

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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 000-49728



JETBLUE AIRWAYS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

87-0617894

(I.R.S. Employer Identification No.)

27-01 Queens Plaza North

Long Island City

New York

11101

(Address of principal executive offices)

(Zip Code)

(718) 286-7900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	JBLU	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of June 30, 2021, there were 318,022,154 shares outstanding of the registrant's common stock, par value \$0.01.

JETBLUE AIRWAYS CORPORATION
FORM 10-Q
INDEX

	<u>Page</u>
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	3
Consolidated Balance Sheets - June 30, 2021 and December 31, 2020	3
Consolidated Statements of Operations - Three and Six Months Ended June 30, 2021 and 2020	5
Consolidated Statements of Comprehensive Income - Three and Six Months Ended June 30, 2021 and 2020	6
Condensed Consolidated Statements of Cash Flows - Six Months Ended June 30, 2021 and 2020	7
Consolidated Statements of Stockholders' Equity - Three and Six Months Ended June 30, 2021 and 2020	8
Notes to Condensed Consolidated Financial Statements	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	25
Item 3. Quantitative and Qualitative Disclosures About Market Risk	43
Item 4. Controls and Procedures	43
<u>PART II. OTHER INFORMATION</u>	
Item 1. Legal Proceedings	44
Item 1A. Risk Factors	44
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	44
Item 5. Other Information	44
Item 6. Exhibits	44
<u>SIGNATURE</u>	44

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(unaudited, in millions, except per share data)

	<u>June 30, 2021</u>	<u>December 31, 2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,409	\$ 1,918
Investment securities	1,317	1,135
Receivables, net of allowance of \$2, at June 30, 2021 and December 31, 2020, respectively.	276	98
Inventories, net of allowance of \$22 and \$27, at June 30, 2021 and December 31, 2020, respectively.	59	71
Prepaid expenses and other	135	123
Total current assets	4,196	3,345
PROPERTY AND EQUIPMENT		
Flight equipment	10,793	10,256
Predelivery deposits for flight equipment	343	420
Total flight equipment and predelivery deposits, gross	11,136	10,676
Less accumulated depreciation	3,047	2,888
Total flight equipment and predelivery deposits, net	8,089	7,788
Other property and equipment	1,219	1,202
Less accumulated depreciation	629	591
Total other property and equipment, net	590	611
Total property and equipment, net	8,679	8,399
OPERATING LEASE ASSETS	742	804
OTHER ASSETS		
Investment securities	1	2
Restricted cash	53	51
Intangible assets, net of accumulated amortization of \$379 and \$360, at June 30, 2021 and December 31, 2020, respectively.	264	261
Other	480	544
Total other assets	798	858
TOTAL ASSETS	\$ 14,415	\$ 13,406

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED BALANCE SHEETS
(unaudited, in millions, except per share data)

	June 30, 2021	December 31, 2020
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 530	\$ 365
Air traffic liability	1,880	1,122
Accrued salaries, wages and benefits	435	409
Other accrued liabilities	584	215
Current operating lease liabilities	112	113
Current maturities of long-term debt and finance lease obligations	432	450
Total current liabilities	3,973	2,674
LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS	3,998	4,413
LONG-TERM OPERATING LEASE LIABILITIES	697	752
DEFERRED TAXES AND OTHER LIABILITIES		
Deferred income taxes	830	922
Air traffic liability - non-current	589	616
Other	515	78
Total deferred taxes and other liabilities	1,934	1,616
COMMITMENTS AND CONTINGENCIES (Note 6)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$0.01 par value; 25 shares authorized, none issued	—	—
Common stock, \$0.01 par value; 900 shares authorized, 476 and 474 shares issued and 318 and 316 shares outstanding at June 30, 2021 and December 31, 2020, respectively	5	5
Treasury stock, at cost; 158 and 158 shares at June 30, 2021 and December 31, 2020, respectively	(1,989)	(1,981)
Additional paid-in capital	3,012	2,959
Retained earnings	2,785	2,968
Accumulated other comprehensive income	—	—
Total stockholders' equity	3,813	3,951
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 14,415	\$ 13,406

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in millions, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
OPERATING REVENUES				
Passenger	\$ 1,388	\$ 170	\$ 2,058	\$ 1,682
Other	111	45	174	121
Total operating revenues	1,499	215	2,232	1,803
OPERATING EXPENSES				
Aircraft fuel and related taxes	336	29	530	394
Salaries, wages and benefits	577	477	1,098	1,078
Landing fees and other rents	174	62	289	174
Depreciation and amortization	133	140	258	279
Aircraft rent	26	16	50	37
Sales and marketing	47	8	70	60
Maintenance, materials and repairs	164	73	268	233
Other operating expenses	261	124	471	394
Special items	(366)	(304)	(655)	(102)
Total operating expenses	1,352	625	2,379	2,547
OPERATING INCOME (LOSS)	147	(410)	(147)	(744)
OTHER EXPENSE				
Interest expense	(54)	(40)	(112)	(65)
Capitalized interest	3	3	6	7
Interest income and other expenses	(39)	(3)	(37)	(2)
Total other expense	(90)	(40)	(143)	(60)
INCOME (LOSS) BEFORE INCOME TAXES	57	(450)	(290)	(804)
Income tax benefit	(7)	(130)	(107)	(216)
NET INCOME (LOSS)	\$ 64	\$ (320)	\$ (183)	\$ (588)
EARNINGS (LOSS) PER COMMON SHARE:				
Basic	\$ 0.20	\$ (1.18)	\$ (0.58)	\$ (2.14)
Diluted	\$ 0.20	\$ (1.18)	\$ (0.58)	\$ (2.14)

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited, in millions)

	Three Months Ended June 30,	
	2021	2020
NET INCOME (LOSS)	\$ 64	\$ (320)
Changes in fair value of derivative instruments, net of reclassifications into earnings, net of deferred taxes of \$0 and \$(1) in 2021 and 2020, respectively	—	3
Total other comprehensive income	—	3
COMPREHENSIVE INCOME (LOSS)	\$ 64	\$ (317)
	Six Months Ended June 30,	
	2021	2020
NET LOSS	\$ (183)	\$ (588)
Changes in fair value of derivative instruments, net of reclassifications into earnings, net of deferred taxes of \$0 and \$3 in 2021 and 2020, respectively	—	(5)
Total other comprehensive income (loss)	—	(5)
COMPREHENSIVE LOSS	\$ (183)	\$ (593)

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited, in millions)

	Six Months Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (183)	\$ (588)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Deferred income taxes	(93)	(198)
Impairment of long-lived assets	—	202
Depreciation	238	255
Amortization	20	24
Stock-based compensation	17	15
Changes in certain operating assets and liabilities	1,439	147
Deferred federal payroll support program grants	185	363
Other, net	35	3
Net cash provided by operating activities	1,658	223
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(524)	(377)
Predelivery deposits for flight equipment	(16)	(57)
Purchase of available-for-sale securities	(520)	(861)
Proceeds from the sale of available-for-sale securities	340	890
Other, net	(2)	—
Net cash used in investing activities	(722)	(405)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	1,010	1,517
Proceeds from short-term borrowings	—	981
Proceeds from sale-leaseback transactions	—	118
Proceeds from issuance of common stock	22	22
Proceeds from issuance of stock warrants	14	18
Repayment of long-term debt and finance lease obligations	(1,481)	(177)
Repayment of short-term borrowings	—	(3)
Acquisition of treasury stock	(7)	(167)
Other, net	(1)	—
Net cash (used in) provided by financing activities	(443)	2,309
INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	493	2,127
Cash, cash equivalents and restricted cash at beginning of period	1,969	1,018
Cash, cash equivalents and restricted cash at end of period ⁽¹⁾	\$ 2,462	\$ 3,145
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash payments for interest (net of amount capitalized)	\$ 97	\$ 45
Cash payments for income taxes (net of refunds)	—	—
NON-CASH TRANSACTIONS		
Operating lease assets obtained in exchange for operating lease liabilities	\$ —	\$ 2

⁽¹⁾ Reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets:

	June 30, 2021	June 30, 2020
Cash and cash equivalents	\$ 2,409	\$ 2,561
Restricted cash	53	584
Total cash, cash equivalents and restricted cash	\$ 2,462	\$ 3,145

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited, in millions)

	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at March 31, 2021	475	\$ 5	158	\$ (1,987)	\$ 2,975	\$ 2,721	\$ —	\$ 3,714
Net income	—	—	—	—	—	64	—	64
Vesting of restricted stock units	—	—	—	(2)	—	—	—	(2)
Stock compensation expense	—	—	—	—	9	—	—	9
Stock issued under Crewmember stock purchase plan	1	—	—	—	22	—	—	22
Warrants issued under federal support programs	—	—	—	—	6	—	—	6
Balance at June 30, 2021	476	\$ 5	158	\$ (1,989)	\$ 3,012	\$ 2,785	\$ —	\$ 3,813
	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Balance at March 31, 2020	428	\$ 4	158	\$ (1,980)	\$ 2,294	\$ 4,054	\$ (6)	\$ 4,366
Net loss	—	—	—	—	—	(320)	—	(320)
Other comprehensive income	—	—	—	—	—	—	3	3
Vesting of restricted stock units	—	—	—	(1)	—	—	—	(1)
Stock compensation expense	—	—	—	—	6	—	—	6
Stock issued under Crewmember stock purchase plan	2	—	—	—	22	—	—	22
CARES Act warrant issuance	—	—	—	—	18	—	—	18
Balance at June 30, 2020	430	\$ 4	158	\$ (1,981)	\$ 2,340	\$ 3,734	\$ (3)	\$ 4,094
	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2020	474	\$ 5	158	\$ (1,981)	\$ 2,959	\$ 2,968	\$ —	\$ 3,951
Net loss	—	—	—	—	—	(183)	—	(183)
Other comprehensive income	—	—	—	—	—	—	—	—
Vesting of restricted stock units	1	—	—	(8)	—	—	—	(8)
Stock compensation expense	—	—	—	—	17	—	—	17
Stock issued under Crewmember stock purchase plan	1	—	—	—	22	—	—	22
Shares repurchased	—	—	—	—	—	—	—	—
Warrants issued under federal support programs	—	—	—	—	14	—	—	14
Balance at June 30, 2021	476	\$ 5	158	\$ (1,989)	\$ 3,012	\$ 2,785	\$ —	\$ 3,813
	Common Shares	Common Stock	Treasury Shares	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance at December 31, 2019	427	\$ 4	145	\$ (1,782)	\$ 2,253	\$ 4,322	\$ 2	\$ 4,799
Net loss	—	—	—	—	—	(588)	—	(588)
Other comprehensive loss	—	—	—	—	—	—	(5)	(5)
Vesting of restricted stock units	1	—	—	(7)	—	—	—	(7)
Stock compensation expense	—	—	—	—	15	—	—	15
Stock issued under Crewmember stock purchase plan	2	—	—	—	22	—	—	22
Shares repurchased	—	—	13	(192)	32	—	—	(160)
CARES Act warrant issuance	—	—	—	—	18	—	—	18
Balance at June 30, 2020	430	\$ 4	158	\$ (1,981)	\$ 2,340	\$ 3,734	\$ (3)	\$ 4,094

See accompanying notes to condensed consolidated financial statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1—Summary of Significant Accounting Policies

Basis of Presentation

JetBlue Airways Corporation, or JetBlue, provides air transportation services across the United States, the Caribbean and Latin America. Our condensed consolidated financial statements include the accounts of JetBlue and our subsidiaries which are collectively referred to as “we” or the “Company”. All majority-owned subsidiaries are consolidated on a line by line basis, with all intercompany transactions and balances being eliminated. These condensed consolidated financial statements and related notes should be read in conjunction with our 2020 audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2020, or our 2020 Form 10-K.

These condensed consolidated financial statements are unaudited and have been prepared by us following the rules and regulations of the U.S. Securities and Exchange Commission, or the SEC. In our opinion they reflect all adjustments, including normal recurring items, that are necessary to present fairly the results for interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States, or GAAP, have been condensed or omitted as permitted by such rules and regulations; however, we believe that the disclosures are adequate to make the information presented not misleading.

Due to the impacts from the coronavirus ("COVID-19") pandemic, seasonal variations in the demand for air travel, the volatility of aircraft fuel prices, and other factors, our operating results for the periods presented herein are not necessarily indicative of the results that may be expected for other interim periods or the entire fiscal year.

Investment Securities

Investment securities consist of available-for-sale investment securities and held-to-maturity investment securities. When sold, we use a specific identification method to determine the cost of the securities.

Available-for-sale investment securities. Our available-for-sale investment securities include investments such as time deposits and convertible debt securities. The fair values of these instruments are based on observable inputs in non-active markets, which are therefore classified as Level 2 in the fair value hierarchy. We did not record any material gains or losses on these securities during the three and six months ended June 30, 2021 or 2020. Refer to Note 8 to our condensed consolidated financial statements for an explanation of the fair value hierarchy structure.

Held-to-maturity investment securities. We did not have any held-to-maturity investments as of June 30, 2021 and December 31, 2020. We did not record any significant gains or losses on these securities during the three and six months ended June 30, 2021 or 2020.

The aggregate carrying values of our short-term and long-term investment securities consisted of the following at June 30, 2021 and December 31, 2020 (in millions):

	June 30, 2021	December 31, 2020
Available-for-sale securities		
Time deposits	\$ 1,311	\$ 1,130
Debt securities	7	7
Total available-for-sale securities	1,318	1,137
Total investment securities	\$ 1,318	\$ 1,137

Other Investments

Our wholly-owned subsidiary, JetBlue Technology Ventures, LLC, or JTV, has equity investments in emerging companies which do not have readily determinable fair values. In accordance with Accounting Standards Update ("ASU") 2016-01, *Financial Instruments-Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, we account for these investments using a measurement alternative which allows entities to measure these investments at cost, less any impairment, adjusted for changes from observable price changes in orderly transactions for identifiable or similar investments of the same issuer. The carrying amount of these investments was \$46 million and \$40 million as of June 30, 2021 and December 31, 2020, respectively.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

We have an approximate 10% ownership interest in the TWA Flight Center Hotel at John F. Kennedy International Airport and it is also accounted for under the measurement alternative. The carrying amount of this investment was \$14 million as of June 30, 2021 and December 31, 2020.

Equity Method Investments

Investments in which we can exercise significant influence are accounted for using the equity method in accordance with Topic 323, *Investments - Equity Method and Joint Ventures* of the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification (the "Codification"). The carrying amount of our equity method investments was \$32 million and \$34 million as of June 30, 2021 and December 31, 2020, respectively, and is included within other assets on our consolidated balance sheets.

