

DELTA AIR LINES INC /DE/

Form DEF 14A

April 30, 2010

Table of Contents

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

SCHEDULE 14A

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

DELTA AIR LINES, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which the transaction applies:

(2) Aggregate number of securities to which the transaction applies:

(3) Per unit price or other underlying value of the transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of the transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.

Edgar Filing: DELTA AIR LINES INC /DE/ - Form DEF 14A

- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Delta Air Lines, Inc.
P.O. Box 20706
Atlanta, GA 30320

DELTA AIR LINES, INC.

Notice of Annual Meeting

Dear Stockholder:

On behalf of the Board of Directors, it is a pleasure to invite you to attend the 2010 Annual Meeting of Stockholders of Delta Air Lines, Inc. The meeting will be held at 8:00 a.m. Eastern Daylight Time on Wednesday, June 30, 2010, at the Auditorium at AXA Equitable Center, 787 Seventh Avenue, New York, New York 10019. At the meeting, stockholders will vote on the following matters:

the election of directors for the next year;

the ratification of the appointment of Ernst & Young LLP as Delta's independent auditors for the year ending December 31, 2010;

one stockholder proposal (if the proposal is properly presented at the meeting); and

any other business that may properly come before the meeting.

If you were a holder of record of Delta common stock at the close of business on May 3, 2010, you will be entitled to vote at the meeting. A list of stockholders entitled to vote at the meeting will be available for examination during normal business hours for ten days before the meeting at Delta's Investor Relations Department, 1030 Delta Boulevard, Atlanta, Georgia 30354. The stockholder list will also be available at the meeting.

Because space at the meeting is limited, admission will be on a first-come, first-served basis. Stockholders without appropriate documentation may not be admitted to the meeting. If you plan to attend the meeting, please see the instructions on page 4 of the attached proxy statement. If you will need special assistance at the meeting because of a disability, please contact Investor Relations toll free at (866) 715-2170.

As permitted by Securities and Exchange Commission rules, we are providing our proxy materials on the Internet. As a result, we are sending our stockholders a Notice Regarding the Availability of Proxy Materials instead of paper copies of our proxy materials.

We encourage stockholders to sign up to receive electronically future proxy materials, including the Notice Regarding the Availability of Proxy Materials. Using electronic communication significantly reduces our printing and postage costs, and helps protect the environment. To sign up, please visit http://www.delta.com/about_delta/investor_relations/annual_report_proxy_statement/index.jsp.

Please read our attached proxy statement carefully and submit your vote as soon as possible. Your vote is important. You can ensure that your shares are voted at the meeting by using our Internet or telephone voting system, or by completing, signing and returning a proxy card.

Sincerely,

Richard H. Anderson
Chief Executive Officer
Atlanta, Georgia
May 17, 2010

TABLE OF CONTENTS

<u>GENERAL INFORMATION</u>	1
<u>Internet Availability of Proxy Materials</u>	1
<u>Stockholders Entitled to Vote</u>	1
<u>Voting Shares of Common Stock Registered in Your Name or Held under Plans</u>	1
<u>Revoking a Proxy or Voting Instructions</u>	2
<u>Voting Shares Held in Street Name</u>	3
<u>Limitation on Brokers Authority to Vote Shares</u>	3
<u>Quorum for the Annual Meeting</u>	3
<u>Votes Necessary to Act on Proposals</u>	3
<u>Recommendations of the Board of Directors</u>	4
<u>Presentation of Other Business at the Meeting</u>	4
<u>Attending the Meeting</u>	4
<u>CORPORATE GOVERNANCE MATTERS</u>	5
<u>Corporate Governance Overview</u>	5
<u>Director Independence</u>	5
<u>Identification and Selection of Nominees for Director</u>	5
<u>Audit Committee Financial Expert</u>	6
<u>Compensation Committee Interlocks and Insider Participation</u>	6
<u>Communications with Directors</u>	6
<u>Board of Directors and Board Committees</u>	6
<u>Board Oversight of Risk Management</u>	8
<u>PROPOSAL 1 ELECTION OF DIRECTORS</u>	9
<u>Certain Information About Nominees</u>	9
<u>BENEFICIAL OWNERSHIP OF SECURITIES</u>	15
<u>Directors, Nominees for Director and Executive Officers</u>	15
<u>Beneficial Owners of More than 5% of Voting Stock</u>	16
<u>EXECUTIVE COMPENSATION</u>	17
<u>Compensation Discussion and Analysis</u>	17
<u>Compensation Committee Report</u>	27
<u>Information about Summary Compensation Table and Related Matters</u>	28
<u>Summary Compensation Table</u>	28
<u>Grants of Plan-Based Awards Table</u>	32
<u>Outstanding Equity Awards at Fiscal Year-end Table</u>	33
<u>Option Exercises and Stock Vested Table</u>	34
<u>Post-Employment Compensation</u>	35
<u>DIRECTOR COMPENSATION</u>	47
<u>Director Compensation Table</u>	48
<u>PRE-EXISTING AGREEMENTS WITH NORTHWEST</u>	48
<u>AUDIT COMMITTEE REPORT</u>	50
<u>PROPOSAL 2 RATIFICATION OF THE APPOINTMENT OF INDEPENDENT AUDITORS</u>	52
<u>Fees of Independent Auditors for 2009 and 2008</u>	52
<u>Pre-Approval of Audit and Non-Audit Services</u>	52
<u>PROPOSAL 3 STOCKHOLDER PROPOSAL CUMULATIVE VOTING IN THE ELECTION OF DIRECTORS</u>	53
<u>OTHER MATTERS</u>	54

