, except as expressly provided herein or therein.

19.2 This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified, except by an instrument in writing signed by the party or parties thereto.

19.3

(a) This Agreement shall be binding upon and shall inure to the benefit of, and shall be enforceable by, the parties hereto and their respective successors and permitted assigns including each successive holder of any Loan Certificate(s) issued and delivered pursuant to this Agreement. Each Lender, by its acceptance of its Loan Certificate, agrees to be bound by all of the provisions of this Agreement and the other Operative Documents applicable to a Lender.

(b) The Borrower may not assign any of its rights or obligations under this Agreement or the other Operative Documents except to the extent expressly provided thereby.

(c) Each Lender, at no cost to any Obligor, may assign any of its Loan, its Loan Certificates and its Commitments to any Person with, unless a Default is continuing, the consent of the Borrower and the Guarantors, in each case, such consent not to be unreasonably withheld or delayed; provided that (i) each such assignment by a Lender of its Loan, Loan Certificates or Commitment shall be made in such manner so that the same portion of its Loan, Loan Certificates and Commitment is assigned to the respective assignee; (ii) no assignment shall be permitted if such would result in the Borrower or either Guarantor incurring any increased liability or cost under the Operative Documents as a result of such assignment based on laws in effect as of the date of such arrangement; (iii) such assignment shall be effected by the execution and delivery by the assignee and assignor of

an agreement in the form of the Loan Assignment Agreement attached as Exhibit B hereto; and (iv) such assignment shall be permitted pursuant to Clause 12.4 of the Step In Agreement. Upon execution and delivery by the assignee to the Borrower, the Facility Agent and the Security Trustee of the Loan Assignment Agreement pursuant to which such assignee agrees to become a "Lender" hereunder (if not already a Lender) having the Commitment and/or Loan amount specified in such instrument, and upon consent thereto by the Borrower and, the Facility Agent, to the extent required above, the assignee shall have, to the extent of such assignment (unless otherwise provided in such assignment with the consent of the Borrower, the Security Trustee and the Facility Agent), the obligations, rights and benefits of a Lender hereunder holding the Commitment and/or Loan (or portions thereof) assigned to it (in addition to the Commitment and, Loan, if any, theretofore held by such assignee) and the assigning Lender shall, to the extent of such assignment, be released from the Commitment (or portion thereof) so assigned.

(d) Each Lender may sell or agree to sell to one or more other Persons a participation in all or any part of the Loan held by it, or in its Commitments, in which event each purchaser of a participation (a "**Participant**") shall be entitled to the rights and benefits of the provisions hereof with respect to its participation in such Loan and Commitments as if such Participant were a "Lender" for purposes hereof. In no event shall a Lender that sells a participation agree with the Participant to take or refrain from taking any action hereunder or under any other Operative Document except that such Lender may agree with the Participant that it will not, without the consent of the Participant, agree to (i) increase or extend the term, or extend the time or waive any requirement for the reduction or termination, of such Lender's Commitment, (ii) extend the date fixed for the payment of regularly scheduled principal of or interest on the Loan or any portion of any fee hereunder payable to the Lender, (iii) reduce the amount of any such payment of principal or (iv) reduce the rate at which interest is payable thereon, or any fee hereunder payable to the Lenders, to a level below the portion of such rate or fee which the Participant is entitled to receive.

(e) In addition to the assignments and participations permitted under the foregoing provisions of this Clause 19.3(b), any Lender may assign and pledge all or any portion of its Loan and its Loan Certificates to any Federal Reserve Bank as collateral security pursuant to Regulation A and any Operating Circular issued by such Federal Reserve Bank provided that neither the Borrower nor either Guarantor would incur an increased liability or cost under the Operative Documents as a result of such arrangement or pledge based on laws in effect at the time of such sale. No such assignment shall release the assigning Lender from its obligations hereunder.

(f) Notwithstanding the above, a Lender may not assign or transfer all or any portion of its Loan, Commitment or any Loan Certificate or interest therein (i) in violation of the Securities Act or applicable foreign or state securities laws (ii) prior to the drawdown of the Loans.

20. LIMITATION OF SECURITY TRUSTEE LIABILITY

It is expressly understood and agreed by the parties that (A) this document is executed and delivered by Bank of Utah, not individually or personally, but solely as Security Trustee, (B) each of the representations, undertakings and agreements herein made on the part of the Security Trustee is made and intended not as personal representations, undertakings and agreements by Bank of Utah, but only in its capacity as Security Trustee for the Facility Agent and the Lenders,

(C) nothing herein contained shall be construed as creating any liability on Bank of Utah, individually or personally, to perform any covenant either expressed or implied contained herein, all such liability, if any, being expressly waived by the parties hereto and by any person claiming by, through or under the parties hereto, and (D) under no circumstances shall Bank of Utah be personally liable for the payment of any indebtedness or expenses of the Lenders or the Facility Agent or be liable for the breach or failure of any obligation, representation, warranty or covenant made or undertaken by the Security Trustee under this Agreement, the Operative Documents or any other related documents excluding, in each case, gross negligence, willful misconduct or simple negligence in the handling of money by the Security Trustee for which it shall be liable in its individual capacity.

21. LIMITATION ON LIABILITY

21.1 Notwithstanding anything contained in this Agreement to the contrary, recourse against the Borrower with respect to this Agreement shall be limited to the assets of the Borrower, as they may exist from time to time and each of the Security Trustee, the Facility Agent and the Lenders agree not to seek before any court or Governmental Entity to have any shareholder, director or officer of the Borrower, held liable, in their personal or individual capacities, for any actions or inactions of the Borrower or any obligations or liability of the Borrower under this Agreement other than in the case of gross negligence or willful misconduct.

21.2 Each of the Security Trustee, the Facility Agent and the Lenders agree that with respect to any actions or inactions of the Borrower or any obligations or liability of the Borrower under this Agreement, it shall not commence any case, proceeding, proposal or other action under any existing or future law of any jurisdiction relating to the bankruptcy, insolvency, reorganization, arrangement in the nature of insolvency proceedings, adjustment, winding-up, liquidation, dissolution or analogous relief with respect to the Borrower.

21.3 Nothing in this Clause 21 shall:

21.3.1 be construed to limit the exercise of remedies pursuant to this Agreement in accordance with its terms; or

21.3.2 be construed to waive, release, reduce, modify or otherwise limit the obligations and liabilities of any guarantor of the Borrower’s obligations or liabilities hereunder.

21.4 The provisions of this Clause 21 shall survive the termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective officers thereunto duly authorized as of the day and year first above written.

BORROWER

VERTICAL HORIZONS, LTD., Borrower

By: /s/ Grant Cellier
Name: Grant Cellier
Title: Director

SECURITY TRUSTEE

BANK OF UTAH, not in its individual capacity but solely as Security Trustee

By: /s/ John Thomas
Name: John Thomas
Title: Vice President

By: /s/ Jon Croasmun
Name: Jon Croasmun
Title: Vice President

FACILITY AGENT

CITIBANK, N.A., as Facility Agent

By: /s/ Meghan O'Connor
Name: Meghan O'Connor
Title: Vice President

By:
Name:
Title:

ARRANGER

CITIGROUP GLOBAL MARKETS, INC., as Arranger

By: /s/ Scott Debano
Name: Scott Debano
Title: Managing Director

By: _____
Name:
Title:

LENDER

CITIBANK, N.A., as Lender

By: /s/ Meghan O'Connor
Name: Meghan O'Connor
Title: Vice President

By: _____
Name:
Title:

SCHEDULE I
NOTICE & ACCOUNT INFORMATION

Lender	Citibank, N.A. 1615 Brett Road Building 111 New Castle, DE 19720 Attention: Loan Administration Fax: ***** Email: ***** With a copy to: Citibank, N.A. 388 Greenwich Street, 34th Floor New York, NY 10013 Attention: ***** Fax: ***** Email: *****
Facility Agent	Citibank, N.A. 1615 Brett Road Building 111 New Castle, DE 19720 Attention: ***** Fax: ***** Email: ***** With a copy to: Citibank, N.A. 388 Greenwich Street, 34th Floor New York, NY 10013 Attention: ***** Fax: ***** Email: *****
Account Details:	Bank Name: Citibank, N.A. ABA: ***** Account Name: ***** Account No.: ***** Reference: *****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

SCHEDULE II
COMMITMENTS

Lender	Participation Percentage	Maximum Commitment
Citibank, N.A.	100%	US$150,000,000

SCHEDULE III
ADVANCES

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SCHEDULE IV
THE FACILITY AGENT

1. Appointment of the Facility Agent

1.1 Each of the Lenders appoints the Facility Agent to act as its agent under and in connection with the Operative Documents.

1.2 Each of the Lenders authorizes the Facility Agent to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under or in connection with the Operative Documents together with any other incidental rights, powers, authorities and discretions.

1.3 Unless expressly provided otherwise in the Operative Documents, each of the Lenders shall exercise its rights through the Facility Agent or the Security Trustee.

2. Duties of the Facility Agent

2.1

(a) The Facility Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Facility Agent for that Party by any other Party.

(b) Paragraph (a) above shall not apply to any assignment agreement executed pursuant to clause 19.3(b)(i) or (ii).

2.2 The Facility Agent shall promptly forward to each of the Lenders a copy of any document or notice which is delivered to the Facility Agent by the Security Trustee.

2.3 If the Facility Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the Lenders.

2.4 The Facility Agent shall promptly notify the Lenders of any Default (in relation to which it has actual knowledge) arising under Clause 4(a) (*Non Payment)* of the Mortgage.

2.5 The Facility Agent's duties under the Operative Documents are solely mechanical and administrative in nature.

2.6 Except where an Operative Document expressly and specifically provides otherwise, the Facility Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.

3. No fiduciary duties

3.1 Nothing in this Agreement constitutes the Facility Agent as a trustee or fiduciary of any other Person.

3.2 The Facility Agent shall not be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

4. Business with the Borrower

The Facility Agent may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

5. Rights and discretions of the Facility Agent

5.1 The Facility Agent may rely on:

(a) any representation, notice or document believed by it to be genuine, correct and appropriately authorized; and

(b) any statement made by a director, authorized signatory or employee of any person regarding any matters which may reasonably be assumed to be within his knowledge or within his power to verify.

5.2 The Facility Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:

(a) no Default has occurred (unless it has actual knowledge of a Default arising under clause 4(a) (*Non-Payment)* of the Mortgage); and

(b) any right, power, authority or discretion vested in any Party or the Majority Lenders has not been exercised.

5.3 The Facility Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts **provided that** such engagement shall not cause any additional expense or cost to the Borrower or either Guarantor unless approved in advance in writing by either such Guarantor.

5.4 The Facility Agent may act in relation to the Operative Documents through its personnel and agents.

5.5 The Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

5.6 Notwithstanding any other provision of any Operative Document to the contrary, the Facility Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.

6. Majority Lenders' instructions

6.1 Unless a contrary indication appears in a Operative Document, the Facility Agent shall act in accordance with any instructions given to it by the Majority Lenders (or, if so instructed by the Majority Lenders, refrain from acting or exercising any right, power, authority or discretion vested in it as Facility Agent) and shall not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with such an instruction of the Majority Lenders.

6.2 Unless a contrary indication appears in a Operative Document, any instructions given by the Majority Lenders will be binding on all the Lenders.

6.3 The Facility Agent may refrain from acting in accordance with the instructions of the Majority Lenders (or, if appropriate, the Lenders) until it has received such security as it may require for any cost, loss or liability (together with any associated VAT) which it may incur in complying with the instructions.

6.4 In the absence of instructions from the Majority Lenders, (or, if appropriate, the Lenders) the Facility Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

6.5 The Facility Agent is not authorized to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Operative Document.

7. Responsibility for documentation

The Facility Agent is not (i) responsible for the legality, validity, effectiveness, adequacy or enforceability of any Operative Document or any other agreement, arrangement or document entered into, made or executed in anticipation of or in connection with any Operative Document or (ii) responsible for any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by Applicable Law or regulation relating to insider dealing or otherwise, unless the Facility Agent is informed by the Borrower or either Guarantor in writing that specific information being provided to the Facility Agent is non-public information.

8. Exclusion of liability

8.1 Without limiting sub-clause 8.2, the Facility Agent will not be liable for any action taken by it under or in connection with any Operative Document, unless directly caused by its gross negligence or willful misconduct.

8.2 No Party may take any proceedings against any officer, employee or agent of the Facility Agent in respect of any claim it might have against the Facility Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Operative Document and any officer, employee or agent of the Facility Agent may rely on this sub-clause. Any third party referred to in this sub-clause 8.2 may enjoy the benefit of and enforce the terms of this sub-clause 8.2.

8.3 The Facility Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Operative Documents to be paid by the Facility Agent if the Facility Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognized clearing or settlement system used by the Facility Agent for that purpose.

8.4 Nothing in this Agreement shall oblige the Facility Agent to carry out any "know your customer" or other checks in relation to any person on behalf of any Lender and each Lender confirms to the Facility Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent.

9. Lenders' indemnity to the Facility Agent

Each Lender shall (in proportion to its share of the total Commitments or, if the total Commitments are then zero, to its share of the total Commitments immediately prior to their reduction to zero) indemnify the Facility Agent, within ***** of demand, against any cost, loss or

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

liability incurred by the Facility Agent (otherwise than by reason of the Facility Agent's gross negligence or wilful misconduct) in acting as Facility Agent under the Operative Documents (unless the Facility Agent has been reimbursed by the Borrower pursuant to an Operative Document).

10. Resignation of the Facility Agent

10.1 The Facility Agent may resign and appoint one of its Affiliates as successor by giving notice to the other Finance Parties and the Borrower.

10.2 Alternatively the Facility Agent may resign with the consent of the Borrower (such consent not to be unreasonably withheld or delayed and **provided that**, such consent shall not be required if there shall have occurred and be continuing an Event of Default) by giving notice to the Lenders, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Facility Agent.

10.3 If the Majority Lenders have not appointed a successor Facility Agent in accordance with sub-clause 10.2 within ***** after notice of resignation was given, the Facility Agent (after consultation with the Borrower) may appoint a successor Facility Agent.

10.4 The retiring Facility Agent shall, at its own cost, make available to the successor Facility Agent such documents and records and provide such assistance as the successor Facility Agent may reasonably request for the purposes of performing its functions as Facility Agent under the Operative Documents.

10.5 The Facility Agent's resignation notice shall only take effect upon the appointment of a successor.

10.6 Upon the appointment of a successor, the retiring Facility Agent shall be discharged from any further obligation in respect of the Operative Documents but shall remain entitled to the benefit of this Clause 10. Its successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

10.7 With (prior to the occurrence of an Event of Default that is continuing) the consent of the Borrower (such consent not to be unreasonably withheld or delayed), the Majority Lenders may, by notice to the Facility Agent, require it to resign in accordance with sub-clause 10.2. In this event, the Facility Agent shall resign in accordance with sub-clause 10.2.

11. Confidentiality

11.1 In acting as agent for the Lenders, the Facility Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.

11.2 If information is received by another division or department of the Facility Agent, it may be treated as confidential to that division or department and the Facility Agent shall not be deemed to have notice of it.

11.3 Notwithstanding any other provision of any Operative Document to the contrary, the Facility Agent is not obliged to disclose to any other person any confidential information or any other information if the disclosure would or might in its reasonable opinion constitute a breach of any law or a breach of a fiduciary duty.

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12. Relationship with the Lenders

The Facility Agent may treat each Lender as a Lender, entitled to payments under this Agreement and acting through its Facility Office unless it has received not less than ***** prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

13. Credit appraisal by the Lenders

Without affecting the responsibility of the Obligors for information supplied by it or on its behalf in connection with any Operative Document and the transactions contemplated thereby, each Lender confirms to the Facility Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Operative Document including but not limited to:

13.1 the financial condition, status and nature of the Obligors;

13.2 the legality, validity, effectiveness, adequacy or enforceability of any Operative Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Operative Document;

13.3 whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Operative Document, the transactions contemplated by the Operative Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Operative Document; and

13.4 the adequacy, accuracy and/or completeness of any information provided by any Party or by any other person under or in connection with any Operative Document, the transactions contemplated by the Operative Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Operative Document.

14. Written Directions

The Borrower shall be entitled to rely on any written direction believed by it (acting reasonably) to be given by the Facility Agent or the Security Trustee, as the case may be, as having been authorized, to the extent required by this Agreement, by all the Finance Parties.

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SCHEDULE V
THE SECURITY TRUSTEE

1. Acceptance of Trusts

The Security Trustee hereby confirms its acceptance of the trusts created under the Mortgage and the other Operative Documents and covenants and agrees to perform and observe all of its covenants and undertakings set forth in this Agreement, the Mortgage and the other Operative Documents, which shall govern the duties and responsibilities of the Security Trustee to the Finance Parties. The parties hereto agree that Bank of Utah, in its capacity as Security Trustee, acts hereunder solely as security trustee as herein provided and not in its individual capacity except as otherwise herein provided.

2. Duties and Responsibilities of the Security Trustee to the Finance Parties

2.1 In the event the Security Trustee shall have knowledge of an Event of Default (which shall not have been cured), the Security Trustee shall give prompt written notice of such Event of Default to the Facility Agent. Subject to the provisions of sub-clause 3.3 of this Schedule V, the Security Trustee shall take such action with respect to any Event of Default as the Security Trustee shall be instructed in writing by the Majority Lenders. If the Security Trustee shall not have received instructions as above provided within ***** after the mailing of notice of such Event of Default the Security Trustee shall, subject always to instructions received thereafter pursuant to the preceding sentence, take such action, or refrain from taking such action, but shall be under no duty to take or refrain from taking any action, with respect to such Event of Default as it shall determine advisable in the best interests of the Finance Parties and shall use the same degree of care and skill in connection therewith as a prudent person would use under the circumstances in the conduct of his or her own affairs. In the absence of actual knowledge of an officer in the "Corporate Trust Department" or its equivalent of the Security Trustee, the Security Trustee shall not be deemed to have knowledge of an Event Default unless notified in writing of such Event of Default by the Facility Agent.

2.2 Subject to the terms of sub-clauses 2.1 and 2.3(f) of this Schedule V, with respect to the Aircraft and each Operative Document, upon the written instructions at any time and from time to time of the Majority Lenders, the Security Trustee shall take such of the following actions as may be specified in such instructions: (i) give such notice or direction or exercise such right, remedy or power hereunder or under the Operative Documents as shall be specified in such instructions; and (ii) approve as satisfactory to the Security Trustee all matters expressly required by the terms hereof or thereof to be satisfactory to the Security Trustee, it being understood that without the written instructions of the Majority Lenders the Security Trustee shall not approve any such matter as satisfactory to the Security Trustee. The Security Trustee shall execute such documents as may be required under this Agreement or any other Operative Document as may be specified from time to time in written instructions of the Majority Lenders.

2.3 No provision of this Agreement shall be construed to relieve the Security Trustee from liability for the Security Trustee's own grossly negligent action, its own grossly negligent failure to act, or its own wilful misconduct or the Security Trustee's simple negligence in the handling of money, except that:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(a) the duties and obligations of the Security Trustee shall be determined solely by the express provisions of this Agreement, and the Security Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Security Trustee;

(b) in the exercise of good faith, the Security Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Security Trustee and conforming to the requirements of this Agreement; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Security Trustee, the Security Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Agreement or the other Operative Documents;

(c) the Security Trustee shall not be liable for any error of judgment made in good faith by a responsible officer of it, unless it shall be proved that the Security Trustee was grossly negligent in ascertaining the pertinent facts;

(d) the Security Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and without gross negligence (or simple negligence in the handling of money) in accordance with the direction in writing of the Majority Lenders, relating to the time, method and place of conducting any proceeding for any remedy available to the Security Trustee, or exercising any right or power conferred upon the Security Trustee under this Agreement, and shall not be obligated to perform any discretionary act under this Agreement without the instructions in writing of the Majority Lenders;

(e) the Security Trustee shall not be under any obligation to exercise any rights or powers or take any other action upon the instructions of the Majority Lenders (including, without limitation, the insuring, taking care of or taking possession of the Aircraft or any Engine), and no provision of this Agreement shall require the Security Trustee to expend or risk its own funds or otherwise incur any financial liability, unless and until the Security Trustee shall have been fully indemnified by any person reasonably acceptable to the Security Trustee against all liability and expense in connection with the exercise of such right or power or the taking of such other action; and

(f) the Security Trustee shall have a claim and Lien upon, the Collateral and this Agreement and the Assigned Purchase Agreement prior to the other Finance Parties for any costs or expenses incurred by the Security Trustee acting in accordance with written instructions from Facility Agent and for which the Security Trustee shall not have been reimbursed.

2.4 Promptly upon receipt by the Security Trustee from either Obligor of the financial statements, reports and other documents to be furnished by either Obligor pursuant to this Agreement or pursuant to the other Operative Documents, if any, and of all other notices and documents to be delivered by the Obligors to the Security Trustee pursuant to the other Operative Documents, the Security Trustee shall furnish copies thereof to the Facility Agent, unless such notices and documents have previously been so provided.

3. Certain Rights of the Security Trustee

Except as otherwise provided above:

3.1 the Security Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, trust certificate, guaranty or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

3.2 whenever in the administration of this Agreement the Security Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Security Trustee (unless other evidence be herein specifically prescribed) may, in the exercise of good faith on its part, rely on a certificate of a responsible officer of any Person;

3.3 the Security Trustee may consult with counsel, and the written advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in reliance thereon;

3.4 the Security Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement; and

3.5 in furtherance of any trust created hereby, the other Finance Parties shall provide the Security Trustee with all such further documents as the Security Trustee may reasonably request from time to time, in order to give effect to the trust created hereby.

4. Application of Debt Service and Other Payment

To the extent received and subject to Clause 5 (*Funds May Be Held by Security Trustee*) of this Schedule V, the Security Trustee covenants and agrees to apply all payments received by it under this Agreement and the other Operative Documents when and as the same shall be received in the order of priorities specified in Clause 5.4 (*Distribution of Funds Received*) of this Agreement.

5. Funds May Be Held by Security Trustee

Any monies, proceeds from any Collateral, until at any time paid to or property held by the Security Trustee as part of the Collateral, paid out by the Security Trustee as herein provided, shall be held by the Security Trustee on deposit in an Eligible Account, and the Security Trustee shall (unless an Event of Default shall have occurred and be continuing) account to the Borrower for interest upon any such monies so held or shall invest such monies in Cash Equivalents.

6. Security Trustee Not Liable for Delivery Delays or Defects in the Aircraft or Title or any Operative Document; May Perform Duties By other Finance Parties; Reimbursement of Expenses; Holding of the Operative Documents; Monies Held in Trust

6.1 Except as otherwise provided in Clause 2 (*Duties and Responsibilities of the Security Trustee*) of this Schedule V above, the Security Trustee shall not be liable to any Person for any delay in the delivery of the Aircraft, or for any default on the part of Airbus or the Borrower, or for any defect in the Aircraft or in the title thereto or any Operative Document, nor shall anything herein be construed as a warranty on the part of the Security Trustee in respect thereof or as a representation on the part of the Security Trustee in respect of the value thereof, or in respect of the title thereto or adequacy thereof, except to the extent provided in sub-clause 6.2 of this Schedule V.

6.2 Except as otherwise provided in Clause 2 of this Schedule V (*Duties and Responsibilities of the Security Trustee*) above, the Security Trustee may perform its powers and duties hereunder by or through such attorneys, agents and servants as it shall appoint, and shall be answerable for only its own acts, gross negligence, wilful misconduct (or mere negligence in the handling of money), and not for the default or misconduct of any attorney, agent or servant appointed by it with due care. The Security Trustee shall not be responsible in any way for the recitals herein contained or for the execution or validity of this Agreement or any other Operative Document.

6.3 Subject to any limitations set forth in a Fee Letter, the Security Trustee shall be entitled to receive payment of its reasonable expenses and disbursements hereunder (except expenses and disbursements incurred pursuant to sub-clause 8.1 of this Schedule V but including its expenses and disbursements in connection with the enforcement of its rights as Security Trustee for the relevant Collateral, in enforcing remedies hereunder, under the Agreement or under the other Operative Documents, or in collecting upon, maintaining, refurbishing or preparing for sale any portion of the Collateral) and to receive compensation for all services rendered by it in performing its duties in accordance with the terms of this Agreement. All such fees, expenses and disbursements shall be paid by the Borrower (unless paid by a Guarantor) in accordance with the relevant Fee Letter.

6.4 Any monies or proceeds from any Collateral at any time held by the Security Trustee hereunder or any other Operative Document shall, until paid out by the Security Trustee as herein provided, be held by it in trust as herein provided for the benefit of the Finance Parties.

7. Successor Security Trustee

7.1 **Persons Eligible for Appointment as Security Trustee**

There shall at all times be a Security Trustee hereunder, which shall be a banking institution, trust company or corporation having a combined capital and surplus of at least *****, and in the case of a corporation, which is authorized under Applicable Law to exercise corporate trust powers and is subject to supervision or examination by federal or state banking authority. If any such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Clause 7.1, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Security Trustee shall cease to be eligible in accordance with the provisions of this Clause 7.1, the Security Trustee shall resign immediately in the manner and with the effect specified in Clause 8 (*Resignation and Removal; Appointment of Successor Security Trustee*) of this Schedule V below.

8. Resignation and Removal; Appointment of Successor Security Trustee

8.1 The Security Trustee may at any time resign by giving written notice of resignation to the Facility Agent, with a copy to the Borrower and the Facility Agent shall promptly notify the Lenders thereof. Upon receipt by the Lenders of such written notice of resignation, the Lenders shall promptly appoint a successor agent, by written instrument, which successor shall be reasonably acceptable to the Borrower so long as no Event of Default shall have occurred and be continuing, in which case, one copy of which instrument shall be delivered to the Security Trustee so resigning, one copy to the successor agent and one copy to each of the Finance Parties. If no successor agent shall have been so appointed and have accepted appointment within ***** after the giving of such notice of resignation, the resigning agent may petition any court of competent jurisdiction for the appointment of a successor agent, or the Finance Parties may petition any such

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

court for the appointment of a successor agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor agent reasonably acceptable to Facility Agent.

8.2 With the consent of the Borrower (such consent not to be unreasonably withheld or delayed), the Majority Lenders may, by notice to the Security Trustee, require it to resign in accordance with Clause 8.1 of this Schedule V. In this event, the Security Trustee shall resign in accordance with Clause 8.1 of this Schedule V.

8.3 Any resignation or removal of the Security Trustee and appointment of a successor trustee pursuant to any of the provisions of this Clause 8 shall become effective upon acceptance of appointment by the successor trustee as provided in Clause 9 of this Schedule V (*Acceptance of Appointment by Successor Security Trustee*) below.

9. Acceptance of Appointment by Successor Security Trustee

Any successor trustee appointed as provided in Clause 8 of this Schedule V (*Resignation and Removal; Appointment of Successor Security Trustee*) above shall execute, acknowledge and deliver to the relevant beneficiaries, and to its predecessor agent an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the title, rights, powers, duties and obligations of its predecessor hereunder and under the Operative Documents to which its predecessor was a party, with like effect as if originally named as the "Security Trustee" herein and therein, and every provision hereof or thereof applicable to the retiring trustee shall apply to such successor trustee with like effect as if such successor trustee had been originally named herein and therein in the place and instead of the Security Trustee; but nevertheless, on the written request of a Finance Party, or of the successor trustee, upon payment of its charges then unpaid, the trustee ceasing to act shall transfer and deliver to such successor all monies, if any, the Aircraft, the Collateral, the Operative Documents and other property held by the trustee so ceasing to act, shall execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act, and shall execute and deliver such instruments of transfer as may be reasonably requested by such successor trustee or required by any Applicable Law. Upon request of any such successor trustee, the relevant beneficiary shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers and recognizing the transfer of title as aforesaid, and shall do and perform any and all acts necessary to establish and maintain the title and rights of the successor trustee in and to the Aircraft, the Collateral, the Operative Documents and other property in the Collateral. Any trustee ceasing to act shall, nevertheless, retain a Security Interest upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to the provisions of Clause 6 of this Schedule V (*Security Trustee Not Liable for Delivery Delays or Defects in the Aircraft or Title or any Operative Document; May Perform Duties by other Finance Parties; Reimbursement of Expenses; Holding of the Operative Documents; Monies held in Trust*). No successor trustee shall accept appointment as provided in this Clause 9 of this Schedule V (*Acceptance of Appointment by Successor Security Trustee*) unless at the time of such acceptance such successor trustee shall be eligible under the provisions of Clause 7.1 of this Schedule V (*Persons Eligible for Appointment as Security Trustee*). Upon acceptance of appointment by a successor trustee as provided in this Clause 9 of this Schedule V such successor trustee shall mail notice of the succession of such trustee hereunder to the Finance Parties.

10. Merger or Consolidation of Security Trustee

Any corporation into which the Security Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or conversion or consolidation to which the Security Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Security Trustee, shall be the successor of the Security Trustee hereunder, provided such corporation shall be eligible under the provisions of Clause 7.1 of this Schedule V (*Persons Eligible for Appointment as Security Trustee*), without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

11. Appointment of Additional and Separate Security Trustees

If at any time or times the Security Trustee shall deem it necessary or prudent in order to conform to any law of any jurisdiction in which the Aircraft, the Collateral or any Operative Document shall be situated or in which any of the same is expected to be enforced, or the Security Trustee shall be advised by counsel that it is so necessary or prudent in the interest of the beneficiaries or the beneficiaries shall in writing so request the Security Trustee, the Security Trustee shall execute and deliver an agreement supplemental hereto and all other instruments and agreements necessary or proper to constitute another bank or trust company or one or more persons approved by the Security Trustee, the Facility Agent and, while no Default is continuing, the Borrower (such consent not to be unreasonably withheld or delayed) which is a reputable financial institution either to act as additional trustee or trustees of the Aircraft, the Collateral or the Operative Documents, jointly with the Security Trustee originally named herein or any successor or successors, or to act as separate agent or agents of the Aircraft, the Collateral or the Operative Documents, in any such case with such powers as may be provided in such supplemental agreement, and to vest in such bank, trust company or Person as such additional agent or separate agent, as the case may be, any property, title, right or power of the Security Trustee deemed necessary or advisable, subject to the remaining provisions of this sub-clause. The Security Trustee may execute, deliver and perform any deed, conveyance, assignment or other instrument in writing as may be required by any additional agent or separate agent for more fully and certainly vesting in and confirming to it or him any property, title, right or powers which by the terms of such supplemental agreement are expressed to be conveyed or conferred to or upon such additional agent or separate agent. Every additional agent and separate agent hereunder shall, to the extent permitted by law, be appointed and act as and be such, and the Security Trustee and its successors as the Security Trustee shall act as and be such, subject to the following provisions and conditions:

11.1 all powers, duties, obligations and rights conferred upon the Security Trustee in respect of the receipt, custody and payment of monies shall be exercised solely by the Security Trustee or its successor as Security Trustee;

11.2 all other rights, powers, duties and obligations conferred or imposed upon the Security Trustee shall be conferred or imposed upon and exercised or performed by the Security Trustee or its successor as Security Trustee and such additional agent or agents and separate agent or agents jointly, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Security Trustee or its successor as Security Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations (including the holding of title to the Aircraft in any such jurisdiction) shall be exercised and performed by such additional agent or agents or separate agent or agents;

11.3 no power hereby given to, or which it is hereby provided may be exercised by, any such additional agent or separate agent shall be exercised hereunder by such additional agent or separate agent except jointly with, or with the consent of, the Security Trustee or its successor as Security Trustee, anything herein contained to the contrary notwithstanding; and

11.4 no agent hereunder shall be personally liable by reason of any act or omission of any other agent hereunder.

If at any time the Security Trustee shall deem it no longer necessary or prudent in order to conform to any such law or shall be advised by such counsel that it is no longer so necessary or prudent in the interest of the Finance Parties then the Facility Agent shall in writing so request the Security Trustee, and the Security Trustee shall execute and deliver all instruments and agreements necessary or proper to remove any additional agent or separate agent. Any additional agent or separate agent may at any time by an instrument in writing constitute the Security Trustee his agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion which he is authorized or permitted to do or exercise, for and in his behalf and in his name. In case any such additional agent or separate agent shall die, become incapable of acting, resign or be removed, all the assets, property, rights, powers, trusts, duties and obligations of such additional agent or separate agent, as the case may be, so far as permitted by law, shall vest in and be exercised by the Security Trustee, without the appointment of a new successor to such additional agent or separate agent, unless and until a successor is appointed in the manner hereinbefore provided. Any request, approval or consent in writing by the Security Trustee to any additional agent or separate agent shall be sufficient warrant to such additional agent or separate agent, as the case may be, to take such action as may be so requested, approved or consented to. Each additional agent and separate agent appointed pursuant to this Clause 11 (*Appointment of Additional and Separate Security Trustees*) shall be subject to, and shall have the benefit of, Clause 2 of this Schedule V (*Duties and Responsibilities of the Security Trustee to the Finance Parties*) and Clause 3 of this Schedule V (*Certain Rights of the Security Trustee*).