Recently Adopted Accounting Standards

New accounting rules and disclosure requirements can impact our financial results and the comparability of our financial statements. The authoritative literature which has recently been issued and that we believe will impact our consolidated financial statements is described below. There are also several new proposals under development. If and when enacted, these proposals may have a significant impact on our financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The update eliminates, clarifies, and modifies certain guidance related to the accounting for income taxes. We adopted the requirements of ASU 2019-12 as of January 1, 2021. The adoption of ASU 2019-12 did not have a material impact on our condensed consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, *Debt —Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity* ("ASU 2020-06"). This update simplifies the accounting for certain convertible instruments by removing the separation models for convertible debt with a cash conversion feature and for convertible instruments with a beneficial conversion feature. As a result, more convertible debt instruments will be reported as a single liability instrument with no separate accounting for embedded conversion features. Additionally, this update amends the diluted earnings per share calculation for convertible instruments by requiring the use of the if-converted method. The treasury stock method is no longer available. Entities may adopt the requirements of ASU 2020-06 using either a full or modified retrospective approach, and it is effective for interim and annual reporting periods beginning after December 15, 2021. Early adoption is permitted for interim and annual reporting periods beginning after December 15, 2020. We adopted the requirements of ASU 2020-06 as of January 1, 2021. The adoption did not have an impact on our condensed consolidated financial statements as we did not have any convertible instruments outstanding as of December 31, 2020. As discussed in Note 3 to our condensed consolidated financial statements, in March 2021, we completed a private offering for \$750 million of 0.50% convertible notes due 2026. We evaluated the conversion feature of this note offering for embedded derivatives in accordance with ASC 815, *Derivatives and Hedging*, and the substantial premium model in accordance with ASC 470, *Debt*. Based on our assessment, we concluded that separate accounting for the conversion feature of this note offering is not required. The carrying value of this convertible note was included within long-term debt and finance lease obligations on our consolidated balance sheet as of June 30, 2021.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 2— Revenue Recognition

The Company categorizes the revenues received from contracts with its customers by revenue source as we believe it best depicts the nature, amount, timing, and uncertainty of our revenue and cash flow. The following table provides the revenues recognized by revenue source for the three and six months ended June 30, 2021 and 2020 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Passenger revenue				
Passenger travel	\$ 1,322	\$ 145	\$ 1,945	\$ 1,553
Loyalty revenue - air transportation	66	25	113	129
Other revenue				
Loyalty revenue	81	38	126	88
Other revenue	30	7	48	33
Total revenue	\$ 1,499	\$ 215	\$ 2,232	\$ 1,803

TrueBlue® is our customer loyalty program designed to reward and recognize our customers. TrueBlue® points earned from ticket purchases are presented as a reduction to *Passenger travel* within passenger revenue. Amounts presented in *Loyalty revenue - air transportation* represent the revenue recognized when TrueBlue® points have been redeemed and the travel has occurred.

In June 2021, the Company entered into an Amended and Restated Co-Branded Card Agreement with Barclaycard® (the "Co-Brand Agreement"). The Co-Brand Agreement, which amends and restates the existing Barclaycard® Co-Brand Agreement, extends the term to 2031 and modifies certain other terms. The terms of the Co-Brand Agreement are effective January 1, 2021. The performance obligations such as air transportation; use of the JetBlue brand name, and access to our frequent flyer customer lists; advertising; and other airline benefits, are consistent with the previous agreement. We continue to use the accounting method that allocates the consideration received based on the relative selling prices of those performance obligations. The increase in loyalty program revenues are primarily related to brand and non-air transportation elements. In addition, in July 2021, the Company entered into an Amended and Restated Co-Branded Card Agreement with MasterCard® to continue our partnership as network provider under the Co-Brand Agreements.

Contract Liabilities

Our contract liabilities primarily consist of ticket sales for which transportation has not yet been provided, unused credits available to customers, and outstanding loyalty points available for redemption (in millions):

	June 30, 2021	December 31, 2020
Air traffic liability - passenger travel	\$ 1,628	\$ 964
Air traffic liability - loyalty program and deferred revenue	1,350	825
Total	2,978	1,789

During the six months ended June 30, 2021 and 2020, we recognized passenger revenue of \$371 million and \$666 million respectively, that was included in passenger travel liability at the beginning of the respective periods.

The Company elected the practical expedient that allows entities to not disclose the amount of the remaining transaction price and its expected timing of recognition for passenger tickets if the contract has an original expected duration of one year or less or if certain other conditions are met. We elected to apply this practical expedient to our contract liabilities relating to passenger travel and ancillary services as our tickets or any related passenger credits generally expire one year from the date of issuance.

TrueBlue® points are combined in one homogeneous pool and are not separately identifiable. As such, the revenue is comprised of the points that were part of the air traffic liability balance at the beginning of the period as well as points that were issued during the period.

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The table below presents the activity of the current and non-current air traffic liability for our loyalty program, and includes points earned and sold to participating companies for the six months ended June 30, 2021 and 2020 (in millions):

Balance at December 31, 2020	\$ 733
TrueBlue® points redeemed	(113)
TrueBlue® points earned and sold	186
Balance at June 30, 2021	\$ 806
Balance at December 31, 2019	\$ 661
TrueBlue® points redeemed	(129)
TrueBlue® points earned and sold	144
Balance at June 30, 2020	\$ 676

The timing of our TrueBlue® point redemptions can vary; however, the majority of our points are redeemed within approximately three years of the date of issuance.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 3—Long-term Debt, Short-term Borrowings and Finance Lease Obligations

During the six months ended June 30, 2021, we made payments of \$1.5 billion on our outstanding debt and finance lease obligations.

We had pledged aircraft, engines, other equipment, and facilities with a net book value of \$6.6 billion at June 30, 2021 as security under various financing arrangements.

At June 30, 2021, scheduled maturities of our long-term debt and finance lease obligations were \$218 million for the remainder of 2021, \$390 million in 2022, \$599 million in 2023, \$340 million in 2024, \$305 million in 2025, and \$2.6 billion thereafter.

The carrying amounts and estimated fair values of our long-term debt, net of debt acquisition costs, at June 30, 2021 and December 31, 2020 were as follows (in millions):

	June 30, 2021		December 31, 2020	
	Carrying Value	Estimated Fair Value ⁽²⁾	Carrying Value	Estimated Fair Value ⁽²⁾
Public Debt				
Fixed rate special facility bonds, due through 2036	\$ 42	\$ 46	\$ 42	\$ 45
Fixed rate enhanced equipment notes:				
2019-1 Series AA, due through 2032	546	460	560	440
2019-1 Series A, due through 2028	170	155	174	152
2019-1 Series B, due through 2027	101	133	107	139
2020-1 Series A, due through 2032	607	672	627	658
2020-1 Series B, due through 2028	161	216	170	223
Non-Public Debt				
Fixed rate enhanced equipment notes, due through 2023	100	102	114	116
Fixed rate equipment notes, due through 2028	796	806	891	1,017
Floating rate equipment notes, due through 2028	128	126	152	144
Floating rate term loan credit facility, due through 2024	—	—	702	759
Unsecured CARES Act Payroll Support Program loan, due through 2030	259	222	259	207
Secured CARES Act Loan, due through 2025	105	108	104	104
Citibank line of credit, due through 2023	—	—	546	533
2020 sale-leaseback transactions, due through 2024	350	387	352	393
Unsecured Consolidated Appropriations Act Payroll Support Program Extension loan, due through 2031	144	123	—	—
0.50% convertible senior notes due 2026	734	675	—	—
Unsecured American Rescue Plan Act of 2021 Payroll Support loan, due through 2031	132	113	—	—
Total⁽¹⁾	\$ 4,375	\$ 4,344	\$ 4,800	\$ 4,930

(1) Total excludes finance lease obligations of \$55 million and \$63 million at June 30, 2021 and December 31, 2020, respectively.

(2) The estimated fair values of our publicly held long-term debt are classified as Level 2 in the fair value hierarchy. The fair values of our enhanced equipment notes and our special facility bonds were based on quoted market prices in markets with low trading volumes. The fair value of our non-public debt was estimated using a discounted cash flow analysis based on our borrowing rates for instruments with similar terms and therefore classified as Level 3 in the fair value hierarchy. The fair values of our other financial instruments approximate their carrying values. Refer to Note 8 to our condensed consolidated financial statements for an explanation of the fair value hierarchy structure.

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

We have financed certain aircraft with Enhanced Equipment Trust Certificates, or EETCs. One of the benefits of this structure is being able to finance several aircraft at one time, rather than individually. The structure of EETC financing is that we create pass-through trusts in order to issue pass-through certificates. The proceeds from the issuance of these certificates are then used to purchase equipment notes, which are issued by us and are secured by our aircraft. These trusts meet the definition of a variable interest entity, or VIE, as defined in the *Consolidations* topic of the Codification, and must be considered for consolidation in our financial statements. Our assessment of our EETCs considers both quantitative and qualitative factors including the purpose for which these trusts were established and the nature of the risks in each. The main purpose of the trust structure is to enhance the credit worthiness of our debt obligation through certain bankruptcy protection provisions and liquidity facilities, and also to lower our total borrowing cost. We concluded that we are not the primary beneficiary in these trusts because our involvement in them is limited to principal and interest payments on the related notes, the trusts were not set up to pass along variability created by credit risk to us, and the likelihood of our defaulting on the notes. Therefore, we have not consolidated these trusts in our financial statements.

Unsecured Consolidated Appropriations Act Payroll Support Program Extension Loan

On January 15, 2021, we entered into a Payroll Support Program Extension Agreement (the "PSP Extension Agreement") with the United States Department of the Treasury ("Treasury") governing our participation in the federal Payroll Support Program for passenger air carriers under the United States Consolidated Appropriations Act, 2021 (the "Payroll Support Program 2"). During the six months ended June 30, 2021, Treasury provided us with total payments of \$580 million (the "Payroll Support 2 Payments") under the program, consisting of \$436 million in grants and \$144 million in unsecured term loans, with funding received on January 15, 2021, March 5, 2021 and April 29, 2021. The loans have a 10-year term and bear interest on the principal amount outstanding at an annual rate of 1.00% until January 15, 2026, and the applicable Secured Overnight Financing Rate ("SOFR") plus 2.00% thereafter until January 15, 2031. In consideration for the Payroll Support 2 Payments, we issued warrants to purchase approximately 1.0 million shares of our common stock to the Treasury at an exercise price of \$14.43 per share. The warrants will expire five years after issuance and will be exercisable either through net cash settlement or net share settlement, at our option, in whole or in part at any time. In accordance with the PSP Extension Agreement, we are required to comply with the relevant provisions of the Payroll Support Program 2 which, among other things, includes the following: the requirement to use the Payroll Support 2 Payments exclusively for the continuation of payment of crewmember wages, salaries and benefits; the prohibition on involuntary furloughs and reductions in crewmember pay rates and benefits through March 31, 2021; the requirement that certain levels of commercial air service be maintained until March 1, 2022; the prohibitions on share repurchases and the payment of common stock dividends; and restrictions on the payment of certain executive compensation until October 1, 2022.

On April 29, 2021, Treasury provided us an Additional Payroll Support 2 Payment of \$76 million, consisting of \$53 million in grants and \$23 million in an unsecured term loan under the PSP Extension Agreement. In consideration for the Additional Payroll Support 2 Payment, we issued warrants to Treasury to purchase approximately 0.2 million additional shares of our common stock at an exercise price of \$14.43 per share. The terms of the unsecured term loan and additional warrants are identical to those issued in the first quarter of 2021 under the Payroll Support Program 2.

The carrying value relating to the payroll support extension grants were recorded within other accrued liabilities and were recognized as a contra-expense within special items on our consolidated statements of operations as the funds are utilized. The relative fair value of the warrants, estimated to be \$9 million, were recorded within additional paid-in capital and reduced the total carrying value of the grants to \$427 million. Proceeds from the payroll support extension grants and from the issuance of warrants were classified within operating activities and financing activities, respectively, on our condensed consolidated statements of cash flows. Our funding from the payroll support extension grants received under Payroll Support Program 2 was fully utilized as of June 30, 2021.

The carrying value relating to the unsecured term loans is recorded within long-term debt and finance lease obligations on our consolidated balance sheets. The proceeds from the loans were classified as financing activities on our condensed consolidated statement of cash flows.

0.50% Convertible Senior Notes due 2026

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS**JETBLUE AIRWAYS CORPORATION**
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

In March 2021, we completed a private offering for \$750 million of 0.50% convertible notes due 2026. The notes are general unsecured senior obligations and will rank equal in right of payment with all of our existing and future senior unsecured indebtedness and senior in right of payment to our existing and future subordinated debt. The notes will effectively rank junior in right of payment to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness and are structurally subordinated to all of our indebtedness and other liabilities. The net proceeds from this offering were approximately \$734 million.

Holders of the notes may convert them into shares of our common stock prior to January 1, 2026 only under certain circumstances (such as upon the satisfaction of the sale price condition, the satisfaction of the trading price condition, notice of redemption, or specified corporate events) and thereafter at any time at a rate of 38.5802 shares of common stock per \$1,000 principal amount of notes, which corresponds to an initial conversion price of approximately \$25.92 per share. The conversion rate is subject to adjustment upon the occurrence of certain specified events, including, but not limited to, the issuance of certain stock dividends on common stock, the issuance of certain rights or warrants, subdivisions, combinations, distributions of capital stock, indebtedness or assets, cash dividends and certain issuer tender or exchange offers.

Upon conversion, the notes will be settled in cash up to the aggregate principal amount of the notes to be converted and, at our election, in shares of our common stock, cash or a combination of cash and shares of our common stock in respect of the remainder, if any, of our conversion obligation.

We are not required to redeem or retire the notes periodically. We may, at our option, redeem any of the notes for cash at a redemption price of 100% of their principal amount, plus accrued and unpaid interest at any time on or after April 1, 2024 if the last reported sale price of our common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide a notice of redemption to the holders.

As discussed in Note 1 to our condensed consolidated financial statements, we early adopted the provisions of ASU 2020-06. Accordingly, we evaluated the conversion feature of this note offering for embedded derivatives in accordance with ASC 815, *Derivatives and Hedging*, and the substantial premium model in accordance with ASC 470, *Debt*. Based on our assessment, separate accounting for the conversion feature of this note offering is not required.

Unsecured American Rescue Plan Act of 2021 Payroll Support Program

On May 6, 2021, we entered into a Payroll Support 3 Agreement (the "PSP3 Agreement") with Treasury governing our participation in the federal payroll support program for passenger air carriers under Section 7301 of the American Rescue Plan Act of 2021 (the "Payroll Support Program 3"). In the second quarter of 2021, Treasury provided us with total payments of \$541 million (the "Payroll Support 3 Payments") under the program, consisting of \$409 million in grants (the "PSP3 grants") and \$132 million in unsecured term loans (the "PSP3 loans") with funding received on May 6, 2021 and June 3, 2021. The PSP3 loans have a 10-year term and bear interest on the principal amount outstanding at an annual rate of 1.00% until May 6, 2026, and the applicable SOFR plus 2.00% thereafter until May 6, 2031. In consideration for the Payroll Support 3 Payments, we issued warrants (the "PSP3 warrants") to purchase approximately 0.7 million shares of our common stock to the Treasury at an exercise price of \$19.90 per share. The PSP3 warrants will expire five years after issuance and will be exercisable either through net cash settlement or net share settlement, at our option, in whole or in part at any time.