<u>Cost of Solicitation</u>	54
<u>Submission of Stockholder Proposals</u>	54
<u>Section 16 Beneficial Ownership Reporting Compliance</u>	54

Table of Contents

**DELTA AIR LINES, INC.
PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
To Be Held On June 30, 2010**

This proxy statement is being provided to you in connection with the solicitation of proxies by the Board of Directors of Delta Air Lines, Inc. The proxies will be voted at Delta's 2010 Annual Meeting of Stockholders and at any adjournment of the meeting. The annual meeting will be held at 8:00 a.m. Eastern Daylight Time (EDT) on Wednesday, June 30, 2010, at the Auditorium at AXA Equitable Center, 787 Seventh Avenue, New York, New York 10019. The AXA Equitable Center is located in Midtown Manhattan between 51st and 52nd Streets.

GENERAL INFORMATION

Internet Availability of Proxy Materials

Under rules adopted by the Securities and Exchange Commission (SEC), we are furnishing proxy materials (including our Annual Report on Form 10-K for the year ended December 31, 2009 (2009 Form 10-K)) to our stockholders on the Internet, rather than mailing paper copies to each stockholder. If you received a Notice Regarding the Availability of Proxy Materials (the Notice) by U.S. or electronic mail, you will not receive a paper copy of these proxy materials unless you request one. Instead, the Notice tells you how to access and review the proxy materials and vote your shares on the Internet. If you would like to receive a paper copy of our proxy materials free of charge, please follow the instructions in the Notice. The Notice will be distributed to our stockholders beginning on or about May 17, 2010.

Stockholders Entitled to Vote

The Board of Directors set May 3, 2010 as the record date for determining the stockholders entitled to notice of and to vote at the annual meeting. On April 28, 2010, 789,817,357 shares of Delta common stock, par value \$0.0001 per share, were outstanding. Delta expects the number of outstanding shares will not materially change as of the record date. The common stock is the only class of securities entitled to vote at the meeting. Each outstanding share entitles its holder to one vote.

Voting Shares of Common Stock Registered in Your Name or Held under Plans

The control number you receive in your Notice covers shares of common stock in any of the following forms:

common stock registered in your name (registered shares);

common stock held in your account under the Delta Pilots Savings Plan (Pilot Plan);

common stock allocated to your account under the Northwest Airlines Retirement Savings Plan (Northwest Plan); or

unvested restricted common stock granted under the Delta 2007 Performance Compensation Plan.

Your submission of voting instructions for registered shares results in the appointment of a proxy to vote those shares. In contrast, your submission of voting instructions for common stock held in your Pilot Plan account or allocated to your Northwest Plan account or for unvested restricted common stock granted under the Delta 2007 Performance Compensation Plan instructs the applicable plan trustee or administrator how to vote those shares, but does not result in the appointment of a proxy. You may submit your voting instructions regarding all shares covered by the same

control number before the meeting by using our Internet or telephone system or by completing and returning a proxy card, as described below:

Voting by the Internet or Telephone. You may vote using the Internet or telephone by following the instructions in the Notice to access the proxy materials, and then following the instructions provided to allow you to record your vote. After accessing the proxy materials, to vote by telephone, call

Table of Contents

1-800-690-6903 and follow the instructions. The Internet and telephone voting procedures are designed to authenticate votes cast by using a personal identification number. These procedures enable stockholders to confirm their instructions have been properly recorded.