12. Dealing with Parties

The Security Trustee may accept deposits from, lend money to and generally engage in any kind of banking activities or other business with any party to the Operative Documents and any Affiliate of such party.

SCHEDULE VI
BFE

*****

(a) *****

(b) *****

(c) *****

*****

(a) *****

(b) *****

(c) *****

(d) *****

*****

*****

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT A
FUNDING NOTICE

, 20

Citibank, N.A., Facility Agent

Re: **Predelivery Deposit Payment Financing for Vertical Horizons, Ltd.**

Ladies and Gentlemen:

Reference is hereby made to that certain Second Amended and Restated Credit Agreement dated as of December 16, 2016 (the "**Credit Agreement**"; capitalized terms used herein without definition shall have the definitions specified in the Credit Agreement) entered into among Vertical Horizons, Ltd., as borrower (the "**Borrower**"), the institutions listed on Schedule I thereto, as lenders (the "**Lenders**"), Bank of Utah, not in its individual capacity but solely as Security Trustee, and Citibank, N.A., as facility agent.

1. Pursuant to Clause 2.3(a) of the Credit Agreement, Borrower hereby requests a Loan in accordance with the following parameters:

   (1) Aircraft Number:

   1/2/3/4/5/6/7/8/9/10/11/12/13/14/15/16/17/18/19/20/21/22/23/24/25/26/27/28/29/30/31/32/33/34/35/36/37/38/39/40/41/42/43/44/45/46/47/48/49/50/51/52/53/54/55/56/57/58/59/60/61/62/63/64/65/66/67/68/69/70

   (2) Borrowing/Effective Date:

   (3) Loan: $

   (4) Equity Contribution: $

2. The Borrower confirms that all Equity Contributions for the Aircraft the subject of this Loan have been made or will be made by the Borrowing Date.

3. Please distribute the proceeds of the Loan as follows: [Insert payment instructions]

4. Borrower hereby confirms that the representations and warranties of the Borrower in clause 7 of the Credit Agreement are true and accurate on the date hereof as though made on the date hereof except to the extent that such representations and warranties relate solely to an earlier date (in which case such representations and warranties were true and accurate on and as of such earlier date).

5. In consideration of the Lenders making their funds available on the Borrowing Date specified in this Funding Notice, in the event that the Loan does not take place on the Borrowing Date specified in this Funding Notice or in the event the Loan takes place on any Delayed Borrowing Date, the Borrower shall compensate the Lenders for their net loss on such funds, including any Break Amounts, by paying the Lenders interest on the aggregate amount thereof (calculated on

the basis of a 360-day year and actual days elapsed) at a rate equal to the Lenders' cost of funds plus the Applicable Margin for the period from and including the Borrowing Date specified in this Funding Notice to but excluding the earlier of (x) the Business Day on which the Borrowing Date shall actually occur, (y) the Business Day on which the Borrower shall notify the Lenders that the Borrowing will not occur prior to the Delayed Borrowing Date (if such notice is given prior to ***** or if later, until the Business Day subsequent to such notice date), or (z) the Delayed Borrowing Date.

For the purposes of the first Loan under this Funding Notice, the Credit Agreement shall be treated as executed and delivered even if it is yet to be executed and delivered. By signing below the Borrower indemnifies the Lenders against any loss they may incur in respect of the first Loan under this Funding Notice The terms and provisions of this Funding Notice shall be binding upon and inure to the benefit of the Lenders and the Borrower and their successors and assigns.

This Funding Notice shall be governed by the internal laws of the State of New York.

Very truly yours,

VERTICAL HORIZONS, LTD.

By: _____
Name:
Title:

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

EXHIBIT B
LOAN ASSIGNMENT AGREEMENT

LOAN ASSIGNMENT AGREEMENT dated as of , between (the "**Assignee**") and (the "**Assignor**") [(the "**Borrower**") and, (the "**Guarantors**")].

RECITALS

WHEREAS, the Assignor is the holder of the Loan Certificate No. dated as of , (the "**Assignor's Loan Certificate**") issued under the Second Amended and Restated Credit Agreement, dated as of December 16, 2016 (the "**Credit Agreement**") among Vertical Horizons, Ltd. ("**Borrower**"), the Lenders party thereto, Bank of Utah, not in its individual capacity but solely as Security Trustee, and Citibank N.A, as Facility Agent (the "**Facility Agent**");

WHEREAS, the Assignor proposes to assign to the Assignee $ of the $ Assignor's Loan Certificate and a pro rata portion of all of the rights and obligations of the Assignor under the Credit Agreement and the other Operative Documents (as defined below) in respect thereof, on the terms and subject to the conditions specified herein, and the Assignee proposes to accept the assignment of such rights and obligations from the Assignor on such terms and subject to such conditions;

NOW, **THEREFORE**, in consideration of the foregoing and the mutual agreements contained herein, the parties hereto agree as follows:

1. Definitions

Unless otherwise defined herein, terms defined in the Credit Agreement are used herein as therein defined.

2. Assignment

(a) On , (the "**Effective Date**"), and on the terms and subject to the conditions specified herein, the Assignor will sell, assign and transfer to the Assignee, without recourse to or representation, express or implied, by the Assignor (except as expressly specified in Paragraph 5 hereof), a $ portion of the Assignor's Loan Certificate and a pro rata portion of the rights and obligations of the Assignor under the Credit Agreement and the other Operative Documents in respect thereof (but not with respect to any indemnity or other claim, interest thereon at the Past Due Rate and breakage amounts, if any, accrued and unpaid as of the Effective Date or thereafter payable to the Assignor in respect of the period prior to the Effective Date), and the Assignee shall accept such assignment from the Assignor and assume all of the obligations of the Assignor accruing from and after the Effective Date under the Credit Agreement and the other Operative Documents relating to the Assignor's Loan Certificate on such terms and subject to such conditions.

(b) Upon the satisfaction of the conditions specified in Paragraph 4, (A) the Assignee shall, on the Effective Date, succeed to the rights and be obligated to perform the obligations of a Lender under the Credit Agreement and the other Operative Documents, and (B) the Assignor shall be released from its obligations under the Credit Agreement and the other Operative Documents accrued from and after the Effective Date, in each case to the extent such obligations have been assumed by the Assignee.

3. Payments

As consideration for the sale, assignment and transfer contemplated in Paragraph 2 hereof, the Assignee shall pay to the Assignor, on the Effective Date, in lawful currency of the United States and in immediately available funds, to the account specified below its signature on the signature pages hereof, an amount equal to $.

4. Conditions

This Assignment Agreement shall be effective upon the due execution and delivery of this Assignment Agreement by the Assignor and the Assignee and the effectiveness of the assignment contemplated by Paragraph 2 hereof is subject to:

(a) the receipt by the Assignor of the payment provided for in Paragraph 3;

(b) the delivery to the Facility Agent of the Assignor's Loan Certificate, duly endorsed for [partial] transfer to the Assignee, together with a request in the form attached hereto as Exhibit A that a new Loan Certificate be issued to the Assignee and Assignor; and

(c) the notification by the Assignee to the Borrower of its identity and of the country of which the Assignee is a resident for tax purposes.

5. Representations and Warranties of the Assignor

The Assignor represents and warrants as follows:

(a) the Assignor has full power and authority, and has taken all action necessary to execute and deliver this Assignment Agreement and any other documents required or permitted to be executed or delivered by it in connection with this Assignment Agreement and to fulfill its obligations under, and to consummate the transactions contemplated by, this Assignment Agreement, and no governmental authorizations or other authorizations are required in connection therewith;

(b) the Assignor's interest in the Assignor's Loan Certificate is free and clear of any and all Liens created by or through the Assignor;

(c) this Assignment Agreement constitutes the legal, valid and binding obligation of the Assignor, enforceable against the Assignor in accordance with its terms; and

(d) the Assignor has received no written notice of any Default having occurred and continuing on the date of execution hereof.

6. Representations and Warranties of the Assignee

The Assignee hereby represents and warrants to the Assignor and Borrower that:

(a) the Assignee has full power and authority, and has taken all action necessary to execute and deliver this Assignment Agreement and any and all other documents required or permitted to be executed or delivered by it in connection with this Assignment Agreement and to fulfill its obligations under, and to consummate the transactions contemplated by, this Assignment Agreement, and no governmental authorizations or other authorizations are required in connection therewith;

(b) this Assignment Agreement constitutes the legal, valid and binding obligation of the Assignee, enforceable against the Assignee in accordance with its terms; and

(c) the Assignee has fully reviewed the terms of the Operative Documents and has independently and without reliance upon the Assignor and based on such information as the Assignee has deemed appropriate, made its own credit analysis and decision to enter into this Assignment Agreement.

7. Further Assurances

The Assignor and the Assignee hereby agree to execute and deliver such other instruments, and take such other action, as either party may reasonably request in connection with the transactions contemplated by this Assignment Agreement.

8. Governing Law

This Assignment Agreement shall be governed by, and construed in accordance with, the law of the State of New York.

9. Notices

All communications between the parties or notices in connection herewith shall be in writing, hand-delivered or sent by ordinary mail or facsimile, addressed as specified on the signature pages hereof. All such communications and notices shall be effective upon receipt.

10. Binding Effect

This Assignment Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

11. Integration of Terms

This Assignment Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements and other writings with respect to the subject matter hereof.

12. Counterparts

This Assignment Agreement may be executed in one or more counterparts, each of which shall be an original but all of which, taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

[ASSIGNEE]

By: _____
Name:
Title:

Address for Notices:

Wire Instructions:

[ASSIGNOR]

By: _____
Name:
Title:

Address for Notices:

Wire Instructions:

[BORROWER]

By: _____
Name:
Title:]

[GUARANTOR]

By: _____
Name:
Title:]

EXHIBIT C
FORM OF STEP-IN AGREEMENT

EXHIBIT D
FORM OF CFM ENGINE AGREEMENT A320NEO

EXHIBIT E
FORM OF CFM ENGINE AGREEMENT A320-200 AND A321-200

EXHIBIT F
FORM OF LOAN CERTIFICATE

VERTICAL HORIZONS, LTD.

LOAN CERTIFICATE

No. New York, New York

$ [Effective Date]

Vertical Horizons, Ltd. (the "**Borrower**") hereby promises to pay to Citibank, N.A. (the "**Lender**"), or registered transferees, the principal sum of ($), or, if less, the aggregate unpaid principal amount of all Loans made by Lender to Borrower pursuant to that certain Second Amended and Restated Credit Agreement dated as of December 16, 2016 (the "**Credit Agreement**") among the Borrower, Bank of Utah, not in it individual capacity but solely as security trustee as Security Trustee, and Citibank, N.A., as Facility Agent (the "**Facility Agent**") and certain lenders named therein, payable in full on the final Termination Date, together with interest on the unpaid principal amount hereof from time to time outstanding from and including the Original Signing Date until such principal amount is paid in full. The applicable interest rate for the Loans evidenced by this note can vary in accordance with the definition of "Applicable Rate" in the Credit Agreement. Interest shall accrue with respect to each Interest Period at the Applicable Rate in effect for such Interest Period and shall be payable in arrears on each Interest Payment Date and on the date this Loan Certificate is paid in full. This Loan Certificate shall bear interest at the Past Due Rate on any principal hereof, and, to the extent permitted by Applicable Law, interest and other amounts due hereunder, not paid when due (whether at stated maturity, by acceleration or otherwise), for any period during which the same shall be overdue, payable on demand by the Lender.

Interest shall be payable with respect to the first but not the last day of each Interest Period and shall be payable from (and including) the date of a Loan or the immediately preceding Interest Payment Date, as the case may be, to (and excluding) the next succeeding Interest Payment Date. Interest shall be calculated on the basis of a year of 360 days and actual number of days elapsed. If any sum payable hereunder falls due on a day which is not a Business Day, then such sum shall be payable on the next succeeding Business Day.

Borrower hereby acknowledges and agrees that this note is one of the Loan Certificates referred to in, evidences indebtedness incurred under, and is subject to the terms and provisions of, the Credit Agreement including, without limitation, the repayment in full of the Loans made in respect of an Aircraft upon the Delivery Date of such Aircraft. The Credit Agreement, to which reference is hereby explicitly made, sets forth said terms and provisions, including those under which this Loan Certificate may or must be paid prior to its due date or may have its due date accelerated.

All payments of principal, Break Amount, if any, and interest and other amounts to be made to the Lender or under the Credit Agreement and that certain Second Amended and Restated Mortgage and Security Agreement dated as of December 16, 2016 (as amended or supplemented from time to time, the "**Mortgage**") among the Borrower, the Facility Agent and the Security Trustee, shall be made in accordance with the terms of the Credit Agreement and the Mortgage.

Principal and interest and other amounts due hereon shall be payable in Dollars in immediately available funds prior to 12:00 noon, New York time, on the due date thereof, to the Facility Agent and the Facility Agent shall, subject to the terms and conditions of the Credit Agreement and the Mortgage, remit all such amounts so received by it to the Lender in accordance with the terms of the Credit Agreement and the

Mortgage at such account or accounts at such financial institution or institutions situated in New York as the Lender hereof shall have designated to the Facility Agent in writing, in immediately available funds. In the event the Facility Agent shall fail to make any such payment as provided in the immediately foregoing sentence after its receipt of funds at the place and prior to the time specified above, the Facility Agent agrees to compensate the Lender hereof for loss of use of funds in a commercially reasonable manner. All such payments by the Borrower and the Facility Agent shall be made free and clear of and without reduction for or on account of all wire or other like charges.

The Lender, by its acceptance of this Loan Certificate, agrees to be bound by all provisions of the Operative Documents applicable to Lenders and that, except as otherwise expressly provided in the Credit Agreement or the Mortgage, each payment received by the Facility Agent in respect hereof shall be applied, **first** to the payment of interest hereon (as well as any interest on overdue principal and, to the extent permitted by law, interest and other amounts payable hereunder or under the Operative Documents) due and payable hereunder, **second**, to the payment in full of the outstanding principal of this Loan Certificate then due, and **third**, in the manner specified in clause "third" of Clause 5.4(c) of the Credit Agreement; provided that following an Event of Default, all amounts actually received by the Security Trustee in respect of this Loan Certificate shall be applied in accordance with Clause 5.4(e) of the Credit Agreement.

This Loan Certificate is one of the Loan Certificates referred to in, and issued pursuant to, the Credit Agreement and the Mortgage. The Collateral is held by the Security Trustee as security, in part, for the Loan Certificates. Reference is hereby made to the Credit Agreement and the Mortgage for a statement of the rights and obligations of the Lender, and the nature and extent of the security for this Loan Certificate and of the rights and obligations of the other Lenders, and the nature and extent of the security for the other Loan Certificates, as well as for a statement of the terms and conditions of the trusts created by the Mortgage, to all of which terms and conditions in the Credit Agreement and the Mortgage each Lender agrees by its acceptance of this Loan Certificate.

There shall be maintained a Certificate Register for the purpose of registering transfers and exchanges of Loan Certificates at the office of the Facility Agent specified in the Credit Agreement or at the office of any successor Facility agent in the manner provided in clause 5.6 of the Credit Agreement. As provided in the Credit Agreement and the Mortgage and subject to certain limitations specified therein, this Loan Certificate or any interest herein may, subject to the next following paragraph, be assigned or transferred, and the Loan Certificates are exchangeable for a like aggregate original principal amount of Loan Certificates of any authorized denomination, as requested by the Lender surrendering the same.

Prior to the due presentment for registration or transfer of this Loan Certificate, the Borrower and the Facility Agent shall deem and treat the person in whose name this Loan Certificate is registered on the Certificate Register as the absolute owner of this Loan Certificate and the Lender for the purpose of receiving payment of all amounts payable with respect to this Loan Certificate and for all other purposes whether or not this Loan Certificate is overdue, and neither the Borrower nor the Facility Agent shall be affected by notice to the contrary.

This Loan Certificate is subject to prepayment as permitted by clauses 5.9 and 5.10 of the Credit Agreement and to acceleration by the Facility Agent as provided in clause 5 of the Mortgage, and the Lender, by its acceptance of this Loan Certificate, agrees to be bound by said provisions.

Terms defined in the Credit Agreement and in the Mortgage have the same meaning when used in this Loan Certificate.

This Loan Certificate shall be governed by and construed in accordance with the law of the State of New York.

IN WITNESS WHEREOF, the Borrower has caused this Loan Certificate to be executed in its corporate name by its officer thereunto duly authorized, as of the date hereof.

VERTICAL HORIZONS, LTD.

By: _____
Name:
Title:

ANNEX A

Definitions

For all purposes of the Credit Agreement and the Mortgage and Security Agreement the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms defined). Any agreement referred to below shall mean such agreement as amended, supplemented and modified from time to time in accordance with the applicable provisions thereof and of the other Operative Documents. Unless otherwise specified, Clause references are to Clauses of the Credit Agreement or the Mortgage.

"**A320neo Aircraft**" means any or all, as the context may require, of Aircraft 22, Aircraft 23, Aircraft 24, Aircraft 25, Aircraft 26, Aircraft 27, Aircraft 28, Aircraft 29, Aircraft 30, Aircraft 31, Aircraft 32, Aircraft 33, Aircraft 34, Aircraft 35 Aircraft 36, Aircraft 37, Aircraft 38, Aircraft 39, Aircraft 40, Aircraft 41, Aircraft 42, Aircraft 43, Aircraft 44, Aircraft 45, Aircraft 46, Aircraft 47, Aircraft 48, Aircraft 49, Aircraft 50, Aircraft 51, Aircraft 52, Aircraft 53, Aircraft 54, Aircraft 55, Aircraft 56, Aircraft 57, Aircraft 58, Aircraft 59, Aircraft 60, Aircraft 61, Aircraft 62, Aircraft 63, Aircraft 64, Aircraft 65, Aircraft 66, Aircraft 67, Aircraft 68, Aircraft 69 and Aircraft 70, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

"**A320-200 Aircraft**" means any or all, as the context may require, of Aircraft 14 and Aircraft 15, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

"**A321-200 Aircraft**" means any or all, as the context may require, of Aircraft 1, Aircraft 2, Aircraft 3, Aircraft 4, Aircraft 5, Aircraft 6, Aircraft 7, Aircraft 8, Aircraft 9, Aircraft 10, Aircraft 11, Aircraft 12, Aircraft 13, Aircraft 16, Aircraft 17, Aircraft 18, Aircraft 19, Aircraft 20, and Aircraft 21, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

"**Accounts**" means any bank accounts, deposit accounts or other accounts in the name of the Borrower.

"**Additional Aircraft**" means any or all, as the context may require, of Aircraft 37, Aircraft 38, Aircraft 39, Aircraft 40, Aircraft 41, Aircraft 42, Aircraft 43, Aircraft 44, Aircraft 45, Aircraft 46, Aircraft 47, Aircraft 48, Aircraft 49, Aircraft 50, Aircraft 51, Aircraft 52, Aircraft 53, Aircraft 54, Aircraft 55, Aircraft 56, Aircraft 57, Aircraft 58, Aircraft 59, Aircraft 60, Aircraft 61, Aircraft 62, Aircraft 63, Aircraft 64, Aircraft 65, Aircraft 66, Aircraft 67, Aircraft 68, Aircraft 69 and Aircraft 70 but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

"**Administration Agreement**" means the administration agreement between the Borrower and the Agent dated as of December 18, 2014, together with the administrator fee letter dated as of December 18, 2014, to which, *inter alia*, Frontier Airlines is a party.

"**Advance**" means each Purchase Price Installment paid or payable by or on behalf of the Borrower in respect of each Aircraft in accordance with the terms of the Assigned Purchase Agreement which, for each Purchase Price Installment due on or after the Original Signing Date, is in the amount and payable on the date specified in Schedule III to the Credit Agreement.

"**Affiliate**" means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by, or under common control with, such Person. The term "control" means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**After-Tax Basis**" means on a basis that any payment to be received or receivable by any Person (the "original payment") is supplemented by a further payment or payments to such Person so that the sum of all such payments (including the original payment), after deducting the net amount of all Taxes payable by such Person or any of its Affiliates under any law or required by Governmental Entity as a result of the receipt or accrual of such payments (after reduction by the amount of current Taxes saved by such Person as a result of the event or item for which such payments are being made to such Person), is equal to the original payment due to such Person.

"**Agents**" means collectively the "**Security Trustee**" and the "**Facility Agent**" (each an "**Agent**").

"**Airbus**" means Airbus S.A.S., in its capacity as manufacturer of the Aircraft, and its successors and assigns.

"**Airbus Purchase Agreement**" means collectively the (i) with respect to the A320-200 Aircraft and the A321-200 Aircraft, the A321-200 aircraft purchase agreement dated as of October 31, 2014 between Airbus and Frontier Airlines, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), to the extent related to such Aircraft and as the same may be further amended and supplemented from time to time and (ii) with respect to the A320neo Aircraft, the A320neo aircraft purchase agreement dated as of September 30, 2011 between Airbus and Frontier Airlines, as amended and supplemented from time to time (but excluding any letter agreements entered into from time to time in relation thereto), to the extent related to such Aircraft and as the same may be further amended and supplemented from time to time.

"**Aircraft**" means any or all, as the context may require, of each Existing Aircraft and each Additional Aircraft, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

"**Aircraft Pool**" has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

"**Aircraft 1**" means the A321-200 aircraft (Airframe 1) as more specifically described in Schedule III to the Credit Agreement on line No. 1 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 2**" means the A321-200 aircraft (Airframe 2) as more specifically described in Schedule III to the Credit Agreement on line No. 2 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 3**" means the A321-200 aircraft (Airframe 3) as more specifically described in Schedule III to the Credit Agreement on line No. 3 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 4**" means the A321-200 aircraft (Airframe 4) as more specifically described in Schedule III to the Credit Agreement on line No. 4 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 5**" means the A321-200 aircraft (Airframe 5) as more specifically described in Schedule III to the Credit Agreement on line No. 5 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 6**" means the A321-200 aircraft (Airframe 6) as more specifically described in Schedule III to the Credit Agreement on line No. 6 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 7**" means the A321-200 aircraft (Airframe 7) as more specifically described in Schedule III to the Credit Agreement on line No. 7 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 8**" means the A321-200 aircraft (Airframe 8) as more specifically described in Schedule III to the Credit Agreement on line No. 8 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 9**" means the A321-200 aircraft (Airframe 9) as more specifically described in Schedule III to the Credit Agreement on line No. 9 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 10**" means the A321-200 aircraft (Airframe 10) as more specifically described in Schedule III to the Credit Agreement on line No. 10 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 11**" means the A321-200 aircraft (Airframe 11) as more specifically described in Schedule III to the Credit Agreement on line No. 11 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 12**" means the A321-200 aircraft (Airframe 12) as more specifically described in Schedule III to the Credit Agreement on line No. 12 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 13**" means the A321-200 aircraft (Airframe 13) as more specifically described in Schedule III to the Credit Agreement on line No. 13 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 14**" means the A320-200 aircraft (Airframe 14) as more specifically described in Schedule III to the Credit Agreement on line No. 14 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 15**" means the A320-200 aircraft (Airframe 15) as more specifically described in Schedule III to the Credit Agreement on line No. 15 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 16**" means the A321-200 aircraft (Airframe 16) as more specifically described in Schedule III to the Credit Agreement on line No. 16 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 17**" means the A321-200 aircraft (Airframe 17) as more specifically described in Schedule III to the Credit Agreement on line No. 17 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 18**" means the A321-200 aircraft (Airframe 18) as more specifically described in Schedule III to the Credit Agreement on line No. 18 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 19**" means the A321-200 aircraft (Airframe 19) as more specifically described in Schedule III to the Credit Agreement on line No. 19 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 20**" means the A321-200 aircraft (Airframe 20) as more specifically described in Schedule III to the Credit Agreement on line No. 20 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 21**" means the A321-200 aircraft (Airframe 21) as more specifically described in Schedule III to the Credit Agreement on line No. 21 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 22**" means the A320neo aircraft (Airframe 22) as more specifically described in Schedule III to the Credit Agreement on line No. 22 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 23**" means the A320neo aircraft (Airframe 23) as more specifically described in Schedule III to the Credit Agreement on line No. 23 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 24**" means the A320neo aircraft (Airframe 24) as more specifically described in Schedule III to the Credit Agreement on line No. 24 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 25**" means the A320neo aircraft (Airframe 25) as more specifically described in Schedule III to the Credit Agreement on line No. 25 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 26**" means the A320neo aircraft (Airframe 26) as more specifically described in Schedule III to the Credit Agreement on line No. 26 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 27**" means the A320neo aircraft (Airframe 27) as more specifically described in Schedule III to the Credit Agreement on line No. 27 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 28**" means the A320neo aircraft (Airframe 28) as more specifically described in Schedule III to the Credit Agreement on line No. 28 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 29**" means the A320neo aircraft (Airframe 29) as more specifically described in Schedule III to the Credit Agreement on line No. 29 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 30**" means the A320neo aircraft (Airframe 30) as more specifically described in Schedule III to the Credit Agreement on line No. 30 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 31**" means the A320neo aircraft (Airframe 31) as more specifically described in Schedule III to the Credit Agreement on line No. 31 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 32**" means the A320neo aircraft (Airframe 32) as more specifically described in Schedule III to the Credit Agreement on line No. 32 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 33**" means the A320neo aircraft (Airframe 33) as more specifically described in Schedule III to the Credit Agreement on line No. 33 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 34**" means the A320neo aircraft (Airframe 34) as more specifically described in Schedule III to the Credit Agreement on line No. 34 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 35**" means the A320neo aircraft (Airframe 35) as more specifically described in Schedule III to the Credit Agreement on line No. 35 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 36**" means the A320neo aircraft (Airframe 36) as more specifically described in Schedule III to the Credit Agreement on line No. 36 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 37**" means the A320neo aircraft (Airframe 37) as more specifically described in Schedule III to the Credit Agreement on line No. 37 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 38**" means the A320neo aircraft (Airframe 38) as more specifically described in Schedule III to the Credit Agreement on line No. 38 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 39**" means the A320neo aircraft (Airframe 39) as more specifically described in Schedule III to the Credit Agreement on line No. 39 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 40**" means the A320neo aircraft (Airframe 40) as more specifically described in Schedule III to the Credit Agreement on line No. 40 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 41**" means the A320neo aircraft (Airframe 41) as more specifically described in Schedule III to the Credit Agreement on line No. 41 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 42**" means the A320neo aircraft (Airframe 42) as more specifically described in Schedule III to the Credit Agreement on line No. 42 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 43**" means the A320neo aircraft (Airframe 43) as more specifically described in Schedule III to the Credit Agreement on line No. 43 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 44**" means the A320neo aircraft (Airframe 44) as more specifically described in Schedule III to the Credit Agreement on line No. 44 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 45**" means the A320neo aircraft (Airframe 45) as more specifically described in Schedule III to the Credit Agreement on line No. 45 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 46**" means the A320neo aircraft (Airframe 46) as more specifically described in Schedule III to the Credit Agreement on line No. 46 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 47**" means the A320neo aircraft (Airframe 47) as more specifically described in Schedule III to the Credit Agreement on line No. 47 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 48**" means the A320neo aircraft (Airframe 48) as more specifically described in Schedule III to the Credit Agreement on line No. 48 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 49**" means the A320neo aircraft (Airframe 49) as more specifically described in Schedule III to the Credit Agreement on line No. 49 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 50**" means the A320neo aircraft (Airframe 50) as more specifically described in Schedule III to the Credit Agreement on line No. 50 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 51**" means the A320neo aircraft (Airframe 51) as more specifically described in Schedule III to the Credit Agreement on line No. 51 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 52**" means the A320neo aircraft (Airframe 52) as more specifically described in Schedule III to the Credit Agreement on line No. 52 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 53**" means the A320neo aircraft (Airframe 53) as more specifically described in Schedule III to the Credit Agreement on line No. 53 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 54**" means the A320neo aircraft (Airframe 54) as more specifically described in Schedule III to the Credit Agreement on line No. 54 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 55**" means the A320neo aircraft (Airframe 55) as more specifically described in Schedule III to the Credit Agreement on line No. 55 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 56**" means the A320neo aircraft (Airframe 56) as more specifically described in Schedule III to the Credit Agreement on line No. 56 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 57**" means the A320neo aircraft (Airframe 57) as more specifically described in Schedule III to the Credit Agreement on line No. 57 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 58**" means the A320neo aircraft (Airframe 58) as more specifically described in Schedule III to the Credit Agreement on line No. 58 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 59**" means the A320neo aircraft (Airframe 59) as more specifically described in Schedule III to the Credit Agreement on line No. 59 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 60**" means the A320neo aircraft (Airframe 60) as more specifically described in Schedule III to the Credit Agreement on line No. 60 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 61**" means the A320neo aircraft (Airframe 61) as more specifically described in Schedule III to the Credit Agreement on line No. 61 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 62**" means the A320neo aircraft (Airframe 62) as more specifically described in Schedule III to the Credit Agreement on line No. 62 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 63**" means the A320neo aircraft (Airframe 63) as more specifically described in Schedule III to the Credit Agreement on line No. 63 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 64**" means the A320neo aircraft (Airframe 64) as more specifically described in Schedule III to the Credit Agreement on line No. 64 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 65**" means the A320neo aircraft (Airframe 65) as more specifically described in Schedule III to the Credit Agreement on line No. 65 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 66**" means the A320neo aircraft (Airframe 66) as more specifically described in Schedule III to the Credit Agreement on line No. 66 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 67**" means the A320neo aircraft (Airframe 67) as more specifically described in Schedule III to the Credit Agreement on line No. 67 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 68**" means the A320neo aircraft (Airframe 68) as more specifically described in Schedule III to the Credit Agreement on line No. 68 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 69**" means the A320neo aircraft (Airframe 69) as more specifically described in Schedule III to the Credit Agreement on line No. 69 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft 70**" means the A320neo aircraft (Airframe 70) as more specifically described in Schedule III to the Credit Agreement on line No. 70 of the table appearing in such schedule including (i) the relevant Airframe, (ii) the Engines attached thereto and where the context admits and (iii) the Manuals and Technical Records.

"**Aircraft Appraisal**" means, with respect to an Aircraft, the appraised value of such Aircraft determined by the Facility Agent using valuation information prepared by the Appraisers.

"**Airframe**" means each of nineteen (19) Airbus A321-200 aircraft, forty-nine (49) A320neo aircraft and two (2) A320-200 aircraft, as described in Schedule III of the Credit Agreement (excluding the Engines) together with any and all Parts incorporated in, installed on or attached to such airframes on the respective Delivery Date therefor.

"**Amendment Agreement No. 1**" means the letter agreement to the step-in agreement and the assigned A321 purchase agreement dated May 11, 2015, among the Borrower, Frontier Airlines, the Security Trustee and Airbus.

"**Amendment Agreement No. 2**" means the amendment agreement to step-in agreement and assigned purchase agreements dated August 11, 2015, among the Borrower, the Security Trustee and Airbus.

"**Amendment Agreement No. 3**" means the amendment agreement to step-in agreement and assigned purchase agreements dated the Effective Date, among the Borrower, the Security Trustee and Airbus.

"**Amendment Agreement No. 2 to Assignment and Assumption Agreement**" means the amendment agreement to assignment and assumption agreement dated August 11, 2015, among the Borrower, Frontier Airlines and Airbus.

"**Amendment Agreement No. 3 to Assignment and Assumption Agreement**" means the amendment agreement to assignment and assumption agreement dated the Effective Date, among the Borrower, Frontier Airlines and Airbus.

"**Amendment No. 2 Signing Date**" means January 14, 2016.

"**Applicable Law**" means all applicable laws, treaties, judgments, decrees, injunctions, writs, conventions actions and orders of any Governmental Entity and all applicable rules, guidelines, regulations, orders, directives, licenses and permits of any Governmental Entity and all applicable interpretations thereof.

"**Applicable Margin**" means *****% per annum.

"**Applicable Rate**" means, for any Interest Period, (a) a rate per annum equal to LIBOR for such Interest Period plus the Applicable Margin, or (b) if a Market Disruption Event is continuing, the applicable Mismatch Interest Rate plus the Applicable Margin.

"**Appraisers**" means collectively, Ascend, Oriel and Morten, Beyer and Agnew or any such other independent aircraft appraiser selected by the Facility Agent in its absolute discretion.