The carrying value relating to the PSP3 grants are recorded within other accrued liabilities and are recognized as a contra-expense within special items on our consolidated statements of operations as the funds are utilized. The relative fair value of the warrants, estimated to be \$5 million, are recorded within additional paid-in capital and reduced the total carrying value of the grants to \$404 million. Proceeds from the PSP3 grants and from the issuance of PSP3 warrants are classified within operating activities and financing activities, respectively, on our condensed consolidated statements of cash flows. As of June 30, 2021, the carrying value of our PSP3 grants was approximately \$186 million.

The carrying value relating to the PSP3 loans is recorded within long-term debt and finance lease obligations on our consolidated balance sheets. The proceeds from the loans are classified as financing activities on our condensed consolidated statement of cash flows.

Floating Rate Term Loan Credit Facility

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS**JETBLUE AIRWAYS CORPORATION**
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

On June 17, 2020, we entered into a \$750 million term loan credit facility with Barclays Bank PLC, as administrative agent (the "Term Loan"). The loans thereunder bear interest at a variable rate equal to LIBOR (subject to a 1.00% floor), or at our election another rate, in each case, plus a specified margin. Our obligations were secured on a senior basis by airport takeoff and landing slots at LaGuardia Airport, John F. Kennedy International Airport, and Reagan National Airport and the right to use certain intellectual property assets comprising the JetBlue brand. Slots are rights to take-off or land at a specific airport during a specific time period during the day and a means by which airport capacity and congestion can be managed. The Term Loan is subject to amortization payments of 5% per year, payable quarterly, commencing on September 30, 2020 with the remaining balance due and payable in a single payment on the maturity date of June 17, 2024.

On June 17, 2021, the Company voluntarily repaid a portion of its outstanding borrowings under the Term Loan. On June 30, 2021, the Company repaid the full amount of outstanding borrowings under the Term Loan, which, together with its repayment of June 17, 2021, totaled approximately \$722 million, plus accrued interest and associated fees. As of June 30, 2021, all obligations under the Term Loan, including all pledges of collateral were terminated in full.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). Under the CARES Act, assistance was made available to the aviation industry in the form of direct payroll support (the "Payroll Support Program") and secured loans (the "Loan Program").

CARES Act Payroll Support Program

On April 23, 2020, we entered into a Payroll Support Program Agreement (the "PSP Agreement") under the CARES Act with the Treasury governing our participation in the Payroll Support Program. Under the Payroll Support Program, Treasury provided us with payments which totaled \$963 million (the "Payroll Support Payments") consisting of \$704 million in grants and \$259 million in unsecured term loans, with payments received on April 23, 2020 and September 30, 2020. The loans have a 10-year term and bear interest on the principal amount outstanding at an annual rate of 1.00% until April 23, 2025, and the applicable SOFR plus 2.00% thereafter until April 23, 2030. The principal amount may be repaid at any time prior to maturity at par. As part of the agreement, JetBlue issued to the Treasury warrants to acquire more than 2.7 million shares of our common stock under the program at an exercise price of \$9.50 per share. The warrants will expire five years after issuance and will be exercisable either through net cash settlement or net share settlement, at our option, in whole or in part at any time.

The carrying value relating to the payroll support grants was recorded within other accrued liabilities and was recognized as a contra-expense within special items on our consolidated statements of operations as the funds were utilized. The relative fair value of the warrants, estimated to be \$19 million, was recorded within additional paid-in capital and reduced the total carrying value of the grants to \$685 million. Proceeds from the payroll support grants and from the issuance of warrants were classified within operating activities and financing activities, respectively, on our condensed consolidated statements of cash flows. Our funding from the payroll support grants under the CARES Act were fully utilized as of December 31, 2020.

The carrying value relating to the unsecured term loans is recorded within long-term debt and finance lease obligations on our consolidated balance sheets. The proceeds from the loans were classified as financing activities on our condensed consolidated statement of cash flows.

Secured CARES Act Loan Program

Under the CARES Act Loan Program, JetBlue had the ability to borrow up to a total of approximately \$1.9 billion from the Treasury. We entered into a loan and guarantee agreement (the "Loan Agreement") with the Treasury and made an initial drawing of \$115 million under the CARES Act Loan Program on September 29, 2020. In connection with this initial drawing, we entered into a warrant agreement with Treasury, pursuant to which we issued to Treasury warrants to purchase approximately 1.2 million shares of our common stock at an exercise price of \$9.50 per share. The warrants will expire five years after issuance and will be exercisable either through net cash settlement or net share settlement, at our option, in whole or in part at any time.

Unless otherwise terminated early, all borrowings under the CARES Act Loan Program are due and payable on the fifth anniversary of the initial borrowing date. Borrowings bear interest at a variable rate equal to LIBOR (or another rate based on certain market interest rates, plus a margin of 1% per annum, in each case with a floor of 0%), plus a margin of 2.75% per annum. Our obligations under the CARES Act Loan Program are secured by liens on (i) certain eligible aircraft and engine collateral and (ii) certain cash accounts (collectively, the "Collateral"). Under the terms of the CARES Act Loan Program, we

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS**JETBLUE AIRWAYS CORPORATION**
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

may also pledge eligible spare parts, slots, gates and routes, and additional aircraft, real property, ground support equipment, flight simulators and equity interests. The CARES Act Loan Program includes affirmative and negative covenants that restrict our ability to, among other things, dispose of Collateral, merge, consolidate or sell assets, incur certain additional indebtedness or pay certain dividends. In addition, we are required to maintain unrestricted cash and cash equivalents and unused commitments available under all revolving credit facilities aggregating not less than \$550 million and to maintain a minimum ratio of the borrowing base of the Collateral (determined as the sum of a specified percentage of the appraised value of each type of Collateral) to outstanding obligations under the CARES Act Loan Program of not less than 1.6 to 1.0. If we do not meet the minimum collateral coverage ratio, we must either provide additional Collateral to secure our obligations under the CARES Act Loan Program or repay the loans by an amount necessary to maintain compliance with the collateral coverage ratio. The CARES Act Loan Program contains events of default customary for similar financings. Upon the occurrence of an event of default, the outstanding obligations under the CARES Act Loan Program may be accelerated and become due and payable immediately. In addition, if certain change of control events occur with respect to JetBlue, we will be required to prepay the loans in full under the CARES Act Loan Program.

In May 2021, we notified the Treasury of our intent to forego our remaining borrowing capacity of approximately \$1.8 billion and subsequently on June 2, 2021 the liens on certain eligible engines and certain loyalty program assets, including JetBlue's rights in certain loyalty program agreements, loyalty program data and intellectual property, were released from the Collateral.

As of June 30, 2021, \$115 million remained outstanding under the Loan Agreement.

Fixed Rate Enhanced Equipment Notes***2020-1A and B Equipment Notes***

In August 2020, we completed a public placement of equipment notes in an aggregate principal amount of \$808 million secured by 24 Airbus A321 aircraft. The equipment notes were issued in two series: (i) Series A, bearing interest at the rate of 4.00% per annum in the aggregate principal amount equal to \$636 million, and (ii) Series B, bearing interest at the rate of 7.75% per annum in the aggregate principal amount equal to \$172 million. Principal and interest are payable semi-annually.

2019-1B Equipment Notes

In August 2020, we completed a public placement of equipment notes in an aggregate principal amount of \$115 million bearing interest at a rate of 8.00% per annum. These equipment notes are secured by 25 Airbus A321 aircraft, which were included in the collateral pool of our 2019-1 Series AA and Series A offerings completed in November 2019. Principal and interest are payable semi-annually.

2020 Sale-Leaseback Transactions

In 2020, we executed \$563 million of sale-leaseback transactions. Of these transactions, \$354 million did not qualify as sales for accounting purposes. The assets associated with these transactions remain on our consolidated balance sheets within property and equipment and the related liabilities under the lease are classified within debt and finance leases obligations. These transactions are treated as cash from financing activities on our consolidated statements of cash flows. The remaining \$209 million of sale-leaseback transactions qualified as sales and generated a loss of \$106 million. The assets associated with these transactions which qualified as sales are recorded within operating lease assets. The liabilities are recorded within current operating lease liabilities and long-term operating lease liabilities on our consolidated balance sheets. These transactions are treated as cash from investing activities on our consolidated statements of cash flows.

We did not execute any sale-leaseback transactions in the second quarter of 2021.

Citibank Revolving Credit Agreement

We have a revolving Credit and Guaranty Agreement with Citibank N.A. as the administrative agent, for up to \$550 million (the "Revolving Facility"). The term of the Revolving Facility runs through August 2023. Borrowings under the Revolving Facility bear interest at a variable rate equal to LIBOR, plus a margin. The Revolving Facility is secured by aircraft, simulators, and certain other assets as permitted thereunder. The Revolving Facility includes covenants that require us to maintain certain minimum balances in unrestricted cash, cash equivalents, and unused commitments available under revolving credit facilities. In addition, the covenants restrict our ability to, among other things, dispose of certain collateral, or merge, consolidate, or sell assets.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

We borrowed the full amount of \$550 million under this revolving credit facility on April 22, 2020.

We repaid the full balance of this facility in the first quarter of 2021 and all the collateral securing the borrowings under the facility has been released. As of and for the quarter ended June 30, 2021, we did not have a balance outstanding or any borrowings under the Revolving Facility.

Short-term

Morgan Stanley Line of Credit

We have a revolving line of credit with Morgan Stanley for up to approximately \$200 million. This line of credit is secured by a portion of our investment securities held by Morgan Stanley and the amount available to us under this line of credit may vary accordingly. This line of credit bears interest at a floating rate based upon LIBOR, plus a margin. As of and for the periods ended June 30, 2021 and December 31, 2020, we did not have a balance outstanding or any borrowings under this line of credit.

Note 4—Earnings (Loss) Per Share

Basic earnings per share is calculated by dividing net (loss) income by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated similarly but includes potential dilution from restricted stock units, the Crewmember Stock Purchase Plan, convertible notes, and any other potentially dilutive instruments using the treasury stock and if-converted methods. Anti-dilutive common stock equivalents excluded from the computation of diluted earnings per share amounts were 1.2 million for the three months ended June 30, 2020. Anti-dilutive common stock equivalents excluded from the computation of diluted earnings per share amounts were 3.6 million and 1.6 million for the six months ended June 30, 2021 and June 30, 2020, respectively.

The following table shows how we computed basic and diluted earnings per common share for the three and six months ended June 30, 2021 and 2020 (dollars and share data in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	\$ 64	\$ (320)	\$ (183)	\$ (588)
Weighted average basic shares	317.7	271.7	317.0	275.1
Effect of dilutive securities	3.8	—	—	—
Weighted average diluted shares	321.5	271.7	317.0	275.1
Earnings (loss) per common share:				
Basic	\$ 0.20	\$ (1.18)	\$ (0.58)	\$ (2.14)
Diluted	\$ 0.20	\$ (1.18)	\$ (0.58)	\$ (2.14)

On February 24, 2020, JetBlue entered into an accelerated share repurchase agreement, or ASR, paying \$160 million for an initial delivery of 6.6 million shares. The term of the ASR concluded on March 16, 2020 with a delivery of 4.9 million additional shares to JetBlue on March 18, 2020. A total of 11.5 million shares, at an average price of \$13.91 per share, were repurchased under the agreement.

Our share repurchase program has been suspended since March 31, 2020.

Note 5—Crewmember Retirement Plan

We sponsor a retirement savings 401(k) defined contribution plan, or the Plan, covering all of our crewmembers where we match 100% of our crewmember contributions up to 5% of their eligible wages. The contributions vest over three years and are measured from a crewmember's hire date. Crewmembers are immediately vested in their voluntary contributions.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Another component of the Plan is a Company discretionary contribution of 5% of eligible non-management crewmember compensation, which we refer to as *Retirement Plus*. *Retirement Plus* contributions vest over three years and are measured from a crewmember's hire date.

Certain Federal Aviation Administration, or FAA, licensed crewmembers receive an additional contribution of 3% of eligible compensation, which we refer to as *Retirement Advantage*.

Our pilots receive a non-elective Company contribution of 16% of eligible pilot compensation per the terms of the collective bargaining agreement between JetBlue and the Air Line Pilots Association, or ALPA, in lieu of the above 401(k) Company matching contribution, *Retirement Plus*, and *Retirement Advantage* contributions. Refer to Note 6 to our condensed consolidated financial statements for additional information. The Company's non-elective contribution of 16% of eligible pilot compensation vests after three years of service.

Our non-management crewmembers are eligible to receive profit sharing, calculated as 10% of adjusted pre-tax income before profit sharing and special items up to a pre-tax margin of 18% with the result reduced by *Retirement Plus* contributions and the equivalent of *Retirement Plus* contributions for pilots. If JetBlue's resulting pre-tax margin exceeds 18%, non-management crewmembers will receive 20% profit sharing on amounts above an 18% pre-tax margin.

Total 401(k) company match, *Retirement Plus*, *Retirement Advantage*, pilot retirement contribution, and profit sharing expensed for the six months ended June 30, 2021 and 2020 was \$100 million and \$92 million, respectively.

Note 6—Commitments and Contingencies

Flight Equipment Commitments

As of June 30, 2021, our firm aircraft orders consisted of 65 Airbus A321neo aircraft and 67 Airbus A220 aircraft, scheduled for delivery through 2027. Committed expenditures for these aircraft and related flight equipment, including estimated amounts for contractual price escalations and predelivery deposits as of June 30, 2021 is approximately \$0.4 billion for the remainder of 2021, \$0.8 billion in 2022, \$1.6 billion in 2023, \$1.8 billion in 2024, \$1.2 billion in 2025, and \$1.6 billion thereafter.

In October 2019, the Office of the U.S. Trade Representative announced a 10% tariff on new commercial aircraft and related parts imported from certain European Union member states, which include aircraft and other parts we are already contractually obligated to purchase, including those noted above. The U.S. Trade Representative increased the tariff to 15% effective March 2020. In March 2021, the U.S. Trade Representative announced a four-month suspension of the tariff that was followed by an announcement in June 2021 that the suspension will be extended for five years. We continue to work with our business partners, including Airbus, to evaluate the potential financial and operational impact on our future aircraft deliveries, including after the suspension is lifted. The continued imposition of the tariff could substantially increase the cost of new Airbus aircraft and parts.

Other Commitments

We utilize several credit card processors to process our ticket sales. Our agreements with these processors do not contain covenants, but do generally allow the processor to withhold cash reserves to protect the processor from potential liability for tickets purchased, but not yet used for travel. While we currently do not have any collateral requirements related to our credit card processors, we may be required to issue collateral to our credit card processors, or other key business partners, in the future.

As of June 30, 2021, we had approximately \$26 million in assets serving as collateral for letters of credit relating to a certain number of our leases. These are included in restricted cash and expire at the end of the related lease terms. Additionally, we had approximately \$26 million pledged related to our workers' compensation insurance policies and other business partner agreements, which will expire according to the terms of the related policies or agreements.

Amid the COVID-19 pandemic, we reached an Agreement in Principle with ALPA to avoid involuntary furloughs of our pilots through at least October 1, 2021 in exchange for short-term changes to the collective bargaining agreement.

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

In April 2018, JetBlue inflight crewmembers elected to be solely represented by the Transport Workers Union of America, or TWU. The National Mediation Board, or NMB, certified the TWU as the representative body for JetBlue inflight crewmembers. In November 2020, our inflight crewmembers voted to reject the tentative collective bargaining agreement between JetBlue and the TWU. The parties have re-engaged in negotiations for a collective bargaining agreement.