Voting by Proxy Card. If you obtained a paper copy of our proxy materials, you may vote by signing, dating and returning your instructions on the proxy card in the enclosed postage-paid envelope. Please sign the proxy card exactly as your name appears on the card. If shares are owned jointly, each joint owner should sign the proxy card. If a stockholder is a corporation or partnership, the proxy card should be signed in the full corporate or partnership name by a duly authorized person. If the proxy card is signed pursuant to a power of attorney or by an executor, administrator, trustee or guardian, please state the signer's full title and provide a certificate or other proof of appointment.

To be effective, instructions regarding shares held in your Pilot Plan account or allocated to your Northwest Plan account must be received by 5:00 p.m. EDT on June 28, 2010. Instructions regarding registered shares or unvested restricted common stock must be received by 5:00 p.m. EDT on June 29, 2010.

You may also vote registered shares by attending the annual meeting and voting in person by ballot; this will revoke any proxy you previously submitted.

Please note that you may not vote your shares of unvested restricted common stock, or shares held in your Pilot Plan account or allocated to your Northwest Plan account, in person at the meeting.

If you do not submit voting instructions in a timely manner regarding shares of unvested restricted common stock or shares held in your Pilot Plan account, they will not be voted.

If you do not submit voting instructions in a timely manner regarding shares allocated to your Northwest Plan account, those shares will be voted by the trustee in the same proportion as the shares allocated in such plan for which voting instructions have been received by the trustee, unless contrary to the Employee Retirement Income Security Act of 1974.

All properly submitted voting instructions, whether submitted by the Internet, telephone or U.S. mail, will be voted at the annual meeting according to the instructions given, provided they are received prior to the applicable deadlines described above. All properly submitted proxy cards not containing specific instructions will be voted in accordance with the Board of Directors' recommendations set forth on page 4. The members of Delta's Board of Directors designated to vote the proxies returned pursuant to this solicitation are Richard H. Anderson, Roy J. Bostock and Daniel A. Carp.

Revoking a Proxy or Voting Instructions

If you hold registered shares, unvested restricted common stock, or shares in your Pilot Plan account or allocated to your Northwest Plan account, you may revoke your proxy or voting instructions prior to the meeting by:

providing written notice to Delta's Corporate Secretary at Delta Air Lines, Inc., Dept. No. 981, P.O. Box 20574, Atlanta, Georgia 30320; or

submitting later-dated instructions by the Internet, telephone or U.S. mail.

To be effective, revocation of instructions regarding shares held in your Pilot Plan account or allocated to your Northwest Plan account must be received by 5:00 p.m. EDT on June 28, 2010. Revocation of instructions

regarding registered shares or unvested restricted common stock must be received by 5:00 p.m. EDT on June 29, 2010.

You may also revoke your proxy covering registered shares by attending the annual meeting and voting in person by ballot. Attending the meeting will not, by itself, revoke a proxy. Please note that you may not vote your shares of unvested restricted common stock, or shares held in your Pilot Plan account or allocated to your Northwest Plan account, in person at the meeting.

Table of Contents

Voting Shares Held in Street Name

If your shares are held in the name of a broker, bank or other record holder (that is, in street name), please refer to the instructions provided by the record holder regarding how to vote your shares or to revoke your voting instructions. You may also obtain a proxy from the record holder permitting you to vote in person at the annual meeting. Without a proxy from the record holder, you may not vote shares held in street name by returning a proxy card or by voting in person at the annual meeting. **If you hold your shares in street name it is critical that you provide instructions to, or obtain a proxy from, the record holder if you want your shares to count in the election of directors (Proposal 1 of this Proxy Statement).** As described in the next section of this proxy statement, recent changes in regulation prohibit your bank or broker from voting your shares in the election of directors if you do not provide voting instructions.