"**AR Signing Date**" has the meaning given to it in the first whereas clause of the Credit Agreement.

"**Assignable Price**" means, in respect of an Aircraft, the "Purchase Price" (as such term is defined in the relevant form of Assigned Airbus Purchase Agreement or Replacement Purchase Agreement, as applicable) of such Aircraft as may be increased from time pursuant to the escalation provisions set out in the Assigned Purchase Agreement and the related Engine Agreement, plus the cost of the BFE in respect of such Aircraft and as may be decreased pursuant to any credit letter or memorandum issued by Airbus in favor of the Initial Lender.

"**Assigned Purchase Agreement**" means collectively, each Airbus Purchase Agreement as assigned and transferred to the Borrower and amended and restated in the terms set forth in Schedule 3 to the Assignment and Assumption Agreement.

"**Assignment and Assumption Agreement**" means the Assignment and Assumption Agreement entered into among Frontier Airlines, the Borrower and Airbus in respect of the assignment, in part, of the Airbus Purchase Agreements to the Borrower in respect of the Aircraft, as amended by Amendment Agreement No. 1, as further amended by Amendment Agreement No. 2 to Assignment and Assumption Agreement and by Amendment Agreement No. 3 to Assignment and Assumption Agreement.

"**associated rights**" is defined in the Cape Town Convention.

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"**Base Value**" means, with respect to an Aircraft, the lower of the mean and median of the desktop value of such Aircraft made available by each of the Appraisers to reflect the market value of such Aircraft on the applicable LTV Test Date on the assumption that the Aircraft is delivered in the condition required pursuant to the Assigned Purchase Agreement, and in full life condition, on the date that such Base Value is calculated.

"**Basel II**" means the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of the Credit Agreement (but excluding any amendment arising out of Basel III).

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"**Basel III**" means the agreements on capital requirements, leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision on December 16, 2010 in the form existing on the date of the Mortgage or any other applicable law or regulation implementing such paper (whether such implementation, application or compliance is by a Governmental Entity, any Lender or holding company of a Lender).

"**BFE Budget**" means, in respect of each A321-200 Aircraft, an amount equal to ***** in respect of each such Aircraft, in respect of each A320-200 Aircraft, an amount equal to *********, and, in respect of each A320neo, an amount equal to ********* in respect of each such Aircraft, in each case made by the Borrower to Airbus in respect of BFE.

"**Borrower**" means Vertical Horizons, Ltd., a Cayman Islands exempted company, and its successors and permitted assigns.

"**Borrowing Date**" means (a) the Original Signing Date, (b) the AR Signing Date, (c) the Amendment No. 2 Signing Date, (d) the Effective Date and (e) each date on which an Advance is payable in respect of an Aircraft under the related Assigned Purchase Agreement as specified in Schedule III to the Credit Agreement.

"**Break Amount**" means (A) where the Applicable Rate is not based on LIBOR, the amount, if any, required to compensate each Lender for any losses, costs or expenses (excluding loss of profit) which it may incur as the result of the prepayment or acceleration (or the failure to make any such prepayment on the date irrevocably scheduled therefor) of any Loan Certificate held by it on a date other than the last day of the then current Interest Period therefor, including, without limitation, losses, costs or expenses incurred in connection with unwinding or liquidating any deposits or funding or financing arrangement with its funding sources, as reasonably determined by such Lender and (B) where the Applicable Rate is based on LIBOR, an amount equal to the excess, if any, of (i) the amount of interest which otherwise would have accrued on the principal amount so prepaid or accelerated to the last day of such Interest Period (the "**Break Period**") at LIBOR therefor in excess of (ii) the interest component of the amount the affected Lender would have bid in the London interbank market for Dollar deposits of leading banks in amounts comparable to such principal amount and with maturities comparable to the Break Period (as reasonably determined by such Lender).

"**Business Day**" means any day other than a Saturday or Sunday or a day on which commercial banks are required or authorized to close in London England and New York City, provided that, if such day relates to the giving of notices or quotes in connection with LIBOR, Business Day shall mean a day on which commercial banks are required or authorized to stay open in London England only.

"**Buyer Furnished Equipment**" or "**BFE**" means those items of equipment which are identified in the specification of an Aircraft in the related Assigned Purchase Agreement as being furnished by the "Buyer".

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"**Cape Town Convention**" means the English language version of the Convention on International Interests in Mobile Equipment (the "**Convention**") and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft Equipment (the "**Protocol**"), both signed in Cape Town, South Africa on November 16, 2001, together with any protocols, regulations, rules, orders, agreements, instruments, amendments, supplements, revisions or otherwise that have or will be subsequently made in connection with the Convention and/or the Protocol by the "**Supervisory Authority**" (as defined in the Protocol), the "**International Registry**" or "**Registrar**" (as defined in the Convention) or an appropriate

"**registry authority**" (as defined in the Protocol) or any other international or national body or authority.

"**Cash Equivalents**" means the following securities (which shall mature within ***** of the date of purchase thereof): (a) direct obligations of the U.S. Government; (b) obligations fully guaranteed by the U.S. Government; (c) certificates of deposit issued by, or bankers' acceptances of, or time deposits or a deposit account with, the Facility Agent or any bank, trust company or national banking association incorporated or doing business under the laws of the United States or any state thereof having a combined capital and surplus and retained earnings of at least ********* and having a rating of Aa or better by Moody's or AA or better by Standard & Poor's; (d) commercial paper of any issuer doing business under the laws of the United States or one of the states thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's of at least A-1 or its equivalent or by Moody's of at least P-1 or its equivalent; or (e) money market funds which are rated at least Aaa by Moody's, at least AAAm or AAAm-G by Standard and Poor's or at least AAA by Fitch, Inc., including funds which meet such rating requirements for which the Facility Agent or an Affiliate of the Facility Agent serves as an investment advisor, administer, administrator, shareholder servicing agent and/or custodian or subcustodian.

"**CEO Pool**" has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

"**Certificate Register**" has the meaning specified in Clause 5.6 of the Credit Agreement.

"**CFM Engine GTA A320neo**" means the CFM Engine general terms agreement entered into between CFM International, Inc. and Frontier Airlines for the A320neo Aircraft.

"**CFM Engine GTA A320-200 and A321-200**" means the CFM Engine general terms agreement 6-13616 entered into between CFM International, Inc. and Frontier Airlines for the A320-200 Aircraft and the A321-200 Aircraft.

"**Charged Property**" has the meaning given to it in the Share Charge.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Collateral**" means, collectively, (i) the Mortgage Collateral and (ii) the Charged Property.

"**Commitment**" has the meaning specified in Clause 2.1 of the Credit Agreement.

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"**Commitment Fee**" means *****% per annum of the outstanding unutilized Maximum Commitment of each Lender, as cancelled or reduced pursuant to Clause 3.4 of the Credit Agreement.

"**Commitment Termination Date**" means the later of (i) December 31, 2019 and (ii) the Extension Date in the most recent Extension Notice.

"**Control**" means, with respect to a Person:

(a) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:

(i) cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of such Person;

(ii) appoint or remove all, or the majority, of the directors or other equivalent officers of such Person; and

(iii) give directions with respect to the operating and financial policies of such Person which the directors or other equivalent officers of such Person are obliged to comply with,

and

(b) the holding of more than one-half of the issued share capital of such Person (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital).

"**Cost of Funds**" means (i) for any "stub" Interest Period described in clause (x) of the definition of "LIBOR", a percentage per annum that equals the cost of funds of each Lender for such Period (as determined by the Facility Agent from cost-of-funds quotations provided by the Lenders, as certificated thereby), and (ii) with respect to any other Interest Period, a rate per annum equal to the Lender's cost of funds for such Interest Period determined in accordance with Clause 5.13 of the Credit Agreement and calculated on the basis of a year of 360 days and the actual number of days elapsed.

"**Credit Agreement**" means that certain Second Amended and Restated Credit Agreement dated of December , 2016, among the Borrower, the Lenders, the Facility Agent and the Security Trustee, as amended and supplemented from time to time.

"**Deeds of Confirmation**" means (a) that certain Deed of Confirmation dated the Effective Date, (b) that certain Deed of Confirmation dated January 14, 2016 and (c) that certain Deed of Confirmation dated August 11, 2015, each relating to the Share Charge and each between the Parent and the Security Trustee.

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"**Default**" means any event which with the giving of notice or the lapse of time or both if not timely cured or remedied would become an Event of Default pursuant to Clause 4 of the Mortgage.

"**Delivery Date**" means, for any Aircraft, the date on which such Aircraft is to be delivered by Airbus and accepted by Borrower or its permitted assignee under the Assigned Purchase Agreement.

"**Dollars**", "**Dollar**" and "**$**" means the lawful currency of the United States of America.

"**Effective Date**" has the meaning specified in Clause 2.3 of the Credit Agreement.

"**Eligible Account**" means an account established by and with an Eligible Institution at the request of the Security Trustee, which institution (a) agrees, by entering into an account control agreement, for all purposes of the New York UCC, including Article 8 thereof, that (i) such account shall be a "securities account" (as defined in Section 8-501 of the New York UCC), (ii) such institution is a "securities intermediary" (as defined in Section 8-102(a)(14) of the New York UCC), (iii) all property (other than cash) credited to such account shall be treated as a "financial asset" (as defined in Section 8-102(9) of the New York UCC), (iv) the Security Trustee shall be the "entitlement holder" (as defined in Section 8-102(7) of the New York UCC) in respect of such account, (v) it will comply with all entitlement orders issued by the Security Trustee to the exclusion of the Borrower, (vi) it will waive or subordinate in favor of the Security Trustee all claims (including without limitation claims by way of security interest, lien, right of set-off or right of recoupment), and (vii) the "securities intermediary jurisdiction" (under Section 8-110(e) of the New York UCC) shall be the State of New York, or (b) otherwise enters into an account control agreement, charge over a bank account or similar document that is satisfactory to the Security Trustee.

"**Eligible Institution**" means (a) the corporate trust department of a depository institution organized under the laws of the United States of America or any one of the states thereof or the District of Columbia (or any U.S. branch of a foreign bank), which has a long-term unsecured debt rating from Moody's of at least A3 or its equivalent and from Standard & Poor's of at least A- or its equivalent, or (b) a banking institution in another jurisdiction that is satisfactory to the Security Trustee.

"**Engine**" means in respect of each Airframe, each of the engines delivered with such Airframe under the Assigned Purchase Agreement.

"**Engine Agreement**" means each of (a) the Engine Manufacturer consent agreement dated as of the Effective Date and (b) the Engine Manufacturer consent agreement dated as of August 11, 2015, among the applicable Engine Manufacturer, Frontier Airlines and the Security Trustee substantially in the forms of Exhibit D and Exhibit E to the Credit Agreement.

"**Engine GTA**" means each of the CFM Engine GTA A320neo and the CFM Engine GTA A320-200 and A321-200.

"**Engine Manufacturer**" means CFM International, Inc.

"**Equity Contribution**" means the amount required to be paid by the Borrower to Airbus with respect to an Aircraft on the Applicable Borrowing Date or determined by reference to the table set out in Schedule III to the Credit Agreement.

"**Event of Default**" has the meaning specified in Clause 4 of the Mortgage.

"**Excluded Taxes**" means, with respect to the Facility Agent, the Security Trustee, any Lender, or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) any Taxes imposed on all or part of the net income, net profits, or net gains (whether worldwide, or only insofar as such income, profits, or gains are considered to arise in or relate to a particular jurisdiction or otherwise) of such Person or any franchise, net worth, or net capital Taxes imposed on such Person, in each such cases as a result of such Person being organized in, maintaining its principal place of business or lending office in, or conducting activities unrelated to the transactions contemplated by the Operative Documents in the jurisdiction imposing such Taxes and in each such cases other than a sales, use, property, value added, stamp, registration, documentary, goods and services, license, excise, or, except as provided in Clause 5.3(a) of the Credit Agreement withholding Taxes, (b) any Taxes imposed on all or part of the gross income or gross receipts (other than Taxes in the nature of a sales, use, property, value added, stamp, registration, documentary, goods and services, license, excise or, except as provided in Clause 5.3(a) of the Credit Agreement withholding Taxes) of such Person, in each such case as a result of such Person being organized in, or maintaining its principal place of business or lending office in the jurisdiction imposing such Taxes, (c) any Taxes imposed as a result of such Person's failure to comply with Clause 5.3(d) of the Credit Agreement or (d) any U.S. federal withholding Taxes imposed under FATCA.

"**Existing Aircraft**" means any or all, as the context may require, of Aircraft 1, Aircraft 2, Aircraft 3, Aircraft 4, Aircraft 5, Aircraft 6, Aircraft 7, Aircraft 8, Aircraft 9, Aircraft 10, Aircraft 11, Aircraft 12, Aircraft 13, Aircraft 14, Aircraft 15, Aircraft 16, Aircraft 17, Aircraft 18, Aircraft 19, Aircraft 20, Aircraft 21, Aircraft 22, Aircraft 23, Aircraft 24, Aircraft 25, Aircraft 26, Aircraft 27, Aircraft 28, Aircraft 29, Aircraft 30, Aircraft 31, Aircraft 32, Aircraft 33, Aircraft 34, Aircraft 35 and Aircraft 36, but only so long as there is an Advance (or any other amount) or a Commitment outstanding in respect of such Aircraft.

"**Expense**" or "**Expenses**" means any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and expenses) of whatever kind and nature but excluding Taxes, any amounts that would be included in Break Amounts, and overhead of whatsoever kind and nature.

"**Extension Date**" means ***** and if the Lenders give an Extension Notice pursuant to, and in accordance with, Clause 5.2(g) of the Credit Agreement, the anniversary thereof set forth in such Extension Notice.

"**Extension Notice**" means each extension notice delivered by the Lenders to the Borrower pursuant to, and in accordance with Clause 5.2(g) of the Credit Agreement, extending the Commitment Termination Date.

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"**Facility Agent**" means Citibank, N.A. in its capacity as Facility Agent under the Credit Agreement and any successor thereto in such capacity.

"**Facility Amount**" means the Maximum PDP Loan Amount as cancelled or reduced in accordance with the Credit Agreement.

"**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of the Credit Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"**Fee Letter**" means collectively (i) that certain Letter Agreement dated December 23, 2014 among the Borrower, the Security Trustee and the Facility Agent (ii) that certain Letter Agreement dated August 11, 2015 among the Borrower, the Security Trustee and the Facility Agent and (iii) that certain Letter Agreement dated the Effective Date among the Borrower, the Security Trustee and the Facility Agent.

"**Finance Parties**" means together the Lenders, the Facility Agent and the Security Trustee (each a "**Finance Party**").

"**Financed Amount**" means, with respect to an Aircraft and a Borrowing Date, the amount set out in the column entitled "Financial Amount" and which corresponds to such Aircraft and Borrowing Date, in the table set out in Schedule III to the Credit Agreement.

"**Financial Indebtedness**" means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease, lease purchase, installment sale, conditional sale, hire purchase or credit sale or other similar arrangement (whether in respect of aircraft, machinery, equipment, land or otherwise) entered into primarily as a method of raising finance or for financing the acquisition of the relevant asset;

(e) payments under any lease with a term, including optional extension periods, if any, capable of exceeding ***** (whether in respect of aircraft, machinery, equipment, land or otherwise) characterized or interpreted as an operating lease in accordance with the relevant accounting standards but either entered into primarily as a method of financing the acquisition of the asset leased or having a termination sum payable upon any termination of such lease;

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(f) any amount raised by receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis) including any bill discounting, factoring or documentary credit facilities;

(g) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(i) obligations (whether or not conditional) arising from a commitment to purchase or repurchase shares or securities where such commitment is or was in respect of raising finance;

(j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) through (j) above.

"**Frontier Airlines**" means Frontier Airlines, Inc.

"**Frontier Holdings**" means Frontier Airlines Holdings, Inc.

"**GAAP**" means generally accepted accounting principles, as in effect in the United States of America from time to time.

"**Governmental Entity**" means and includes (a) any national government, political subdivision thereof, or state or local jurisdiction therein, (b) any board, commission, department, division, organ, instrumentality, taxing authority, regulatory body, court or judicial body, central bank or agency of any entity referred to in (a) above, however constituted, and (c) any association, organization or institution (international or otherwise) of which any entity mentioned in (a) or (b) above is a member.

"**Group**" means Frontier Holdings and its subsidiaries at any time.

"**Guarantee**" means each Second Amended and Restated Guarantee dated as of the Effective Date and entered into by a Guarantor in favor of the Security Trustee on account of the obligations of the Borrower.

"**Guarantor**" means each of Frontier Airlines and Frontier Holdings.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

"**Indemnitee**" or "**Indemnitees**" means the Security Trustee, the Facility Agent, the Lenders and each of their Affiliates, successors, permitted assigns, directors, officers, and employees.

"**Independent Director**" means a director who at the time of their appointment or at any time when such Person is serving as an Independent Director is not, and has not been for the five (5) years prior to its appointment as an Independent Director, (i) an employee, officer, director, consultant, customer or supplier, or the beneficial owner (directly or indirectly) of the Borrower or either Guarantor; provided, however, that such person may serve as a trustee, director, servicer independent director or manager, independent servicer or non-economic director or in a similar capacity for any other affiliate such Person, or (ii) a spouse of, or Person related to (but not more remote than first cousins), a Person referred to in clause (i) above.

"**Initial Lender**" means Citibank, N.A.

"**Interest Payment Date**" means the date falling ***** days after the Original Signing Date and each such date which falls at ********* day intervals thereafter, *provided* that, if any such date shall not be a Business Day, then the relevant Interest Payment Date shall be the next succeeding Business Day; *provided, further*, that no Interest Payment Date may extend past the Termination Date and the last Interest Payment Date shall be the Termination Date.

"**Interest Period**" means, in respect of a Loan (a) initially, the period commencing on the Original Signing Date or on the date that such Loan is made and ending on the first Interest Payment Date occurring thereafter, and (b) thereafter, the period commencing on the last day of the previous Interest Period and ending on the next Interest Payment Date or, if earlier, the first to occur of the Delivery Date of the Aircraft funded by such Loan and the Termination Date.

"**International interest**" is defined in the Cape Town Convention.

"**International Registry**" is defined in the Cape Town Convention.

"**Lender**" means each Lender identified in Schedule I to the Credit Agreement and any assignee or transferee of such Lender.

"**Lender's Net Price**" means, in respect of an Aircraft, the amount specified in the column headed "Lender's Net Price" which corresponds to such Aircraft in the table set out in Schedule III to the Credit Agreement which is inclusive of all credits in respect of the Engines to be made available pursuant to the relevant Engine Agreement and subject to escalation from the date hereof in an amount equal to any escalation of the Airframe purchase price or SCN cost in accordance with the relevant Assigned Purchase Agreement, the Engine purchase price as agreed in the relevant Engine Agreement and the BFE Budget in accordance with the Credit Agreement.

"**LIBOR**" means, with respect to any Interest Period, a rate per annum equal to (x) for the first (if for a period of less than one month) Interest Period and for any Interest Period under the last two sentences of Clause 5.2(d) of the Credit Agreement, the rate certified by the Lenders as their Cost of Funds for such period and (y) otherwise, (i) the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant currency and period displayed on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for a period equal or comparable to such Interest Period as of 11:00 A.M. (London time) on the day ********* London business days prior to the first day of such Interest

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Period, or (ii) if the Thomson Reuter's Screen LIBOR 01 Page or LIBOR 02 Page is not available but no Market Disruption Event exists, the arithmetic mean of the offered rates (rounded upwards to the nearest 1/16th of one percent) as supplied to the Facility Agent at its request quoted by the principal London offices of Citibank, N.A., HSBC Bank plc and Barclays Bank plc (or such other banks as may from time to time be agreed by the Borrower and the Facility Agent) for deposits to leading banks in the London Interbank Market as of 11:00 A.M. (London time) on the day ***** London business days prior to the first day of such Interest Period for a period equal or comparable to such Interest Period, and if, in any case, that rate is less than zero, LIBOR shall be deemed to be zero.

"**Lien**" means any mortgage, pledge, lien, claim, encumbrance, lease, security interest or other lien of any kind on property.

"**Liquidity Threshold**" has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

"**Loan**" in respect of any Advance means the borrowing made by the Borrower on the Borrowing Date with respect to such Advance from each Lender.

"**Loan Certificates**" means the loan certificates issued pursuant to Clause 5.2(a) of the Credit Agreement and any such certificates issued in exchange or replacement therefor pursuant to Clause 5.7 or 5.8 of the Credit Agreement.

"**LTV**" has, in respect of an Aircraft, the meaning given to it in Clause 10.20(a) of the Credit Agreement.

"**LTV Collateral**" has the meaning given to it in Clause 10.20(c)(ii) of the Credit Agreement.

"**LTV Test**" has the meaning given to it in Clause 10.20(b) of the Credit Agreement.

"**LTV Test Date**" means:

(a) with respect to an Aircraft, the Borrowing Date which is either (i) the date on which the first Advance is to be made in respect of such Aircraft under the Facility or (ii) if an Advance has previously been made with respect to such Aircraft and a Loan is to be made on the Effective Date with respect to such Aircraft, the Effective Date; and

(b) in respect of all Aircraft in respect of which an Advance has been made and a Loan remains outstanding, (i) the Effective Date, (ii) the date falling ********* after and (iii) each further date falling at ********* intervals thereafter.

"**Majority Lenders**" means, as of any date of determination, the Lenders of not less than 51% in aggregate outstanding principal amount of all Loan Certificates as of such date. For all purposes of the foregoing definition, in determining as of any date the then aggregate outstanding principal amount of Loan Certificates, there shall be excluded any Loan Certificates, if any, held by the Borrower, either Guarantor or any of their Affiliates (unless such Persons own all Loan Certificates then outstanding).

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"**Manuals and Technical Records**" means together, those records, logs, manuals, technical data and other materials and documents relating to each Aircraft, together with any amendments thereto, as shall be delivered pursuant to the Assigned Purchase Agreement.

"**Market Disruption Event**" means, for each Interest Period:

(a) the Facility Agent (acting on the advice of the Lenders) determines (which determination shall be binding and conclusive on all parties) that, by reason of circumstances affecting the London interbank market or any other applicable financial market generally, adequate and reasonable means do not exist for ascertaining LIBOR for such Interest Period; or

(b) one or more Lenders collectively holding at least 50% of the principal amount of the Loans advises the Facility Agent that (by reason of circumstances affecting the London interbank market or any other applicable financial market generally) LIBOR for such Interest Period will not adequately and fairly reflect the cost to such Lender of maintaining or funding its Loan for such Interest Period.

"**Material Action**" means, with respect to any Person, to consolidate or merge such Person with or into any other Person, or sell all or substantially all of the assets of such Person or to institute proceeding to have such Person be adjudicated bankrupt or insolvent, or consent to the institution of bankruptcy or insolvency proceedings against such Person or file a petition seeking, or consent to, reorganization or relief with respect to such Person under any applicable federal or state law relating to bankruptcy, or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or a substantial part of its property, or make any assignment for the benefit of creditors of such Person, or admit in writing such Person's inability to pay its debts generally as they become due, or take action in furtherance of any such action, or, to the fullest extent permitted by law, dissolve or liquidate such Person.

"**Material Adverse Effect**" means a material adverse effect on the business, operations, properties or financial condition of the Borrower or either Guarantor, taken as a whole, or a material adverse effect on the ability of the Borrower or the Guarantors to observe or perform its obligations, liabilities and agreements under any Operative Document to which it is a party.

"**Material Event of Default**" means the occurrence of an "Event of Default" or "Termination Event" or such similar event howsoever described pursuant to any agreement in respect of Financial Indebtedness (or any agreement guaranteeing Financial Indebtedness) in an amount equal to at least ***** entered into by either Guarantor excluding any such event:

(a) which is technical and is due to an administrative error; or

(b) which is curable and the applicable Guarantor taking all necessary steps to cure such event and such has not been continuing for more than ********* beyond any grace period provided for in the applicable agreement.

"**Maximum Commitment**" means, in respect of a Lender, such Lender's Participation Percentage multiplied by the Maximum PDP Loan Amount.

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"**Maximum LTV**" has, in respect of an Aircraft the, meaning given to it in Clause 10.20(a) of the Credit Agreement.

"**Maximum PDP Loan Amount**" means an amount equal to US$150,000,000.

"**Mismatch Interest Rate**" means, for any Interest Period and for any Lender (i) in the case of paragraph (a) of the definition of "Market Disruption Event", such Lender's Cost of Funds rate (in lieu of LIBOR) or (ii) in the case of paragraph (b) of the definition of "Market Disruption Event", a rate of interest equal to the amount by which such Lender's Cost of Funds rate for such Interest Period exceeds the sum of (x) LIBOR for such Interest Period; plus (y) *********%, and in each case, calculated on the basis of a year of 360 days and the actual number of days elapsed.

"**Mortgage**" means the Second Amended and Restated Mortgage and Security Agreement dated as of the Effective Date, among the Borrower, the Facility Agent and the Security Trustee.

"**Mortgage Collateral**" means the Collateral as defined in the Granting clause of the Mortgage.

"**NEO Pool**" has the meaning given to it in Clause 10.20(a) of the Credit Agreement.

"**Obligors**" means each of the Borrower and each Guarantor (each an "**Obligor**").

"**Operative Documents**" means the Administration Agreement, the Credit Agreement, the Mortgage, the Loan Certificates, the Share Charge, the Guarantees, the Assigned Purchase Agreements, the Assignment and Assumption Agreement, the Step-In Agreement, Amendment Agreement No. 1, Amendment Agreement No. 2, Amendment Agreement No. 3, Amendment Agreement No. 2 to Assignment and Assumption Agreement, Amendment Agreement No. 3 to Assignment and Assumption Agreement, the Engine Agreements, the Option Agreement, the Servicing Agreement, the Subordinated Loan Agreement, any fee letter and any amendments or supplements of any of the foregoing.

"**Option Agreement**" means the Option Agreement, dated as of the Original Signing Date, between Frontier Airlines and the Borrower.

"**Original Credit Agreement**" has the meaning specified for such term in the recitals to the Credit Agreement.

"**Original Signing Date**" means December 23, 2014.

"**Parent**" means Intertrust SPV (Cayman) Limited, a Cayman Islands company (as trustee of the Trust).

"**Part**" means an appliance, component, part, instrument, accessory, furnishing or other equipment of any nature, including Buyer Furnished Equipment and Engines which is installed in, attached to or supplied with an Aircraft on the Delivery Date thereof.

"**Participant**" has the meaning specified in Clause 19.3(b)(ii) of the Credit Agreement.

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"**Participation Percentage**" means in respect of each Lender, the percentage set forth for such Lender in Schedule II of the Credit Agreement.

"**Party**" means a party to the Credit Agreement.

"**Past Due Rate**" means a per annum rate equal to the Applicable Rate plus *****% calculated on the basis of a year of 360 days and actual number of days elapsed.

"**PDP Funding Date Deficiency**" means, as of any date, any excess of (x) the sum of (i) the Loans then outstanding and (ii) any Financed Amount due to be paid on such date as set forth on Schedule III over (y) the Maximum PDP Loan Amount**,** after giving effect to any Equity Contribution scheduled to take place on such date and any repayment of the Loans on such date.

"**Permitted Lien**" means any Lien permitted under Clause 10.1.13 of the Credit Agreement.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, estate or trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Process Agent Appointment**" means an appointment and acceptance of process agent pursuant to which the Borrower appoints Corporation Service Company as agent for service of process in connection with the transactions contemplated by the Operative Documents.

"**Prospective International Interest**" is defined in the Cape Town Convention.

"**Purchase Price Installment**" has the meaning given to the term Pre-Delivery Payment Amount in the Assigned Purchase Agreement.

"**Regulation D**" means Regulation D of the Board of Governors of the Federal Reserve System (or any successor), as the same may be modified and supplemented and in effect from time to time.

"**Regulatory Change**" means, with respect to any Lender, any change that occurs after the Original Signing Date in Federal, state or foreign law or regulations (including Regulation D) or the adoption or making after such date of any interpretation, directive or request applying to a class of banks or financial institutions including such Lender of or under any Federal, state or foreign law or regulations (whether or not having the force of law and whether or not failure to comply therewith would be unlawful so long as compliance therewith is standard banking practice in the relevant jurisdiction) by any court or governmental or monetary authority charged with the interpretation or administration thereof. For the avoidance of doubt, the coming into effect of any applicable law or regulations, policies, orders, directives or guidelines issued by any governmental body, central bank, monetary authority or other regulatory organization (whether or not having the force of law) with respect to, arising out of, or in connection with (a) Basel II, (b) Basel III or (c) the Dodd Frank Wall Street Reform and Consumer Protection Act shall be deemed a Regulatory Change.

"**Relevant Delay**" has the meaning specified in Clause 10.12 of the Credit Agreement.

***** Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

"**Replacement Purchase Agreement**" means collectively, each Airbus Purchase Agreement as amended and restated in the terms set forth in Schedule 4 to the Step-In Agreement.

"**Required Specification**" means:

(a) in respect of each A321-200 Aircraft, a maximum takeoff weight of ***** tonnes, with sharklets and with CFM56-5B3 engines installed thereon;

(b) in respect of each A320-200 Aircraft, a maximum takeoff weight of ********* tonnes and with CFM56-5B4/3 engines installed thereon; and

(b) in respect of each A320neo Aircraft, a maximum takeoff weight of ********* tonnes and with CFM Leap-X1A engines installed thereon.

"**Reserve Requirement**" means, for any Loan Certificate, the average maximum rate at which reserves (including, without limitation, any marginal, supplemental or emergency reserves) are required to be maintained during the Interest Period in respect of such Loan Certificate under Regulation D by member banks of the Federal Reserve System in New York City with deposits exceeding one billion Dollars against "Eurocurrency liabilities" (as such term is used in Regulation D). Without limiting the effect of the foregoing, the Reserve Requirement includes any other reserves required to be maintained by such member banks by reason of any Regulatory Change with respect to (i) any category of liabilities that includes deposits by reference to which LIBOR is to be determined or (ii) any category of extensions of credit or other assets that includes the Loan Certificates.

"**Scheduled Delivery Date**" means, for each Aircraft, the date notified by Airbus to the Borrower provided that such date may not be any later than the last day of the Scheduled Delivery Month in respect of such Aircraft.

"**Scheduled Delivery Month**" means, in respect of an Aircraft, the month which corresponds to such Aircraft in the column entitled "Scheduled Delivery Month" in the table set out in Schedule III to the Credit Agreement.

"**SCN**" means a "Specification Change Notice" as defined in the Aircraft Purchase Agreement.

"**Secured Obligations**" means any and all moneys, liabilities and obligations which are now or at any time hereafter may be expressed to be due, owing or payable by the Borrower, the Parent and each Guarantor to the Lenders and/or any Agent in any currency, actually or contingently, with another or others, as principal or surety, on any account whatsoever under any Operative Document or as a consequence of any breach, non-performance, disclaimer or repudiation by the Borrower, either Guarantor or the Parent (or by a liquidator, receiver, administrative receiver, administrator, or any similar officer in respect of any of them) of any of their obligations to the Lenders and/or any Agent under any Operative Document.

"**Securities Act**" means the Securities Act of 1933, as amended.

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"**Security Trustee**" means Bank of Utah, not in its individual capacity but solely as Security Trustee on behalf of the Facility Agent and the Lenders under the Credit Agreement, and any successor thereto in such capacity.

"**Security Trustee Fee Letter**" means the Bank of Utah fee letter dated on or about the Original Signing Date by the Security Trustee.

"**Servicing Agreement**" means the Amended and Restated Servicing Agreement dated as of August 11, 2015, between the Borrower and Frontier Airlines.

"**Share Charge**" means the Share Charge dated the Original Signing Date, among the Parent and the Security Trustee, as confirmed pursuant to each Deed of Confirmation.

"**Step-In Event**" has the meaning given to it in the Step-In Agreement.

"**Step-In Agreement**" means the Step-In Agreement dated as of the Original Signing Date, among the Borrower, as assignor, the Security Trustee, as assignee, and Airbus in the form specified in Exhibit C to the Original Credit Agreement, as amended by Amendment Agreement No. 1 and Amendment Agreement No. 2 and as further amended by Amendment Agreement No. 3.

"**Subordinated Loan Agreement**" means the Subordinated Loan Agreement, dated as of the Original Signing Date, between Frontier Airlines and the Borrower and the Subordinated Promissory Note dated the Original Signing Date, issued by the Borrower thereunder.