Except as noted above, our crewmembers do not have third party representation.

Legal Matters

Occasionally, we are involved in various claims, lawsuits, regulatory examinations, investigations and other legal matters involving suppliers, crewmembers, customers, and governmental agencies, arising, for the most part, in the ordinary course of business. The outcome of litigation and other legal matters is always uncertain. The Company believes it has valid defenses to the legal matters currently pending against it, is defending itself vigorously, and has recorded accruals determined in accordance with GAAP, where appropriate. In making a determination regarding accruals, using available information, we evaluate the likelihood of an unfavorable outcome in legal or regulatory proceedings to which we are a party and record a loss contingency when it is probable a liability has been incurred and the amount of the loss can be reasonably estimated. These subjective determinations are based on the status of such legal or regulatory proceedings, the merits of our defenses, and consultation with legal counsel. Actual outcomes of these legal and regulatory proceedings may materially differ from our current estimates. It is possible that resolution of one or more of the legal matters currently pending or threatened could result in losses material to our consolidated results of operations, liquidity, or financial condition.

To date, none of these types of litigation matters, most of which are typically covered by insurance, has had a material impact on our operations or financial condition. We have insured and continue to insure against most of these types of claims. A judgment on any claim not covered by, or in excess of, our insurance coverage could materially adversely affect our consolidated results of operations, liquidity, or financial condition.

Note 7—Financial Derivative Instruments and Risk Management

As part of our risk management strategy, we periodically purchase over the counter energy derivative instruments and enter into fixed forward price agreements, or FFPs, to manage our exposure to the effect of changes in the price of jet fuel. Prices for the underlying commodities have historically been highly correlated to jet fuel, making derivatives of them effective at providing short-term protection against volatility in average fuel prices. We also periodically enter into jet fuel basis swaps for the differential between heating oil and jet fuel, to further limit the variability in fuel prices at various locations. We do not hold or issue any derivative financial instruments for trading purposes.

Aircraft Fuel Derivatives

We attempt to obtain cash flow hedge accounting treatment for each fuel derivative that we enter into. This treatment is provided for under ASC 815, *Derivatives and Hedging* which allows for gains and losses on qualifying hedges to be deferred until the underlying planned jet fuel consumption occurs, rather than recognizing the gains and losses on these instruments into earnings during each period they are outstanding. When the underlying jet fuel is consumed and the related derivative contract settles, any gain or loss previously recorded in other comprehensive income is recognized in aircraft fuel expense. If a hedge does not qualify for hedge accounting, the periodic changes in its fair value are recognized in interest income and other. All cash flows related to our fuel hedging derivatives are classified as operating cash flows.

Our current approach to fuel hedging is to enter into hedges on a discretionary basis without a specific target of hedge percentage needs. We view our hedge portfolio as a form of insurance to help mitigate the impact of price volatility and protect us against severe spikes in oil prices, when possible.

We did not have any fuel hedging contracts outstanding as of June 30, 2021 or December 31, 2020.

The table below reflects quantitative information related to our derivative instruments and where these amounts are recorded in our financial statements (dollar amounts in millions):

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Fuel derivatives				
Hedge effectiveness losses recognized in aircraft fuel expense	\$ —	\$ 1	\$ —	\$ 3
Losses on derivatives resulting from the discontinuance of hedge accounting recognized in interest income and other	—	3	—	5
Hedge losses on derivatives recognized in comprehensive income	—	—	—	11
Percentage of actual consumption economically hedged	— %	32 %	— %	24 %

Any outstanding derivative instrument exposes us to credit loss in connection with our fuel contracts in the event of nonperformance by the counterparties to the agreements, but we do not expect that any of our counterparties will fail to meet their obligations. The amount of such credit exposure is generally the fair value of our outstanding contracts for which we are in a receivable position. To manage credit risks we select counterparties based on credit assessments, limit our overall exposure to any single counterparty, and monitor the market position with each counterparty. Some of our agreements require cash deposits from either JetBlue or our counterparty if market risk exposure exceeds a specified threshold amount.

We have master netting arrangements with our counterparties allowing us the right of offset to mitigate credit risk in derivative transactions. The financial derivative instrument agreements we have with our counterparties may require us to fund all, or a portion of, outstanding loss positions related to these contracts prior to their scheduled maturities. The amount of collateral posted, if any, is periodically adjusted based on the fair value of the hedge contracts. Our policy is to offset the liabilities represented by these contracts with any cash collateral paid to the counterparties.

There were no offsetting derivative instruments as of June 30, 2021 or December 31, 2020.

Note 8—Fair Value

Under the *Fair Value Measurements and Disclosures* topic of the Codification, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1 - observable inputs such as unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - quoted prices in active markets for similar assets and liabilities, and other inputs that are observable directly or indirectly for the asset or liability; or

Level 3 - unobservable inputs for the asset or liability, such as discounted cash flow models or valuations.

The determination of where assets and liabilities fall within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following is a listing of our assets and liabilities required to be measured at fair value on a recurring basis and where they are classified within the fair value hierarchy as of June 30, 2021 and December 31, 2020 (in millions):

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	\$ 1,740	\$ 100	\$ —	\$ 1,840
Available-for-sale investment securities	—	1,318	—	1,318

PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	\$ 1,330	\$ 130	\$ —	\$ 1,460
Available-for-sale investment securities	—	1,137	—	1,137

Refer to Note 3 to our condensed consolidated financial statements for fair value information related to our outstanding debt obligations as of June 30, 2021 and December 31, 2020.

Cash equivalents

Our cash equivalents include money market securities and time deposits which are readily convertible into cash, have maturities of three months or less when purchased, and are considered to be highly liquid and easily tradable. The money market securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy. The fair values of remaining instruments are based on observable inputs in non-active markets, which are therefore classified as Level 2 in the hierarchy.

Available-for-sale investment securities

Our available-for-sale investment securities include investments such as time deposits and convertible debt securities. The fair values of these instruments are based on observable inputs in non-active markets, which are therefore classified as Level 2 in the hierarchy. We did not record any material gains or losses on these securities during the three and six months ended June 30, 2021 and 2020.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 9—Accumulated Other Comprehensive Income (Loss)

Comprehensive income (loss) includes changes in fair value of our aircraft fuel derivatives which qualify for hedge accounting. A rollforward of the amounts included in accumulated other comprehensive income (loss), net of taxes for the three months ended June 30, 2021 and 2020 is as follows (in millions):

	Aircraft Fuel Derivatives ⁽¹⁾⁽²⁾
Balance of accumulated income, at March 31, 2021	\$ —
Reclassifications into earnings, net of deferred taxes of \$0	—
Change in fair value, net of deferred taxes of \$0	—
Balance of accumulated income, at June 30, 2021	\$ —
Balance of accumulated (loss), at March 31, 2020	\$ (6)
Reclassifications into earnings, net of deferred taxes \$(1)	3
Change in fair value, net of deferred taxes of \$0	—
Balance of accumulated (loss), at June 30, 2020	\$ (3)

A rollforward of the amounts included in accumulated other comprehensive income (loss), net of taxes for the six months ended June 30, 2021 and 2020 is as follows (in millions):

	Aircraft Fuel Derivatives ⁽¹⁾⁽²⁾
Balance of accumulated income, at December 31, 2020	\$ —
Reclassifications into earnings, net of deferred taxes of \$0	—
Change in fair value, net of deferred taxes of \$0	—
Balance of accumulated income, at June 30, 2021	\$ —
Balance of accumulated income, at December 31, 2019	\$ 2
Reclassifications into earnings, net of deferred taxes \$(2)	6
Change in fair value, net of deferred taxes of \$5	(11)
Balance of accumulated (loss), at June 30, 2020	\$ (3)

(1) Reclassified to aircraft fuel expense.

(2) In 2020, we made several capacity reductions in response to the COVID-19 pandemic. These capacity reductions led to the discontinuance of hedge accounting on a number of our aircraft fuel derivatives as the forecasted consumption of aircraft fuel was no longer probable. Losses of \$2 million and \$4 million that were previously deferred in other comprehensive loss were reclassified to interest income and other during the three and six months ended June 30, 2020, respectively.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

JETBLUE AIRWAYS CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 10—Special Items

The following is a listing of special items presented on our consolidated statements of operations for the three and six months ended June 30, 2021 and 2020 (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Special Items				
Federal payroll support grant recognition ⁽¹⁾	\$ (357)	\$ (304)	\$ (644)	\$ (304)
CARES Act employee retention credit ⁽²⁾	(9)	—	(11)	—
Fleet impairment ⁽³⁾	—	—	—	202
Total	\$ (366)	\$ (304)	\$ (655)	\$ (102)

(1) As discussed in Note 3 to our condensed consolidated financial statements, we are participants in Payroll Support Program 2 and Payroll Support Program 3, both of which are federal support programs for air carriers (the "Programs"). In the six months ended June 30, 2021, Treasury provided us with payroll support funding totaling \$1.1 billion, consisting of \$845 million in grants and \$276 million in unsecured term loans under the Programs. The payroll support funds under these Programs are to be used exclusively for the continuation of payment of crewmember wages, salaries and benefits. The carrying values of the payroll support grants are recorded within other liabilities and will be recognized as contra-expenses within special items on our consolidated statements of operations as the funds are utilized. We utilized \$357 million and \$644 million of the payroll support grants under the Programs for the three and six months ended June 30, 2021, respectively.

(2) The Employee Retention Credit ("ERC") under the CARES Act is a refundable tax credit which encourages businesses to keep employees on the payroll during the COVID-19 pandemic. Eligible employers can qualify for up to \$5,000 of credit for each employee based on qualified wages paid after March 12, 2020 and before January 1, 2021. Qualified wages are the wages paid to an employee for the time that the employee is not providing services due to an economic hardship, specifically, either (1) a full or partial suspension of operations by order of a governmental authority due to COVID-19, or (2) a significant decline in gross receipts. Our policy is to recognize the ERC when it is filed with the Internal Revenue Service. We recognized \$9 million and \$11 million of ERC as a contra-expense within special items on our consolidated statements of operations for the three and six months ended June 30, 2021, respectively.

(3) Under the *Property, Plant, and Equipment* topic of the Codification, we are required to assess long-lived assets for impairment when events and circumstances indicate that the assets may be impaired. An impairment of long-lived assets exists when the sum of the estimated undiscounted future cash flows expected to be generated directly by the assets are less than the book value of the assets. Our long-lived assets include both owned and leased properties which are classified as property and equipment, and operating lease assets on our consolidated balance sheets, respectively.

Our operations were adversely impacted by the unprecedented decline in demand for travel caused by the COVID-19 pandemic. To determine if impairment exists in our fleet, we grouped our aircraft by fleet-type and estimated their future cash flows based on projections of capacity, aircraft age, maintenance requirements, and other relevant conditions. Based on the assessment, we determined the future cash flows from the operation of our Embraer E190 fleet were lower than the carrying value. For those aircraft, including the ones that are under operating lease, and related spare parts in our Embraer E190 fleet, we recorded an impairment loss of \$0 and \$202 million for the three and six months ended June 30, 2020, respectively. These losses represent the difference between the book value of these assets and their fair value. We estimated the fair value of our Embraer E190 fleet using third party valuations and considered specific circumstances such as aircraft age, maintenance requirements and condition, and therefore classified as Level 3 in the fair value hierarchy. We evaluated the remaining fleet and determined the future cash flows of our Airbus A320 and Airbus A321 fleet exceeded their carrying value as of June 30, 2021.

No impairment loss was recorded for the three and six months ended June 30, 2021.

As the extent of the ongoing impact from the COVID-19 pandemic remains uncertain, we will update our assessment as new information becomes available.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS****OVERVIEW**

The COVID-19 pandemic continues to have a significant impact on our operating revenues and financial position. We began seeing signs of recovery in February 2021 that continued to progress throughout the second quarter of 2021. The length and severity of the reduction in travel demand due to the COVID-19 pandemic are uncertain, but with increasing vaccination rates, reductions in infection rates related to new COVID-19 variants and easing of travel advisories and restrictions, we believe customer confidence will continue to grow, leading to increased demand throughout the summer of 2021. We expect widespread vaccinations to result in sustained demand improvement going forward, with recovery of domestic demand preceding the recovery of international demand in most regions. If consumer confidence and demand for air travel returns, we expect to return to 2019 capacity levels in the second half of 2021.

Second Quarter 2021 Results

Our second quarter 2020 results were adversely impacted by the COVID-19 pandemic. As a result, the comparisons to 2020 are inflated and are not necessarily indicative of future operating results. In certain cases we have also provided comparisons of our second quarter 2021 results to our second quarter 2019 results which is more reflective of pre-pandemic operations.

- Second quarter system capacity increased by 465.6% year-over-year and decreased by (14.9)% versus the second quarter of 2019.
- Revenue for the second quarter of 2021 increased by \$1,284 million to \$1,499 million and decreased by (28.8)% versus the second quarter of 2019.
- Operating revenue per available seat mile (RASM) for the three months ended June 30, 2021 increased by 23.4% to 10.99 cents.
- Operating expense for the three months ended June 30, 2021 increased by 116.3% to 1,352 million and decreased by (27.2)% versus the second quarter of 2019.
- Operating expense per available seat mile (CASM) for the three months ended June 30, 2021 decreased by (61.7)% to 9.91 cents.
- Our operating expense for the second quarter of 2021 and 2020 included the effects of special items. In the second quarter of 2021, we recognized \$357 million of contra-expense representing the amount of federal payroll support extension grants provided by the payroll support programs, that were utilized during the period, and \$9 million of contra-expense related to the recognition of Employee Retention Credits provided by the CARES Act. Our operating expense for the second quarter of 2020 included \$304 million of payroll support grants under the CARES act as a contra-expense within special items on our consolidated statement of operations. Excluding fuel and related taxes, special items, as well as operating expenses related to our non-airline businesses, our operating expense increased by 53.7% to \$1,371 million.
- Excluding fuel and related taxes, special items, as well as operating expenses related to our non-airline businesses, our cost per available seat mile (CASM ex-fuel)⁽¹⁾ decreased by (72.8)% to 10.05 cents for the second quarter of 2021.
- Our reported earnings (loss) per share for the second quarter of 2021 and 2020 were \$0.20 and \$(1.18), respectively. Excluding special items, our adjusted loss per share⁽¹⁾ for the second quarter of 2021 and 2020 were \$(0.65) and \$(2.02), respectively.

Since February 2021, we have seen a meaningful rebound in the demand for leisure travel. We are encouraged by the improving booking trends, and believe the ongoing acceleration in demand will continue throughout the summer, subject to the increase in vaccination rates, reductions in COVID-19 infection rates, including those associated with new variants, and easing of travel restrictions. We expect to increase capacity in response to the level of demand. We have taken a number of steps to position ourselves for recovery when demand for air travel returns to pre-pandemic levels.

Network

In February 2021, we added service to Miami and Key West which further expanded our relevance in South Florida.