Limitation on Brokers Authority to Vote Shares

Under New York Stock Exchange (NYSE) rules, brokerage firms may vote in their discretion on certain matters on behalf of clients who do not provide voting instructions at least 15 days before the date of the annual meeting. Generally, brokerage firms may vote to ratify the appointment of independent auditors and on other discretionary items. In contrast to prior practice, beginning this year, brokers are no longer permitted to vote your shares for the election of directors unless you provide voting instructions. Brokerage firms also may not vote on stockholder proposals because those proposals are considered non-discretionary items. Accordingly, if your shares are held in a brokerage account and you do not return voting instructions to your broker by its deadline, your shares may be voted by your broker on some, but not all, of the proposals described in this proxy statement. Broker non-votes will not be considered in determining the number of votes cast in connection with non-discretionary items. *Therefore, we urge you to give voting instructions to your broker on all three proposals.*

Quorum for the Annual Meeting

The quorum at the annual meeting will consist of a majority of the votes entitled to be cast by the holders of all shares of common stock that are outstanding and entitled to vote. Abstentions from voting and broker non-votes, if any, will be counted in determining whether a quorum is present. The meeting will not commence if a quorum is not present.

Votes Necessary to Act on Proposals

At an annual meeting at which a quorum is present, the following votes will be necessary to elect directors, to ratify the appointment of the independent auditors and to approve the stockholder proposal described in this proxy statement:

Each director shall be elected by the vote of a majority of the votes cast with respect to the director. For purposes of this vote, a majority of the votes cast means that the number of shares voted for a director must exceed 50% of the votes with respect to that director (excluding abstentions).

Ratification of the appointment of Ernst & Young LLP as independent auditors for the year ending December 31, 2010 requires the affirmative vote of the majority of shares present and entitled to vote. Abstentions are counted as votes present and entitled to vote and have the same effect as votes against the proposal.

Approval of the stockholder proposal described in this proxy statement requires the affirmative vote of the majority of shares present and entitled to vote. Abstentions are counted as votes present and entitled to vote and have the same effect as votes against the proposal.

Broker non-votes, if any, will be handled as described under [Limitation on Brokers Authority to Vote Shares](#).

Table of Contents

Recommendations of the Board of Directors

The Board of Directors recommends that you vote:

FOR the election of the director-nominees named in this proxy statement;

FOR the ratification of the appointment of Ernst & Young LLP as Delta's independent auditors for the year ending December 31, 2010; and

AGAINST the stockholder proposal described in this proxy statement.

All properly submitted proxy cards not containing specific instructions will be voted in accordance with the Board's recommendations.

Presentation of Other Business at the Meeting

Delta is not aware of any business to be transacted at the annual meeting other than as described in this proxy statement. If any other item or proposal properly comes before the meeting (including, but not limited to, a proposal to adjourn the meeting in order to solicit votes in favor of any proposal contained in this proxy statement), the proxies received will be voted at the discretion of the directors designated to vote the proxies.

Attending the Meeting

To attend the annual meeting, you will need to show you are either a Delta stockholder as of the record date, or hold a valid proxy from such a Delta stockholder.

If your shares are registered in street name, or are held in your Pilot Plan or Northwest Plan account, please bring evidence of your stock ownership, such as your most recent account statement.

If you own unvested restricted common stock, please bring your company-issued identification card; we will have a list of the holders of unvested restricted common stock at the meeting.

All stockholders should also bring valid picture identification; employees may use their company-issued identification card. If you do not have valid picture identification and proof that you own Delta stock, you may not be admitted to the meeting.

Table of Contents

CORPORATE GOVERNANCE MATTERS

Corporate Governance Overview

Delta believes that sound corporate governance practices are essential to enhance long term value for our stockholders. We operate under governance practices that are transparent and consistent with best practices.

You may view the charters of the Audit, Corporate Governance, Finance and Personnel & Compensation Committees, the Certificate of Incorporation, the Bylaws, Delta's corporate governance principles, our codes of ethics and business conduct and our director independence standards on our Corporate Governance website at www.delta.com/about_delta/investor_relations/corporate_governance/index.jsp. Additionally, you may obtain a copy of these materials by contacting Delta's Corporate Secretary.

Director Independence

Independence of Audit, Corporate Governance, Personnel & Compensation Committee Members

For many years, Delta's Board of Directors has been composed of a substantial majority of independent directors. Delta's Board established the Audit Committee, the Corporate Governance Committee, the Finance Committee and the Personnel & Compensation Committee to focus on particular Board responsibilities.

The Board of Directors has affirmatively determined that all current directors are independent under the NYSE listing standards and Delta's director independence standards, except Messrs. Anderson and Bastian are not independent because each is an executive officer of Delta, and Mr. Rogers is not independent because he is a Delta pilot. In making these independence determinations, the Board of Directors considered information submitted by the directors in response to questionnaires, information obtained from Delta's internal records and advice from counsel.