"**Tax**" or "**Taxes**" means any and all present or future fees (including, without limitation, license, documentation and registration fees), taxes (including, without limitation, income, gross receipts, sales, rental, use, turnover, value added, property (tangible and intangible), excise and stamp taxes), licenses, levies, imposts, duties, recording charges or fees, charges, assessments, or withholdings of any nature whatsoever, together with any assessments, penalties, fines, additions to tax and interest thereon.

"**Termination Date**" means the date that is 6 months following the then-current Commitment Termination Date.

"**Transferee**" means any person to whom the Collateral or any of it is transferred in accordance with the terms of the Credit Agreement, the Mortgage or the Step-In Agreement.

"**Trust**" means the Vertical Horizons, Ltd. Charitable Trust.

"**Unrestricted Cash and Cash Equivalents**" means at any date in respect of Frontier Holdings, the sum of the cash and cash equivalents (in each case, as such terms are defined by GAAP) of Frontier Holdings on a consolidated based, that may be (i) classified as "unrestricted" in accordance with GAAP on the consolidated balance sheets of Frontier Holdings, (ii) classified in accordance with GAAP as "restricted" on the consolidated balance sheets of the Guarantor solely in favor of the Security Trustee and the Lenders, provided that if Frontier Holdings agrees to any more onerous definition pursuant to any financial covenant in any agreement to which it is a party, this definition shall be deemed to be deleted and replaced with such other definition.

"**VAT**" means a consumption tax, value added tax, goods and services tax or similar tax, however it may be described.

"**Withholding Taxes**" means a deduction or withholding for or on account of Tax from a payment under an Operative Document.

AMENDED AND RESTATED
SIGNATORY AGREEMENT
(U.S. Transactions)

AMENDED AND RESTATED
SIGNATORY AGREEMENT
(U.S. Visa and MasterCard Transactions)

This Amended and Restated Signatory Agreement (this "Signatory Agreement"), dated as of November 5, 2013, is by and among Frontier Airlines Holdings Inc., a company organized under the laws of the State of Delaware (hereafter "Holdings"), Frontier Airlines, Inc., a company organized under the laws of the State of Colorado ("Frontier" and together with Holdings, "Carrier"), and U.S. Bank National Association, a national banking association, ("Member"). Carrier and Member shall be collectively referred to as the "Parties" and individually each a "Party". Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the MTOS, as defined in Section 1 below.

RECITALS

WHEREAS, Frontier, an air carrier engaged in the transportation of passengers by air, desires to make available to its customers a convenient means of purchasing air transportation, both on a current and time payment basis, through the use of Cards;

WHEREAS, Member is a member of Visa U.S.A. Inc. and MasterCard International (the "Applicable Card Associations") and is qualified to enter into contractual relationships with merchants such as Carrier who wish to honor Cards which bear the service marks of the Applicable Card Associations in the United States (the "Applicable Transactions"); and the Applicable Card Associations contemplate that Cards will be issued by financial institutions who are members in the respective systems and that such Cards will be honored by merchants who have signed agreements with member financial institutions;

WHEREAS, Frontier, Republic Airways Holdings Inc. ("Republic") and Member are parties to that certain Signatory Agreement (U.S. Visa and MasterCard Transactions) dated as of May 27, 2010 (as amended, the "Prior Agreement"); and

WHEREAS, in connection with the sale by Republic of its interests in Holdings, the parties hereto desire to amend and restate the Prior Agreement to substitute Holdings for Republic.

AGREEMENT

NOW, **THEREFORE**, in consideration of the foregoing Recitals, which are incorporated herein, the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereby covenant and agree to be bound as follows:

Section 1. Incorporation of MTOS. The Master Terms of Service attached hereto as Exhibit A (the "MTOS") and the Value Added Services Schedule, the Fee Schedule, and the Exposure Protection Schedule attached hereto as Schedules 1, 2, and 3 respectively (collectively, the "Schedules") are incorporated into and are a part of this Agreement and each Party acknowledges, affirms and agrees that it is bound by the terms of the MTOS. Each reference in the MTOS to "the Signatory Agreement" means this Signatory Agreement with Member as named in the preamble hereof. Each reference in this Signatory Agreement, the MTOS or the Schedules hereto to "the Agreement" or "this Agreement" mean this Signatory Agreement, the MTOS and the Schedules attached hereto, which form part of this Agreement and shall have effect as if set out in full in the body of this Agreement, collectively.

Section 2. Processing Services. Carrier hereby requests that Member process Applicable Transactions on behalf of Carrier and provide the services described in this Agreement, and Member agrees to process, or cause to be processed, the Applicable Transactions and provide such services, or cause them to be provided, in compliance with the terms and conditions of this Agreement, the Operating Regulations and applicable requirements of law.

Section 3. Commencement Date. Member shall commence processing Applicable Transactions under this Agreement on the Effective Date.

Section 4. Effective Date. This Agreement shall become effective upon (i) execution, and delivery to the other Parties, of this Signatory Agreement by each Party hereto and (ii) the delivery of a notice from Republic to Member indicating that the sale transaction by Republic of its interest in Holdings has closed. The date on which this Agreement becomes effective shall be the effective date (the "Effective Date"). If the notice identified in the first sentence of this paragraph is not delivered by February 1, 2014 this Agreement shall be null and void and the Prior Agreement shall continue.

Section 5. Applicable Country; Settlement Currency. The "Applicable Country" for this Agreement is the United States of America. All settlements with respect to Applicable Transactions shall be in U.S. dollars.

Section 6. Settlement Account. The Settlement Account for Applicable Transactions submitted under this Agreement shall be such account at a financial institution located in the United States of America as may be designated from time to time by Carrier.

Section 7. Exclusivity. During the term of this Agreement, Member retains the exclusive right to process all Applicable Transactions in the United States of America other than any onboard sales. Submission of Transactions and payment from any location must be handled in compliance with all applicable government laws, rules and regulations.

Section 8. Effect of Insolvency Proceeding. Notwithstanding anything contained in the MTOS to the contrary, upon and after the occurrence of an Insolvency Event, Member may, at its option, require as a condition to the processing of any Applicable Transactions submitted to it relating to sales made by Carrier prior to or after the institution of such proceedings, the entry of an order by the court having the jurisdiction of any such proceeding, authorizing Carrier to issue, and Member to process, Applicable Transactions for sales made by Carrier prior to or after the institution of such proceeding.

Section 9. Notices. All notices permitted or required to be sent pursuant to this Agreement shall be addressed as set forth below and sent in accordance with the MTOS:

TO CARRIER:	Frontier Airlines Holdings Inc.
ATTENTION:	7001 Tower Road
	Denver, CO 80249
	Fax:_____
TO MEMBER:	U.S. Bank National Association
	800 Nicollet Mall
	Minneapolis, MN 55402
ATTENTION:	Risk Management
	Fax: (612) 303-9204

Section 10. Term . This Agreement shall become effective as of the Effective Date pursuant to Section 4 of this Signatory Agreement and continue in effect, unless earlier terminated pursuant to Section 15 of the MTOS for an initial term of two (2) years from the Effective Date and shall automatically renew for successive terms of one year thereafter unless either party provides written notice to the other no later than ninety (90) days prior to the end of the then current term of its determination to terminate this Agreement, in which case the Agreement shall terminate as of the expiration of the then current term.

Section 11. Joint Obligations; Right to Deal with Holdings. Holdings and Frontier each unconditionally and absolutely guarantees full and prompt performance of all obligations of the other under this Agreement when due, whether according to the present terms or any change or changes in the terms, covenants and conditions. These guarantees are continuing guarantees of the payment thereof, are not limited to a guarantee of collection and shall remain in full force and effect until the termination and payment in full of the Obligations. Member may remit all amounts payable under the Agreement to Holdings which shall be solely responsible for any remittances to Frontier. Member may deal with Holdings and Frontier in all respects as if Holdings were the sole “Carrier” under the Agreement, including without limitation, the giving of all notices to Holdings required to be given by Member under the Agreement to Carrier, reliance upon all notices given by Holdings as being notices for both entities, the treatment and aggregation of all Reserved Funds, the Deposit and the Aggregate Protection without distinguishing between funds attributable to transactions of Holdings and those of Frontier, and the drawing of no distinction between the obligations of Holdings and Frontier hereunder.

Section 12. Surety Waivers. Each of Holdings and Frontier waives demand, notice, protest, notice of acceptance of this Agreement, notice of payments made, collateral received or delivered or other action taken in reliance hereon and all other demands and notices of any description. With respect to both the Obligations and any collateral provided by either Holdings or Frontier, each assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of or failure to perfect any security interest in any collateral, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payment thereon and the settlement, comprising or adjusting of any thereof, all in such manner and at such time or times as Member may deem advisable. Member shall have no duty as to the collection or protection of any collateral or any income thereon, nor as to the preservation of rights against prior parties, nor as to the preservation of any rights pertaining thereto. Each of Holdings and Frontier further waives any and all other suretyship defenses.

Section 13. Amendment and Restatement of the Prior Agreement. This Agreement amends and restates the Prior Agreement in its entirety. Any obligations outstanding under the Prior Agreement shall be deemed outstanding under this Agreement and any Deposit held under the Prior Agreement shall be considered part of the Deposit under this Agreement. Republic shall have no rights, duties, liabilities or obligations under this Agreement (all of such rights being assigned to, and all such duties, liabilities, and obligations being assumed by, Holdings pursuant to this Agreement) and Holdings represents and warrants to Member that it (or its equity owners) provided fair value to Republic in connection with the assumption of all of Republic's rights, duties, liabilities and obligations under the Prior Agreement. Republic is hereby released from all duties, liabilities and obligations under the Prior Agreement.

Section 14. Entirety. This Agreement (including the MTOS and the Schedules attached hereto) constitutes the entire understanding and agreement among the Parties with respect to the subject matter herein contained, and there are no other agreements, representations, warranties or understanding, oral or written, expressed or implied, that are not merged herein and superseded hereby. This Agreement shall not be amended, supplemented, modified or changed in any manner, except as provided in writing and signed by the Parties hereto.

Section 15. Governing Law. This Agreement and any matter arising from or in connection with it shall be governed by and construed in accordance with the internal laws of the State of Minnesota, without regard to its conflict of law principles.

Section 16. Waiver of Jury Trial . EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES TO THE EXTENT PERMITTED BY LAW ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 17. Counterparts; Facsimile; PDF. The Agreement and any and all related documents may be executed in any number of counterparts, each of which, when so executed, then delivered or transmitted by facsimile or by email in Portable Document Format ("PDF"), shall be deemed to be an original, and all of which taken together shall constitute but one and the same instrument. In particular, the Agreement and any and all related documents may be executed by facsimile or PDF, and signatures on a facsimile or PDF copy hereof shall be deemed authorized original signatures.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and attested to by their duly authorized officers as of the day and year written.

CARRIER:

FRONTIER AIRLINES HOLDINGS INC.

By (Print Name):	Robert N. Ashcroft
Signature:	/s/ Robert N. Ashcroft
Title:	SVP Finance
Date:	November 5, 2013

FRONTIER AIRLINES, INC.

By (Print Name):	Robert N. Ashcroft
Signature:	/s/ Robert N. Ashcroft
Title:	SVP Finance
Date:	November 5, 2013

MEMBER:

U.S. BANK NATIONAL ASSOCIATION

By (Print Name):	John R. Follert
Signature:	/s/ John R. Follert
Title:	Its Authorized Representative
Date:	November 5, 2013

By signing below, Republic confirms Republic's assignment to Holdings of Republic's rights, duties, liabilities and obligations under this Agreement.

Acknowledged and Agreed:

REPUBLIC AIRWAYS HOLDINGS INC.

By (Print Name):	Ethan J. Blank
Signature:	/s/ Ethan J. Blank
Title:	VP, General Counsel
Date:	November 5, 2013

[Signature Page to Signatory Agreement]

Exhibit A
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

Master Terms of Service

See attached.

MASTER TERMS OF SERVICE

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Exhibits and Schedules

Exhibit A	Payment Days
Schedule 1	Value Added Services Schedule
Schedule 2	Fee Schedule
Schedule 3	Exposure Protection Schedule

MASTER TERMS OF SERVICE

PREAMBLE

These Master Terms of Service ("MTOS") are to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement") by and among Frontier Airlines Holdings Inc., a company organized under the laws of the State of Delaware (hereafter "Holdings"), Frontier Airlines, Inc., a company organized under the laws of the State of Colorado ("Frontier" and together with Holdings, "Carrier") and the applicable Member.

Carrier, a certified air carrier engaged in the transportation of passengers by air, desires to make available to its customers a convenient means of purchasing air transportation through the use of Cards. The MTOS and the other terms of the Agreement govern Carrier's receipt of Card processing services.

SECTION 1. **DEFINITIONS**.

1.1 For the purpose of this Agreement, the terms below shall have the following meanings:

***** – *****, Inc. and its successors and assigns that hold the rights to the ***** technology.

Affiliate – With respect to any Party, any Person that directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with such Party. The term control (including the terms "controlled by" and "under common control with") means the possession, directly, of the power to direct or cause the direction of the management and policies of the Person in question.

Agent – A business organization duly licensed (if so required) and authorized to perform functions of a travel agent who is not an employee of Carrier and who has been duly designated, appointed and authorized by Carrier to act as a travel agent on behalf of Carrier.

Agreement – The Signatory Agreement, the MTOS, and all schedules and exhibits attached thereto or attached to the MTOS. Each reference to "the Agreement" or "this Agreement" contained herein shall constitute a reference to, collectively, (a) the applicable Signatory Agreement, (b) each schedule or exhibit attached to such Signatory Agreement, and (c) the MTOS and each schedule or exhibit attached to the MTOS.

Applicable Country – Any country in which Transactions are being transacted pursuant to and as permitted by this Agreement, as identified in the Signatory Agreement.

Applicable Rate – The Applicable Rate (using a 365-day year) shall be determined in accordance with the following chart for each Settlement Currency:

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Settlement Currency	Applicable Rate
U.S. Dollars	*****
Canadian Dollars	*****

Authorization – The process whereby Carrier requests permission for the Card to be used for a particular Transaction.

AVS – Address verification service.

Billing Settlement Processor – A bank settlement plan or similar entity that aggregates Transactions for such regions or Applicable Countries as the Parties may mutually agree and submits Transactions on behalf of Carrier.

Business Day – With respect to Transactions submitted to Member, any weekday, Monday through Friday, except when any such day is a legal holiday recognized by Member.

Card – (i) Any card (other than a Debit Card) bearing the service mark of a Credit Card Association or other evidence of an account, including an account number, issued under the auspices of a Credit Card Association, which Carrier expressly chooses to accept or accepts through the presentment of a Sales Record to Member for processing and (ii) any Debit Card.

Card Associations – The Credit Card Associations and the EFT Networks and any other card association that may in the future be designated by mutual agreement of Member and Carrier.

Card Issuer – Any bank or financial institution that is a member of a Card Association and issues a Card.

Cardholder – Any person authorized to use a Card by the Card Issuer.

Cardholder Account Information – As defined in Section 4.1.

Carrier – As defined in the Preamble.

Carrier Website – The website Carrier has established or may establish from time to time for the purpose of selling goods and services in the Applicable Countries.

Chargeback – Any (i) amount claimed from or not paid to Member for any reason stipulated in the applicable Operating Regulations, or (ii) refusal to pay or reversal of any payment by a Card Issuer in relation to a Transaction for any reason stipulated in the applicable Operating Regulations or (iii) amount claimed from Carrier by Member in relation to a Transaction as stipulated in the applicable Operating Regulations.

Commencement Date – As defined in the Signatory Agreement.

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CNP Transactions – A Transaction which is accepted and processed where the Cardholder is not present or the Card is not provided physically to Carrier at the time the Transaction occurs (for example, internet, mail order or telephone order).

Credit Card Associations – Visa U.S.A. Inc., Visa International, Inc., MasterCard International Incorporated and any other national card association that may in the future be designated by mutual agreement of the Member and Carrier.

Credit Record – A record, whether paper or electronic, approved by Member, which is used to evidence a refund or adjustment of a purchase made through the use of a Card, and which will be credited to a Cardholder account.

Debit Card – A card or device bearing the symbol(s) of one or more EFT Networks or Credit Card Associations, or other evidence of an account, issued under the auspices of a Card Association, which may be used to purchase goods and services from Carrier and to pay the amount due to Carrier by an electronic debit to the Cardholder's designated deposit account, and which Carrier expressly chooses to accept or accepts through the presentment of a Sales Record to Member for processing.

Deposit – The aggregate of (a) Reserved Funds and (b) any cash remitted and pledged by Carrier to Member or any other Secured Party pursuant to or in connection with this Agreement to secure the Obligations hereunder, and obligations under any Other Signatory Agreements that incorporate the MTOS (if so provided in the applicable Exposure Protection Schedule), and all additions to such aggregate made from time to time and all monies, securities, investments and instruments purchased therewith and all interest, profits or dividends accruing thereon and proceeds thereof. In the event that Transactions are settled in multiple currencies, Member may require separate Deposits in such currencies.

Effective Date – The date set forth as the "Effective Date" in the Signatory Agreement that is part of this Agreement.

EFT Networks – (i) Interlink Network, Inc., Maestro U.S.A., Inc., STAR Networks, Inc., NYCE Payments Network, LLC, PULSE Network LLC, ACCEL/Exchange Network, Alaska Option Services Corporation, Armed Forces Financial Network, Credit Union 24, Inc., NETS, Inc. and SHAZAM, Inc. and (ii) any other organization or association that hereinafter authorizes Member or its Affiliates to authorize, capture, and/or settle Transactions effected with Debit Cards, and any successor organization or association to any of the foregoing.

Electronic Credit Record – An electronic Credit Record.

Electronic Data Capture or "EDC" – Any means by which payment information (e.g. Electronic Sales Record or Electronic Credit Record) is transmitted electronically to Member for processing.

Electronic Record – An Electronic Credit Record or an Electronic Sales Record.

Electronic Sales Record – An electronic Sales Record.

Exposure Protection Schedule – The "Exposure Protection Schedule" attached to the Signatory Agreement that is part of this Agreement.

Fee Schedule – The "Fee Schedule" attached to the Signatory Agreement that is part of this Agreement.

Frontier – As defined in the Preamble.

Holdings – As defined in the Preamble.

Insolvency Event – (i) The commencement of any bankruptcy, insolvency, moratorium, liquidation, judicial reorganization proceeding, dissolution, arrangement, or proceeding under any creditors' rights law or other similar proceeding by or against the applicable Party, (ii) any application for, consent by the Party, or acquiescence by the Party in, the appointment of any trustee, receiver, or other custodian for Carrier or a substantial part of its property, (iii) any appointment of a trustee, receiver or other custodian for the Party or a substantial part of its property, or (iv) any assignment by the Party for the benefit of creditors.

ISP – An internet service provider.

Internet PIN Pad – A secure program provided by Acculynk that displays and allows entry on an alphanumeric graphical PIN-pad which conforms with the applicable Operating Regulations and requirements established from time to time by Member, and through which a Cardholder may enter a PIN.

Judgment Currency – As defined in Section 27.

MasterCard – MasterCard International Incorporated.

Member – The financial institution (or, to the extent allowed by the applicable Operating Regulations, a subsidiary or an Affiliate of a financial institution) designated as Member in the Signatory Agreement.

MTOS – As defined in the Preamble.

Net Activity – For any day on which funds are to be remitted to Carrier under Section 6.2 hereof with respect to Transactions to be settled in the same currency, the net aggregate amount of (i) the aggregate amount of the Sales Records submitted to Member prior to such date of remittance of funds that are to be settled to Carrier in the same currency, plus (ii) adjustments in favor of Carrier in the same currency, minus (iii) the amount of any then outstanding Credit Records and Chargebacks to Carrier for which Member has not been reimbursed, minus (iv) the processing fees set out in the Fee Schedule, minus (v) any adjustments in favor of Member in the same currency, minus (vi) any other obligations of Carrier to Member arising under this Agreement, minus (vii) if applicable, any net addition to Reserved Funds on such date (or plus any net subtraction from Reserved Funds on such date).

Obligations – As defined in the Exposure Protection Schedule.

Operating Regulations – The operating regulations of a Card Association as amended or supplemented from time to time.

Other Signatory Agreements – As defined in the Exposure Protection Schedule.

Parties – As defined in the Signatory Agreement.

***** – A software-only service provided by ***** that enables the use of Debit Cards with its corresponding PIN to pay for purchases of Travel Costs from Carrier.

PCI – Payment Card Industry (PCI) Data Security Standard, including any amendments thereto or replacements thereof.

Person – Any natural person, corporation, partnership, limited partnership, limited liability company, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

PIN – A Personal Identification Number.

POS Device – A Terminal or other point-of-sale device at a Carrier location that conforms with the requirements established from time to time by Member and the applicable Card Association.

Processing Date – Any date on which Member processes a Transaction using its merchant processing system.

Relevant Authorities – Any governmental or other agencies or any regulatory authorities with jurisdiction over, or otherwise material to, the business, assets, or operations of Carrier.

Reserved Funds – All funds paid by a Card Association on account of Sales Records submitted to Member by Carrier pursuant to this Agreement and held by Member pursuant to the provisions of the Exposure Protection Schedule.

Retained Documents – As defined in Section 7.2.

Sales Record – A record, whether paper or electronic, which is used to evidence Travel Costs purchased by a Cardholder through the use of a Card and which is processed by Member pursuant to the Agreement.

Secured Party – As defined in the Exposure Protection Schedule.

Settlement Account – A deposit account at a financial institution designated by Carrier as the account to be debited or credited, as applicable, for Net Activity.

Settlement File – The settlement file summarizing Travel Costs and Transactions submitted by Carrier by electronic transmission to Member in such form or format as the Parties may agree.

Signatory Agreement – As defined in the Preamble.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Terms and Conditions of Sale – As defined in Section 3.14(b).

Terminal – A point-of-transaction terminal that conforms with the requirements established from time to time by Member and the applicable Card Association capable of (i) reading the account number encoded on the magnetic stripe, (ii) comparing the last four digits of the encoded account number to the manually key-entered last four digits of the embossed account number, and (iii) transmitting the full, unaltered contents of the magnetic stripe in the Authorization message.

Third-Party Terminal – A terminal, other point-of-sale device, or software provided to Carrier by any entity other than Member or an authorized designee of Member.

Transaction – The purchase by, or refund to, a Cardholder, using a Card for any goods or services provided by Carrier pursuant to this Agreement in the Applicable Countries.

Transaction Date – The actual date on which the Cardholder purchases goods or services with a Card, or on which a Credit Record is issued from Carrier through use of a Card.

Travel Costs – Any one, or any combination of, the following items:

(a) the purchase of a ticket for air travel for travel along any of Carrier's routes;

(b) the purchase of a ticket for air travel over the lines of other carriers;

(c) the payment of airport taxes, fees and surcharges in connection with the purchase of any item specified in this section;

(d) the payment of excess baggage and other baggage charges;

(e) the purchase of air freight and air cargo services offered by Carrier;

(f) the purchase of small package delivery services offered by Carrier;

(g) the purchase of travel services (including accommodation) on tours sold by or through Carrier in conjunction with the furnishing of air travel;

(h) the purchase of air travel for pets on Carrier's flights;

(i) the payment of dues associated with Carrier's airport or other club system;

(j) the purchase of goods sold and delivered on, or in association with, Carrier's flights;

(k) the purchase of goods sold via direct mail catalog or by direct mail by Carrier; and

(l) the purchase of goods or services associated with the foregoing, including without limitation, sales of preferred seating and flight change fees.

Travel Costs shall also mean such other goods or services as Carrier and Member may agree to include in writing. Travel Costs shall not include charter services.

Value Added Services – Any product or service provided by a third party unaffiliated with Member to assist Carrier in processing Transactions, including internet payment gateways, integrated Terminals, global distribution systems, inventory management and accounting tools, loyalty programs, fraud prevention programs, and any other product or service that participates, directly or indirectly, in the flow of Transaction data.

Value Added Services Schedule – The Value Added Services Schedule attached to the Signatory Agreement.

1.2 In the Agreement unless the context otherwise requires:

(a) Any reference to a statute, statutory instrument, regulation or order shall be construed as a reference to such statute, statutory instrument, regulation or order as amended or re-enacted from time to time.

(b) The words “hereof,” “herein” and “hereunder” and words of similar impact when used in the Agreement shall refer to the Agreement as a whole and not to any particular provision of the Agreement. References to Sections, Exhibits, Schedules and like references are to the Agreement unless otherwise expressly provided. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation,” regardless of whether the phrase “without limitation” is included in the applicable provision. Unless the context in which used herein otherwise clearly requires “or” has the inclusive meaning represented by the phrase “and/or,” even if the phrase “and/or” is not included in the applicable provision. The singular includes the plural and vice versa, regardless of whether “(s)” is used with the applicable word or phrase. The terms “will,” “shall,” “must,” and “agree” have the same meaning and force.

SECTION 2. **RULES AND REGULATIONS**.

2.1 Carrier and Member each acknowledge that the respective systems of the Card Associations are governed by their respective Operating Regulations and that all Transactions hereunder are subject to such Operating Regulations, as applicable, as the same may be amended from time to time. To the extent there is a conflict between applicable Operating Regulations and the terms of this Agreement, the Operating Regulations shall control. To the extent there is a conflict between applicable law and applicable Operating Regulations, the applicable law shall control. For purposes of the foregoing, a conflict shall be deemed to exist only if (i) compliance with the terms of this Agreement is impossible without a breach of the applicable Operating Regulations or (ii) compliance with the applicable Operating Regulations is impossible without a breach of applicable law. Unless permitted by the applicable Operating Regulations, Carrier shall not establish minimum or maximum Transaction amounts as a condition for honoring Cards.

2.2 Carrier and Member each shall be responsible for any liability arising out of or related to its own failure to observe, perform or otherwise comply with the applicable provisions of the Operating Regulations. Carrier agrees that it shall be responsible for any fees, charges, fines, penalties or other assessments that Member is required to pay a Card Association as a consequence of Carrier's failure to comply with the applicable Operating Regulations. Member agrees that it shall be responsible for any fees, charges, fines, penalties or other assessments that Carrier is required to pay a Card Association as a consequence of Member's failure to comply with the applicable Operating Regulations.

SECTION 3. **HONORING CARDS**.

3.1(a) In the case of Transactions transacted in U.S. dollars under the Signatory Agreement between Carrier and Member, Carrier may choose to accept (i) only the consumer credit/business credit products of Visa and/or MasterCard; (ii) only the consumer debit/prepaid products of Visa and/or MasterCard; or (iii) both the consumer credit/business credit products and consumer debit/prepaid products of Visa and/or MasterCard. Carrier must indicate in writing its decision to accept a limited category of products at the time of entry into this Agreement. If Carrier chooses to accept only one of the categories of products but later submits a Transaction outside of the selected category, Member is not required to reject the Transaction and Carrier will be charged standard fees and expenses for that category of products. Further, if Carrier chooses a limited acceptance option, it must still honor all international cards presented for payment. If Carrier decides to implement a limited acceptance policy, it shall display appropriate signage to communicate that policy to Cardholders. Except as may be permitted by applicable local law and Operating Regulations, Carrier will not impose a surcharge for purchases made with the Card nor shall Carrier establish minimum or maximum transaction amounts as a condition for honoring Cards.

(b) Notwithstanding anything else contained in this Agreement, and upon written notification from Member that Member or its Affiliates agree to accept ***** Transactions, Carrier may submit for processing hereunder ***** Transactions, and Member agrees to process such transactions. Carrier understands and agrees that Member's ability to accept ***** Transactions under this Agreement is dependent upon Member or its Affiliates continuing to have agreements in place with ***** and the EFT Networks. Carrier acknowledges that even if Member agrees to accept ***** Transactions, Member may not be able to accept Transactions for Debit Cards on all the EFT Networks. Carrier may not submit any other PIN-based Debit Card Transactions under this Agreement other than ***** Transactions. If at any time Member can no longer process ***** Transactions because (i) Member or Member's Affiliates do not have the required enforceable contracts with ***** or the EFT Networks or (ii) ***** cannot or will not perform under its contracts with Member or Affiliates of Member, then Member shall notify Carrier thereof, and Carrier may not submit any ***** Transactions for processing after receipt of such notice. Member shall not be deemed in breach of the Agreement or otherwise have any liability to Carrier as a result of its inability to process ***** Transactions due to the lack of the required contracts with ***** or the EFT Networks or the inability of unwillingness of ***** to perform under such contracts.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

(c) In submitting ***** Transactions to Member, Carrier agrees as follows:

a. During the Transaction process, Carrier will employ an ***** PIN Pad with ***** technology to maintain the confidentiality of the Cardholder's Debit Card information and PIN.

b. Carrier shall use ***** technology when initiating every ***** Transaction so as to prevent the unauthorized recording or disclosure of a Cardholder's PIN.

c. Carrier shall require that each holder of a Debit Card enter his or her PIN on a ***** PIN Pad when initiating a ***** Transaction.

If Member has agreed to accept ***** Transactions pursuant to this Section 3.1, Carrier shall support ***** Transactions for purchases and refunds, but may not support purchases with cashback or balance inquiries. At the time of any ***** Transaction, Carrier shall provide each Cardholder a Transaction receipt containing, at a minimum, the following information:

- Amount of the Debit Card Transaction,
- Date of Transaction receipt issuance or date of departure,
- Truncated Debit Card number or another account number or code that uniquely identifies the Cardholder,
- Carrier's name, and
- Transaction reference number or authorization number.

Carrier may perform a refund Transaction for a ***** Transaction only if the original PIN-based Debit Card Transaction was performed through *****. When requested by any EFT Network, Carrier will immediately take action to: (i) eliminate any fraudulent or improper Transactions identified by the EFT Network, (ii) suspend processing of ***** Transactions until such fraudulent or improper Transactions are addressed, or (iii) entirely discontinue acceptance of ***** Transactions.

Carrier understands that ***** Transactions conducted with an ***** PIN Pad are high risk and there is a significant risk that a Cardholder's PIN may be tracked or improperly disclosed if ***** technology is not employed with the ***** PIN Pad. Carrier understands that Member does not provide such security technology and that it is solely Carrier's responsibility to employ such technology. Member acknowledges that ***** is a contractor of an Affiliate of Member and it shall be the obligation of Member to obtain ***** services through such Affiliate. Carrier indemnifies Member against any claims made by a holder of a Debit Card regarding the unauthorized disclosure of such Cardholder's PIN in any Transactions submitted to Member for processing, except to the extent caused by (a) the negligence, willful misconduct, grossly negligent acts or omission, or breach of this Agreement, Operating Regulations, or any applicable laws or regulations by Member, its Affiliates, *****, or an EFT Network or (b) any data breach of the data security systems of Member or its Affiliates. All ***** Transactions shall be included in the flight calendar under the Exposure Protection Schedule and otherwise included when

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determining ***** Exposure. Carrier shall be responsible for submitting to Member the flight data information for each ***** Transaction necessary to allow Member to include such Transactions in the ***** Exposure (as defined in the Exposure Protection Schedule) calculation.

Carrier and Member recognize that the Operating Regulations applicable to Chargebacks on ***** Transactions under the EFT Networks and applicable law may differ from the rules set forth in this Agreement and the Operating Regulations applicable to Transactions with the Credit Card Associations. Carrier and Member agree that any rules contained under this Agreement applicable to Chargebacks shall be deemed modified to the extent necessary to comply with conflicting Operating Regulations or applicable law.

3.2 Carrier shall use reasonable efforts to cause all Agents to permit Cardholders to charge Travel Costs only in accordance with the terms and conditions of the Agreement and in compliance with applicable Operating Regulations. Carrier shall use reasonable efforts to cause compliance by Agents with all of the terms and conditions of the Agreement to be performed by Carrier or Agents. Notwithstanding any such reasonable efforts by Carrier, Carrier shall be responsible for: (i) any failure by any Agent in performing the applicable provisions of the Agreement; and (ii) the settlement of Sales Records and Credit Records completed by Agents.

3.3 Before honoring a Card, Carrier shall do the following to determine whether the Card is valid: (a) where possible, examine the format of each Card presented in connection with a purchase for authenticity and confirm, by checking the effective date and the expiration date as stated on the face of the Card, that the Card has become effective and has not expired; and (b) obtain Authorization. Neither Carrier nor any Agent shall impose a requirement on Cardholders to provide any personal information such as a home or business telephone number, home or business address, driver's license number, or a photocopy of a driver's license as a condition for honoring Cards unless such information is required or permitted under specific circumstances cited in the Agreement. Notwithstanding the foregoing, with respect to Transactions that are not conducted face-to-face, Carrier may request from a Cardholder the information necessary to complete an address verification service request. Neither Carrier nor any Agent shall make a photocopy of a Card under any circumstances, nor shall a Cardholder be required to provide a photocopy of the Card as a condition for honoring the Card. Neither Carrier nor any Agent shall require a Cardholder, as a condition for honoring the Card, to sign a statement that in any way waives the Cardholder's rights to dispute the Transaction. Carrier may require passengers to present personal information, including a driver's license, passport, or other picture identification, for purposes of complying with Carrier's policy or applicable law.