In April 2021, we operated our inaugural flight between New York's John F. Kennedy International Airport ("JFK") to Guatemala City's La Aurora International Airport, making us the only airline that offers daily service between New York City and Guatemala's capital city.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

In June 2021, we launched daily service to Los Cabos, Mexico from JFK and Los Angeles International Airport.

In July 2021, we launched services to Kalispell/Glacier Park International Airport in Montana with up to three weekly flights from JFK and launched service to Boise Airport in Idaho from JFK with up to four weekly flights.

We also anticipate launching service from JFK to London Heathrow in August 2021 and London Gatwick in September 2021. Service from Boston's Logan International Airport to London will launch in summer 2022. London will be our first destination in Europe.

Commercial Partnerships

We continue to develop our strategic relationship with American Airlines Group Inc. ("American"). In February 2021, we began codeshare operations under our alliance agreement on select flights.

Enabled by our alliance with American, in April 2021, we announced our plans to add seven new destinations between late 2021 and 2022 to our route map. We also announced significant growth plans at New York's LaGuardia Airport ("LGA") where we plan to launch 40 new routes in the coming months, many enabled by the Northeast Alliance; doubling our presence in LGA by the end of 2021.

We believe our partnership with American will create more capacity, seamless connectivity for travelers in the northeast, and offer more choices for customers across the networks of both airlines. By leveraging our Northeast Alliance with American, we look to re-build business market frequencies ahead of an expected business travel recovery in the fall. In addition, we expect this relationship will also accelerate our recovery as the travel industry adapts to new trends as a result of the COVID-19 pandemic.

Fleet

We took delivery of six aircraft in the second quarter of 2021 and paid for each delivery with cash on hand.

In connection with our plans to begin service to London, we took delivery of our first two Airbus A321LR aircraft, the long range model of the Airbus A321, in the second quarter.

Given the new growth opportunities being provided by our Northeast alliance, we are re-examining our Fleet to ensure we are well equipped to capitalize fully on current and near term conditions. We have a plan to delay our retirement schedule for our owned E190s which offers a constructive way to profitably grow in the Northeast while protecting the balance sheet. We will of course remain flexible with our fleet to align with the demand environment.

Also in the second quarter, we placed our first two Airbus A220 aircraft into service. We believe the economics of the Airbus A220 aircraft, which have approximately 30% lower direct cost per seat as compared to our Embraer E190 fleet, will be pivotal in helping us reshape our cost structure and rebuild our margin as we begin to recover from the pandemic.

Additionally we placed two new Airbus A321neo aircraft into service which will help reduce CO₂ emissions with improved fuel economy through newly designed engine technology and cabin changes.

Customer Experience

In February 2021, we unveiled a reimagined version of our Mint[®] experience, our premium product offering. The new service includes a completely refreshed cabin design featuring private suites with a sliding door for every Mint[®] customer. Each Mint[®] aircraft will also include two Mint[®] Studio suites which offer the most space in a premium experience from any U.S. airline based on personal square footage per passenger seat. We debuted this new premium service with a 16-seat individual

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

suite layout in June on a limited number of flights between New York and Los Angeles in 2021. For our anticipated transatlantic flights to London, the new Mint[®] experience will include 24 individual suites.

We also updated our Fare Options platform giving our customers more choices and flexibility by eliminating change and cancel fees on our *Blue*, *Blue Extra*, *Blue Plus*, and Mint[®] fares. Beginning in July 2021, customers who purchased these fares on our domestic flights will also be guaranteed overhead bin space for one carry-on bag.

In March 2021, we introduced Paisley by JetBlue ("Paisley"), a new travel website that leverages smart technology to provide individually tailored offers our customers based on their itinerary. We believe Paisley will add breadth to our product offerings, learn more about our customers' preferences, and contribute to future earnings growth.

Outlook for 2021

As we continue to navigate through the pandemic, we are optimistic about the future. Based on our current planning assumptions, we expect capacity for the third quarter of 2021 to be flat to down three percent as compared to the same period in 2019.

Revenue is expected to decline between 4% and 9% in the third quarter of 2021 as compared to the same period in 2019. We expect the demand acceleration which began in February 2021 to continue as larger portions of the U.S. population become vaccinated against COVID-19 and travel advisories and restrictions begin to ease. We are closely monitoring the latest news with respect to the COVID variants and the potential impact that continued spread of these variants could have on the demand for air travel.

We presently expect third quarter 2021 operating expenses to increase by approximately 11-13% as compared to the same period in 2019. We plan to continue managing our cost structure, while mitigating near term cost pressures from higher fuel prices, airport rents and landing fees, and labor costs as we ramp up our operations if we begin to see a return of capacity back to pre-pandemic levels.

RESULTS OF OPERATIONS**Three Months Ended June 30, 2021 vs. 2020****Overview**

We reported a net income of \$64 million, operating income of \$147 million and an operating margin of 9.8% for the three months ended June 30, 2021. This compares to a net loss of \$320 million, an operating loss of \$410 million and an operating margin of (190.8)% for the three months ended June 30, 2020. Earnings per share were \$0.20 for the second quarter of 2021 and \$(1.18) of loss per diluted share for the same period in 2020.

Our reported results for the second quarter of 2021 and 2020 included the effects of special items. Adjusting for these special items⁽¹⁾, our adjusted net loss was \$(206) million, adjusted operating loss was \$(219), adjusted operating margin was (14.6)%, and adjusted loss per share was \$(0.65) for the second quarter of 2021. This compares to adjusted net loss of \$(548) million, adjusted operating loss of \$(714) million, adjusted operating margin was (332.6)%, and adjusted diluted loss per share of \$(2.02) for the second quarter of 2020.

On-time performance, as defined by the Department of Transportation, or DOT, is arrival within 14 minutes of scheduled arrival time. In the second quarter of 2021, our systemwide on-time performance was 73.8% compared to 92.9% for the same period in 2020. Our completion factor increased by 13.3% points to 99.2% in the second quarter of 2021 from 85.9% in the same period in 2020.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Operating Revenues

	Three Months Ended June 30,		Year-over-Year Change	
	2021	2020	\$	%
<i>(Revenues in millions; percent changes based on unrounded numbers)</i>				
Passenger revenue	\$ 1,388	\$ 170	\$ 1,218	715.5 %
Other revenue	111	45	66	148.0
Total operating revenues	\$ 1,499	\$ 215	\$ 1,284	597.7 %
Average Fare	\$ 174.90	\$ 276.35	\$ (101.45)	(36.7) %
Yield per passenger mile (cents)	12.82	20.86	(8.04)	(38.5)
Passenger revenue per ASM (cents)	10.18	7.06	3.12	44.2
Operating revenue per ASM (cents)	10.99	8.91	2.08	23.4
Average stage length (miles)	1,279	1,183	96	8.1
Revenue passengers (thousands)	7,938	616	7,322	1,188.5
Revenue passenger miles (millions)	10,804	816	9,988	1,223.7
Available Seat Miles (ASMs) (millions)	13,645	2,413	11,232	465.6
Load Factor	79.2 %	33.8 %		45.4 pts.

Passenger revenue is our primary source of revenue, which includes seat revenue and baggage fees, as well as revenue from our ancillary product offerings such as Even More® Space. The increase in passenger revenue of \$1,218 million, or 715.5%, for the three months ended June 30, 2021 compared to the same period in 2020, was primarily driven by the increase in demand for travel as we recover from the COVID-19 pandemic. Revenue passengers increased to 7.9 million for the three months ended June 30, 2021 from 616 thousand for the same period in 2020.

Operating Expenses

In detail, our operating costs per available seat mile, or ASM, were as follows:

	Three Months Ended June 30,		Year-over-Year Change		Cents per ASM		
	2021	2020	\$	%	2021	2020	% Change
<i>(in millions; per ASM data in cents; percent changes based on unrounded numbers)</i>							
Aircraft fuel and related taxes	\$ 336	\$ 29	\$ 307	1,051.8 %	2.46	1.21	103.7 %
Salaries, wages and benefits	577	477	100	20.9	4.23	19.78	(78.6)
Landing fees and other rents	174	62	112	180.7	1.27	2.57	(50.4)
Depreciation and amortization	133	140	(7)	(4.9)	0.98	5.81	(83.2)
Aircraft rent	26	16	10	63.8	0.19	0.66	(71.0)
Sales and marketing	47	8	39	508.9	0.35	0.32	7.7
Maintenance, materials and repairs	164	73	91	122.8	1.20	3.05	(60.6)
Other operating expenses	261	124	137	110.5	1.91	5.12	(62.8)
Special items	(366)	(304)	(62)	20.2	(2.68)	(12.62)	(78.7)
Total operating expenses	\$ 1,352	\$ 625	\$ 727	116.3 %	9.91	25.90	(61.7)%
Total operating expenses excluding special items⁽¹⁾	\$ 1,718	\$ 929	\$ 789	84.8 %	12.59	38.52	(67.3)%

Aircraft Fuel and Related Taxes

Aircraft fuel and related taxes increased by \$307 million, for the three months ended June 30, 2021 compared to the same period in 2020. The average fuel price for the three months ended June 30, 2021 increased by 98.8% to \$1.91 per gallon. Our fuel consumption increased by 479.3%, or 146 million gallons, due to increased demand as we recover from the COVID-19

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

pandemic. We expect our fuel consumption to gradually increase in 2021 as we continue to recover from the pandemic and add capacity back into the system.

Salaries, Wages and Benefits

Salaries, wages and benefits increased \$100 million, or 20.9%, for the three months ended June 30, 2021 compared to the same period in 2020, driven primarily by the increase in demand for travel driving up total hours worked by our crewmembers. Beginning in March 2020, we instituted a company-wide hiring freeze, implemented salary and wage reductions of 20% to 50% for our officers, and reduced work hours for all other management workgroups.

Landing Fees and Other Rents

Landing fees and other rents increased \$112 million, or 180.7%, for the three months ended June 30, 2021 compared to the same period in 2020 primarily due to increases in rates as well as increases in customers and departures. We currently expect rents and landing fees to continue to increase into 2022 due to increased rates and a higher volume of flights.

Depreciation and Amortization

Depreciation and amortization decreased \$(7) million, or (4.9)%, for the three months ended June 30, 2021 compared to the same period in 2020. Beginning in June 2020, we entered into sale-leaseback transactions for our aircraft resulting in a decline in depreciation expense. This decline in expense was essentially offset by an increase in aircraft rent as we converted owned aircraft into leased aircraft.

Aircraft Rent

Aircraft rent increased \$10 million, or 63.8%, for the three months ended June 30, 2021 compared to the same period in 2020. Beginning in June 2020, we entered into sale-leaseback transactions for some of our aircraft resulting in an increase in aircraft rent.

Sales and Marketing

Sales and marketing increased \$39 million, or 508.9%, for the three months ended June 30, 2021 compared to the same period in 2020 driven by an increase in sales in the period due to an increase in demand for travel.

Maintenance Materials and Repairs

Maintenance materials and repairs increased \$91 million, or 122.8%, for the three months ended June 30, 2021 compared to the same period in 2020, primarily driven by an increase in maintenance deferred during the COVID-19 pandemic. As of June 30, 2020, we had approximately 115 aircraft parked.

Other Operating Expenses

Other operating expenses consist of the following categories: outside services (including expenses related to fueling, ground handling, skycap, security, and janitorial services), insurance, personnel expenses, professional fees, onboard supplies, shop and office supplies, bad debts, communication costs, and taxes other than payroll and fuel taxes.

Other operating expenses increased \$137 million, or 110.5%, for the three months ended June 30, 2021 compared to the same period in 2020 due to an increase in demand to fly as we begin to come out of the COVID-19 pandemic.

We continue to focus on driving efficiencies and productivity across our business. We expect the benefits from the run-rate savings associated with our Structural Cost Program to continue.

Special Items

For the three months ended June 30, 2021, special items included a contra-expense of \$357 million which represents the amount of payroll support grants utilized during the period. In addition, special items included a contra-expense of \$9 million related to the recognition of Employee Retention Credits provided by the CARES act.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Six Months Ended June 30, 2021 vs. 2020
Overview

We reported a net loss of \$183 million, an operating loss of \$147 million and an operating margin of (6.6)% for the six months ended June 30, 2021. This compares to a net loss of \$588 million, an operating loss of \$744 million and an operating margin of (41.3)% for the six months ended June 30, 2020. Loss per share was \$(0.58) for the six months ended June 30, 2021 compared to loss per share of \$(2.14) for the same period in 2020.

Our reported results for the six months ended June 30, 2021 and 2020 included the effects of special items. Adjusting for these special items⁽¹⁾, our adjusted net loss was \$665 million, adjusted operating loss was \$802 million, adjusted operating margin was (35.9)%, and adjusted loss per share was \$(2.10) for the six months ended June 30, 2021. This compares to adjusted net loss of \$664 million, adjusted operating loss of \$846 million, adjusted operating margin of (46.9)%, and adjusted loss per share of \$(2.42) for the six months ended June 30, 2020.

Operating Revenues

	Six Months Ended June 30,		Year-over-Year Change	
	2021	2020	\$	%
<i>(Revenues in millions; percent changes based on unrounded numbers)</i>				
Passenger revenue	\$ 2,058	\$ 1,682	\$ 376	22.4 %
Other revenue	174	121	53	42.9
Total operating revenues	\$ 2,232	\$ 1,803	\$ 429	23.7 %
Average Fare	\$ 165.93	\$ 191.83	\$ (25.90)	(13.5) %
Yield per passenger mile (cents)	12.39	15.00	(2.61)	(17.4)
Passenger revenue per ASM (cents)	9.05	9.72	(0.67)	(6.9)
Operating revenue per ASM (cents)	9.82	10.42	(0.60)	(5.8)
Average stage length (miles)	1,278	1,163	115	9.9
Revenue passengers (thousands)	12,401	8,766	3,635	41.5
Revenue passenger miles (millions)	16,611	11,208	5,403	48.2
Available Seat Miles (ASMs) (millions)	22,734	17,304	5,430	31.4
Load Factor	73.1 %	64.8 %		8.3 pts.

Passenger revenue is our primary source of revenue, which includes seat revenue and baggage fees, as well as revenue from our ancillary product offerings such as Even More[®] Space. The increase in passenger revenue of \$376 million, or 22.4%, for the six months ended June 30, 2021 compared to the same period in 2020, was primarily driven by the increase in demand for travel as we begin to come out of the COVID-19 pandemic which began in March of 2020. Revenue passengers increased by 41.5% to 12.4 million for the six months ended June 30, 2021 from 8.8 million for the same period in 2020.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
Operating Expenses

In detail, our operating costs per available seat mile, or ASM, were as follows:

<i>(in millions; per ASM data in cents; percent changes based on unrounded numbers)</i>	Six Months Ended June 30,		Year-over-Year Change		Cents per ASM		
	2021	2020	\$	%	2021	2020	% Change
Aircraft fuel and related taxes	\$ 530	\$ 394	\$ 136	34.3 %	2.33	2.28	2.2 %
Salaries, wages and benefits	1,098	1,078	20	1.9	4.83	6.23	(22.5)
Landing fees and other rents	289	174	115	66.4	1.27	1.00	26.7
Depreciation and amortization	258	279	(21)	(7.6)	1.13	1.61	(29.7)
Aircraft rent	50	37	13	35.7	0.22	0.22	3.3
Sales and marketing	70	60	10	15.7	0.31	0.35	(11.9)
Maintenance, materials and repairs	268	233	35	14.7	1.18	1.35	(12.7)
Other operating expenses	471	394	77	19.7	2.07	2.27	(8.9)
Special items	(655)	(102)	(553)	(541.8)	(2.88)	(0.59)	(388.5)
Total operating expenses	\$ 2,379	\$ 2,547	\$ (168)	(6.6)%	10.46	14.72	(28.9)%
Total operating expenses excluding special items⁽¹⁾	\$ 3,034	\$ 2,649	\$ 385	14.5 %	13.34	15.31	(12.9)%

Aircraft Fuel and Related Taxes

Aircraft fuel and related taxes increased by \$136 million, or 34.3%, for the six months ended June 30, 2021 compared to the same period in 2020. The average fuel price for the six months ended June 30, 2021 increased by 5.8% to \$1.84 per gallon. Our fuel consumption increased by 27.0%, or 61 million gallons, due to capacity increases as demand for travel grew. We expect our fuel consumption to gradually increase in 2021 as we continue to recover from the pandemic and add capacity back into the system.