The Audit, Corporate Governance, Finance and Personnel & Compensation Committees each operates under a written charter. The Audit, Corporate Governance and Personnel & Compensation Committees consist entirely of non-employee directors who are independent, as defined in the NYSE listing standards and Delta's director independence standards. The members of the Audit Committee also satisfy the additional independence requirements set forth in rules under the Securities Exchange Act of 1934.

Certificate of Incorporation and Bylaws; Majority Voting for Directors

Delta's Certificate of Incorporation and Bylaws provide that all directors are elected annually. Under the Bylaws, a director in an uncontested election is elected by a majority of votes cast (excluding abstentions) at a stockholder meeting at which a quorum is present. In an election for directors where the number of nominees exceeds the number of directors to be elected a contested election the directors would be elected by the vote of a plurality of the shares represented at the meeting and entitled to vote on the matter.

Identification and Selection of Nominees for Director

The Corporate Governance Committee recommends to the Board of Directors nominees for election to the Board who have the skills and experience to assist management in the operation of Delta's business. In accordance with Delta's corporate governance principles, the Corporate Governance Committee and the Board of Directors assess potential nominees (including incumbent directors) based on factors such as the individual's business experience, character,

judgment, diversity of experience, international background and other matters relevant to the Board's needs and objectives at the particular time. Independence, financial literacy and the ability to devote significant time to Board activities and to the enhancement of the nominee's knowledge of Delta's business are also factors considered for Board membership. The Corporate Governance Committee

Table of Contents

evaluates potential nominees suggested by stockholders on the same basis as all other potential nominees. To recommend a potential nominee, you may:

email *nonmgmt.directors@delta.com* or

send a letter addressed to Delta's Corporate Secretary at Delta Air Lines, Inc., Dept. No. 981, P.O. Box 20574, Atlanta, Georgia 30320.

Each potential nominee is reviewed and screened by the Corporate Governance Committee, which decides whether to recommend a candidate for consideration by the full Board.

Audit Committee Financial Expert

The Board of Directors has designated Mr. Brinzo as an Audit Committee Financial Expert.

Compensation Committee Interlocks and Insider Participation

None of the members of the Personnel & Compensation Committee is a former or current officer or employee of Delta or has any interlocking relationships as set forth in applicable SEC rules.

Communications with Directors

Stockholders and other interested parties may communicate with our non-management directors by sending an e-mail to *nonmgmt.directors@delta.com*. We have established a link to this address on our Investor Relations website. All communications will be sent directly to the non-executive Chairman of the Board, as representative of the non-management directors, other than communications pertaining to customer service, human resources and accounting, auditing, internal control and financial reporting matters. Communications regarding customer service and human resources matters will be forwarded for handling by the appropriate Delta department. Communications regarding accounting, auditing, internal control and financial reporting matters will be brought to the attention of the Chairman of the Audit Committee.

Board of Directors and Board Committees

During 2009, the Board of Directors met 12 times. Each current director who served on the Board during 2009 attended at least 75% of the meetings of the Board of Directors and the committees on which he or she served. It is the Board's policy that directors should attend the annual meeting. All of Delta's directors attended the annual meeting in 2009 except two directors were unable to attend.

The Board of Directors met 6 times in executive session without management in 2009. Mr. Carp, who serves as the non-executive Chairman of the Board, presides at these executive sessions. In his role as Chairman of the Board, Mr. Carp's responsibilities also include, among other things, (1) providing leadership to the Board and facilitating communications among directors; (2) determining the Board meeting agendas in consultation with the Chief Executive Officer; and (3) facilitating regular communications between management and the Board.

The Board of Directors does not have a formal policy on whether the same person should serve as the Chairman of the Board and the Chief Executive Officer. Since 2003, however, Delta has separated these roles between two individuals. The Board of Directors believes this leadership structure is currently appropriate because it generally strengthens the Board's independence and enables the Chief Executive Officer to focus on the management of Delta's business.