3.4(a) Carrier or Agent shall obtain Authorization for the total amount of the Travel Costs before completing any Card sales Transaction (which in the case of Transactions involving paper submissions pursuant to Section 6.2(d) may require telephone Authorization). Such Authorization may be provided by any third party provider acceptable to Member. Authorization verifies that the Card number is valid, the Card has not been reported lost or stolen at the time of the Card sales Transaction, and confirms that the amount of credit or funds requested for the Card sales Transaction is available. Carrier or Agent will follow any reasonable instructions received during Authorization. Upon receipt of

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Authorization, Carrier or Agent may consummate only the Card sales Transaction authorized and must note the Authorization code on the Sales Record. For all ticket by mail, telephone or internet Card sales, Carrier must obtain the Card expiration date and forward that date as part of the Authorization.

(b) Authorization does not: (i) guarantee Carrier final payment for a Card sales Transaction; (ii) guarantee that the Card sales Transaction will not be disputed later by the Cardholder as any Card sales Transaction is subject to Chargeback; or (iii) protect Carrier in the event of a Chargeback regarding unauthorized Card sales Transactions or disputes involving the quality of goods or services. Authorization will not waive any provision of the Agreement or otherwise validate a fraudulent sales Transaction or a sales Transaction involving the use of an expired Card.

(c) In a Card sales Transaction in which a Card is presented electronically, if Carrier's Terminal is unable to read the magnetic stripe on the Card, Carrier must key-enter the Transaction into the POS Device for processing and obtain: (i) a physical imprint of the Card using a manual imprinter; and (ii) the Cardholder's signature on the imprinted Sales Record.

3.5 Neither Carrier nor any Agent shall make any Card sale to any customer in any of the following circumstances (with the exception of ticket by mail, internet or telephone pursuant to Section 3.8 of the Agreement and ticket by automated machine pursuant to Section 3.9 or purchased through other CNP Transactions): (a) a Card is not presented at the time of sale; (b) the signature on the Sales Record does not appear to correspond to the signature appearing in the signature panel on the reverse side of the Card, or the Cardholder does not resemble the person depicted in any picture which appears on the Card; (c) the signature panel on the Card is blank and is not signed in accordance with the procedures specified in Section 3.6; and (d) no Authorization is received. Any Carrier or Agent completing a Transaction under the conditions in this Section 3.5 shall be responsible for such Sales Record or Credit Record regardless of any Authorization.

3.6 If the signature panel of the Card is blank, in addition to requesting Authorization, Carrier or Agent must: (a) review positive identification to determine that the user is the Cardholder; (b) indicate such positive identification (including any serial number and expiration date) on the Sales Record; and (c) require that the Cardholder sign the signature panel of the Card prior to completing the Transaction. If a Cardholder presents a Card that bears an embossed "valid from" date and the Transaction Date is prior to the "valid from" date, Carrier or Agent shall not complete the Transaction. A card embossed with a "valid from" date in month/year format shall be considered valid on the first day of the embossed month and year. A card embossed with a "valid from" date in month/day/year format is considered valid on the embossed date

3.7(a) Each Card sale shall be evidenced by a Sales Record. Each Sales Record shall be imprinted with the Card unless: (i) the Sales Record results from a Transaction involving Terminals which produce electronic Transaction records; (ii) the Transaction is a CNP Transaction; (iii) an imprinter is not available; or (iv) if for any other reason the Sales Record cannot be imprinted with a Card (if Authorization is obtained), including Transactions by mail, telephone or automated machine. If an imprinter is not available, the information on the Card and merchant plate shall be reproduced legibly on the Sales Record in sufficient detail to identify the parties to such sale. Such information shall include at least the date of sale, amount, Cardholder's name and account number and Carrier's name and place of business.

(b) Carrier shall include all items of Travel Costs purchased in a single Transaction in the total amount on a single Sales Record or Transaction record except for individual tickets issued to each passenger, when required by Carrier policy.

(c) Each Sales Record shall include on its face the items needed to complete the Settlement File required by the Member. Each Sales Record shall be signed by the Cardholder (except where the sale is made pursuant to CNP Transaction or automated machine transaction), which signature shall appear to be the same as the signature on the Card presented, as determined by Carrier or Agent. The Cardholder shall not be required to sign a Sales Record until the final Transaction amount is known and indicated in the "Total" column.

(d) Carrier shall not effect a Transaction for only part of the amount due on a single Sales Record except when the balance of the amount due is paid by the Cardholder at the time of sale in cash, by check, with another card or Card, or any combination thereof.

(e) If Carrier or Agent honors the Card, Carrier or Agent honoring the Card will deliver to the customer a true and completed copy of the Sales Record. The Card account number must be truncated on all Cardholder-activated copies of Sales Records. Truncated digits should be replaced with a fill character such as "x," "*," or "#," and not with blank spaces or numeric characters. All POS Devices must suppress all but the last four digits of the Card account number and the entire expiration date on the Cardholder's copy of the Electronic Sales Records generated from POS Devices (including Cardholder activated).

3.8 Carrier or Agent may enter into Transactions in accordance with Carrier's or such Agent's ticket by CNP Transaction program. In each such case, Carrier or Agent will complete the Sales Record (in accordance with Section 3.7) and include on the Sales Record the effective date and expiration date of the Card as obtained from the Cardholder together with words to reflect "mail order" or the letters "MO" or "telephone order" or the letters "TO," or "internet order" or the letters "IO," as appropriate. Carrier must obtain an Authorization code for all such Transactions. If a Carrier or Agent completes a Transaction without imprinting the Card or using a Terminal, Carrier shall be deemed to warrant the true identity of the Cardholder as the authorized holder of such Card unless Carrier or Agent has obtained independent evidence of the Cardholder's true identity and has noted such evidence on the applicable Sales Record.

3.9 In the case of sales of tickets by automated machine, such Transaction records must include at least the following information: (i) the account number; (ii) Carrier or Agent's name; (iii) the automated machine's location code or town, city, county, state or province; (iv) the amount of the Transaction in the applicable currency; and (v) the Transaction Date.

3.10(a) Carrier or Agent may use POS Devices or other data capture services acceptable to Member to obtain Authorization and to capture Electronic Sales Record data to submit to a Card Association by reading data encoded on either tracks 1 or 2 on the magnetic stripe of Cards in accordance with applicable Operating Regulations. POS Devices are prohibited from printing or displaying more information than that which is permitted by the applicable Operating Regulations and applicable laws and regulations.

(b) Whenever Carrier has knowledge that the embossed account number is not the same as the encoded account number, Carrier is required to: (i) decline the Transaction; (ii) attempt to retain the Card in accordance with Section 3.12 by reasonable and peaceful means; (iii) note the physical description of the Cardholder; (iv) notify Member; and (v) forward any recovered Card in accordance with the procedures specified in Section 3.13.

(c) When the embossed account number is the same as the encoded account number, Carrier must follow normal Authorization procedures as described in this Section 3.

3.11 Neither Carrier nor any Agent shall make a cash disbursement to any Cardholder with respect to a Transaction.

3.12 Carrier or Agent shall use commercially reasonable efforts to retain a Card by reasonable and peaceful means if: (a) Carrier is requested to do so in an Authorization response message; (b) if the four printed digits above the embossed account number on a Card do not match the first four embossed digits; or (c) if Carrier has reasonable grounds to believe a Card is counterfeit, fraudulent or stolen.

3.13 In any case in which Carrier recovers a Card, Carrier shall send such Card to the address stated below:

Bank Card Center
Attn: Card Recovery
P. O. Box 6318
Fargo, ND 58125-6318

3.14 The following provisions govern CNP Transactions:

(a) Carrier acknowledges that in order to accept and process CNP Transactions, Carrier must (i) implement and adhere to security measures designed to ensure secure transmission of the data provided by the Cardholder in purchasing Travel Costs and effecting payment over the internet as required by the applicable Operating Regulations and applicable requirements of law; (ii) where possible, verify the address of the Cardholder via AVS; (iii) at any time when Carrier participates in Verified by Visa or MasterCard Secure Code requirements, Carrier shall provide to Member the data elements included in such requirements; and (iv) ensure that, to the extent that the Carrier Website is hosted by an ISP, the ISP meets the minimum security measures and technology requirements.

(b) Carrier shall at all times during the term of this Agreement, display on the Carrier Website clear terms and conditions and procedures (the "Terms and Conditions of Sale"). The Terms and Conditions of Sale shall give a complete and accurate description of the Travel Costs offered by Carrier. Carrier Website must include clear details of Carrier's return policy, customer service, contact details (including mail/email/phone/fax), currency accepted, delivery policy and country of Carrier's domicile for every nexus and operation of Carrier. Carrier shall also comply with all and any requirements or guidelines in respect of internet usage issued from time to time by all relevant Card Associations, together with the requirements of applicable laws and regulations.

(c) The Carrier Website will clearly inform the Cardholder that the Cardholder is committing to payment before he or she selects the "Pay Now" button. The Carrier Website will afford the Cardholder an unambiguous option to cancel the payment instruction at this stage.

(d) Carrier acknowledges that in certain jurisdictions it may be unlawful for Carrier to sell the Travel Costs and that Member cannot accept any liability for the consequences of Carrier trading in such jurisdictions.

(e) Carrier is prohibited from entering Cardholder details into a Terminal manually where those details have been provided to Carrier via the internet.

(f) Carrier shall promptly inform Member of every security breach, suspected fraudulent card(s) and suspicious activity on Carrier's security system or through Carrier Website that may relate to Transactions.

(g) Member shall not in any way be liable for any claim in connection with any representations contained in the Carrier Website, webpage(s), advertisement(s) or printed matter relating to Carrier's products or services.

(h) Carrier hereby acknowledges that CNP Transactions are in all cases at Carrier's own risk. Carrier is fully liable for all Chargebacks, fines, assessments, penalties and losses related to CNP Transactions even where Carrier has complied with this Agreement and where the Transaction in question has been authorized. All communication costs related to CNP Transactions are Carrier's responsibility. Carrier acknowledges that Member does not manage the CNP payment gateway or the telecommunication links and that it is Carrier's responsibility to manage that link.

SECTION 4. **CARDHOLDER ACCOUNT INFORMATION; SECURITY PROGRAM COMPLIANCE.**

4.1 The Parties and each Agent shall treat all information relating to any Card, including Cardholder name and identification information, PIN (if applicable), account number information in any form, imprinted Sales Records, carbon copies of imprinted Sales Records, mailing lists, tapes, or other media, obtained by reason of any Transaction or otherwise ("Cardholder Account Information"), as confidential information and shall protect such materials from disclosure to any third person, except as expressly permitted in this Agreement. The Parties shall at all times only store, process and use Cardholder information in accordance with the requirements of any applicable data processing laws and Operating Regulations; provided, that nothing in the Agreement shall restrict Carrier's storage or use of customer information gathered by it in the ordinary course of its business. The Parties shall not, without the consent of the Cardholder, sell, purchase, provide or exchange Cardholder Account Information to or with any third person, other than

(a) Carrier's agents, employees and representatives, network providers or Card processors for the purpose of assisting Carrier in completing the Transaction;

(b) Member's employees and representatives and agents for the purpose of performing under this Agreement and in compliance with the applicable Operating Regulations and requirements of law;

(c) the applicable Card Association or Card Issuer in compliance with this Agreement and the applicable Operating Regulations; or

(d) in accordance with applicable law.

4.2 All Value Added Services being provided to Carrier are set forth on the Value Added Services Schedule attached to the Signatory Agreement, and Carrier will disclose in writing to Member any new Value Added Services to be provided to Carrier after the Effective Date prior to using the same. All Value Added Services shall comply with all applicable requirements of law and the Operating Regulations, including PCI. Carrier will comply with the requirements of PCI and any modifications to, or replacements of PCI that may occur from time to time, be liable for the acts and omissions of each third party offering such Value Added Services and will be responsible for ensuring compliance by the third party offering such Value Added Services with all applicable requirements of law and Operating Regulations, including PCI. Carrier will indemnify and hold harmless Member from and against any loss, cost, or expense incurred in connection with or by reason of Carrier's use of any Value Added Services. Member will not be responsible for the Value Added Services not provided by it.

4.3 If Carrier uses Value Added Services for the purposes of data capture or authorization, Carrier agrees: (a) that the third party providing such services will be its agent in the delivery of Transactions to Member via a data processing system or network similar to Member's; and (b) to assume full responsibility and liability for any failure of that third party to comply with applicable requirements of law and the Operating Regulations or this Agreement. Member will not be responsible for any losses or additional fees incurred by Carrier as a result of any error by a third party agent or by a malfunction in a Third Party Terminal.

4.4 Member will establish and maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of the Cardholder Account Information. These safeguards will be designed to protect the security, confidentiality and integrity of the Cardholder Account Information, ensure against any anticipated threats or hazards to its security and integrity, and protect against unauthorized access to or use of such information or associated records which could result in substantial harm or inconvenience to any Cardholder. Without limiting the foregoing, Member shall maintain adequate back-up systems and disaster recovery systems to reasonably protect Cardholder Account Information or any similar data maintained by Member and to allow Member to continue to fulfill its obligations hereunder in the event of any natural disaster or other similar event.

SECTION 5. **RETURNED UNUSED TRAVEL COSTS; CREDIT ADJUSTMENT.**

5.1 Carrier will maintain a fair and uniform policy for the return or exchange of tickets or other Travel Costs for credit adjustments. On the date Carrier accepts the return of unused tickets or other Travel Costs or otherwise allows an adjustment to the Travel Costs which were the subject of a previous Card sale, Carrier will date and otherwise properly complete a Credit Record and submit it to Member for processing hereunder in accordance with the timeframes required by the applicable Operating Regulations and law.

5.2 Carrier will make no cash refunds in connection with such credit adjustments, except to the extent it may be required to effect a cash refund pursuant to the involuntary refund requirements of applicable laws, rules, regulations, or tariffs.

5.3 If a Cardholder disputes the receipt of the proper amount of the cash refund, Carrier shall, within the terms established in Section 8 for Chargebacks, furnish Member with such documentary evidence of such refund.

5.4 The submission of a Credit Record will not impair the right of Chargeback of Member against Carrier in an amount not to exceed the excess of (a) the amount of the Sales Record over, (b) the amount of the Credit Record submitted by Carrier.

5.5 Carrier shall not accept monies from a Cardholder for the purpose of preparing and depositing a credit voucher that will effect a deposit to the Cardholder's account. Carrier shall not process a credit voucher without having completed a previous purchase Transaction with the same Cardholder.

SECTION 6. **SUBMISSION OF ELECTRONIC SALES RECORDS AND ELECTRONIC CREDIT RECORDS.**

6.1 Carrier shall establish and maintain one Settlement Account for each currency permitted pursuant to this Agreement. Each Settlement Account shall be maintained in an office of the financial institution designated by Carrier which is acceptable to Member, and shall be subject to Member's customary practices and procedures applicable to accounts of that nature and shall be subject to the terms of this Agreement. Carrier shall provide to Member all information necessary to facilitate remittance of funds to each Settlement Account. All settlements with respect to Transactions submitted in the currency of a given Applicable Country shall be denominated in the lawful currency or currencies specified in the Signatory Agreement that is part of this Agreement.

6.2(a) Neither Carrier nor Agent may present for processing or entry to any Card Association, directly or indirectly, any Sales Record or Credit Record which was not originated as a result of a Transaction between the Cardholder and Carrier.

(b) Neither Carrier nor Agent may deposit for entry to any Card Association, directly or indirectly, any Sales Record or Credit Record that it knows or reasonably should have known under the circumstances to be (i) fraudulent or (ii) not authorized by the Cardholder. With respect to this requirement, Carrier or an Agent shall be responsible for the actions of their respective employees and agents while acting in their employ or as agents.

(c) Except as set forth in the last sentence of this Section 6.2(c), neither Carrier nor Agent may present for processing or entry to any Card Association any Sales Record or Credit Record representing a Transaction all or part of which had been previously charged back to Member and subsequently returned to Carrier. Carrier may, at its option, pursue payment from the customer outside the Card Association system. Should Carrier exercise this option and the Cardholder acknowledges the debt, and chooses to pay the amount in full using its Card, Carrier may present a Sales Record in such amount to Member for processing.

(d) Carrier or Agent shall submit to Member for processing each Sales Record in accordance with the timeframes required by the applicable Operating Regulations. The method of billing for all Electronic Sales Records and Electronic Credit Records processed through any Billing Settlement Processor must be by electronic transmission and shall include itinerary records consisting of departure dates. If Carrier is unable to submit Sales Records and Credit Records originating at Carrier's sales locations, including airport locations, ticket-by-mail centers, and other sales locations, by means of a summary electronically transmitted as provided in Sections 6.5 and 7.1, Carrier may submit such Sales Records and Credit Records to Member by means of a paper summary and detail thereof to Member's designated processing center, or by means of a Terminal that generates an electronic transmission to Member's designated Terminal processor.

(e) Member will deposit, or cause to be deposited, on each Business Day, via federal wire transfer, in the case of U.S. dollar Transactions, and SWIFT, in the case of Canadian dollar Transactions, into the applicable Settlement Account for each applicable currency, an amount equal to the amount of Net Activity relating to such currency for each Business Day, subject to Member's receipt of the incoming transmission of Sales Records and Credit Records by the time and on the day specified in Exhibit A.

(f) At any time that the aggregate amount of Net Activity results in an amount due Member, the aggregate amount due may be deducted, recouped or set off from amounts subsequently payable to Carrier under this Agreement on account of Sales Records irrespective of the currency in which payment to Carrier is to be made; provided, that, Member may, at its option (i) require an immediate wire transfer from Carrier of the amount due, or (ii) apply, set off against or recoup from any Deposit amount maintained pursuant to this Agreement the amount due from Carrier under this Agreement. Carrier will, upon demand by Member, pay interest on the amount due from Carrier under this Agreement for the period such amount remains unpaid after the applicable due date, calculated at a per annum rate equal to the Applicable Rate. Carrier acknowledges that this Agreement is a "net payment agreement" and that the right of Member to net out obligations due from Carrier under this Agreement from amounts payable to Carrier hereunder (including from or as represented by the Deposit amount) is a right of recoupment. Carrier further acknowledges that Member has entered into the Agreement in reliance upon such right.

(g) In the event that Carrier is party to more than one Signatory Agreement that incorporates the MTOS, amounts owed by Carrier under a Signatory Agreement may be recovered by Member under such Signatory Agreement from amounts due to Carrier under any Other Signatory Agreement, including amounts attributable to any Deposit. Carrier authorizes each Member under each Signatory Agreement to remit any amounts payable to Carrier under such Signatory Agreement to any Member under any Other Signatory Agreement to pay Carrier's obligations to Member thereunder.

(h) Amounts deposited in a Settlement Account or otherwise credited to Carrier (including, without limitation, amounts credited against Carrier's obligations to Member for fees, costs and expenses hereunder) in respect of any Sales Record pursuant to this Agreement and Carrier's right to payment of Reserved Funds shall be provisional until the payment made to Member by the Card Association in respect of such Sales Record shall become final (i.e., all rights of Chargeback or other rights of the Cardholder or Card issuer to obtain reimbursement of such payment from Member shall have expired).

6.3 Processing fees shall be as set forth in the Fee Schedule attached to the Signatory Agreement that is part of this Agreement. Any adjustments made by the Card Associations (or by any third-party that provides authorization services) to any fees or assessments included on the Fee Schedule shall be passed through to Carrier without markup by Member. Except as provided for in the preceding sentence, the rates and fees set forth on the Fee Schedule may not be adjusted without the written consent of Carrier.

6.4 Member will provide Carrier with Transaction reports each Business Day that correspond to Net Activity for such Business Day and that will summarize sales, returns (refunds), Chargebacks, processing fees, and adjustments with adequate detail to allow Carrier to perform account reconciliation.

6.5 Carrier shall cause Agents to submit Electronic Sales Records and Electronic Credit Records to Member in the form of the Settlement File by electronic transmission as provided in Sections 6.2(d) and 7.1 through Carrier's accounting office or the appropriate processing center of the area or Billing Settlement Processor of which Carrier is a member. Carrier or the appropriate processing center, as the case may be, shall submit the Electronic Sales Records and Electronic Credit Records to Member in accordance with the terms of the Agreement.

6.6 If Carrier utilizes Electronic Data Capture services pursuant to this Section 6.6 to transmit Electronic Sales Records and Electronic Credit Records for Transactions through a Terminal, Carrier agrees to utilize such EDC services in accordance with applicable Operating Regulations. Carrier may designate a third person as its agent to deliver to Member or directly to Card Associations Transactions captured at the point of sale by such agent. If Carrier elects to designate such an agent, Carrier must provide Member prior written notice of such election. Carrier understands and agrees that Member is responsible to make payment to Carrier for only those Transaction amounts delivered by such agent to the Card Associations, less amounts withheld by Member pursuant to the Agreement, and Carrier is responsible for any failure by such agent to comply with any applicable Operating Regulations, including any such failure that results in a Chargeback.

SECTION 7. **ELECTRONIC TRANSMISSION.**

7.1(a) When Electronic Sales Records and Electronic Credit Records are submitted to Member electronically, other than Electronic Sales Records and Electronic Credit Records originating from Terminals, as provided in Section 6.6, and processed by Member's Terminal processor, such Electronic Sales Records and Electronic Credit Records shall be submitted to Member by means of a summary of all Travel Costs by electronic transmission compatible with the computer system of Member and shall comply with Section 6.2 of the Agreement. Each such electronic transmission shall contain, at a minimum, the information required for each Electronic Sales Record by Section 3.7 and shall be made in the form of the Settlement File or any other format acceptable to Member in its sole discretion, provided, however, that (i) Carrier will not change the format of such electronic submissions

without first obtaining Member's consent and (ii) if Carrier requests a change in format with respect to such electronic submissions, Member may test such electronic submissions (in the requested format) prior to consenting to such change in format, and such testing by Member shall not constitute consent to such format change and shall not in any way limit Member's right to withhold consent with respect to such format change.

(b) If an electronic transmission of Travel Costs does not meet the requirements of the approved format, Member shall use reasonable efforts to advise Carrier within eight hours of receipt of same.

(c) Any acceptance by Member of an electronic transmission of Travel Costs which does not comply with the appropriate format or, if in the appropriate format, does not contain the information in respect to each Travel Cost summarized therein required by the terms of the Agreement, shall not constitute a waiver of, or preclude Member from exercising, the right of Chargeback.

7.2 Carrier shall retain, or cause to be retained, each original Sales Record and Credit Record and any other documentation necessary for Member to satisfy applicable Operating Regulations ("Retained Documents") relating to those Transactions transmitted to Member directly by Carrier, in each case for at least ***** from the date each such Retained Document is submitted to Member for processing. Promptly upon Carrier's receipt of Member's request for the same, but in no event later than ***** following Carrier's receipt of such request, Carrier shall deliver to Member a copy, or the original if specifically requested by Member (provided, that Carrier shall have no obligation to provide an original document in any case in which the Transaction did not result in any tangible documentation (*e.g.*, a CNP Transaction) or if Carrier has destroyed such original after creating a microfiche or other acceptable copy thereof as set forth below), of the requested document.

Notwithstanding the foregoing, either Carrier or Member may elect to hold in its custody Retained Documents for no more than ***** provided such Party retains a microfilmed or microfiched (or other mutually acceptable medium) copy of such documents for at least ***** from the date on which each such document is submitted to Member for processing.

SECTION 8. **CHARGEBACKS.**

8.1 Member is not obligated to accept any Sales Record which does not comply in every respect with the terms and conditions of this Agreement, or which does not comply in all respects with the applicable Operating Regulations.

8.2 Carrier agrees to pay Member the amount of each Chargeback and, in the case of amounts that have not been paid to Carrier, acknowledges Carrier has no right to receive amounts attributable to Chargebacks. Member may deduct and retain any amount due to Member from Carrier on account of Chargebacks from amounts otherwise payable to Carrier under this Agreement. The provisions of Section 6.2 with respect to payment of Carrier's obligations to Member will apply in the event the amount of Net Activity results in an amount due Member.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

8.3 So long as a Chargeback claim is in the process of dispute resolution pursuant to the applicable Operating Regulations, Carrier shall not make any other claim or take any proceedings against the Cardholder in relation to the related Transaction or the underlying contract of sale or service. For clarity, the foregoing shall not preclude Carrier from continuing to work toward a consensual resolution with any Cardholder of the dispute that is the basis for the Chargeback.

8.4 In connection with the processing of Chargeback claims, Member shall be entitled to rely and act on any agreements, requests, instructions, permissions, approvals, demands or other communications given by Carrier (whether orally, via email or in writing) and Member shall not be liable to Carrier for any loss or damage incurred or suffered by it as a result of such action.

SECTION 9. **REPRESENTATIONS AND WARRANTIES.**

9.1 Carrier represents and warrants to Member that:

(a) Carrier has full and complete power and authority to enter into and perform under the Agreement and has obtained, and there remain in effect, all necessary licenses, resolutions and filings which are necessary for Carrier to perform its obligations under the Agreement.

(b) Carrier's sales Transactions and credit refund procedures comply in all material respects with all applicable laws and regulations of any governmental authority which are pertinent to such Card sales or refunds.

(c) Carrier's execution and performance of the Agreement will not violate any provision of Carrier's organizational or charter documents, or any indenture, contract, agreement or instrument to which it is a party or by which it is bound and the Agreement constitutes the legal, valid and binding obligation of Carrier, enforceable in accordance with its terms.

(d) Carrier is duly organized and in good standing under laws of the jurisdiction specified in the first paragraph of the Signatory Agreement that is part of the Agreement and is qualified to do business in each jurisdiction where the nature of its activities or the character of its properties makes such qualification necessary or desirable and the failure to so qualify would have a material adverse affect on its assets or operations.

(e) Carrier's and its subsidiaries' (if any) audited, consolidated financial statements and its unaudited, consolidated financial statements, as heretofore furnished to Member, have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with those of the preceding year, and fairly present the financial condition of Carrier as of such date and the result of its operations and the changes in financial position for the period then ended. There have been no material adverse changes in the condition or operations, financial or otherwise, of Carrier since the date of the financial statements furnished to Member prior to the execution of this Agreement, except as previously disclosed to Member in writing and excludes changes from general economic, regulatory, or political conditions or changes, financial market fluctuations, and general or seasonal changes in the air transportation industry. Neither the financial statements described herein nor any other certificate, written statement, budget, exhibit or report, including written information and reports relating to Card sales for Travel Costs, furnished by Carrier in

connection with or pursuant to the Agreement contains any untrue statement of a material fact or omits to state any material fact necessary in order to make statements contained therein not misleading. Certificates or written statements furnished by Carrier to Member consisting of projections or forecasts of future results or events have been prepared in good faith and based on good faith estimates and assumptions of the management of Carrier and Carrier has no reason to believe that such projections or forecasts are not reasonable. To the best knowledge of Carrier, after due inquiry by a responsible officer of Carrier, all factual information hereafter furnished to Member by Carrier in writing (other than factual information provided by the Cardholders) will be true and accurate in all material respects on the date as of which such information is dated or certified and no such information will contain any material misstatement of fact or will omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

(f) There is no action, suit or proceeding at law or equity, or before or by any town, city, county, state, federal, provincial or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, pending or to the knowledge of Carrier, threatened against Carrier or any of its property which, if determined adversely to Carrier could materially adversely affect the present or prospective financial condition of Carrier or affect its ability to perform hereunder and Carrier is not in default with respect to any final judgment, writ, injunction, decree, rule or regulation of any court or town, city, county, state, federal or provincial governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign where the effect of such default could materially adversely affect the present or prospective financial condition of Carrier.

(g) Carrier has not failed to comply in material respects with its agreements with any Relevant Authorities or other Billing Settlement Processor, which failure would have a material adverse affect on the ability of Carrier to perform normal flight operations and otherwise comply with the terms of this Agreement.

(h) Any Transactions submitted under this Agreement shall not relate to the provision of services or goods to a country where there may be, or are, any restrictions, regulations, sanctions or laws prohibiting or restricting the provision of any such services or goods.

(i) No consideration other than as set out in this Agreement has been provided by Carrier in return for entering into this Agreement.

The foregoing representations and warranties shall be deemed to be made each time Carrier submits a Sales Record or Credit Record to Member for processing.

9.2 Carrier further represents and warrants to Member each time Carrier submits a Sales Record or Credit Record to Member for processing that (a) all Transactions submitted for processing hereunder are bona fide, (b) no Transaction involves the use of a Card for any purpose other than the purchase of goods or services in the ordinary course of business from Carrier, and (c) no Transaction involves: (i) a Cardholder obtaining cash from Carrier or (ii) except as specifically provided for herein, Carrier accepting a Card to collect or refinance an existing debt or previous Card charges. If at any time any of the representations set forth in this Section 9.2 is found to be inaccurate as applied to any Transaction (or series of Transactions), then Carrier shall (x) be responsible for the amount of the resulting Chargeback, and (y) have the right promptly to establish a remedial plan reasonably acceptable to Member the purpose of which shall be to cure the basis for such inaccuracy.

9.3 Member represents and warrants to Carrier that:

(a) It has full and complete power and authority to enter into and perform under this Agreement and has obtained, and there remain in effect, all necessary licenses, resolutions and filings which are necessary for it to perform its obligations under this Agreement.

(b) Its processing practices and procedures comply in all material respects with all applicable laws and regulations of any governmental authority which are pertinent to such practices and procedures.

(c) Its execution and performance of this Agreement will not violate any provision of its organizational or charter documents, or any indenture, contract, agreement or instrument to which it is a party or by which it is bound and this Agreement constitutes its legal, valid and binding obligation of Member, enforceable in accordance with the terms of this Agreement.

(d) It is duly organized and in good standing under laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction where the nature of its activities or the character of its properties makes such qualification necessary or desirable and the failure to so qualify would have a material adverse effect on its assets or operations.

SECTION 10. **SERVICE MARKS AND TRADEMARKS.**

10.1 Except for mere reference to the company name of Carrier in presentations to other merchants for the provision of processing services by Member, Member shall not display or show the trademarks, service marks, logos, or company names of Carrier in promotion, advertising, press releases, or otherwise without first having obtained Carrier's written consent.

10.2 Carrier may indicate in any advertisement, display or notice that the services of a specific Card Association are available. If Carrier has elected to not honor specific Cards pursuant to Section 3.1 hereof, Carrier may use Card Association trademarks and service marks on promotional, printed, or broadcast materials for the sole purpose of indicating which Cards are accepted by Carrier. Notwithstanding anything in the Agreement to the contrary, any use of Card Association trademarks and service marks by Carrier must be in compliance with the applicable Operating Regulations. Carrier's promotional materials shall not indicate, directly or indirectly, that any Card Association or Member endorses or guarantees any of Carrier's goods or services.

10.3 Carrier and Member acknowledge that no Party hereto will acquire any right, title or interest in or to any other Party's trademarks, service marks, logos or company names and such properties shall remain the exclusive property of the respective parties or their Affiliates. Upon termination of the Agreement, the Parties hereto will discontinue all reference to or display of the other Party's trademarks, service marks, logos and company names.

SECTION 11. **AUDIT.**

11.1 In the event of reasonable suspicion that Carrier or any of its officers, employees or agents are involved in any fraudulent or unlawful activity connected with this Agreement, Member shall have the right, on not less than ***** notice, to inspect Carrier's Transaction records relating to this Agreement, in connection with which Carrier authorizes Member and its authorized agent(s) to examine or audit such records.

11.2 During the term hereof and for ***** thereafter, Carrier and Member shall have the right at reasonable times and upon reasonable notice to audit, copy or make extracts of the records of the other pertaining to the transactions between or among them under the Agreement to determine the accuracy of the amounts which have been or are to be paid, refunded or credited by one party to the other in accordance with the provisions hereof.

11.3 Carrier shall obtain an audit from a third party acceptable to Member of the physical security, information security and operational facets of Carrier's business and provide to Member and, if applicable, the requesting Card Association, a copy of the audit report resulting therefrom (a) upon Member's request, or upon the request of a Card Association, promptly following any security breach on Carrier's system at Carrier's expense, (b) at any time upon request of a Card Association at Carrier's expense and (c) if no security breach has occurred on Carrier's system, upon request of Member, at Member's expense; provided that, with respect to this clause (c), such an audit may not be required more than ***** per calendar year.