Salaries, Wages and Benefits

Salaries, wages and benefits increased by \$20 million, or 1.9%, for the six months ended June 30, 2021 compared to the same period in 2020, driven primarily by the increase in demand for travel driving up total hours worked by our crewmembers. In the comparison period, beginning in March 2020, we instituted a company-wide hiring freeze, implemented salary reductions of 20% to 50% for our officers, and reduced work hours for all other management workgroups. As of June 30, 2021, we have approximately 20,000 crewmembers compared to approximately 21,500 crewmembers at June 30, 2020.

Landing Fees and Other Rents

Landing fees and other rents increased by \$115 million, or 66.4%, for the six months ended June 30, 2021 compared to the same period in 2020 primarily due to increases in rates, customers, and departures as demand for travel increases.

We expect cost pressures in landing fees and other rents due to increases in rates at the airports we serve, coupled with an increase in the number of departures as we ramp up our operations.

Depreciation and Amortization

Depreciation and amortization decreased by \$21 million, or 7.6%, for the six months ended June 30, 2021 compared to the same period in 2020. This decrease was primarily attributed to the impairment of our E190 fleet and related spare parts in 2020. In addition, we also executed a number of sale-leaseback transactions towards the second half of 2020, the majority of which qualified as sales for accounting purposes. As a result of these sales, we no longer record depreciation expense on the assets. The costs associated with leasing these assets back from the purchaser are included in Aircraft Rent on our consolidated statements of operations.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The decreases described above were partially offset by additional depreciation expenses related to four new aircraft that were placed into service since June 30, 2020. The average number of aircraft increased by 2.8% during the six months ended June 30, 2021 as compared to the same period in 2020.

Aircraft Rent

Aircraft rent increased \$13 million, or 35.7%, for the six months ended June 30, 2021 compared to the same period in 2020. As discussed above, we executed a number of sale-leaseback transactions towards the second half of 2020, the majority of which qualified as sales for accounting purposes. The assets associated with these transactions which qualified as sales are recorded within operating lease assets and rent expenses are recognized throughout the life of the related lease terms.

Sales and Marketing

Sales and marketing increased \$10 million, or 15.7%, for the six months ended June 30, 2021 compared to the same period in 2020 driven by higher credit card fees and computer reservation system charges which are directly related to demand increases as we recover from the pandemic.

Maintenance Materials and Repairs

Maintenance materials and repairs increased \$35 million, or 14.7%, for the six months ended June 30, 2021 compared to the same period in 2020, primarily driven by an increase in maintenance events. During 2020, we parked aircraft and deferred non-essential maintenance expenditures to conserve cash.

We expect expenses relating to maintenance, materials, and repairs to increase throughout 2021.

Other Operating Expenses

Other operating expenses consist of the following categories: outside services (including expenses related to fueling, ground handling, skycap, security, and janitorial services), insurance, personnel expenses, professional fees, onboard supplies, shop and office supplies, bad debts, communication costs, and taxes other than payroll and fuel taxes.

Other operating expenses increased \$77 million, or 19.7%, for the six months ended June 30, 2021 compared to the same period in 2020 due to capacity increases in response to the increase in demand as we recover from the COVID-19 pandemic.

Special Items

Special items for the six months ended June 30, 2021 included the following:

- Contra-expense of \$(644) million, which represents the amount of federal payroll support grants utilized during the period; and
- Contra-expenses of \$(11) million related to the recognition of Employee Retention Credits provided by the CARES Act.

For the six months ended June 30, 2020, special items include a contra-expense of \$304 million which represents the amount of CARES Act payroll support grants utilized during the period, and the impairment charge of \$202 million on our Embraer E190 fleet.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following table sets forth our operating statistics for the three and six months ended June 30, 2021 and 2020:

	Three Months Ended June 30,		Year-over-Year Change	Six Months Ended June 30,		Year-over-Year Change
	2021	2020	%	2021	2020	%
<i>(percent changes based on unrounded numbers)</i>						
Operational Statistics						
Revenue passengers (thousands)	7,938	616	1,188.5	12,401	8,766	41.5
Revenue passenger miles (RPMs) (millions)	10,804	816	1,223.7	16,611	11,208	48.2
Available seat miles (ASMs) (millions)	13,645	2,413	465.6	22,734	17,304	31.4
Load factor	79.2 %	33.8 %	45.4 pts	73.1 %	64.8 %	8.3 pts
Aircraft utilization (hours per day)	8.8	1.6	450.0	7.4	6.1	21.3
Average fare	\$ 174.90	\$ 276.35	(36.7)	\$ 165.93	\$ 191.83	(13.5)
Yield per passenger mile (cents)	12.82	20.86	(38.5)	12.39	15.00	(17.4)
Passenger revenue per ASM (cents)	10.18	7.06	44.2	9.05	9.72	(6.9)
Operating revenue per ASM (cents)	10.99	8.91	23.4	9.82	10.42	(5.8)
Operating expense per ASM (cents)	9.91	25.90	(61.7)	10.46	14.72	(28.9)
Operating expense per ASM, excluding fuel ⁽¹⁾	10.05	36.95	(72.8)	10.92	12.90	(15.3)
Departures	67,253	12,896	421.5	111,302	96,191	15.7
Average stage length (miles)	1,279	1,183	8.1	1,278	1,163	9.9
Average number of operating aircraft during period	269.0	262.0	2.7	268.0	260.6	2.8
Average fuel cost per gallon, including fuel taxes	\$ 1.91	\$ 0.96	98.8	\$ 1.84	\$ 1.74	5.8
Fuel gallons consumed (millions)	176	30	479.3	288	227	27.0
Average number of full-time equivalent crewmembers				15,416	16,759	

Historical trends may not continue. The ongoing COVID-19 pandemic continues to cause disruptions in our operations during the three months ended June 30, 2021. We expect our operating results to significantly fluctuate from quarter-to-quarter in the future due to the uncertainties surrounding the COVID-19 pandemic, its impact on the economy and consumer behavior, and various other factors which are outside of our control. Consequently, we believe quarter-to-quarter comparisons of our operating results may not necessarily be meaningful; you should not rely on our results for any one quarter as an indication of our future performance.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
CONSOLIDATED BALANCE SHEET ANALYSIS

The following is a discussion of the significant changes between June 30, 2021, and December 31, 2020.

(in millions)

Selected Balance Sheet Data:

	June 30, 2021	December 31, 2020	\$ Change	% Change
ASSETS				
Cash and cash equivalents	2,409	1,918	491	25.6 %
Investment securities	1,317	1,135	182	16.0 %
Receivables, net of allowance of \$2, at June 30, 2021 and December 31, 2020, respectively.	276	98	178	181.9 %
Flight equipment	10,793	10,256	537	5.2 %
LIABILITIES				
Air traffic liability	1,880	1,122	758	67.5 %
Other accrued liabilities	584	215	369	171.7 %
LONG-TERM DEBT AND FINANCE LEASE OBLIGATIONS	3,998	4,413	(415)	(9.4)%

Cash and cash equivalents

Cash and cash equivalents increased by \$491 million, or 25.6%, primarily related to \$1.6 billion cash from operations, including \$1.1 billion funds related to the various PSP programs. Our cash portion at June 30, 2021 also benefited from the initial cash payments associated with our new Co-Branded Credit Card agreement. The increase to cash was offset by \$1.4 billion of debt principal repayments.

Investment securities

Investment securities increased by \$182 million, or 16.0%, primarily driven by an increase in time deposits.

Receivables, less allowance

Receivables increased by \$178 million, as a result of improvements in demand which led to an increase in receivables from our credit card processors.

Flight equipment

Flight equipment increased by \$537 million, or 5.2%, principally driven by aircraft capital expenditures made in the first half of 2021. Additional information related to our aircraft capital expenditures are provided within our discussion of investing activities under the "Liquidity and Capital Resources" section below.

Air traffic liability

Air traffic liability increased by \$758 million, or 67.5%, driven by the improvements in demand as customers begin to gain confidence to travel and resumed booking travel further in advance. The cash collected from customers for future travel is recorded on our balance sheet until the point in time that the customer travels.

Other accrued liabilities

Other accrued liabilities increased by \$369 million, or 171.7%, primarily as a result of the unused portion of our payroll support extension grants received under the Consolidated Appropriations Act.

As discussed in Note 3 to our condensed consolidated financial statements, on January 15, 2021, we entered into a PSP Extension Agreement with the Treasury governing our participation in the Payroll Support Program 2. In the first half of 2021, Treasury provided us with Payroll Support 2 Payments totaling \$580 million. These payments consist of \$436 million in grants and \$144 million in unsecured term loans. In consideration for the Payroll Support 2 Payments, we issued warrants to Treasury to purchase approximately 1.0 million shares of our common stock at an exercise price of \$14.43 per share.

On May 6, 2021, we entered into a Payroll Support 3 Agreement with Treasury governing our participation in the federal

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

payroll support program for passenger air carriers under Section 7301 of the American Rescue Plan Act of 2021. In the second quarter of 2021, Treasury provided us with total payments of \$541 million under the program, consisting of \$409 million in grants and \$132 million in unsecured term loans. In consideration for the Payroll Support 3 Payments, we issued warrants to purchase approximately 0.7 million shares of our common stock to the Treasury at an exercise price of \$19.90 per share.

Long-term debt and finance lease obligations

Long-term debt and finance lease obligations decreased by \$(415) million, or (9.4)%. In the first quarter of 2021, we completed the issuance of our 0.50% Convertible Senior Notes due 2026 in the amount of \$750 million and also received \$276 million in unsecured term loans under the Payroll Support Program 2. These increases were partially offset by \$768 million of principal payments on our debt and finance lease obligations and \$722 million repayment of outstanding borrowings under the Term Loan. As the business continues to recover we will continue to look for opportunities to reduce our overall level of debt.

LIQUIDITY AND CAPITAL RESOURCES

The airline business is capital intensive. Our ability to successfully execute our growth plans is largely dependent on the continued availability of capital on attractive terms. In addition, our ability to successfully operate our business depends on maintaining sufficient liquidity. We believe we have adequate resources from a combination of cash and cash equivalents, investment securities on hand, and available lines of credit. Additionally, our unencumbered assets could be an additional source of liquidity, if necessary.

We believe a healthy liquidity position is a crucial element of our ability to weather any part of the economic cycle while continuing to execute on our plans for profitable growth and increased returns. Our goal is to continue to be diligent with our liquidity and maintain financial flexibility.

At June 30, 2021, we had cash, cash equivalents, and short-term investments of approximately \$3.7 billion. Our business and operating results for 2021 continue to be impacted by the COVID-19 pandemic and we expect to maintain an elevated level of cash on hand as we navigate through 2021..

Analysis of Cash Flows***Operating Activities***

We rely primarily on operating cash flows to provide working capital for current and future operations. Cash flows from operating activities were \$1,658 million and \$223 million for the six months ended June 30, 2021 and 2020, respectively. Lower losses, principally driven by lower operating expenses coupled with federal payroll support extension grants received under the Consolidated Appropriations Act and the initial cash payments associated with our new Co-Branded Credit Card Agreement all contributed to the increase in operating cash flows.

Investing Activities

Investing activities for the six months ended June 30, 2021 included \$340 million in proceeds from maturities of investment securities.

During the six months ended June 30, 2021, capital expenditures related to our purchase of flight equipment included \$340 million related to the purchase of seven Airbus A321neo aircraft and spare engines, \$59 million related to the purchase of two A220 aircraft and spare engines \$27 million for spare part purchases, \$57 million in work-in-progress relating to flight equipment, and \$16 million for flight equipment deposits. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$41 million.

During the six months ended June 30, 2020, capital expenditures related to our purchase of flight equipment included \$200 million related to the purchase of three Airbus A321neo aircraft, one Airbus A321 lease buyout, the purchase of several spare engines, \$104 million in work-in-progress relating to flight equipment, \$7 million for spare part purchases, and \$57 million for flight equipment deposits. Other property and equipment capital expenditures also included ground equipment purchases and facilities improvements for \$66 million. Investing activities also included the net proceeds from investment securities of \$29 million.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*****Financing Activities***

Financing activities for the six months ended June 30, 2021 primarily consisted of the following:

- Net proceeds of \$734 million from the issuance of our 0.50% Convertible Senior Notes due 2026; and
- Net proceeds of \$276 million and \$14 million from the issuances of unsecured term loans and warrants, respectively, in connection with the Payroll Support Program 2 and Payroll Support Program 3 under the Consolidated Appropriations Act.

These proceeds were more than offset by principal payments of \$1.5 billion on our outstanding debt and finance lease obligations, \$550 million of which were associated with the payoff of our revolving Credit and Guaranty Agreement.

Financing activities for the six months ended June 30, 2020 primarily consisted of the following:

- \$981 million in net proceeds from the drawdown of our 364-day term loan facility;
- \$717 million from our term loan facility with Barclays Bank PLC as administrative agent
- \$550 million from our revolving credit facility with Citibank N.A as administrative agent
- Proceeds of \$251 million and \$18 million from the issuance of unsecured term loan and warrants, respectively, in connection with the Payroll Support Program under the CARES Act;
- \$118 million of sale-leaseback transactions; and
- \$22 million of proceeds from the issuance of common stock related to our crewmember stock purchase plan

CARES Act Loan Program

Under the CARES Act Loan Program as signed in September 2020 and subsequently amended in November 2020, we had the ability to borrow up to a total of approximately \$1.9 billion from the Treasury. If we accepted the full amount of the loan, we would have issued warrants to purchase approximately 20.5 million shares of our common stock to the Treasury. Any amount received under the CARES Act Loan Program would have been subject to the relevant provisions of the CARES Act, including many of those governing the Payroll Support Program.

We made an initial drawing of \$115 million under the CARES Act Loan Program on September 29, 2020. In connection with this initial drawing, we entered into a warrant agreement with Treasury, pursuant to which we issued to Treasury warrants to purchase approximately 1.2 million shares of our common stock at an exercise price of \$9.50 per share.