The Board of Directors has established the following committees to assist it in discharging its responsibilities:

Table of Contents

Audit Committee

The Audit Committee members are Mr. Brinzo, *Chairman*, Mr. Bostock, Mr. Engler and Ms. Reynolds. The Committee met 11 times in 2009. Among other matters, the Committee:

Appoints (subject to stockholder ratification) our independent auditors

Represents and assists the Board in its oversight of:

the integrity of our financial statements

legal and regulatory matters, including compliance with applicable laws and regulations

our independent auditors' qualifications, independence and performance

the performance of our internal audit department

Discusses the adequacy and effectiveness of our internal control over financial reporting

Oversees our compliance with procedures and processes pertaining to corporate ethics and standards of business conduct

Reviews and, if appropriate, approves or ratifies:

possible conflicts of interest involving members of the Board or executive officers

transactions that would be subject to disclosure under Item 404 of SEC Regulation S-K

Considers complaints concerning accounting, auditing, internal control and financial reporting matters

Reviews the process by which management identifies, assesses and manages Delta's exposure to risk; discusses major risk exposures with management; and apprises the Board of Directors of such exposures and management's actions to monitor and manage them

Corporate Governance Committee

The Corporate Governance Committee members are Mr. Carp, *Chairman*, Mr. Bostock, Mr. Engler, Mr. Foret, Ms. Reynolds and Mr. Slater. The Committee met five times in 2009. Among other matters, the Committee:

Identifies and recommends qualified individuals to the Board for nomination as directors and considers stockholder nominations of candidates for election as directors

Considers, develops and makes recommendations to the Board regarding matters related to corporate governance, including:

qualifications and eligibility requirements for Board members, including director independence standards

the Board's size, composition, organization and processes

the type, function, size and membership of Board committees

evaluation of the Board's performance

Finance Committee

The Finance Committee members are Mr. Woodrow, *Chairman*, Mr. Foret, Mr. Goode, Mr. Rogers and Mr. Steenland. The Committee met 10 times in 2009. Among other matters, the Committee:

Reviews and makes recommendations, where appropriate, to the Board regarding:

financial planning and financial structure

financings and guarantees

capital expenditures

Table of Contents

annual and longer-term operating plans

dividend policy

issuances and repurchases of capital stock and other securities

risk management practices and policies concerning investments and hedging, among other matters

Approves commitments, capital expenditures and debt financings, subject to certain limits

Personnel & Compensation Committee

The Personnel & Compensation Committee members are Mr. Goode, *Chairman*, Mr. Brinzo and Mr. Woodrow. The Committee met five times in 2009. Among other matters, the Committee:

Establishes general compensation philosophy and oversees the development and implementation of compensation programs

Performs an annual performance evaluation of our Chief Executive Officer and determines and approves the CEO's compensation

Reviews and approves compensation programs for executive officers

Considers periodically management succession planning

Makes recommendations to the Board regarding election of officers

Board Oversight of Risk Management

The Board of Directors has ultimate responsibility to oversee Delta's enterprise risk management program (ERM). Depending on the nature of the risk, the responsibility for oversight of selected risks may be delegated to appropriate committees of the Board of Directors, with material findings reported to the full Board. Delegations of risk oversight by the Board include, among other matters, (1) the Audit Committee coordinates the oversight of ERM by the Board and also provides oversight of risks related to the integrity of the consolidated financial statements, internal control over financial reporting and the internal audit function; (2) the Finance Committee oversees the management of risks related to aircraft fuel price and fuel hedging, Delta's financial condition and its financing transactions; and (3) the Personnel & Compensation Committee oversees the management of risks related to management succession planning and the Company's executive compensation program. The Board receives reports from the Committee Chairs at each regularly scheduled quarterly Board meeting. Management provides reports where appropriate to the Board, and the Committees with oversight of specific risks, concerning matters such as compliance with regulations, business strategies, proposed changes in laws and regulations and any other matter deemed appropriate by the Board or the Committees. The Vice President - Corporate Audit and Enterprise Risk Management reports to the Audit Committee quarterly and to the full Board twice per year regarding ERM matters.

Under Delta's ERM process, management has the responsibility for (1) setting up organizational responsibilities for risk management; (2) determining the significant risks to Delta, (3) monitoring the business environment for changes in and emergence of significant risks; and (4) developing risk mitigation and management strategies, based on Delta's risk tolerance levels.

Delta's internal audit function, which is headed by the Vice President – Corporate Audit and Enterprise Risk Management, has responsibility for (1) providing independent assessments of the effectiveness of risk mitigation activities developed by management, and (2) developing recommendations to improve current processes.

Managing risk is an ongoing process inherent in all decisions made by management. The Board of Directors discusses risk throughout the year, particularly at Board and Committee meetings when specific actions are considered for approval.