SECTION 12. **DISPUTES WITH CARDHOLDERS.**

12.1 Carrier will handle all claims or complaints by a Cardholder with regard to Travel Costs or Transactions.

12.2 Any dispute between Carrier and a Cardholder arising out of the contract of air carrier shall be subject to settlement, in Carrier's discretion, directly by Carrier without liability, cost, or loss to Member.

SECTION 13. **ASSIGNMENT; DELEGATION OF DUTIES.** This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto. Consent of Carrier shall not be required as to an assignment by Member to any Affiliate or parent of Member, so long as such Affiliate or parent has equivalent resources and experience in merchant acquiring/processing as Member (which shall be deemed to be the case if such Affiliate acquires the assets and personnel of Member that constituted Member's acquiring processing business immediately prior to such assignment). No party hereto shall make any other assignments of this Agreement without the prior written consent of the other parties hereto, which consent shall not be unreasonably withheld. Member, in its sole discretion, with prior notice to Carrier, may designate and authorize any Affiliate(s) of Member to take any action required or allowed by Member or to undertake any duties or fulfill any of its obligations hereunder, and in such case such Affiliate(s) shall be entitled to the rights and benefits of Member hereunder. Notwithstanding any such designation and authorization, Member shall remain liable for any breach or failure to perform hereunder by any such Affiliate(s) of Member hereunder.

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SECTION 14. **INDEMNIFICATION; LIMIT ON LIABILITY.**

14.1 Carrier shall indemnify and hold Member harmless from and against any and all claims, losses, liability, costs, damages, and expenses on account of or arising out of claims, complaints, disputes, settlement, litigation, arbitration, governmental inquiry or other proceeding pertaining or alleged to pertain thereto and instituted by (a) a Cardholder with regard to Travel Costs or Transactions, and any and all disputes between Carrier and any Cardholder arising out of the common carrier passenger relationship, except to the extent resulting from the negligence, willful misconduct, or breach or violation of this Agreement, applicable Operating Regulations, or any applicable laws or regulations by Member or any of its Affiliates, or (b) any Person to the extent resulting from any willful misconduct or grossly negligent acts or omissions of Carrier or its Affiliates, or any breach by Carrier or any of its Affiliates of any provision of any of the Agreement, the applicable Operating Regulations or any applicable laws and regulations.

14.2 Member will promptly notify Carrier of any third party claim that may entitle Member to indemnification (whether pursuant to this Section 14 or another provision of this Agreement) and allow Carrier the right to assume the defense of any such claim; provided, that, (a) legal advisors retained by Carrier shall be reasonably acceptable to Member, and (b) a delay in delivery of such notice to Carrier shall not limit Carrier's indemnification obligations hereunder. Member will not settle any such claim without Carrier's written consent. In the event that Carrier does not assume the defense of any such claim, Carrier must assist in the collection of information, preparation, negotiation and the defense of any such claim. Nothing herein shall limit Member's right of Chargeback as defined in Section 8 of the Agreement.

14.3 Member shall indemnify and hold Carrier harmless from and against any and all claims, losses, liability, costs, damages and expenses of any Person on account of or arising out of any claims, complaints, disputes, settlement, litigation, arbitration, governmental inquiry or other proceeding instituted by such Person and alleging or arising from (a) the willful misconduct or grossly negligent acts or omissions of Member or any of its Affiliates, or (b) any breach by Member or any of its Affiliates of any provision of any of the Agreement, the applicable Operating Regulations or any applicable laws and regulations, or (c) any breach of the data security systems of Member or its Affiliates pertaining to, or any other unintentional release of, Cardholder Account Information. Carrier will promptly notify Member of any third-party claim that may entitle Carrier to indemnification (whether pursuant to this Section 14 or another provision of this Agreement) and allow Member the right to assume the defense of any such claim; provided, that, (i) legal advisors retained by Member shall be reasonably acceptable to Carrier, and (ii) a delay in delivery of such notice to Member shall not limit Member's indemnification obligations hereunder. Carrier will not settle any such claim without Member's written consent. In the event that Member does not assume the defense of any such claim, Member must assist in the collection of information, preparation, negotiation and the defense of any such claim.

14.4 Any other provisions contained herein to the contrary notwithstanding, it is hereby agreed that the indemnity provisions set forth in this Section 14 shall survive termination of the Agreement and remain in effect with respect to any occurrence or claim arising out of or in connection with the Agreement.

14.5 In no event will Member be liable for any indirect or consequential loss or damage (howsoever arising) even if such loss was reasonably foreseeable. In no event will Carrier be liable for any indirect or consequential loss or damage, howsoever arising, even if such loss was reasonably foreseeable. Any right of Member to obtain lost profits shall be limited to an amount no greater than the sum of ***** multiplied by the number of months remaining on the term of the Agreement. The foregoing damages limitation shall not apply with respect to any third-party claims otherwise subject to indemnification hereunder or from any damages resulting from a Party's breach of its obligations under Section 4 or Section 24.

14.6 Any exchange rate losses due to a refund or Chargeback being processed shall be borne by Carrier.

SECTION 15. **TERMINATION AND WAIVER.**

15.1 [Intentionally Omitted]

15.2 Carrier may terminate the Agreement (a) without notice to Member upon (i) the occurrence of any Insolvency Event with respect to Member, or (ii) Member's commitment of or participation in any material systematic, systemic or recurring fraudulent activity related to Member's credit and debit card processing business which is directed or approved by senior management of Member, or (b) on ***** written notice to Member if (i) Member shall commit a material default under the Agreement and shall fail or refuse to remedy such material default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period, or (ii) any representation or warranty made by Member proves to be incorrect when made in any material respect, and Member fails or refuses to remedy such default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period.

15.3 Member may terminate the Agreement without notice to Carrier upon (a) the occurrence of any Insolvency Event with respect to Carrier, (b) Carrier's commitment of or participation in any material systematic, systemic or recurring fraudulent activity which is directed or approved by senior management of Carrier or (c) Carrier violates Member's rights of exclusivity pursuant to the Signatory Agreement that is part of this Agreement.

15.4 Member may terminate the Agreement on ***** written notice to Carrier based upon (a) the imposition, or an attempted imposition, of a lien in favor of any person other than Member, whether voluntary or involuntary, on the Deposit or any portion thereof or any property of Carrier subject to the lien or security interest of Member pursuant to this Agreement, or the imposition of any freeze on any property of Carrier subject to the lien or security interest of Member or any other Secured Party; (b) the imposition of any material restriction on or material impairment of any of Member's rights under the Agreement, including any restriction of the rights with respect to the Deposit provided pursuant to the Exposure Protection Schedule; (c) failure by Carrier to pay any of the Obligations when due or to remit funds to Member when required pursuant to the Agreement; (d) failure by Carrier to provide any of the financial statements and reports described in Section 21; or (e) failure by Carrier to provide to Member the data necessary to calculate Gross Exposure under the Exposure Protection Schedule; provided, that, Member shall not terminate the Agreement pursuant to this Section 15.4 if Carrier cures such default within the ***** day notice period specified in this Section 15.4.

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15.5 Member may terminate the Agreement on ***** written notice to Carrier if:

(a) Carrier (i) fails to maintain all licenses, permits and certificates necessary for it to conduct flight operations or (ii) materially breaches any requirement of any applicable Operating Regulations, and Carrier fails or refuses to remedy any of the foregoing defaults within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period; or

(b) any representation or warranty made by Carrier proves to be incorrect when made in any material respect, and Carrier fails or refuses to remedy such default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period.

(c) Carrier shall commit any other material default under the Agreement and shall fail or refuse to remedy such material default within ***** after receipt of written notice specifying the nature of such default, or to commence to remedy such material default within such period if the same is curable but cannot reasonably be remedied within such period, or shall fail to complete within ***** after receipt of such written notice any remedy commenced during the original ***** notice period.

In the case of any material default described in this Section 15 with respect to which Carrier fails to provide notice in accordance with Section 21.3, any period for remedy under Section 15.5 shall begin on the date that such notice should have been provided by Carrier to Member.

15.6 No termination of the Agreement (whether under this Section 15 or any other provision of the Agreement) shall affect the rights or obligations of any party which may have arisen or accrued prior to such termination, including without limitation claims of Member for Chargebacks related to Transactions that occurred prior to any termination.

15.7 No waiver of any provision hereunder shall be binding unless such waiver shall be in writing and signed by the party alleged to have waived such provisions.

SECTION 16. **NOTICES.** All notices permitted or required by the Agreement shall be in writing (regardless of whether the applicable provision expressly requires a writing), served by personal delivery (including any courier service), certified or registered mail, or facsimile transmission at the address or facsimile number of the parties set out in the Signatory Agreement or as otherwise notified in writing by any party to the other for such purpose, and shall be deemed to be effectively served, delivered, given, and received on such party if served by personal delivery on the day of delivery or rejection (including any courier service), if served by certified or registered mail on the day of delivery or rejection as evidenced by the return receipt, or if served by facsimile transmission on the date of confirmation of transmission.

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SECTION 17. **RULES AND REGULATIONS; APPLICABLE LAW.** Each of the Parties acknowledges that the respective systems of the Card Associations are governed by their respective Operating Regulations and that all transactions hereunder are subject to such Operating Regulations and that each Party is obligated to comply with the Operating Regulations applicable to it. Carrier further acknowledges that Member has entered into the Agreement in reliance upon the applicability of the Operating Regulations of applicable Card Associations to the transactions hereunder and Carrier's performance thereunder. Each Party shall comply in all material respects with all applicable laws and regulations.

SECTION 18. **REIMBURSEMENT BY CARRIER.**

18.1 Carrier will reimburse Member for any fees, charges, fines, assessments, penalties, and Chargebacks that Member may be required to pay a Card Association with respect to the actions or inactions of Carrier in connection with the Agreement or that Member may incur with regard to any Transaction(s) processed pursuant to the Agreement or arising out of any failure of Carrier to perform in compliance with applicable Operating Regulations, applicable laws and regulations, or the requirements of PCI or any act or omission by any third party service provider to Carrier or any other party to a contract with Carrier; provided, that, Carrier shall have no obligation for any such amount incurred that is attributable to Member's failure to comply with the Operating Regulations or this Agreement provided that such failure to comply is not caused by Carrier. Without limiting the generality of the foregoing, Carrier will reimburse Member for Transactions required to be paid by Member by virtue of applicable Operating Regulations as such Operating Regulations may be applied by the applicable Card Associations. Any losses suffered by Member on account of delay by Member in processing Chargebacks subsequent to cessation or substantial curtailment of flight operations of Carrier shall be reimbursed by Carrier to the extent such delay results from materially increased volume of disputes stemming from such cessation or curtailment.

18.2 Member shall have the right to deduct, set off against, or recoup from the amount of any reimbursement hereunder from any payment otherwise due to Carrier under this Agreement. If Member is unable to so collect such amount, Carrier shall pay Member the full amount or any uncollected part thereof within ***** after receipt of an invoice from Member. Member, at its option, may apply, set off against or recoup from the Deposit amount (if any) such amount necessary to satisfy Carrier's obligations hereunder. In the case of any payment by Member made to a third party for which Carrier reimbursed Member, Carrier may choose to recover the amount involved or otherwise resolve the cause of the reimbursement in its sole discretion; provided, that, Member shall have no obligation to recover such amount or take any other actions relating thereto. Without limiting the foregoing, Carrier acknowledges that Reserved Funds are funds provisionally credited to Member pursuant to the applicable Operating Regulations, subject to Chargeback as provided therein, and that pursuant to the Exposure Protection Schedule such funds will not be credited (provisionally or otherwise) to Carrier but will be held by Member subject to subsequent credit as provided in the Exposure Protection Schedule and are subject to Chargeback in accordance with the applicable Operating Regulations.

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SECTION 19. **COST AND EXPENSES.** Carrier shall reimburse Member for all costs and expenses, including reasonable attorneys' fees and expenses of outside counsel to Member, paid or incurred by Member in connection with the enforcement or preservation of Member's rights hereunder. Member shall reimburse Carrier for all costs and expenses, including reasonable attorneys' fees and expenses of outside counsel to Carrier, paid or incurred by Carrier in connection with the enforcement of Carrier's rights hereunder. All costs and expenses to be paid under this Section 19 shall be payable on demand and, in the case of Member, are secured by the Deposit and all collateral pledged to Member hereunder. Member, at its option, may deduct the amounts owed to it from any amount otherwise due Carrier from Member or apply, set off against or recoup from the Deposit such amount necessary to satisfy Carrier's obligations hereunder. This Section 19 shall survive termination of the Agreement.

SECTION 20. **ASSISTANCE.**

20.1 No Party to this Agreement shall unreasonably withhold any documentation required by another Party to the Agreement in connection with the defense of any claim asserted in connection with the Agreement.

20.2 Subject to compliance with any applicable privacy and data security and processing laws, Member may provide Cardholder's name and address in accordance with the provisions of Section 4.1 for each Chargeback when it is included in the Cardholder's documentation received by Member.

SECTION 21. **REPORTING.** Until any obligation of Member to perform hereunder shall have expired or been terminated and all obligations of Carrier to Member hereunder shall have been satisfied, Carrier shall furnish to Member the following reports, notices and financial statements, which shall be in English and shall be stated in United States dollars unless an alternative currency is indicated in the Signatory Agreement that is part of the Agreement.

21.1 Promptly after filing with the Securities and Exchange Commission in accordance with the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, but in any event within ***** after the end of each fiscal year of Carrier, Carrier shall provide copies of its the consolidated financial statements of Carrier and its subsidiaries, for the immediately preceding fiscal year, consisting of at least statements of income, cash flow and changes in stockholders' equity, and a consolidated balance sheet as at the end of such year, stating Carrier's unrestricted cash (including cash equivalents) balance, certified without qualification by independent certified public accountants of recognized standing selected by Carrier and reasonably acceptable to Member (and commencing with the first year immediately following the Effective Date, setting forth in each case in comparative form corresponding figures from the previous annual audit).

21.2 Promptly after filing with the Securities and Exchange Commission in accordance with the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934, as amended, but in any event within ***** after the end of each fiscal quarter, Carrier shall provide copies of its consolidated statements of income, cash flow and changes in stockholders' equity for Carrier and its subsidiaries, if any, for such quarter and for the period from the beginning of such fiscal year to the end of such quarter, and a consolidated balance sheet of Carrier and its subsidiaries, if any, as at the end of such quarter,

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stating Carrier's unrestricted cash (including cash equivalents) balance, accompanied by consolidating statements for such period (and commencing with the first year immediately following the Effective Date, setting forth in comparative form figures for the corresponding period for the preceding fiscal year) and a certificate signed by the chief financial officer of Carrier (a) stating that such financial statements present fairly the financial condition of Carrier and its subsidiaries and that the same have been prepared in accordance with generally accepted accounting principles and (b) certifying as to Carrier's compliance with all statutes and regulations applicable to Carrier, respectively, except noncompliance that could not reasonably be expected to have a material adverse effect on the financial condition or business operations of Carrier.

21.3 Within ***** of an officer of Carrier becoming aware of any material default by Carrier under the Agreement, a notice from Carrier describing the nature thereof and what action Carrier proposes to take with respect thereto.

21.4 Within ***** of an officer of Carrier becoming aware of the same, notice of any pending or threatened action, suit or proceeding at law or equity, or before or by any town, city, county, state, provincial or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, against Carrier or any of its property which, if determined adversely to Carrier could materially adversely affect the present or prospective financial condition of Carrier or affect its ability to perform hereunder. Carrier shall have no obligation to provide any such notice in respect of any threatened action, suit or proceeding unless Carrier reasonably concludes that such threat is credible and reasonably likely to succeed.

21.5 Subject only to applicable confidentiality requirements or requirements of applicable law, within ***** after any (a) modification of any agreement that is relevant to Carrier's performance under this Agreement with any Relevant Authorities or a Billing Settlement Processor that could materially adversely affect the present or prospective financial condition of Carrier or impair its ability to perform hereunder, or (b) receipt by Carrier of notice from any Relevant Authorities or a Billing Settlement Processor of such Relevant Authorities' or Billing Settlement Processor's intention to terminate, suspend or modify, any agreement with Carrier, or the actual termination or suspension of any such agreement, but only to the extent that such termination, suspension or modification could materially adversely affect Carrier's ability to perform hereunder, a notice from Carrier of such termination, modification or receipt of notice and such information with respect to the same as Member may reasonably request. Such notice shall be provided whether Carrier is a party to an agreement with any Relevant Authorities or a Billing Settlement Processor on the Effective Date or thereafter becomes party to an agreement with any Relevant Authorities or a Billing Settlement Processor.

21.6 Upon the occurrence of an Insolvency Event, Carrier shall include Member on the initial list and matrix of creditors Carrier files with any bankruptcy authority whether or not a claim may exist at the time of filing.

21.7 Subject only to any applicable confidentiality restrictions, promptly upon the failure to pay, whether by acceleration or otherwise, any payment obligation of Carrier pursuant to any aircraft lease, notice of such failure and information concerning the amount of the obligation and the actual or likely consequences of such failure.

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21.8 Within ***** after the merger or consolidation of Carrier, or entry by Carrier into any analogous reorganization or transaction, with any other corporation, company or other entity or the sale, transfer, lease or other conveyance of all or any substantial part of Carrier's assets, (i) notice of such event, (ii) a description of the parties involved and (iii) subject only to any applicable confidentiality restrictions, the structure of the reorganization or transaction.

21.9 Promptly upon a responsible officer of Carrier becoming aware (or at the time a responsible officer of Carrier should reasonably have become aware) of any material adverse change in the condition or operations, financial or otherwise (excluding changes from general economic, regulatory, or political conditions or changes, financial market fluctuations, and general or seasonal changes in the air transportation industry), of Carrier (such determination being in the reasonably opinion of such officer), notice of such material adverse change.

21.10 Such other information with respect to the financial condition and operations of Carrier as Member may reasonably request.

SECTION 22. **GENERAL.**

22.1 No failure or delay on the part of Member or Carrier in exercising any power or right under the Agreement shall operate as a waiver of such power or right.

22.2 Section headings are included herein for convenience of reference only and shall not constitute a part of the Agreement for any other purpose.

22.3 Nothing in the Agreement or in the course of conduct between the parties shall be construed as creating a principal and agent partnership or joint venture relationship between the parties hereto.

SECTION 23. **REMEDIES CUMULATIVE.** All remedies, rights, powers, and privileges, either under the Agreement or by law or otherwise afforded to a Party, shall be cumulative and not exclusive of any other such remedies, rights, powers and privileges. Each Party may exercise all such remedies in any order of priority.

SECTION 24. **CONFIDENTIALITY.**

24.1 Carrier shall use reasonable efforts to ensure that the Agreement and information about Member and its operations, affairs and financial condition, not generally disclosed to the public or to trade and other creditors, which is furnished to Carrier pursuant to the provisions hereof is used only for the purposes of the Agreement and any other relationship between Member and Carrier and shall not be divulged to any person other than Carrier, its Affiliates and their respective officers, directors, employees and agents, except (a) to their attorneys and accountants in connection with the Agreement, (b) for due diligence purposes in connection with significant transactions or dealings involving Carrier and which are outside the ordinary course of Carrier's business, including investments, acquisitions or financing, to other potential parties to such dealings or transactions or their professional advisors, subject to confidentiality agreements no less protective than these confidentiality provisions and redaction of such information as Member may deem proprietary, (c) in connection with the enforcement of the rights of Carrier hereunder or otherwise in connection

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with applicable litigation, and (d) as may otherwise be required by any court or law enforcement or regulatory authority having jurisdiction over Carrier or by any applicable law, rule, regulation or judicial process, the opinion of Carrier's legal advisors concerning the making of such disclosure to be binding on the parties hereto; provided, that, in the event that Carrier determines that it is required to disclose any such information whether pursuant to a judicial order or to applicable law, Carrier agrees, to the extent legally permissible, to provide Member with ***** prior written notice (or such shorter prior notice as shall be reasonable and practicable in the circumstances) of such determination and the basis for such determination prior to making disclosure so that Member may consider whether to seek an appropriate protective order or to waive compliance with the requirements of this Section 24. Carrier shall not incur any liability to Member by reason of any disclosure permitted by this Section 24.

24.2 Member shall use reasonable efforts to ensure that the Agreement and information about Carrier and its operations, affairs and financial condition, not generally disclosed to the public or to trade and other creditors, which is furnished to Member pursuant to the provisions hereof is used only for the purposes of the Agreement and any other relationship between Member and Carrier and shall not be divulged to any person other than Member, its Affiliates and its officers, directors, employees and agents, except (i) to its attorneys and accountants in connection with the Agreement, (ii) for due diligence purposes in connection with significant transactions or dealings involving Member and which are outside the ordinary course of Member's business, including investments, acquisitions or financing, to other potential parties to such dealings or transactions or their professional advisors, subject to confidentiality agreements no less protective than these confidentiality provisions and redaction of such information as Carrier may deem proprietary, (iii) in connection with the enforcement of the rights of Member hereunder or otherwise in connection with applicable litigation, and (iv) as may otherwise be required by any court or law enforcement or regulatory authority having jurisdiction over Member or by any applicable law, rule, regulation or judicial process, the opinion of legal advisors to Member concerning the making of such disclosure to be binding on the parties hereto; provided, that in the event that Member determines that it is required to disclose any such information whether pursuant to a judicial order or to applicable law, Member, to the extent legally permissible, agrees to provide Carrier with ***** prior written notice (or such shorter prior notice as shall be reasonable and practicable in the circumstances) of such determination and the basis for such determination prior to making disclosure so that Carrier may consider whether to seek an appropriate protective order or to waive compliance with the requirements of this Section 24. Member shall not incur any liability to Carrier by reason of any disclosure permitted by this Section 24.

24.3 Carrier hereby authorizes Member to disclose to the Card Associations Carrier's name and address and any and all other information as may be required pursuant to any applicable Operating Regulations, and to list Carrier as one of its customers.

SECTION 25. **FORCE MAJEURE.**

25.1 Any delay in the performance by any party hereto of its obligations (except for payment of monies when due) shall be excused during the period and to the extent that such performance is rendered impossible or impracticable due to any one or more of the following: acts of God, fires or other casualty, flood or weather condition, earthquakes, acts of a public

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enemy, acts of war, terrorism, insurrection, riots or civil commotion, explosions, strikes, boycotts, unavailability of parts, equipment or materials through normal supply sources, the failure of any utility to supply its services for reasons beyond the control of the party whose performance is to be excused, or other cause or causes beyond such party's reasonable control.

25.2 If any Party is affected by a force majeure event, it shall immediately notify in writing the other Parties of the nature and extent of the circumstances and the Parties shall discuss and agree on the action to be taken.

SECTION 26. **JUDGMENT CURRENCY.** Carrier agrees that any judgment concerning this Agreement granted in favor of Member shall be paid in the currency such judgment is rendered in (the "Judgment Currency"). If Carrier fails to pay a judgment as described in the preceding sentence, Carrier agrees to indemnify Member against any loss incurred by Member as a result of the rate of exchange at which any amount recovered against Carrier (by way of recoupment, setoff or otherwise) is converted to the Judgment Currency. The foregoing indemnity shall constitute a separate and independent obligation of Carrier and shall apply irrespective of any indulgence granted to Carrier from time to time and shall continue in full force and effect notwithstanding any such judgment or order as aforesaid. The term "rate of exchange" shall include any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

Exhibit A
to Master Terms of Service
to Signatory Agreement
by and among
Frontier Airlines Holdings Inc.
Frontier Airlines, Inc., and
U.S. Bank National Association

Payment Schedule

*****	*****
*****	*****
*****	*****
*****	*****
*****	*****
*****	*****
*****	*****
*****	*****

Days that United States government offices and agencies are not open (weekends and federal holidays) will affect settlement times.

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Schedule 1
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

*****

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

Schedule 2
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

Fee Schedule

See attached.

(U.S. Transactions)

FEE SCHEDULE

This schedule is the Fee Schedule to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement"). References to "the Agreement" and "this Agreement" shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the "MTOS") and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

Carrier agrees to pay Member charges for transactions according to the following processing fee schedule. Member will edit all submissions and qualify Carrier for the best available Card Association interchange rate based on the date provided by Carrier, subject to submission of Sales Records in the format required by the Agreement. All dollar references shall be deemed to be to the applicable settlement currency identified in the Agreement. All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement.

A. Other than with respect to ***** Transactions, interchange percentage and per item fees shall be calculated on ***** Card Sales and ***** Card Transactions, respectively, and shall be in the percentages and amounts published by the applicable Card Associations from time to time. *****

B. Other than with respect to ***** Transactions, Card Association assessments shall be calculated on ***** Card Sales and/or ***** Card Transactions in the amounts published by the applicable Card Associations from time to time.

C. Other than with respect to ***** Transactions, in addition to the amounts due under Sections A and B above, Carrier shall pay Member a fee of (i) ***** on Gross Card Sales submitted by Carrier in an applicable period and (ii) ***** per item on Gross Card Transactions during such period.

D. Subject to Section I below, a fee for all ***** Transactions is currently set at ***** of all ***** Transaction Sales during the applicable period. ***** Subject to Section I below, in addition, Carrier shall be charged a ***** per item fee based upon ***** Transactions. *****

E. If paper Sales Records or Credit Records are submitted to Member for processing, an additional ***** per item fee will be assessed.

F. Voice authorizations shall be passed through to Carrier at ***** per item or via "Automated Response Unit (ARU)" at ***** per item via an operator and ***** per item for address verification service ("AVS").

G. Card Authorization and data capture costs will be passed through to Carrier at Member's cost. The cost of Authorizations will depend upon the method used for obtaining Authorizations.

H. Member will assess a ***** handling fee for each and every Chargeback received by Member during any ***** period in which there is at least a ***** ratio of Chargebacks received by Member to net sales volume. Carrier acknowledges and agrees that such fees constitute reasonable compensation to

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Member for the services provided Member in connection with the handling of Chargebacks, taking into account, among other things, the costs and expenses, whether direct or indirect, and whether out-of-pocket or attributable to an increased administrative burden, incurred or suffered by Member as a result of such Chargeback activity. As an accommodation to Carrier, Member will charge the handling fee specified herein only when the ratio of Chargebacks to net sales volume equals or exceeds ***** during any applicable period.

I. The rates, fees and assessments specified above (other than the fee set forth in (C)) also will be adjusted from time to time to reflect and correspond to increases or decreases in applicable rates, fees and assessments established and levied by the Card Associations or by third-party vendors that provide Authorization services.

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Schedule 3
to Amended and Restated Signatory Agreement
(U.S. Visa and MasterCard Transactions)
dated as of November 5, 2013
by and among
Frontier Airlines Holdings Inc.,
Frontier Airlines, Inc., and
U.S. Bank National Association

Exposure Protection Schedule

See attached.

(U.S. Transactions)

EXPOSURE PROTECTION SCHEDULE

EXPOSURE PROTECTION SCHEDULE

This Exposure Protection Schedule is to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement"). References to "the Agreement" and "this Agreement" shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the "MTOS") and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

1. Certain Definitions.

All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement. References to Sections in "this Agreement" or "the Agreement" mean any such Section in the MTOS. As used in this Exposure Protection Schedule, the following terms shall have the meanings indicated:

Aggregate Protection – The sum of (i) the Deposit, (ii) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, and (iii) the proceeds of any previous draw on a Letter of Credit held by Member and not applied to any Obligations or credited to the Deposit.

Carrier's Rights – Any and all rights that Carrier has or may at any time acquire in any Sales Records, any Deposit amount or any right to payment under the Agreement.

Deposit – The aggregate of (a) Reserved Funds and (b) any cash remitted and pledged by Carrier to Member pursuant to or in connection with the Agreement to secure the Obligations hereunder, and all additions to such aggregate made from time to time and all monies, securities, investments and instruments purchased therewith and all interest, profits and/or dividends accruing thereon and proceeds thereof. Separate Deposits may be maintained in the event there are multiple currencies, in such currencies.

Existing Flight Calendar – As defined in Section 8 of this Exposure Protection Schedule.

Gross Exposure – As defined in Section 8 of this Exposure Protection Schedule.

Letter of Credit – One or more valid and outstanding irrevocable standby letters of credit that are (i) issued for the benefit of Member, (ii) in form and substance acceptable to Member, as determined by Member in its reasonable discretion, and (iii) issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions.

Lien – Any mortgage, pledge, security interest, encumbrance, lien, hypothecation or charge of any kind (including any agreement to provide any of the foregoing), any conditional sale or other title retention agreement or any lease in the nature thereof, or any filing or agreement to file a financing statement as debtor on any property leased to any Person under a lease which is not in the nature of a conditional sale or title retention agreement.

Material Adverse Occurrence – Any occurrence of any nature whatsoever (including, without limitation, any adverse determination in any litigation, arbitration or governmental investigation or proceeding), which, in the reasonable determination of Member, materially adversely effects the then present financial condition of Carrier or the prospective financial condition of Carrier, or materially impairs the ability of Carrier to perform its obligations under the Agreement.

Methodology – As defined in Section 3 of this Exposure Protection Schedule.

Obligations – All of Carrier's obligations under the Agreement and the Other Signatory Agreements, whether now existing or hereafter arising (including any of the foregoing obligations that arise prior to or after any Insolvency Event and any obligations arising pursuant to this Exposure Protection Schedule).

Other Signatory Agreement – Any agreement (other than the Agreement), executed by at least Carrier and Member or one of its affiliates, which substantially incorporates the MTOS.

Required Amount – The amount of the Aggregate Protection to be maintained under this Agreement which shall be equal to *****:

Secured Parties – Any of (i) Member and (ii) such entity having the same designation or acting in the same capacity under any Other Signatory Agreement.

2. Exposure Protection

(a) Upon commencement of the Agreement, Member may retain and hold all funds paid to Member by a Card Association on account of Sales Records submitted by Carrier to Member as Reserved Funds until the amount of the Aggregate Protection equals the Required Amount, as determined in accordance with Sections 3 and 8 of this Exposure Protection Schedule. In lieu of retaining Reserved Funds, or in addition to retaining and holding Reserved Funds, Member, in its sole discretion, may demand that Carrier, and Carrier shall upon such demand, remit to Member within ***** of Member's demand immediately available funds to hold as the Deposit in an amount that when added to amounts (if any) retained and held by or on behalf of Member as the Deposit causes the amount of the Aggregate Protection to equal the Required Amount. The Deposit amount shall be subject to adjustment as provided in Section 3 of this Exposure Protection Schedule. Member will hold the Deposit as security for the due and punctual payment of and performance by Carrier of the Obligations.

(b) Carrier grants to each of Member and all other Secured Parties a Lien on the Deposit and all other Carrier's Rights to secure the payment and performance by Carrier of all Obligations. Each Secured Party shall act as agent for itself and all other Secured Parties to the extent that any Secured Party control or possesses the Deposit and other Aggregate Protection or is named as a Secured Party on any filing, registration or recording. Carrier hereby acknowledges that notwithstanding the foregoing grant of a Lien, Reserved Funds represent only a future right to payment owed to Carrier under the Agreement, payment

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(c) of which is subject to the terms and conditions of the Agreement and to Carrier's complete and irrevocable fulfillment of its obligations and duties under the Agreement and do not constitute funds of Carrier.

(d) Carrier further agrees that during the term of the Agreement, Carrier shall not grant, or attempt to grant, to any other Person or suffer to exist in favor of any other Person any Lien or other interest in Carrier's Rights (if any) or in any proceeds thereof unless any such Lien or other interest and the priority thereof are subject to a subordination agreement in favor of Member and all other Secured Parties and satisfactory to Member.

(e) Carrier hereby acknowledges that Member disputes the existence of any interest of Carrier in any rights to payment from Cardholders or Card Issuers arising out of the Sales Records and further acknowledges that to the extent it may have an interest therein, such interest is subordinate to the interests of the Secured Parties and of any of their respective subrogees.

(f) Carrier will do all acts and things, and will execute, endorse, deliver, file, register or record all instruments, statements, declarations or agreements (including pledges, assignments, security agreements, financing statements, continuation statements, etc.) reasonably requested by Member, in form reasonably satisfactory to Member, to establish, perfect, maintain and continue the perfection and priority of the security interest of the Secured Parties in all Carrier's Rights and in all proceeds of the foregoing. Carrier will pay the reasonable costs and expenses of all filings and recordings, including taxes thereon or fees with respect thereto and all searches reasonably necessary or deemed necessary by Member, to establish and determine the validity and the priority of such security granted in favor of Member. Carrier hereby irrevocably appoints Member (and all persons, officers, employees or agents designated by Member), its agent and attorney-in-fact to do all such acts and things contemplated by this paragraph in the name of Carrier. Without limiting the foregoing, Carrier hereby authorizes Member to file one or more financing statements or continuation statements in respect hereof, and amendments thereto, relating to any part of the collateral described herein without the signature of Carrier. A carbon, photographic or other reproduction of the Agreement or of a financing statement shall be sufficient as a financing statement and may be filed in lieu of the original in any or all jurisdictions which accept such reproductions.