On January 15, 2021, we entered into a letter agreement with Treasury which provided an extension of the Loan Agreement allowing us the option to access the remaining borrowing capacity through May 28, 2021. In May 2021, we notified the Treasury of our intent to forego our remaining approximately \$1.8 billion borrowing capacity and subsequently on June 2, 2021 the liens on certain eligible engines and certain loyalty program assets, including JetBlue's rights in certain loyalty program agreements, loyalty program data and intellectual property, were released from the collateral package.

As of June 30, 2021, \$115 million of the borrowings under the CARES Act loan remained outstanding.

In March 2019, we filed an automatic shelf registration statement with the SEC. Under this shelf registration statement, we may offer and sell from time to time common stock, preferred stock, debt securities, depositary shares, warrants, stock purchase contracts, stock purchase units, subscription rights, and pass-through certificates. We may utilize this shelf registration statement, or a replacement filed with the SEC, in the future to raise capital to fund the continued development of our products and services, the commercialization of our products and services, to repay indebtedness, or for other general corporate purposes. The warrants issued in connection with the various federal government support programs were made, and any issuances of our underlying common stock are expected to be made, in reliance on the exemption from the registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), for transactions not involving a public offering.

Working Capital

We had working capital of \$223 million at June 30, 2021 compared to \$671 million at December 31, 2020. Our working capital decreased by \$448 million due to several factors, including an overall increase in our air traffic liability which was attributed to the increase in customer bookings as demand for air travel begins to recover from the COVID-19 pandemic.

We expect to meet our obligations as they become due through available cash, investment securities, and internally generated funds, supplemented, as necessary, by financing activities and government assistance, which may be available to us.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We expect to generate positive working capital through our operations. However, we cannot predict what the effect on our business might be from future developments related to the COVID-19 pandemic, including the effectiveness of the available vaccines and the associated distribution, and its impact on the economy and consumer behavior, the extremely competitive environment in which we operate, or from events beyond our control, such as volatile fuel prices, economic conditions, weather-related disruptions, airport infrastructure challenges, the spread of infectious diseases, the impact of other airline bankruptcies, restructurings or consolidations, U.S. military actions, or acts of terrorism.

Contractual Obligations

Our contractual obligations at June 30, 2021 include the following (in billions):

	Payments due in						
	Total	2021	2022	2023	2024	2025	Thereafter
Debt and finance lease obligations ⁽¹⁾	\$ 5.1	\$ 0.3	\$ 0.5	\$ 0.7	\$ 0.4	\$ 0.4	\$ 2.8
Operating lease obligations	1.1	0.1	0.2	0.1	0.1	0.1	0.5
Flight equipment purchase obligations ⁽²⁾	7.4	0.4	0.8	1.6	1.8	1.2	1.6
Other obligations ⁽³⁾	3.0	0.2	0.4	0.5	0.4	0.4	1.1
Total	\$ 16.6	\$ 1.0	\$ 1.9	\$ 2.9	\$ 2.7	\$ 2.1	\$ 6.0

The amounts stated above do not include additional obligations incurred as a result of financing activities executed after June 30, 2021.

(1) Includes actual interest and estimated interest for floating-rate debt based on June 30, 2021 rates.

(2) Amounts represent obligations based on the current delivery schedule set forth in our Airbus order book as of June 30, 2021.

(3) Amounts include non-cancelable commitments for the purchase of goods and services.

As of June 30, 2021, we are in compliance with the covenants of our debt and lease agreements. We have approximately \$26 million of restricted cash pledged under standby letters of credit related to certain leases that will expire at the end of the related lease terms.

As of June 30, 2021, we operated a fleet of 130 Airbus A320 aircraft, 63 Airbus A321 aircraft, 20 Airbus A321neo aircraft, three Airbus A220 aircraft, and 60 Embraer E190 aircraft. Of our fleet, 210 are owned by us, 62 are leased under operating leases, and four are leased under finance leases. Our owned aircraft include aircraft associated with sale-leaseback transactions that did not qualify as sales for accounting purposes. As of June 30, 2021, the average age of our operating fleet was 11.5 years.

Our aircraft order book as of June 30, 2021 is as follows:

Year	Airbus A321neo	Airbus A220	Total
2021	1	5	6
2022	3	9	12
2023	11	18	29
2024	13	22	35
2025	11	12	23
2026	12	1	13
2027	14	—	14
Total	65	67	132

Expenditures for our aircraft and spare engines include estimated amounts for contractual price escalations and predelivery deposits. We expect to meet our predelivery deposit requirements for our aircraft by paying cash or by using short-term borrowing facilities for deposits required six to 24 months prior to delivery. Any predelivery deposits paid by the issuance of notes are fully repaid at the time of delivery of the related aircraft.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Depending on market conditions, we anticipate using a mix of cash and debt financing for aircraft scheduled for delivery in 2021. For deliveries after 2021, although we believe debt and/or lease financing should be available to us, we cannot give any assurance that we will be able to secure financing on attractive terms, if at all. While these financings may or may not result in an increase in liabilities on our balance sheet, we expect our fixed costs to increase regardless of the financing method ultimately chosen. To the extent we cannot secure financing on terms we deem attractive, we may be required to pay in cash, further modify our aircraft acquisition plans, or incur higher than anticipated financing costs.

In October 2019, the Office of the U.S. Trade Representative announced a 10% tariff on new commercial aircraft and related parts imported from certain European Union member states, which include aircraft and other parts we are already contractually obligated to purchase, including those noted above. The U.S. Trade Representative increased the tariff to 15% effective in March 2020. In March 2021, the U.S. Trade Representative announced a four-month suspension of the tariff which was followed by an announcement in June 2021 that the suspension will be extended for five years. We continue to work with our business partners, including Airbus, to evaluate the potential financial and operational impact on our future aircraft deliveries, including once the suspension is lifted. The continued imposition of the tariff could substantially increase the cost of new Airbus aircraft and parts.

Off-Balance Sheet Arrangements

Although some of our aircraft lease arrangements are with variable interest entities, as defined by the *Consolidations* topic of the Codification, none of them require consolidation in our condensed consolidated financial statements. Our decision to finance these aircraft through operating leases rather than through debt was based on an analysis of the cash flows and tax consequences of each financing alternative and a consideration of liquidity implications. We are responsible for all maintenance, insurance and other costs associated with operating these aircraft; however, we have not made any residual value or other guarantees to our lessors.

We have determined that we hold a variable interest in, but are not the primary beneficiary of, certain pass-through trusts. The beneficiaries of these pass-through trusts are the purchasers of equipment notes issued by us to finance the acquisition of aircraft. They maintain liquidity facilities whereby a third party agrees to make payments sufficient to pay up to 18 months of interest on the applicable certificates if a payment default occurs.

We have also made certain guarantees and indemnities to other unrelated parties that are not reflected on our balance sheet, 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.

Critical Accounting Policies and Estimates

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies and Estimates included in our 2020 Form 10-K.

Forward-Looking Information

Forward-Looking Information Statements in this Report (or otherwise made by JetBlue or on JetBlue's behalf) contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which represent our management's beliefs and assumptions concerning future events. These statements are intended to qualify for the "safe harbor" from liability established by the Private Securities Litigation Reform Act of 1995. When used in this Report, the words "expects," "plans," "anticipates," "indicates," "believes," "forecast," "guidance," "outlook," "may," "will," "should," "seeks," "targets" and similar expressions are intended to identify forward-looking statements. Forward-looking statements involve risks, uncertainties, and assumptions, and are based on information currently available to us. Actual results may differ materially from those expressed in the forward-looking statements due to many factors, including, without limitation, the coronavirus ("COVID-19") pandemic, including the effectiveness of the available vaccines, the associated distribution and vaccination rates, the infection rates associated with COVID-19 variants, travel advisories and restrictions and the outbreak of any other disease or similar public health threat that affects travel demand or behavior; restrictions on our business related to the financing we accepted under various federal government support programs such as the CARES Act, and the Consolidated Appropriations Act, 2021; our significant fixed obligations and substantial indebtedness; risk associated with execution of our strategic operating plans in the near-term and long-term; the recording of a material impairment loss of tangible or intangible assets; our extremely competitive industry; volatility in financial and credit markets which could affect our ability to obtain debt and/or lease financing or to raise funds through debt or equity issuances; volatility in fuel prices, maintenance costs and interest

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

rates; our reliance on high daily aircraft utilization; our ability to implement our growth strategy; our ability to attract and retain qualified personnel and maintain our culture as we grow; our reliance on a limited number of suppliers, including for aircraft, aircraft engines and parts and vulnerability to delays by those suppliers; our dependence on the New York and Boston metropolitan markets and the effect of increased congestion in these markets; our reliance on automated systems and technology; our being subject to potential unionization, work stoppages, slowdowns or increased labor costs; our presence in some international emerging markets that may experience political or economic instability or may subject us to legal risk; reputational and business risk from information security breaches or cyber-attacks; changes in or additional domestic or foreign government regulation, including new or increased tariffs; changes in our industry due to other airlines' financial condition; acts of war or terrorism; global economic conditions or an economic downturn leading to a continuing or accelerated decrease in demand for air travel; adverse weather conditions or natural disasters; and external geopolitical events and conditions. It is routine for our internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections, beliefs, and assumptions upon which we base our expectations may change prior to the end of each quarter or year.

Given the risks and uncertainties surrounding forward-looking statements, you should not place undue reliance on these statements. You should understand that many important factors, in addition to those discussed in this Report, could cause our results to differ materially from those expressed in the forward-looking statements. Potential factors that could affect our results include, those described in "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Quantitative and Qualitative Disclosures about Market Risk" in this Report and our recently filed periodic report on Forms 10-K and 10-Q, as well as our other filings with the SEC. In light of these risks and uncertainties, the forward-looking events discussed in this Report might not occur. Our forward-looking statements speak only as of the date of this Report. Other than as required by law, we undertake no obligation to update or revise forward-looking statements, whether as a result of new information, future events, or otherwise.

Where You Can Find Other Information

Our website is www.jetblue.com. Information contained on our website is not part of this Report. Information we furnish or file with the SEC, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to or exhibits included in these reports are available for download, free of charge, on our website soon after such reports are filed with or furnished to the SEC. Our SEC filings, including exhibits filed therewith, are also available at the SEC's website at www.sec.gov.

⁽¹⁾ Refer to our "Regulation G Reconciliation of Non-GAAP Financial Measures" at the end of this section for more information on this non-GAAP measure.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
REGULATION G RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

We use non-GAAP financial measures in this report. Non-GAAP financial measures are financial measures that are derived from the condensed consolidated financial statements, but that are not presented in accordance with generally accepted accounting principles in the United States, or GAAP. We believe these non-GAAP financial measures provide a meaningful comparison of our results to others in the airline industry and our prior year results. Investors should consider these non-GAAP financial measures in addition to, and not as a substitute for, our financial performance measures prepared in accordance with GAAP. Further, our non-GAAP information may be different from the non-GAAP information provided by other companies. The information below provides an explanation of each non-GAAP financial measure and shows a reconciliation of non-GAAP financial measures used in this filing to the most directly comparable GAAP financial measures.

Operating Expenses per Available Seat Mile, excluding fuel and related taxes, other non-airline operating expenses, and special items ("CASM Ex-Fuel")

Operating expenses per available seat mile, or CASM, is a common metric used in the airline industry. Our CASM for the relevant periods are summarized in the table below. We exclude aircraft fuel and related taxes, operating expenses related to other non-airline businesses, such as JetBlue Technology Ventures and JetBlue Travel Products, and special items from operating expenses to determine CASM ex-fuel, which is a non-GAAP financial measure.

For the three and six months ended June 30, 2021, special items include contra-expenses recognized on the utilization of payroll support extension grants received under the payroll support programs, and contra-expenses recognized on the Employee Retention Credits provided by the CARES Act.

Special items for the three and six months ended June 30, 2020 include contra-expenses recognized on the utilization of payroll support grants received under the CARES Act and the impairment charge of our Embraer E190 fleet.

We believe that CASM ex-fuel is useful for investors because it provides investors the ability to measure financial performance excluding items beyond our control, such as fuel costs, which are subject to many economic and political factors, or not related to the generation of an available seat mile, such as operating expense related to certain non-airline businesses. We believe this non-GAAP measure is more indicative of our ability to manage airline costs and is more comparable to measures reported by other major airlines.

	NON-GAAP FINANCIAL MEASURE RECONCILIATION OF OPERATING EXPENSE PER ASM, EXCLUDING FUEL							
	Three Months Ended June 30,				Six Months Ended June 30,			
	2021		2020		2021		2020	
	\$	per ASM	\$	per ASM	\$	per ASM	\$	per ASM
<i>(\$ in millions; per ASM data in cents)</i>								
Total operating expenses	\$ 1,352	\$ 9.91	\$ 625	\$ 25.90	\$ 2,379	\$ 10.46	\$ 2,547	\$ 14.72
Less:								
Aircraft fuel and related taxes	336	2.46	29	1.21	530	2.33	394	2.28
Other non-airline expenses	11	0.08	9	0.36	20	0.09	22	0.13
Special items	(366)	(2.68)	(304)	(12.62)	(655)	(2.88)	(102)	(0.59)
Operating expenses, excluding fuel	\$ 1,371	\$ 10.05	\$ 891	\$ 36.95	\$ 2,484	\$ 10.92	\$ 2,233	\$ 12.90

Operating Expense, Loss before Taxes, Net Loss and Loss per Share, excluding special items

Our GAAP results in the applicable periods were impacted by credits and charges that were deemed special items.

For the three and six months ended June 30, 2021, special items include contra-expenses recognized on the utilization of payroll support extension grants received under the payroll support programs, and contra-expenses recognized on the Employee Retention Credits provided by the CARES Act.

For the three months ended June 30, 2020, special items included a contra-expense which represents the amount of CARES Act payroll support grants utilized during the period. For the six months ended June 20, 2020, special items included the impairment charge of our Embraer E190 fleet resulting from the decline in demand caused by the COVID-19 pandemic.

PART I. FINANCIAL INFORMATION
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We believe the impact of these items distort our overall trends and that our metrics are more comparable with the presentation of our results excluding the impact of these items. The table below provides a reconciliation of our GAAP reported amounts to the non-GAAP amounts excluding the impact of these items.