Table of Contents

PROPOSAL 1 ELECTION OF DIRECTORS

A Board of thirteen directors will be elected at the annual meeting. Each director will be elected by the vote of a majority of the votes cast. This means the number of votes cast for a director must exceed 50% of the votes with respect to that director (excluding abstentions). Each director elected will hold office until the next annual meeting of stockholders and the election of his or her successor.

Delta's Bylaws provide that any director not elected by a majority of the votes cast at the annual meeting must offer to tender his or her resignation to the Board of Directors. The Corporate Governance Committee will make a recommendation to the Board of Directors whether to accept the resignation. The Board of Directors will consider the recommendation and publicly disclose its decision within 90 days after the certification of the election results.

The Board of Directors recommends a vote FOR the following nominees:

- | | |
|-------------------------|---------------------------|
| (1) Richard H. Anderson | (8) David R. Goode |
| (2) Edward H. Bastian | (9) Paula Rosput Reynolds |
| (3) Roy J. Bostock | (10) Kenneth C. Rogers |
| (4) John S. Brinzo | (11) Rodney E. Slater |
| (5) Daniel A. Carp | (12) Douglas M. Steenland |
| (6) John M. Engler | (13) Kenneth B. Woodrow |
| (7) Mickey P. Foret | |

All of the nominees are currently serving on the Board of Directors. The Board of Directors believes each nominee for director will be able to stand for election. If any nominee becomes unable to stand for election, the Board may name a substitute nominee or reduce the number of directors. If a substitute nominee is chosen, the directors designated to vote the proxies will vote FOR the substitute nominee.

In 2008, in connection with the then proposed merger between a Delta subsidiary and Northwest Airlines Corporation (Northwest), Delta, the Air Line Pilots Association, International, the collective bargaining representative for Delta pilots (ALPA), and the Delta Master Executive Council, the governing body of the Delta unit of ALPA (Delta MEC), entered into an agreement whereby Delta agreed (1) to cause the election to the Board of Directors of a Delta pilot designated by the Delta MEC who is not a member or officer of the Delta MEC or an officer of ALPA (Pilot Nominee); (2) at any meeting of stockholders at which the Pilot Nominee is subject to election, to re-nominate the Pilot Nominee, or nominate another qualified Delta pilot designated by the Delta MEC, to be elected to the Board of Directors, and to use its reasonable best efforts to cause such person to be elected to the Board; and (3) in the event of the death, disability, resignation, removal or failure to be elected of the Pilot Nominee, to elect promptly to the Board a replacement Pilot Nominee designated by the Delta MEC to fill the resulting vacancy. Pursuant to this provision, Mr. Rogers was elected to the Board of Directors by the Board on April 14, 2008, and by the stockholders on June 22, 2009.

Mr. Rogers' compensation as a Delta pilot is determined under the collective bargaining agreement between Delta and ALPA. The Audit Committee approved Mr. Rogers' compensation as a pilot. During 2009, Mr. Rogers received \$224,055 in compensation as a Delta pilot. Mr. Rogers is not separately compensated for his service as a director.

Certain Information About Nominees

Delta believes each nominee has a reputation for integrity, honesty and adherence to high ethical standards; demonstrated business acumen and the exercise of sound judgment; and a track record of service as a leader in business or governmental settings. Delta also believes it is important for directors and nominees for director to have experience in one or more of the following areas:

Chief executive or member of senior management of a large public or private company or in a governmental setting

Airline or other transportation industry experience

Table of Contents

Marketing experience

Financial and accounting experience

Risk management experience

Energy industry experience

Board member of a large public or private company

The following section provides information about each nominee for director, including the experience that led the Board of Directors to conclude the nominee should serve as a director of Delta.

Richard H. Anderson

Age 54

Joined Delta's Board April 30, 2007

Mr. Anderson has been Chief Executive Officer of Delta since September 1, 2007. He was Executive Vice President of UnitedHealth Group from November 2004 to August 2007. Mr. Anderson was Chief Executive Officer of Northwest and its principal subsidiary, Northwest Airlines, from February 2001 to November 2004. Northwest filed a voluntary petition for reorganization under Chapter 11 in September 2005.

Experience: Mr. Anderson has over 20 years of business and operational experience in the airline industry including as the Chief Executive Officer of Delta and Northwest Airlines. He has also served as a senior executive of a Fortune 25 healthcare company, as well as on the board of directors of two public companies other than Delta.

Committees: none