3. Adjustments to Deposit

(a) Member will use the Methodology described in Section 8 of this Exposure Protection Schedule (the "Methodology") to calculate Gross Exposure each Business Day. Carrier acknowledges that Member has explained to it and it understands Member's Methodology for determining Gross Exposure and the amount of the Aggregate Protection and hereby agrees to be bound by such Methodology and the determinations made by Member as a result thereof; *provided, however*, that Carrier may, in good faith, dispute any determination made by Member by delivery of notice thereof to Member, and the parties shall use commercially reasonable efforts to resolve the dispute as expeditiously as possible. Among other things, Carrier understands that Gross

(b) Exposure includes the value of Travel Costs for goods or services sold to Cardholders who used their Cards to purchase such goods or services with respect to which Carrier has not yet provided such goods or services. Member and Carrier may change the Methodology by mutual written agreement.

(c) The amount of the Deposit shall be increased or decreased each Business Day, as appropriate, based on the Methodology so that the amount of the Aggregate Protection will at all times equal the Required Amount. Any necessary increases to the Deposit may be made, at Member's sole discretion, by Member withholding as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection is at least equal to the Required Amount; provided, that if there are insufficient funds available from the daily settlement to fully fund the Deposit in the Required Amount, then Carrier shall send such additional funds by federal wire transfer, to an account designated by Member, on the first (1st) Business Day after Carrier's receipt of notice from Member that an increase is required and the amount thereof. If the Member agrees to permit increases to the amount of the Deposit by wire transfer and the funds required to increase the amount of the Deposit so that the Aggregate Protection is equal to the Required Amount are not transferred to Member as required by this Section 3, Member may immediately withhold on a daily basis as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection at least equals the Required Amount. Member shall remit to Carrier from the Deposit the amount necessary to reduce the amount of the Aggregate Protection to equal the Required Amount on each Business Day in accordance with Section 6.2 of the MTOS.

(d) The amount of the Deposit to be maintained hereunder may be reduced in accordance with Section 9 of this Exposure Protection Schedule pursuant to which Member accepts Letter of Credit in lieu of all or a portion of the Deposit so long as the Aggregate Protection equals the Required Amount.

(e) Although Member has the right at all times to require that the amount of the Aggregate Protection equal the Required Amount, Member may, from time to time, in its sole discretion make remittances to Carrier or release portions of any Letter of Credit such that the Aggregate Protection is less than the Required Amount. The duration of any such reduction is within the sole discretion of Member. At any time that the amount of the Aggregate Protection is less than the Required Amount Member, in its sole discretion, may again require that the amount of the Aggregate Protection equal the Required Amount. Any required increase may be made as provided in Section 3(b) of this Exposure Protection Schedule as determined by Member. Any reductions in the amount of the Aggregate Protection as described in this paragraph shall not be deemed a course of dealing nor give rise to any rights by Carrier in the future to require that the amount of the Aggregate Amount be less than the Required Amount. As of the Effective Date, Member has exercised the discretion permitted by this Section 3(d) and hereby requires that the Required Amount only equal *****. If Member determines that the Required Amount be increased, it will give Carrier ***** notice of the amount

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of increase and Member will identify to Carrier the basis for its change in the Required Amount.

(f) If an event or series of events occurs that can reasonably be determined to have a positive effect on Carrier's present and prospective financial condition, then at any time after ***** after the Effective Date, Carrier may no more than once each quarter submit a written request to Member to review the Required Amount for consideration of a reduction in the percentage of Gross Exposure required to be maintained as the amount of the Aggregate Protection (a "Modification Request"). Member shall review the Modification Request and information presented by Carrier and use commercially reasonable efforts to respond to such request within *****. Any determination of whether to agree to the Modification Request shall be made in the sole reasonable discretion of Member.

4. Control of Deposit

Carrier acknowledges that (i) funds remitted to Member by Carrier, and (ii) funds paid by Card Associations and held by Member or any Secured Party as the Deposit may be commingled with other funds of Member or such Secured Party, and further acknowledges that all such funds, and any investment of funds shall be in the name and control of Member or such Secured Party, and, except for crediting of interest as contemplated by Section 5 below, Carrier shall have no interest in any securities, instruments or other contracts or any interest, dividends or other earnings accruing thereon or in connection therewith. It is the understanding of the Parties that, notwithstanding any other provision of the Agreement to the contrary, until Member is required to pay the then remaining balance of the Deposit pursuant Section 7, (a) the sole obligations of Member to make payments to Carrier from the Deposit shall be the obligations to (i) pay to Carrier amounts equal to the amounts attributable to Travel Costs with respect to which Carrier has provided goods or services net of any Obligations owed Carrier to any Secured Party, and (ii) remit to Carrier amounts necessary to reduce the amount of the Aggregate Protection to equal the Required Amount, as set forth in Section 3(b) of this Exposure Protection Schedule, and (b) such obligations to make payment to Carrier are at all times subject to the terms of the Agreement.

5. Investment

All amounts held as the Deposit will be deemed to earn a yield equal to the Applicable Rate. The amount so earned shall be credited to the Deposit.

6. Right of Offset; Recoupment; Application

At any time that an amount is due Member or any other Secured Party from Carrier, and Member or such other Secured Party does not obtain payment of such amount due as provided in the Agreement, Member (on behalf of itself and any other Secured Party) shall have the right to apply, recoup or set off any amounts otherwise owed by Member or any other Secured Party to Carrier hereunder, including, without limitation, any amounts attributable to the Deposit, to the amount owed by Carrier. Where any application, recoupment or set off requires the conversion of one currency

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into another, Member shall be entitled to effect such conversion in accordance with its prevailing practice and Carrier shall bear all exchange risks, losses, commissions and other bank charges which may thereafter arise.

7. Retention of Deposit After Cessation

Notwithstanding any other provision of the Agreement to the contrary, during the period not to exceed ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations, Member may retain the Deposit and Letters of Credit until such time as the Member reasonably determines that Carrier has no further Obligations or potential Obligations (excluding indemnification obligations for which no claim has been asserted) without any obligation to remit funds to Carrier until such time. For clarity, Member acknowledges that, unless Carrier has ceased or substantially reduced its flight operations, they shall release the Deposit to Carrier pursuant to Section 3(b) of this Exposure Protection Schedule as the Gross Exposure reduces pursuant to the Methodology set forth in Section 8 of this Exposure Protection Schedule so long as the Aggregate Protection equals the Required Amount and any remaining balance shall be released on or before ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations.

8. Methodology

"Gross Exposure" shall be calculated by the Member on a daily basis as follows:

(a) *****

(b) *****

(c) *****

(d) *****

(e) *****

(f) *****

(g) *****

9. Standby Letter of Credit

(a) The amount of the Aggregate Protection which Member may maintain pursuant to this Exposure Protection Schedule shall include the sum of (a) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, in lieu of maintaining the amount of the Deposit in an amount equal to the Required Amount and (b) the proceeds of any previous draw on a Letter of Credit held by Member and not applied. Any such letter of credit shall be in form and substance acceptable to Member and issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). Notwithstanding any

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initial acceptance of a Letter of Credit, Member reserves the right at any time to either (i) demand delivery of a substitute Letter of Credit issued by different institution or (ii) withhold as Reserved Funds amounts necessary so that the Deposit equals the Required Amount if, in Member's reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions), it determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member. At such time as the Member may no longer draw on a Letter of Credit, Member may require that the Deposit equal the Required Amount.

(b) Upon the occurrence of any event that gives rise to Member's right under this Agreement (i) to make demand on Carrier for payment to Member, (ii) to apply amounts represented by the Deposit to Obligations of Carrier or (iii) otherwise to retain and not pay to Carrier amounts paid to Member by a Card Association on account of Sales Records submitted to Member by Carrier, then Member, at its option, may draw on any Letter of Credit issued for Member's benefit (for itself and as agent for any other Secured Party) with respect to the Agreement without first taking any of the actions described in clauses (i), (ii) and (iii) above.

(c) In addition to Member's rights as set forth above, Member, at its option, may draw (in one or more draws) up to the full amount remaining undrawn on a Letter of Credit upon the occurrence of any one or more of the following events or as otherwise provided below: (a) the occurrence of an Insolvency Event; (b) receipt by Member of notification from the issuer of the Letter of Credit that such issuer has elected not to renew the Letter of Credit; (c) notification of termination of the Agreement by either party; (d) a substantial number of the scheduled flights of Carrier fail to operate on any particular day; or (e) Member, in its reasonable discretion, determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). In addition, Member may draw upon a Letter of Credit pursuant to any other condition for draw provided in the Letter of Credit, and, in any event, on or after the thirtieth day prior to expiration of the Letter of Credit. No failure to draw, or delay in making a draw, on a Letter of Credit shall impair Member's right to draw thereon at a later time.

(d) Carrier acknowledges that, except for its right to receive the excess proceeds of any Letter of Credit upon the expiration of the period specified in Section 7 of this Exposure Protection Schedule, it has no interest in any proceeds of any draw on any Letter of Credit issued for the benefit of Member or any Secured Party and that upon any draw on any Letter of Credit, Member shall be entitled to hold the proceeds thereof for payment of the Obligations under the Agreement and apply such proceeds in payment thereof as and when Member deems appropriate. Member shall have no obligation to remit to any person or entity any excess proceeds of any draw on the Letter of Credit until expiration of the period specified in Section 7 of this Exposure Protection Schedule. In the event of any dispute between Carrier and the issuer of such Letter of Credit

or any subrogee thereof, or any other person or entity with respect to entitlement to any proceeds of the Letter of Credit, Member may retain all such proceeds until final resolution of such dispute by a court of competent jurisdiction, subject to Member's right to retain and apply proceeds in payment of the Obligations. In the event that Member draws on a Letter of Credit and holds the proceeds thereof at a time when Carrier is conducting normal flight operations, Member shall include such proceeds in its calculation of coverage for the Required Amount and make remittances to Carrier in accordance with Section 3 of this Exposure Protection Schedule as if the proceeds were part of the Deposit. Any excess proceeds of a Letter of Credit, as determined by Member in good faith after taking into account all Obligations of Carrier to Member and the other Secured Parties, shall be remitted to Carrier or as otherwise directed by a court of law.

FIRST OMNIBUS AMENDMENT TO SIGNATORY AGREEMENTS

THIS FIRST OMNIBUS AMENDMENT TO SIGNATORY AGREEMENTS (this "Amendment") is entered into as of March 1, 2016, by and among Frontier Airlines Holdings, Inc. (hereafter "Holdings"), Frontier Airlines, Inc. ("Frontier" and together with Holdings, "Carrier"), U.S. Bank National Association, ("U.S. Bank"), U.S. Bank National Association acting through its Canadian branch ("U.S. Bank Canada"), and Elavon Canada Company ("Elavon Canada).

RECITALS

A. Carrier and U.S. Bank are parties to an Amended and Restated Signatory Agreement (U.S. Transactions) dated as of November 5, 2013 (as the same has been amended and supplemented from time to time, the "U.S. Agreement") pursuant to which U.S. Bank processes certain payments made to Carrier in the United States using Cards (as such term is defined in the U.S. Agreement) bearing the servicemark of Visa U.S.A., Inc., MasterCard International Incorporated or an EFT Network.

B. Carrier, U.S. Bank Canada and Elavon Canada are parties to an Amended and Restated Signatory Agreement (Canadian Transactions) dated as of November 5, 2013 (as the same has been amended and supplemented from time to time, the "Canadian Agreement" and together with the U.S. Agreement, the "Processing Agreements") pursuant to which U.S. Bank Canada processes certain payments made to Carrier in Canada using Cards bearing the servicemark of Visa U.S.A., Inc., VISA International Inc. or an EFT Network and Elavon Canada processes certain payments made to Carrier in Canada using Cards bearing the servicemark of MasterCard International Incorporated.

C. Carrier and each of U.S. Bank, U.S. Bank Canada, and Elavon Canada (collectively, the "Processors") desire to modify certain of the terms set forth in the Processing Agreements and have therefore agreed to enter into this amendment.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto covenant and agree to be bound as follows:

Section 1. Capitalized Terms . Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to them in the applicable Processing Agreement, unless the context shall otherwise require.

Section 2. Amendments

(a) **Amendment to Term of U.S. and Canadian Processing Agreements**

Section 10 of the Signatory Agreement to each Processing Agreement is amended and restated in its entirety to read as follows: 10. Term This Agreement shall become effective as of the Effective Date and continue in effect until March 1, 2018 (unless earlier terminated pursuant to Section 15 of the MTOS), and shall automatically renew for successive terms of one year thereafter unless either party provides written notice to the other no later than forty five (45) days prior to the end of the then current term of its determination to terminate this Agreement, in which case the Agreement shall terminate as of the expiration of the then current term.

(b) **Amendment to Exclusivity Provisions**. Section 7 to the Signatory Agreement under each of the Processing Agreements is amended by adding the following sentence immediately after the first sentence in such Section:

> Notwithstanding the foregoing, in the event that Member (i) declares the occurrence of a General Triggering Event under subsections (b), (c) or (d) of the definition of a General Triggering Event (as defined in the Exposure Protection Schedule) and (ii) requires as a result thereof that the Aggregate Protection be in an amount greater than *****, then commencing ***** thereafter, Carrier shall not be bound by the exclusivity limitations set forth in the preceding sentence.

(c) The Fee Schedule attached to each Processing Agreement is amended and restated in its entirety in the form attached hereto as Exhibit A.

(d) The Exposure Protection Schedule attached to each Processing Agreement is amended and restated in its entirety in form attached hereto as Exhibit B.

Section 3. Representations and Warranties of Carrier . Carrier hereby represents and warrants to the Processors that on and as of the date hereof and after giving effect to this Amendment:

(a) All of Carrier's representations and warranties contained in the Processing Agreements are true, correct and complete in all respects as of the date hereof as though made on and as of such date; provided, that references to financial statements shall be to the most recent financial statements of such type delivered to U.S. Bank by Carrier.

(b) Carrier has the power and legal right and authority to enter into this Amendment and has duly authorized as appropriate the execution and delivery of this Amendment and none of the agreements contained herein contravene or constitute a default under any agreement, instrument or indenture to which Carrier is a party or a signatory or a provision of Carrier's organizational documents or, to the best of Carrier's knowledge, any other agreement or requirement of law, or result in the imposition of any lien on any of its property under any agreement binding on or applicable to Carrier or any of its property except, if any, in favor of the Processors.

(c) Carrier is duly organized and in good standing under the laws of the jurisdiction of its organization and is qualified to do business in each jurisdiction where the nature of its activities or the character of its properties makes such qualification necessary or desirable and the failure to so qualify would have a material adverse effect on the assets or operations of Carrier.

(d) Upon the effective date of this Amendment, this Amendment and the Processing Agreements, as supplemented and amended hereby, will constitute the legal, valid and binding obligations of Carrier enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, and to the exercise of judicial discretion in accordance with general principles of equity.

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Section 4. Representations and Warranties of the Processors . Each Processor represents and warrants to Carrier that (i) it has full and complete power and authority to enter into and perform under this Amendment, (ii) it has obtained, and there remain in effect, all necessary licenses, resolutions and filings which are necessary for it to perform its obligations under this Amendment and (iii) upon the effective date of this Amendment, this Amendment and the applicable Processing Agreement, as supplemented and amended hereby, will constitute the legal, valid and binding obligations of the Processor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, and to the exercise of judicial discretion in accordance with general principles of equity.

Section 5. Ratification of Agreement; Acknowledgment . Except as expressly modified under this Amendment, all of the terms, conditions, provisions, agreements, requirements, promises, obligations, duties, covenants and representations of Carrier and the Processors under the Processing Agreements are hereby ratified by Carrier and the Processors respectively. All references contained in a Processing Agreement and the Schedules thereto to "Agreement" shall mean the applicable Processing Agreement as supplemented and amended hereby.

Section 6. Merger and Integration, Superseding Effect . This Amendment, from and after the date hereof, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter thereof, and supersedes and has merged into it all prior oral and written agreements, on the same subjects by and between the parties hereto with the effect that this Amendment shall control with respect to the specific subjects hereof and thereof.

Section 7. Governing Law . This Amendment shall be governed by and construed in accordance with the laws of the State of Minnesota.

Section 8. Counterparts . This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, and all of which counterparts of this Amendment when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date and year first above written.

FRONTIER AIRLINES HOLDINGS, INC.

By (Print Name): Howard Diamond

Signature: /s/ Howard Diamond

Title: SVP, General Counsel & Secretary

FRONTIER AIRLINES, INC.

By (Print Name): Howard Diamond

Signature: /s/ Howard Diamond

Title: SVP, General Counsel & Secretary

U.S. BANK NATIONAL ASSOCIATION

By (Print Name): Brett L. Turner

Signature: /s/ Brett L. Turner

Title: Its Authorized Representative

U.S. BANK NATIONAL ASSOCIATION, acting through its Canadian branch

By (Print Name): Brett L. Turner

Signature: /s/ Brett L. Turner

Title: Its Authorized Representative

ELAVON CANADA COMPANY

By (Print Name): Brett L. Turner

Signature: /s/ Brett L. Turner

Title: Its Authorized Representative

EXHIBIT A

FEE SCHEDULE

This schedule is the Fee Schedule to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement"). References to "the Agreement" and "this Agreement" shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the "MTOS") and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

Carrier agrees to pay Member charges for transactions according to the following processing fee schedule. Member will edit all submissions and qualify Carrier for the best available Card Association interchange rate based on the date provided by Carrier, subject to submission of Sales Records in the format required by the Agreement. All dollar references shall be deemed to be to the applicable settlement currency identified in the Agreement. All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement.

A. Carrier shall pay Member the interchange percentage, switch fees, per item fees and other costs imposed by the Card Associations calculated on ***** Card Sales and ***** Card Transactions, respectively, in the percentages and amounts published by the applicable Card Associations from time to time. *****

B. Carrier shall pay Member the Card Association assessments calculated on ***** Card Sales and/or ***** Card Transactions in the amounts published by the applicable Card Associations from time to time.

C. Other than with respect to ***** Transactions, in addition to the amounts due under Sections A and B above, Carrier shall pay Member a fee of (i) ***** on ***** Card Sales submitted by Carrier in an applicable period and (ii) ***** per item on ***** Card Transactions during such period.

D. For ***** Transactions, in addition to the amounts due under Sections A and B above, Carrier shall pay Member (a) all fees and other per item charges that may be imposed by ***** in connection with the provision of its services in connection with Carrier's ***** Transactions and (b) a fee of ***** on ***** Card Sales submitted by Carrier in an applicable period.

E. If paper Sales Records or Credit Records are submitted to Member for processing, an additional ***** per item fee will be assessed.

F. Voice authorizations shall be passed through to Carrier at ***** per item or via "Automated Response Unit (ARU)'' at ***** per item via an operator and ***** per item for address verification service ("AVS").

G. Card Authorization and data capture costs will be passed through to Carrier at Member's cost. The cost of Authorizations will depend upon the method used for obtaining Authorizations.

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H. Member will assess a ***** handling fee for each and every Chargeback received by Member during any ***** period in which there is at least a ***** ratio of Chargebacks received by Member to net sales volume. Carrier acknowledges and agrees that such fees constitute reasonable compensation to Member for the services provided to Member in connection with the handling of Chargebacks, taking into account, among other things, the costs and expenses, whether direct or indirect, and whether out-of-pocket or attributable to an increased administrative burden, incurred or suffered by Member as a result of such Chargeback activity. As an accommodation to Carrier, Member will charge the handling fee specified herein only when the ratio of Chargebacks to net sales volume equals or exceeds ***** during any applicable period.

I. The rates, fees and assessments specified above (other than the fee set forth in (C)) also will be adjusted from time to time to reflect and correspond to increases or decreases in applicable rates, fees and assessments established and levied by the Card Associations or by third-party vendors that provide Authorization services.

J. Any fees received pursuant to this Fee Schedule, or settled through the Settlement Account by Member will be without any deduction for or on account of any tax or other withholdings imposed by any governmental, fiscal or other authority unless required by law. If Carrier is obliged by law to make any such deduction, it will pay to Member or Member will deduct through the Settlement Account on instruction of the Carrier such additional amounts as are necessary to ensure receipt by Member of the full amount of fees Member would have received in the absence of this obligation.

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EXPOSURE PROTECTION SCHEDULE

This Exposure Protection Schedule is to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement"). References to "the Agreement" and "this Agreement" shall mean the Signatory Agreement, together with the Master Terms of Service incorporated therein (the "MTOS") and all Schedules, Exhibits and other attachments to the Signatory Agreement and the MTOS.

1. Certain Definitions.

All terms not otherwise defined herein that are capitalized and used herein shall have the meanings given to them in the Agreement. References to Sections in "this Agreement" or "the Agreement" mean any such Section in the MTOS. As used in this Exposure Protection Schedule, the following terms shall have the meanings indicated:

Aggregate Protection – The sum of (i) the Deposit, (ii) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, and (iii) the proceeds of any previous draw on a Letter of Credit held by Member and not applied to any Obligations or credited to the Deposit.

Carrier's Rights – Any and all rights that Carrier has or may at any time acquire in any Sales Records, any Deposit amount or any right to payment under the Agreement.

Daily Cash Expense – shall mean as of any date of determination, the result of dividing (i) the sum of the operating expenses, minus depreciation and amortization, and minus non-cash special charges or non-cash extraordinary items for the last four quarters by (ii) 365 days (or 366 for a leap year).

Deposit – The aggregate of (a) Reserved Funds and (b) any cash remitted and pledged by Carrier to Member pursuant to or in connection with the Agreement to secure the Obligations hereunder, and all additions to such aggregate made from time to time and all monies, securities, investments and instruments purchased therewith and all interest, profits and/or dividends accruing thereon and proceeds thereof. Separate Deposits may be maintained in the event there are multiple currencies, in such currencies.

General Triggering Event – Any of the following shall be a General Triggering Event:

(a) the occurrence of an Insolvency Event by or against Holdings or Frontier;

(b) excepting transactions as to which Member shall have given its prior written consent, the merger, consolidation or amalgamation of Holdings or Frontier or entry by Holdings or Frontier into any analogous reorganization, amalgamation or transaction with any unaffiliated corporation, company or other entity or as a result of which Holdings or Frontier is not the surviving entity;

(c) excepting transactions as to which Member shall have given its prior written consent, the sale, transfer, lease or other conveyance of all or substantially all of Holdings' or Frontier's assets;

(d) excepting transactions as to which Member shall have given its prior written consent, any Person or group acquires or obtains beneficial ownership of securities (including options) having a majority of the ordinary voting power of Holdings or Frontier or the directors of Holdings or Frontier constituting that percentage necessary to approve corporate action not being either (i) current directors, (ii) directors designated or approved by such current directors or (iii) directors approved by such current or replacement directors;

(e) the occurrence of a material default under this Agreement;

(f) a Material Adverse Occurrence; or

(g) Carrier fails to timely deliver the Compliance Certificate as required by Section 11 of this Exposure Protection Schedule.

Gross Exposure – As defined in Section 8 of this Exposure Protection Schedule.

Letter of Credit – One or more valid and outstanding irrevocable standby letters of credit that are (i) issued for the benefit of Member, (ii) in form and substance acceptable to Member, as determined by Member in its reasonable discretion, and (iii) issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions.

Lien – Any mortgage, pledge, security interest, encumbrance, lien, hypothecation or charge of any kind (including any agreement to provide any of the foregoing), any conditional sale or other title retention agreement or any lease in the nature thereof, or any filing or agreement to file a financing statement as debtor on any property leased to any Person under a lease which is not in the nature of a conditional sale or title retention agreement.

Material Adverse Occurrence – Any occurrence of any nature whatsoever (including, without limitation, any adverse determination in any litigation, arbitration or governmental investigation or proceeding), which, in the reasonable determination of Member, materially adversely effects the then present financial condition of Holdings or Frontier or the prospective financial condition of Holdings or Frontier, or materially impairs the ability of Holdings or Frontier to perform its obligations under the Agreement.

Methodology – As defined in Section 3 of this Exposure Protection Schedule.

Obligations – All of Carrier's obligations under the Agreement and the Other Signatory Agreements, whether now existing or hereafter arising (including any of the foregoing obligations that arise prior to or after any Insolvency Event and any obligations arising pursuant to this Exposure Protection Schedule).

Other Signatory Agreement – Any agreement (other than the Agreement), executed by at least Carrier and Member or one of its affiliates, which substantially incorporates the MTOS.

Performance Triggering Event – The occurrence of an event in which the consolidated Unrestricted Cash of Carrier as of the last day of any month falls below the sum of (i) *****.

Required Amount – The amount of the Aggregate Protection to be maintained under this Agreement which shall be equal to:

(a) so long as no General Triggering Event or Performance Triggering Event has occurred and is continuing, the Required Amount shall be *****.

(b) if a Performance Triggering Event has occurred and no General Triggering Event has occurred, the Required Amount shall be determined based upon the chart set forth below

Unrestricted Cash Amount based upon monthly reporting	Required Amount as a Percentage of Gross Exposure
*****	*****
*****	*****
*****	*****
*****	*****

(c) during the continuance of any General Triggering Event, the Required Amount shall be equal to *****.

Secured Parties – Any of (i) Member and (ii) such entity having the same designation or acting in the same capacity under any Other Signatory Agreement.

Unrestricted Cash – As of the date of determination, the sum of the amount of unrestricted cash and cash equivalents of Carrier, not subject to any Lien or other restriction, except for rights of setoff for customary returned items asserted by the depository institution in which such cash is deposited, as determined by GAAP, plus the value of any short term investments (those with maturity dates of one year or less), as of any date of determination of Carrier. For the avoidance of doubt, no amounts held as part of the Aggregate Protection shall be counted in the calculation of Unrestricted Cash.

2. Exposure Protection

(a) Upon commencement of the Agreement, Member may retain and hold all funds paid to Member by a Card Association on account of Sales Records submitted by Carrier to Member as Reserved Funds until the amount of the Aggregate Protection equals the Required Amount, as determined in accordance with Sections 3 and 8 of this Exposure Protection Schedule. In lieu of retaining Reserved Funds, or in addition to retaining and holding

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Reserved Funds, Member, in its sole discretion, may demand that Carrier, and Carrier shall upon such demand, remit to Member within ***** of Member's demand immediately available funds to hold as the Deposit in an amount that when added to amounts (if any) retained and held by or on behalf of Member as the Deposit causes the amount of the Aggregate Protection to equal the Required Amount. The Deposit amount shall be subject to adjustment as provided in Section 3 of this Exposure Protection Schedule. Member will hold the Deposit as security for the due and punctual payment of and performance by Carrier of the Obligations.

(b) Carrier grants to each of Member and all other Secured Parties a Lien on the Deposit and all other Carrier's Rights to secure the payment and performance by Carrier of all Obligations. Each Secured Party shall act as agent for itself and all other Secured Parties to the extent that any Secured Party control or possesses the Deposit and other Aggregate Protection or is named as a Secured Party on any filing, registration or recording. Carrier hereby acknowledges that notwithstanding the foregoing grant of a Lien, Reserved Funds represent only a future right to payment owed to Carrier under the Agreement, payment of which is subject to the terms and conditions of the Agreement and to Carrier's complete and irrevocable fulfillment of its obligations and duties under the Agreement and do not constitute funds of Carrier.

(c) Carrier further agrees that during the term of the Agreement, Carrier shall not grant, or attempt to grant, to any other Person or suffer to exist in favor of any other Person any Lien or other interest in Carrier's Rights (if any) or in any proceeds thereof unless any such Lien or other interest and the priority thereof are subject to a subordination agreement in favor of Member and all other Secured Parties and satisfactory to Member.

(d) Carrier hereby acknowledges that Member disputes the existence of any interest of Carrier in any rights to payment from Cardholders or Card Issuers arising out of the Sales Records and further acknowledges that to the extent it may have an interest therein, such interest is subordinate to the interests of the Secured Parties and of any of their respective subrogees.

(e) Carrier will do all acts and things, and will execute, endorse, deliver, file, register or record all instruments, statements, declarations or agreements (including pledges, assignments, security agreements, financing statements, continuation statements, etc.) reasonably requested by Member, in form reasonably satisfactory to Member, to establish, perfect, maintain and continue the perfection and priority of the security interest of the Secured Parties in all Carrier's Rights and in all proceeds of the foregoing. Carrier will pay the reasonable costs and expenses of all filings and recordings, including taxes thereon or fees with respect thereto and all searches reasonably necessary or deemed necessary by Member, to establish and determine the validity and the priority of such security granted in favor of Member. Carrier hereby irrevocably appoints Member (and all persons, officers, employees or agents designated by Member), its agent and attorney-in-fact to do all such acts and things contemplated by this paragraph in the name of Carrier. Without limiting the foregoing, Carrier hereby authorizes Member to file one or more financing statements or continuation statements in respect hereof, and amendments

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thereto, relating to any part of the collateral described herein without the signature of Carrier. A carbon, photographic or other reproduction of the Agreement or of a financing statement shall be sufficient as a financing statement and may be filed in lieu of the original in any or all jurisdictions which accept such reproductions.

3. Adjustments to Deposit

(a) Member will use the Methodology described in Section 8 of this Exposure Protection Schedule (the "Methodology") to calculate Gross Exposure each Business Day. Carrier acknowledges that Member has explained to it and it understands Member's Methodology for determining Gross Exposure and the amount of the Aggregate Protection and hereby agrees to be bound by such Methodology and the determinations made by Member as a result thereof; *provided, however*, that Carrier may, in good faith, dispute any determination made by Member by delivery of notice thereof to Member, and the parties shall use commercially reasonable efforts to resolve the dispute as expeditiously as possible. Among other things, Carrier understands that Gross Exposure includes the value of Travel Costs for goods or services sold to Cardholders who used their Cards to purchase such goods or services with respect to which Carrier has not yet provided such goods or services. Member and Carrier may change the Methodology by mutual written agreement.

(b) The amount of the Deposit shall be increased or decreased each Business Day, as appropriate, based on the Methodology so that the amount of the Aggregate Protection will at all times equal the Required Amount. Any necessary increases to the Deposit may be made, at Member's sole discretion, by Member withholding as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection is at least equal to the Required Amount; provided, that if there are insufficient funds available from the daily settlement to fully fund the Deposit in the Required Amount, then Carrier shall send such additional funds by federal wire transfer, to an account designated by Member, on the first (1st) Business Day after Carrier's receipt of notice from Member that an increase is required and the amount thereof. If the Member agrees to permit increases to the amount of the Deposit by wire transfer and the funds required to increase the amount of the Deposit so that the Aggregate Protection is equal to the Required Amount are not transferred to Member as required by this Section 3, Member may immediately withhold on a daily basis as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection at least equals the Required Amount. Member shall remit to Carrier from the Deposit the amount necessary to reduce the amount of the Aggregate Protection to equal the Required Amount on each Business Day in accordance with Section 6.2 of the MTOS.

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(c) The amount of the Deposit to be maintained hereunder may be reduced in accordance with Section 9 of this Exposure Protection Schedule pursuant to which Member accepts Letter of Credit in lieu of all or a portion of the Deposit so long as the Aggregate Protection equals the Required Amount.

(d) Although Member has the right at all times to require that the amount of the Aggregate Protection equal the Required Amount, Member may, from time to time, in its sole discretion make remittances to Carrier or release portions of any Letter of Credit such that the Aggregate Protection is less than the Required Amount. The duration of any such reduction is within the sole discretion of Member. At any time that the amount of the Aggregate Protection is less than the Required Amount Member, in its sole discretion, may again require that the amount of the Aggregate Protection equal the Required Amount. Any required increase may be made as provided in Section 3(b) of this Exposure Protection Schedule as determined by Member. Any reductions in the amount of the Aggregate Protection as described in this paragraph shall not be deemed a course of dealing nor give rise to any rights by Carrier in the future to require that the amount of the Aggregate Amount be less than the Required Amount.

4. Control of Deposit

Carrier acknowledges that (i) funds remitted to Member by Carrier, and (ii) funds paid by Card Associations and held by Member or any Secured Party as the Deposit may be commingled with other funds of Member or such Secured Party, and further acknowledges that all such funds, and any investment of funds shall be in the name and control of Member or such Secured Party, and, except for crediting of interest as contemplated by Section 5 below, Carrier shall have no interest in any securities, instruments or other contracts or any interest, dividends or other earnings accruing thereon or in connection therewith. It is the understanding of the Parties that, notwithstanding any other provision of the Agreement to the contrary, until Member is required to pay the then remaining balance of the Deposit pursuant Section 7, (a) the sole obligations of Member to make payments to Carrier from the Deposit shall be the obligations to (i) pay to Carrier amounts equal to the amounts attributable to Travel Costs with respect to which Carrier has provided goods or services net of any Obligations owed Carrier to any Secured Party, and (ii) remit to Carrier amounts necessary to reduce the amount of the Aggregate Protection to equal the Required Amount, as set forth in Section 3(b) of this Exposure Protection Schedule, and (b) such obligations to make payment to Carrier are at all times subject to the terms of the Agreement.

5. Investment

All amounts held as the Deposit will be deemed to earn a yield equal to the Applicable Rate. The amount so earned shall be credited to the Deposit.

6. Right of Offset; Recoupment; Application

At any time that an amount is due Member or any other Secured Party from Carrier, and Member or such other Secured Party does not obtain payment of such amount due as provided in the Agreement, Member (on behalf of itself and any other Secured Party) shall have the right to apply, recoup or set off any amounts otherwise owed by Member or any other Secured Party to Carrier hereunder, including, without limitation, any amounts attributable to the Deposit, to the amount owed by Carrier.

Where any application, recoupment or set off requires the conversion of one currency into another, Member shall be entitled to effect such conversion in accordance with its prevailing practice and Carrier shall bear all exchange risks, losses, commissions and other bank charges which may thereafter arise.

7. Retention of Deposit After Cessation

Notwithstanding any other provision of the Agreement to the contrary, during the period not to exceed ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations, Member may retain the Deposit and Letters of Credit until such time as the Member reasonably determines that Carrier has no further Obligations or potential Obligations (excluding indemnification obligations for which no claim has been asserted) without any obligation to remit funds to Carrier until such time. For clarity, Member acknowledges that, unless Carrier has ceased or substantially reduced its flight operations, they shall release the Deposit to Carrier pursuant to Section 3(b) of this Exposure Protection Schedule as the Gross Exposure reduces pursuant to the Methodology set forth in Section 8 of this Exposure Protection Schedule so long as the Aggregate Protection equals the Required Amount and any remaining balance shall be released on or before ***** from the earlier of termination of this Agreement or the date upon which Carrier permanently ceases flight operations.

8. Methodology

“Gross Exposure” shall be calculated by the Member on a daily basis as follows:

(a) *****

(b) *****

(c) *****

(d) *****

(e) *****

(f) *****

(g) *****

9. Standby Letter of Credit

(h) The amount of the Aggregate Protection which Member may maintain pursuant to this Exposure Protection Schedule shall include the sum of (a) the amount remaining to be drawn upon any valid and outstanding Letter of Credit, in lieu of maintaining the amount of the Deposit in an amount equal to the Required Amount and (b) the proceeds of any previous draw on a Letter of Credit held by Member and not applied. Any such letter of credit shall be in form and substance acceptable to Member and issued by a financial institution acceptable to Member, as determined by Member in its reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). Notwithstanding any initial acceptance of a Letter of Credit, Member reserves the right at any time

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to either (i) demand delivery of a substitute Letter of Credit issued by different institution or (ii) withhold as Reserved Funds amounts necessary so that the Deposit equals the Required Amount if, in Member's reasonable discretion (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions), it determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member. At such time as the Member may no longer draw on a Letter of Credit, Member may require that the Deposit equal the Required Amount.

(i) Upon the occurrence of any event that gives rise to Member's right under this Agreement (i) to make demand on Carrier for payment to Member, (ii) to apply amounts represented by the Deposit to Obligations of Carrier or (iii) otherwise to retain and not pay to Carrier amounts paid to Member by a Card Association on account of Sales Records submitted to Member by Carrier, then Member, at its option, may draw on any Letter of Credit issued for Member's benefit (for itself and as agent for any other Secured Party) with respect to the Agreement without first taking any of the actions described in clauses (i), (ii) and (iii) above.

(j) In addition to Member's rights as set forth above, Member, at its option, may draw (in one or more draws) up to the full amount remaining undrawn on a Letter of Credit upon the occurrence of any one or more of the following events or as otherwise provided below: (a) the occurrence of an Insolvency Event; (b) receipt by Member of notification from the issuer of the Letter of Credit that such issuer has elected not to renew the Letter of Credit; (c) notification of termination of the Agreement by either party; (d) a substantial number of the scheduled flights of Carrier fail to operate on any particular day; or (e) Member, in its reasonable discretion, determines that it cannot or will not continue to accept non-payment risk from the institution obligated on a Letter of Credit previously delivered to Member (which may include taking into account regulatory limitations imposed on Member regarding exposure to particular institutions). In addition, Member may draw upon a Letter of Credit pursuant to any other condition for draw provided in the Letter of Credit, and, in any event, on or after the thirtieth day prior to expiration of the Letter of Credit. No failure to draw, or delay in making a draw, on a Letter of Credit shall impair Member's right to draw thereon at a later time.

(k) Carrier acknowledges that, except for its right to receive the excess proceeds of any Letter of Credit upon the expiration of the period specified in Section 7 of this Exposure Protection Schedule, it has no interest in any proceeds of any draw on any Letter of Credit issued for the benefit of Member or any Secured Party and that upon any draw on any Letter of Credit, Member shall be entitled to hold the proceeds thereof for payment of the Obligations under the Agreement and apply such proceeds in payment thereof as and when Member deems appropriate. Member shall have no obligation to remit to any person or entity any excess proceeds of any draw on the Letter of Credit until expiration of the period specified in Section 7 of this Exposure Protection Schedule. In the event of any dispute between Carrier and the issuer of such Letter of Credit or any subrogee thereof, or any other person or entity with respect to

entitlement to any proceeds of the Letter of Credit, Member may retain all such proceeds until final resolution of such dispute by a court of competent jurisdiction, subject to Member's right to retain and apply proceeds in payment of the Obligations. In the event that Member draws on a Letter of Credit and holds the proceeds thereof at a time when Carrier is conducting normal flight operations, Member shall include such proceeds in its calculation of coverage for the Required Amount and make remittances to Carrier in accordance with Section 3 of this Exposure Protection Schedule as if the proceeds were part of the Deposit. Any excess proceeds of a Letter of Credit, as determined by Member in good faith after taking into account all Obligations of Carrier to Member and the other Secured Parties, shall be remitted to Carrier or as otherwise directed by a court of law.

10. Deposit Upon Termination of the Agreement.

In the event that any Party gives notice to the other Party of termination of the Agreement or non-renewal, or in the absence of a notice, the Agreement is terminated or a Party attempts to terminate the Agreement, and at such time the Aggregate Protection maintained is less than *****, Member may make a reasonable determination of Chargebacks and other obligations of Carrier under the Agreement that may arise or be asserted from and after such date ("Projected Exposure"). If the amount of Projected Exposure exceeds the amount of the Aggregate Protection then held or posted, Member may, in its sole discretion, demand that Carrier, and Carrier shall upon such demand, immediately remit to Member in immediately available funds for Member to hold as part of the Aggregate Protection an amount sufficient to cause the amount of the Aggregate Protection to equal Projected Exposure. Upon failure by Carrier to remit such funds by the close of business on the first Business Day after any such demand is made, Member in its sole discretion may withhold as Reserved Funds an amount up to ***** of amounts otherwise payable to Carrier under Section 6.2 of the MTOS until the amount of the Aggregate Protection is at least equal to Projected Exposure. Member may retain the Aggregate Protection pursuant to the provisions of Section 7 of this Exposure Protection Schedule, except that during such period (i) the amount of the Aggregate Protection shall equal Projected Exposure and (ii) payments shall be remitted to Carrier on each Business Day in the amount by which the amount of the Aggregate Protection exceeds Projected Exposure. Upon and after the occurrence of an event that would cause the Required Amount to be in excess of the Projected Exposure, even if the same shall occur after termination or non-renewal, the amount of the Aggregate Protection shall not be less than the Required Amount. The provisions of Section 3 of this Exposure Protection Schedule with respect to increases to the Aggregate Protection shall apply in any such circumstance.

11. Compliance Certificate.

Carrier shall furnish U.S. Bank, as soon as practicable, and in any event no later than ***** after the end of each month, a Compliance Certificate in the form attached hereto as Attachment 1 (the "Compliance Certificate"). Such Compliance Certificates shall be signed by the chief financial officer, controller, or treasurer of Carrier. If U.S. Bank advises Carrier of a discrepancy between the information contained in a Compliance Certificate and the information in Carrier's financial statements, Carrier shall be available to U.S. Bank to explain the discrepancy and shall provide supplemental information to U.S. Bank, as reasonably necessary, to support the information contained in such Compliance Certificate.

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

ATTACHMENT 1 TO EXPOSURE
PROTECTION SCHEDULE

COMPLIANCE CERTIFICATE

TWELVE MONTH PERIOD ENDING _____, 201_

This Compliance Certificate is being submitted pursuant to Section 11 of the Exposure Protection Schedule to the Amended and Restated Signatory Agreement, dated as of November 5, 2013 (the "Signatory Agreement") for the above-referenced twelve month period (the "Period"). Capitalized terms used herein and not defined herein shall have the meanings given such terms in the Exposure Protection Schedule. The undersigned, being the [**insert title**] of Carrier hereby certifies, with respect to all of the following, that, to the best of his/her knowledge after reasonable investigation as of the date of this Compliance Certificate, the following information is true and correct and was compiled from the books and records of Carrier, as applicable, in accordance with the terms of the Agreement.

1. Days of Cash

A. Amount of ***** Cash as of the last day of the month	$_____
B. Amount of ***** Exposure as of the last day of the month	$_____
C. Difference of A less B	$_____
D. Daily ***** Expense	$_____
E. Result of C divided by D	_____

2. Triggering Events

No Triggering Event has occurred and is continuing except:

[describe Triggering Event]

Dated _____,____

FRONTIER AIRLINES, INC.

By _____

Name _____

Title: [**CFO, Controller or Treasurer**]

*****Confidential portions of the material have been omitted and filed separately with the Securities and Exchange Commission.

CODE OF ETHICS
OF
FRONTIER GROUP HOLDINGS, INC.

ADOPTED AS OF , 2017

INTRODUCTION

In accordance with the requirements of the Securities and Exchange Commission (the "SEC") and of the National Association of Securities Dealers Automated Quotations Stock Market ("NASDAQ") Listing Standards, the Board of Directors (the "Board") of Frontier Group Holdings, Inc., a Delaware corporation (the "Company"), has adopted this Code of Ethics (the "Code"). This Code of Ethics contains general guidelines for conducting the business of the Company, its subsidiaries and controlled affiliates (collectively, "Frontier") consistent with the highest standards of business ethics. To the extent our Code sets a higher standard than required by commercial practice or applicable laws, rules or regulations, Frontier adheres to these higher standards. It is your responsibility know and understand the expectations and requirements set forth in this code, and to meet those standards.

Low Fares Done Right

Frontier seeks to serve our passengers and stakeholders through our "Low Fares Done Right" philosophy. Safety is our top priority as we provide a dependable, positive customer experience. In addition, we obtain low unit costs as we offer reasonably priced fare options to our passengers, which in turn will drive growth throughout the organization. To achieve our results, we promote the right people with a culture of winning and professionalism. The standards of that professionalism and integrity are set forth in this Code.

Who Code Applies To

This Code applies to all of the members of our board of directors, our officers and other employees. We refer to all Frontier officers and other employees covered by this Code as "employees," unless the context otherwise requires. In this Code, we refer to our principal executive officer, principal financial officer principal accounting officer or controller, or persons performing similar functions, as our "principal financial officers." If any terms of this Code conflict with applicable law, benefit plan provisions, or collective bargaining agreements, then the law, provision or bargaining agreement will prevail.

Obtaining Help and Information about the Code

This Code is not meant to be a comprehensive rulebook and cannot address every situation you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with Frontier's ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your questions or if you do not feel comfortable contacting your supervisor, contact the Legal Department, the Vice President of Human Resources or Frontier's Whistleblower Hotline (the "Hotline").

The Hotline is available 24 hours a day, seven days a week. By using the Hotline, you may report suspected illegal or unethical activity while having the option to remain anonymous. The Hotline number is 1-844-263-9404. Employees can also report possible violations online through the URL link listed on Frontier's intranet site under the "My links" tab. The Hotline is administered by an independent third party. If you choose to report anonymously via the Hotline, please provide sufficient detail so we can address your concern. Refer to our "Whistleblower Policy" for additional information.

Duty to Report Violations of the Code

All employees and directors have a duty to report any known or suspected violation of this Code, including violations of the laws, rules, regulations or policies that apply to Frontier. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor, the Legal Department, or via the Hotline number or URL link. The appropriate management personnel will work with you (and your supervisor, as applicable) to investigate your concern. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Legal Department and Frontier will protect your confidentiality to the extent possible, consistent with law and Frontier's need to investigate your concern. Reports may also be made anonymously.

Policy Against Retaliation

Frontier prohibits retaliation against any employee or director who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against you because you, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers of the Code

Before our directors, executive officers, other principal financial officers or employees, or an immediate family member of any such director, executive officer, other principal financial officer or employee, engages in any activity that would be otherwise prohibited by this Code, he or she is strongly encouraged to obtain a written waiver. Any waiver of this Code for our directors, executive officers or other principal financial officers, or an immediate family member of a director, executive officer or other principal financial officer, may be made only by our Board of Directors and such waiver, along with the reasons for granting such waiver, will be disclosed to the public as required by law. Waivers of this Code for other employees may be made only by Frontier's Chief Executive Officer or General Counsel and will be reported to our Audit Committee.

Accountability; Discipline for Violations of this Code

If your conduct as a representative of Frontier does not comply with this Code, it can result in serious consequences for you and Frontier. Frontier will subject any employee or director who violates this Code to appropriate discipline, which may include termination of employment or removal from the Board of Directors, as appropriate. This determination would be based upon the facts and circumstances of each particular situation. If you are accused of

violating this Code, you will be given an opportunity to present your version of the events at issue prior to any determination of appropriate discipline. Employees and directors who violate applicable law may expose themselves to substantial civil damages, criminal fines and prison terms. Frontier may also face substantial fines and penalties and may incur damage to its reputation and standing in the community.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee or director's private interest interferes, or appears to interfere, with the interests of Frontier as a whole. You should avoid any private interest that influences your ability to act in the interests of Frontier or that makes it difficult to perform your work objectively and effectively.

Employment of Relatives and Personal Relationships in the Workplace

The employment of relatives or individuals involved in a personal or dating relationship may cause potential or actual conflicts of interest or favoritism, or the appearance of a conflict or favoritism. Frontier recognizes that even the appearance of potential conflict or favoritism can damage credibility, impair department morale, and undermine an employee's effectiveness. Accordingly, Frontier does not permit employees who are related or involved in a dating or personal relationship to have direct supervisory authority over one another. Frontier considers "direct supervisory authority" to include situations in which one individual has direct influence over another individual's employment through decisions, recommendations, or judgment related to such matters as assessment of performance, work responsibilities, salary, career growth, or discipline.

Frontier permits the employment of relatives or individuals involved in a personal relationship if their employment does not, in the opinion of the Vice President of Human Resources and the Vice President of the applicable department, create an actual, potential, or perceived conflict of interest. If you have a relative seeking employment at Frontier or are involved in a dating or personal relationship with individuals seeking employment at Frontier that might violate this policy, you must disclose the relationship, in writing, to the Vice President of the applicable department and the Vice President of Human Resources.

For the purpose of this guideline, a relative is defined as spouse, domestic partner (with an affidavit on file), parent, grandparent, child, grandchild, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, stepparent, stepbrother, stepsister and stepchild.

Other Potential Conflicts

A conflict of interest that interferes with your Frontier responsibilities and duties or is detrimental to Frontier's image or interest, is not permitted.

- Outside Employment. No employee should be engage in, by employed by, serve as a director of, or provide any services to a company that the employee knows or suspects is a supplier or competitor of Frontier. Independent consulting services that compete with

Frontier are prohibited.

- Improper Personal Benefits. No employee should obtain or receive any material personal benefits or favors because of his or her position with Frontier. See “Gifts and Entertainment” below for additional guidelines.
- Financial Interests. No employee should have a significant financial interest (ownership or otherwise) in or with any company that the employee knows or suspects is a supplier or competitor of Frontier. A “significant financial interest” means: (i) ownership of greater than 1% of the equity of a supplier or competitor or (ii) an investment in a supplier or competitor that represents more than 5% of the total assets of the employee.
- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for- profit) whose interests reasonably would be expected to conflict with those of Frontier.

Customer transactions conducted on an arms-length basis, on standard commercially available terms, are not considered conflicts, such as with banks, brokerage firms, other financial institutions, air carriers, travel agents or tour operators.

Disclosure of Conflicts of Interest

Employees and directors must disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it in writing to your supervisor, the Legal Department or the Vice President of Human Resources. The appropriate personnel will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in “Waivers of the Code” above.

CONFIDENTIAL INFORMATION

Employees and directors have access to a variety of confidential information regarding Frontier and our business. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to Frontier. Frontier considers all non-public information about Frontier, our business and our employees to be highly confidential. Employees have a duty to safeguard all confidential information of Frontier or third parties with which Frontier conducts business, except when disclosure is authorized or legally mandated. An employee’s obligation to protect confidential information continues after he or she leaves Frontier. Unauthorized disclosure of confidential information could cause competitive harm to Frontier and could result in legal liability to you and Frontier.

Frontier information includes, but is not limited to operating and financial information; compensation data; marketing strategies; pending projects and proposals; and operations or maintenance manuals. Employee information includes, but is not limited to the following regarding any employee or that employee’s dependents: names, addresses, phone numbers,

social security numbers, dates of birth, medical or disability information, or any other personally identifiable information.

Employees who manage or use this type of information must protect this information from unauthorized modification, disclosure, and destruction. The means of protection used must be commensurate with the risk of exposure, the value of the information and the available computing resources. Employees are not authorized to gather, maintain, or disseminate personally identifiable information for any purpose or remove such information from Frontier's premises without written permission, as permitted by applicable law, except when required for a business purpose or in the ordinary daily course of performing duties on behalf of Frontier. Personally identifiable information should not be transmitted to anyone outside Frontier without proper safeguards to protect the data during transit. Personally identifiable information should not be stored on an unencrypted laptop or on CD, DVD, memory stick, or any other form of portable media.

Also see our "Social Media Usage Policy," in the Employee Handbook.

MEDIA CONTACTS AND OFFICIAL STATEMENTS ON BEHALF OF FRONTIER

Frontier employees and directors have access to a significant amount of information about Frontier. Frontier also values and works hard to maintain an appropriate image within the aviation, business, and consumer markets through positive relationships with the media. Accordingly, employees must obtain approval from the Corporate Communications department prior to speaking with the media about Frontier. This allows Frontier to maintain its public image, and provide a consistent and appropriate message to the media and general public. If you have any questions regarding media or external communications, please contact the Vice President of your department, the Vice President of Investor Communications and/or Corporate Communications at *CorpComm@flyfrontier.com*.

COMPETITION AND FAIR DEALING

All employees should endeavor to deal fairly with fellow employees and with Frontier's customers, suppliers and competitors. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster positive relationships with our customers. Frontier is committed to dealing with customers fairly, honestly and with integrity. Information you provide to customers should be accurate and complete to the best of your knowledge. Employees should not deliberately misrepresent information to customers.

Relationships with Suppliers

Frontier deals fairly and honestly with its suppliers. This means that our relationships

with suppliers are based on value, price, quality, service and reputation, among other factors. Employees dealing with suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a supplier or potential supplier that might compromise, or appear to compromise, his or her objective assessment of the supplier's products and prices. Employees can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. See "Gifts and Entertainment" below.

Relationships with Competitors

Frontier is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including federal and state antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices. For further discussion of appropriate and inappropriate business conduct with competitors, see "Compliance with Antitrust Laws" below.

CORPORATE OPPORTUNITIES

All employees and directors owe a duty to Frontier to advance the legitimate interests of Frontier when the opportunity to do so arises. You are prohibited from directly or indirectly (a) taking personally for themselves opportunities that are discovered through the use of Frontier property, information or positions; (b) using Frontier property, information or positions for personal gain; and (c) competing with Frontier.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. Gifts and entertainment, however, should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if the items are of reasonable value, a primary purpose of the meeting or attendance at the event is business related, and the expenses would be paid by Frontier as a reasonable business expense if not paid for by another party.

  Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.

- Personal Gifts. You may accept or give personal gifts of reasonable value related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or a holiday. A gift is acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishments.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you must promptly report the gift to your supervisor. Your supervisor will consult with the Legal Department, which may require you to donate the gift to an appropriate community organization.

If you conduct business in other countries, you must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See "The U.S. Foreign Corrupt Practices Act" below. In addition, please see our "Anti-Corruption Compliance Policy."

Note: Gifts and entertainment may not be offered or exchanged under any circumstances to or with any U.S. federal, state or local government employees. For a more detailed discussion of special considerations applicable to dealing with federal, state and local governments, see "Interactions with the Government" below.

FRONTIER RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and many other aspects of our business and guide our business decision-making and strategic planning. Frontier records include financial records, personnel records, records relating to our development of services and products and all other records maintained in the ordinary course of our business.

All Frontier records must be complete, accurate and reliable in all material respects. Each employee and director must follow Frontier's document retention policy with respect to Company records within such employee's or director's control.

PROTECTION AND USE OF FRONTIER ASSETS

Employees should protect Frontier's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on Frontier profitability. The use of Frontier's funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of Frontier assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Frontier property;

- Report the actual or suspected theft, damage or misuse of Frontier property to a supervisor;
- Use Frontier's electronic and telephone systems, written materials and other property primarily for business-related purposes; and
- Use Frontier property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Frontier property includes all data and communications transmitted or received to or by, or contained in, Frontier's electronic or telephonic systems. Frontier property also includes all written communications. Employees and other users of this property should have no expectation of privacy with respect to these communications and data. For more information, see our "Information Technology -Acceptable Use Policy," in the Employee Handbook.

ACCURACY OF PUBLIC COMMUNICATIONS AND FINANCIAL REPORTS

Frontier is subject to various securities and other laws, regulations and reporting obligations. Both federal law and our policies require that all public communications, including all reports and documents filed with or submitted to the SEC, must be full, fair, accurate, timely and understandable. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage Frontier and result in legal liability.

To ensure we meet this standard, all employees and directors (to the extent they are involved in Frontier's disclosure processes) are required to maintain familiarity with the disclosure requirements, processes and procedures applicable to Frontier commensurate with their job positions. Such employees and directors are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material facts about Frontier to others, including Frontier's independent auditors, governmental regulators and self-regulatory organizations.

The Chief Financial Officer and other employees working in the Finance Department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

Also see our "Whistleblower Policy."

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee and director has an obligation to comply with all laws, rules and regulations applicable to Frontier's operations. These include, without limitation, laws covering bribery and kickbacks, the development, testing, approval, marketing and sale of our services, copyrights, trademarks and trade secrets, information privacy, insider trading,

illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the General Counsel.

Frontier employees with responsibilities in the areas governed by the FAA and other applicable laws and regulations must understand and comply with these laws and regulations. These employees are expected to have a thorough understanding of, and to comply with, the laws, regulations and other relevant standards applicable to their job positions. Frontier has developed standard operating procedures and provides regular training to aid employees in understanding and complying with the requirements of the FAA or the DOT.

Also see our “Whistleblower Policy” and “Anti-Corruption Compliance Policy.”

INTERACTIONS WITH THE GOVERNMENT

Frontier may conduct business with the U.S., state and local governments and the governments of other countries. Frontier is committed to conducting its business with all governments and their representatives with the highest standards of business ethics and in compliance with all applicable laws and regulations, including the special requirements that apply to communications with governmental bodies that may have regulatory authority over our services and operations, such as the FAA, DOT, government contracts and government transactions. In your interactions with any government, you should:

- Be forthright and candid at all times. No employee or director should intentionally misstate or omit any material information from any written or oral communication with the government.
- Ensure that all required written submissions are made to the government and are timely, and that all written submissions, whether voluntary or required, satisfy applicable laws and regulations.
- Do not offer or exchange any gifts, gratuities or favors with, or pay for meals, entertainment, travel or other similar expenses for, government employees.

If your job responsibilities include interacting with the government, you are expected to understand and comply with the special laws, rules and regulations that apply to your job position as well as with any applicable standard operating procedures that Frontier has implemented. Also see our “Anti-Corruption Compliance Policy.”

POLITICAL CONTRIBUTIONS AND ACTIVITIES

Frontier encourages its employees and directors to participate in the political process as individuals and on their own time. However, federal and state contribution and lobbying

laws severely limit the contributions Frontier can make to political parties or candidates. It is Frontier policy that its funds or assets not be used to make a political contribution to any political party or candidate, unless prior approval has been given by Frontier's Chief Executive Officer or General Counsel.

The following guidelines are intended to ensure that any political activity you pursue complies with this policy:

- Contribution of Funds. You may contribute your personal funds to political parties or candidates.
- Volunteer Activities. You may participate in volunteer political activities during non-work time. You may not participate in political activities during working hours.
- Use of Company Name. When you participate in political affairs, you should be careful to make it clear that your views and actions are your own, and not made on behalf of Frontier. For instance, Frontier letterhead should not be used to send out personal letters in connection with political activities.

These guidelines are intended to ensure that any political activity you pursue is done voluntarily and with your own resources and time. Please contact the General Counsel if you have any questions about this policy; also see our "Anti-Corruption Compliance Policy."

COMPLIANCE WITH ANTITRUST LAWS

Antitrust laws of the United States and other countries are designed to protect consumers and competitors against unfair business practices and to promote and preserve competition. Our policy is to compete vigorously and ethically while complying with all antitrust, monopoly, competition or cartel laws in all countries, states or localities in which Frontier conducts business. Violations of antitrust laws may result in severe penalties against Frontier and its employees, including potentially substantial fines and criminal sanctions. You are expected to maintain basic familiarity with the antitrust principles applicable to your activities. The following is a summary of actions that are violations of applicable antitrust laws:

- Price Fixing. Frontier may not agree with its competitors to raise, lower or stabilize prices or any element of price, including discounts and credit terms.
- Limitation of Supply. Frontier may not agree with its competitors to limit or restrict the supply of its services.
- Allocation of Business. Frontier may not agree with its competitors to divide or allocate markets, territories or customers.
- Monopolies. Frontier may not engage in any behavior that can be construed as an attempt to monopolize.

- Boycott. Frontier may not agree with its competitors to refuse to sell or purchase products from third parties.

Meetings with Competitors

Employees should exercise caution in meetings with competitors. Any meeting with a competitor may give rise to the appearance of impropriety. You should try to meet with competitors in a closely monitored, controlled environment for a limited period of time. You should create and circulate agendas in advance of any such meetings, and the contents of your meeting should be fully documented.

If you participate in a meeting with a competitor in which any prohibited topics are broached, you should affirmatively end the discussion, and you should state your reasons for doing so. During meetings with competitors, avoid sharing or obtaining confidential information from the competitor. Also avoid statements that could be construed as unfair acts such as harassment, threats or interference with the competitors' existing contractual relationships.

Professional Organizations and Trade Associations

Employees should be cautious when attending meetings of professional organizations and trade associations at which competitors are present. Attending meetings of professional organizations and trade associations is legal and proper, if such meetings have a legitimate business purpose and are conducted in an open fashion, adhering to a proper agenda. At such meetings, you should not discuss the restricted topics listed above, Frontier's pricing policies or other competitive terms or any other proprietary, competitively sensitive information.

COMPLIANCE WITH INSIDER TRADING LAWS

In the event Frontier becomes a publicly-traded company, employees and directors would be prohibited from trading in Frontier's stock or other securities while in possession of material, non-public information about Frontier. Material information is information of such importance that it can be expected to affect the judgment of investors as to whether or not to buy, sell, or hold the securities in question. In addition, employees and directors would be prohibited from recommending, "tipping" or suggesting that anyone else buy or sell Frontier's stock or other securities on the basis of material, non-public information. Employees and directors who obtain material non-public information about another company in the course of their duties are prohibited from trading in the stock or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by Frontier, up to and including termination of employment.

The principal executive officer, principal financial officer principal accounting officer or controller (or persons performing similar functions) of Frontier are also required to promote compliance by all employees with the Code and to abide by our standards, policies and procedures.

Please contact the General Counsel if you have any questions about this policy; also see our "Insider Trading Compliance Policy" [and, if applicable, "Section 16 Compliance Policy"].

COMPLIANCE WITH REGULATION FD

In the event Frontier becomes a publicly-traded company, in connection with its public communications, Frontier would be required to comply with a rule under the federal securities laws referred to as Regulation FD. Regulation FD provides that, when Frontier discloses material, non-public information about Frontier to securities market professionals or stockholders (where it is reasonably foreseeable that the stockholders will trade on the information), Frontier must also disclose the information to the public. "Securities market professionals" generally include analysts, institutional investors and other investment advisors. Please contact the General Counsel if you have any questions about this policy; also see our "Guide for Corporate Disclosure (Regulation FD Policy)."

THE FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act prohibits Frontier and its employees, directors and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any government official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickback or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA can result in severe fines and criminal penalties, as well as disciplinary action by Frontier, up to and including termination of employment. For more information, see our "Anti-Corruption Compliance Policy."

ENVIRONMENT, HEALTH AND SAFETY

Frontier is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which it does business. Frontier employees and directors must comply with all applicable environmental, health and safety laws, regulations, policies and Frontier standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and safety laws, regulations and policies can result in civil and criminal liability against you and Frontier, as well as disciplinary action by Frontier, up to and including termination of employment.

Environment

All Frontier employees and directors should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials.

Health and Safety

Frontier is committed not only to comply with all relevant health and safety laws, but also to conduct business in a manner that protects the safety of its employees. All employees and directors are required to comply with all applicable health and safety laws, regulations and policies relevant to their positions.

EMPLOYMENT PRACTICES

Frontier pursues fair employment practices in every aspect of its business. The following is intended only to be a summary of certain of our employment policies. Copies of Frontier's detailed policies, including the Employee Handbook, are available on Frontier's intranet and from the Human Resources Department. Frontier employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association and privacy. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and Frontier, as well as disciplinary action by Frontier, up to and including termination of employment. For more information about Frontier's employment policies, including procedures for specific situations, please consult the Employee Handbook.

Harassment and Discrimination

Frontier is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law.

Alcohol and Drugs

All Frontier employees must comply strictly with Frontier policies and applicable law regarding the abuse of alcohol and the possession, sale and use of illegal (at the federal or state level) substances. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with drug and alcohol laws and regulations can result in civil and criminal liability against you and Frontier, as well as disciplinary action by Frontier, up to and including termination of employment. Also see our "Drug and Alcohol Free Workplace" policy in the Employee Handbook.

Violence Prevention and Weapons

The safety and security of Frontier employees is vitally important. Frontier will not tolerate violence or threats of violence in, or related to, the workplace. For more information, including procedures for specific situations, please consult the Employee Handbook.

CONCLUSION

This Code contains certain fundamental principles, policies and procedures that govern the Frontier employees and directors in the conduct of the Frontier's business consistent with the highest standards of business ethics. It is not intended to and does not create any rights in any employee, customer, client, visitor, supplier, competitor, shareholder or any other person or entity. It is Frontier's belief that this Code is robust and covers most conceivable situations. If you have any questions about these guidelines, please contact your supervisor or the General Counsel. Frontier expects all of its employees and directors to adhere to these standards.

This Code, as applied to Frontier's principal financial officers, shall be our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Frontier policy. Frontier reserves the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

* * * * *

Acknowledgment of Receipt of Compliance

Return By: , 20

To: General Counsel

From: _____

Re: Frontier Group Holdings, Inc. Code of Ethics

I have received, reviewed, and understand the above-referenced Code of Ethics and hereby undertake, as a condition to my present and continued employment at Frontier Group Holdings, Inc., to comply fully with the policies and procedures contained therein.

Signature Date _____

Name _____

Title _____

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 31, 2017, in Amendment No. 4 to the Registration Statement (Form S-1 No. 333-217078) and related Prospectus of Frontier Group Holdings, Inc.

/s/ Ernst & Young LLP

Denver, Colorado

June 12, 2017