NON-GAAP FINANCIAL MEASURE				
RECONCILIATION OF OPERATING EXPENSE, LOSS BEFORE TAXES, NET LOSS AND LOSS PER SHARE				
EXCLUDING SPECIAL ITEMS				
<i>(in millions, except per share amounts)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Total operating revenues	\$ 1,499	\$ 215	\$ 2,232	\$ 1,803
Total operating expenses	\$ 1,352	\$ 625	\$ 2,379	\$ 2,547
Less: Special items	(366)	(304)	(655)	(102)
Total operating expenses excluding special items	\$ 1,718	\$ 929	\$ 3,034	\$ 2,649
Operating income (loss)	\$ 147	\$ (410)	\$ (147)	\$ (744)
Add back: Special items	(366)	(304)	(655)	(102)
Operating loss excluding special items	\$ (219)	\$ (714)	\$ (802)	\$ (846)
<i>Operating margin excluding special items</i>	(14.6)%	(332.6)%	(35.9)%	(46.9)%
Income (loss) before income taxes	\$ 57	\$ (450)	\$ (290)	\$ (804)
Add back: Special items	(366)	(304)	(655)	(102)
Loss before income taxes excluding special items	\$ (309)	\$ (754)	\$ (945)	\$ (906)
<i>Pre-tax margin excluding special items</i>	(20.6)%	(351.0)%	(42.3)%	(50.2)%
Net income (loss)	\$ 64	\$ (320)	\$ (183)	\$ (588)
Add back: Special items	(366)	(304)	(655)	(102)
Less: Income tax (expense) benefit related to special items	(96)	(76)	(173)	(26)
Net loss excluding special items	\$ (206)	\$ (548)	\$ (665)	\$ (664)
Earnings Per Common Share:				
Basic	\$ 0.20	\$ (1.18)	\$ (0.58)	\$ (2.14)
Add back: Special items, net of tax	(0.85)	(0.84)	(1.52)	(0.28)
Basic excluding special items	\$ (0.65)	\$ (2.02)	\$ (2.10)	\$ (2.42)
Diluted	\$ 0.20	\$ (1.18)	\$ (0.58)	\$ (2.14)
Add back: Special items, net of tax	(0.85)	(0.84)	(1.52)	(0.28)
Diluted excluding special items and gain on equity method investments	\$ (0.65)	\$ (2.02)	\$ (2.10)	\$ (2.42)

PART I. FINANCIAL INFORMATION**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*****Free Cash Flow***

The table below reconciles cash provided by operations determined in accordance with GAAP to Free Cash Flow, a non-GAAP financial measure. Management believes that Free Cash Flow is a relevant metric in measuring our financial strength and is useful to investors in assessing our ability to fund future capital commitments and other obligations. Investors should consider this non-GAAP financial measure in addition to, and not as a substitute for, our financial measures prepared in accordance with GAAP.

	NON-GAAP FINANCIAL MEASURE	
	RECONCILIATION OF FREE CASH FLOW	
	Six Months Ended June 30,	
(in millions)	2021	2020
Net cash provided by operating activities	\$ 1,658	\$ 223
Less: Capital expenditures	(524)	(377)
Less: Predelivery deposits for flight equipment	(16)	(57)
Free Cash Flow	\$ 1,118	\$ (211)

PART I. FINANCIAL INFORMATION**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Except as described below, there have been no material changes in market risks from the information provided in Item 7A. Quantitative and Qualitative Disclosures About Market Risk included in our 2020 Form 10-K.

Aircraft Fuel

Our results of operations are affected by changes in the price and availability of aircraft fuel. Market risk is estimated as a hypothetical 10% increase in the June 30, 2021 cost per gallon of fuel. Based on projected fuel consumption for the next 12 months, including the impact of our hedging position, such an increase would result in an increase to aircraft fuel expense of approximately \$166 million. As of June 30, 2021, we had not hedged any of our projected fuel requirement for the remainder of 2021.

Interest

Our earnings are affected by changes in interest rates due to the impact those changes have on interest expense from variable-rate debt instruments and on interest income generated from our cash and investment balances. The interest rate is fixed for \$3.9 billion of our debt and finance lease obligations, with the remaining \$0.2 billion having floating interest rates. As of June 30, 2021, if interest rates were on average 100 basis points higher in 2021, our annual interest expense would increase by an insignificant amount. This amount is determined by considering the impact of the hypothetical change in interest rates on our variable rate debt.

If interest rates were to average 100 basis points lower in 2021 than they were during 2020, our interest income from cash and investment balances would decrease by approximately and insignificant amount. This amount is determined by considering the impact of the hypothetical change in interest rates on the balances of our money market funds and short-term, interest-bearing investment for the trailing twelve month period.

ITEM 4. CONTROLS AND PROCEDURES**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) that are designed to ensure that information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer, or CEO, and our Chief Financial Officer, or CFO, to allow timely decisions regarding required disclosure. Management, with the participation of our CEO and CFO, performed an evaluation of the effectiveness of our disclosure controls and procedures as of June 30, 2021. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of June 30, 2021.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) identified in connection with the evaluation of our controls performed during the quarter ended June 30, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of our business, we are party to various legal proceedings and claims which we believe are incidental to the operation of our business. Refer to Note 6 to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

ITEM 1A. RISK FACTORS

Part I, Item 1A "Risk Factors" of our 2020 Form 10-K, includes a discussion of our risk factors which are incorporated herein. There have been no material changes from the risk factors associated with our business previously disclosed in our Form 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In accordance with the Payroll Support Program Agreement, the Payroll Support Program Extension Agreement, and the Loan Agreement with the Treasury, we are prohibited from making any share repurchases through September 30, 2022. We have suspended our share repurchase program as of March 31, 2020. The acquisition of treasury stock reflected on our condensed consolidated statement of cash flows for the three months ended June 30, 2021 represents the return of shares to satisfy tax payments associated with crewmember stock compensation that vested during the period.

In consideration for the Payroll Support 2 Payments, during the six months ended June 30, 2021 we issued warrants to purchase approximately \$1 million shares of common stock to the Treasury at an exercise price of \$14.43 per share. In consideration for the Payroll Support 3 Payments, during the six months ended June 30, 2021 we issued warrants to purchase approximately \$0.7 million shares of common stock to the Treasury at an exercise price of \$19.90 per share. See Note 3 to our condensed consolidated financial statements.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

See accompanying Exhibit Index included after the signature page of this Report for a list of the exhibits filed or furnished with this Report.

EXHIBIT INDEX

Exhibit Number	Exhibit
4.1*	Warrant Agreement, dated as of May 6, 2021, between JetBlue Airways Corporation and the United States Department of the Treasury
4.2*	Form of Warrant (included as Annex B to Exhibit 4.1)
10.1*	Payroll Support Program 3 Agreement, dated as of May 6, 2021, between JetBlue Airways Corporation and the United States Department of the Treasury
10.2*	Promissory Note, dated as of May 6, 2021 issued by JetBlue Airways Corporation in the name of the United States Department of the Treasury
10.3	Offer Letter between Ursula Hurley and JetBlue Airways Corporation, dated June 15, 2021—incorporated by reference to Exhibit 10.1 to our current report on Form 8-K dated May 11, 2021 and filed on June 21, 2021.
10.4	Form of Performance-Contingent Executive Retention Award Agreement—incorporated by reference to Exhibit 10.4 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021.
10.5*	JetBlue Executive Retention Award - Ursula Hurley dated February 12, 2021
10.6*	JetBlue Executive Retention Award - Ursula Hurley dated April 12, 2021
10.7*	Form of Performance Share Unit Award Agreement (2020 Omnibus Incentive Plan)
10.8*	Form of RSU Award Agreement for Non-Employee Directors (2020 Omnibus Incentive Plan)
10.9*	Form of RSU Award Agreement, Crewmembers (2020 Omnibus Incentive Plan)
10.10*	Form of Deferred Stock Unit Award Agreement (2020 Omnibus Incentive Plan)
31.1*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer
31.2*	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer
32**	Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)
*	Filed herewith.
**	Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JETBLUE AIRWAYS CORPORATION

(Registrant)

Date: July 30, 2021

By: /s/ Alexander Chatkewitz
*Vice President, Controller, and
Chief Accounting Officer
(Principal Accounting Officer)*

WARRANT AGREEMENT

TABLE OF CONTENTS

	Page
Article I Closing	
1.1 Issuance	1
1.2 Initial Closing; Warrant Closing Date.	1
1.3 Interpretation	2
Article II Representations and Warranties	
2.1 Representations and Warranties of the Company	3
Article III Covenants	
3.1 Commercially Reasonable Efforts	6
3.2 Expenses	7
3.3 Sufficiency of Authorized Common Stock; Exchange Listing	8
Article IV Additional Agreements	
4.1 Investment	8
4.2 Legends	8
4.3 Certain Transactions	9
4.4 Transfer of Warrants and Warrant Shares.	9
4.5 Registration Rights	9
4.6 Voting of Warrant Shares	21
Article V Miscellaneous	
5.1 Survival of Representations and Warranties	21
5.2 Amendment	21
5.3 Waiver of Conditions	21
5.4 Governing Law: Submission to Jurisdiction, Etc.	21
5.5 Notices	21
5.6 Definitions	22
5.7 Assignment	23
5.8 Severability	23

LIST OF ANNEXES

ANNEX A: FORM OF OPINION

ANNEX B: FORM OF WARRANT

SCHEDULE 1: WARRANT SHARES FORMULA

SCHEDULE 2: CAPITALIZATION

SCHEDULE 3: REQUIRED STOCKHOLDER APPROVALS

INDEX OF DEFINED TERMS

Term	Location of Definition
Affiliate	Annex B
Agreement	Recitals
Appraisal Procedure	Annex B
Board of Directors	2.1(i)
Business Combination	Annex B
Business Day	Annex B
Capitalization Date	2.1(b)
Closing	1.2(a)
Common Stock	Annex B
Company	Recitals
Company Reports	2.1(j)(i)
Exchange Act	Annex B
Governmental Authority	5.6(a)
Holder	4.5(k)(i)
Indemnitee	4.5(g)(i)
Initial Closing	1.2(a)
Lien	5.6(c)
Material Adverse Effect	5.6(d)
Organizational Documents	5.6(e)
Pending Underwritten Offering	4.5(l)
Piggyback Registration	4.5(a)(iv)
Promissory Note	Recitals
register; registered; registration	4.5(k)(ii)
Registrable Securities	4.5(k)(iii)
Registration Commencement Date	4.5(a)(i)
Registration Expenses	4.5(k)(iv)
Rule 144; Rule 144A; Rule 159A; Rule 405; Rule 415	4.5(k)(v)
SEC	2.1(c)
Securities Act	Annex B
Selling Expenses	4.5(k)(vi)
Shelf Registration Statement	4.5(a)(ii)
Special Registration	4.5(i)
Stockholder Proposals	3.1(b)
Subsidiary	5.6(f)
Transfer	4.4
Treasury	Recitals
Warrant Closing Date	1.2(a)
Warrants	Recitals
Warrant Shares	Annex B

WARRANT AGREEMENT dated as of May 6, 2021 (this “Agreement”), between JETBLUE AIRWAYS CORPORATION, a corporation organized under the laws of Delaware (the “Company”) and the UNITED STATES DEPARTMENT OF THE TREASURY (“Treasury”).

WHEREAS, the Company has requested that Treasury provide financial assistance to the Recipient (as defined in the PSP3 Agreement) that shall exclusively be used for the continuation of payment of employee wages, salaries, and benefits as is permissible under Section 7301(b)(1) of Subtitle C of Title VII of the American Rescue Plan Act of 2021 (March 11, 2021), as the same may be amended from time to time, and Treasury is willing to do so on the terms and conditions set forth in that certain Payroll Support Program 3 Agreement dated as of May 6, 2021, between the Company and Treasury (the “PSP3 Agreement”); and

WHEREAS, as appropriate compensation to the Federal Government of the United States of America for the provision of financial assistance under the PSP3 Agreement, the Company has agreed to issue a note to be repaid to Treasury on the terms and conditions set forth in the promissory note dated as of May 6, 2021, issued by the Company, in the name of Treasury as the holder (the “Promissory Note”) and agreed to issue in a private placement warrants to purchase the number of shares of its Common Stock determined in accordance with Schedule 1 to this Agreement (the “Warrants”) to Treasury;

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

Article I Closing

1.1 Issuance.

(a) On the terms and subject to the conditions set forth in this Agreement, the Company agrees to issue to Treasury, on each Warrant Closing Date, Warrants for a number of shares of Common Stock determined by the formula set forth in Schedule 1.

1.2 Initial Closing; Warrant Closing Date.

(a) On the terms and subject to the conditions set forth in this Agreement, the closing of the initial issuance of the Warrants (the “Initial Closing”) will take place on the Closing Date (as defined in the Promissory Note) or, if on the Closing Date the principal amount of the Promissory Note is \$0, the first date on which such principal amount is increased. After the Initial Closing, the closing of any subsequent issuance will take place on the date of each increase, if any, of the principal amount of the Promissory Note (each subsequent closing, together with the Initial Closing, a “Closing” and each such date a “Warrant Closing Date”).

(b) On each Warrant Closing Date, the Company will issue to Treasury a duly executed Warrant or Warrants for a number of shares of Common Stock determined by the formula set forth in Schedule 1, as evidenced by one or more certificates dated the Warrant

Closing Date and bearing appropriate legends as hereinafter provided for and in substantially the form attached hereto as Annex B.

(c) On each Warrant Closing Date, the Company shall deliver to Treasury (i) a written opinion from counsel to the Company (which may be internal counsel) addressed to Treasury and dated as of such Warrant Closing Date, in substantially the form attached hereto as Annex A and (ii) a certificate executed by the chief executive officer, president, executive vice president, chief financial officer, principal accounting officer, treasurer or controller confirming that the representations and warranties of the Company in this Agreement are true and correct with the same force and effect as though expressly made at and as of such Warrant Closing Date and the Company has complied with all agreements on its part to be performed or satisfied hereunder at or prior to such Closing.

(d) On the initial Warrant Closing Date, the Company shall deliver to Treasury (i) such customary certificates of resolutions or other action, incumbency certificates and/or other certificates of the chief executive officer, president, executive vice president, chief financial officer, principal accounting officer, treasurer or controller as Treasury may require evidencing the identity, authority and capacity of each such officer thereof authorized to act as such officer in connection with this Agreement and (ii) customary resolutions or evidence of corporate authorization, secretary's certificates and such other documents and certificates (including Organizational Documents and good standing certificates) as Treasury may reasonably request relating to the organization, existence and good standing of the Company and any other legal matters relating to the Company, this Agreement, the Warrants or the transactions contemplated hereby or thereby.

1.3 Interpretation.

(a) When a reference is made in this Agreement to "Recitals," "Articles," "Sections," or "Annexes" such reference shall be to a Recital, Article or Section of, or Annex to, this Warrant Agreement, unless otherwise indicated. The terms defined in the singular have a comparable meaning when used in the plural, and vice versa. References to "herein", "hereof", "hereunder" and the like refer to this Agreement as a whole and not to any particular section or provision, unless the context requires otherwise. The table of contents and headings contained in this Agreement are for reference purposes only and are not part of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed followed by the words "without limitation." No rule of construction against the draftsman shall be applied in connection with the interpretation or enforcement of this Agreement, as this Agreement is the product of negotiation between sophisticated parties advised by counsel. All references to "\$" or "dollars" mean the lawful currency of the United States of America. Except as expressly stated in this Agreement, all references to any statute, rule or regulation are to the statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and to any section of any statute, rule or regulation include any successor to the section.

(b) Capitalized terms not defined herein have the meanings ascribed thereto in Annex B.

Article II
Representations and Warranties

2.1 Representations and Warranties of the Company. The Company represents and warrants to Treasury that as of the date hereof and each Warrant Closing Date (or such other date specified herein):

(a) Existence, Qualification and Power. The Company is duly organized or formed, validly existing and, if applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, and the Company and each Subsidiary (a) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the this Agreement and the Warrants, and (b) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in each case referred to in clause (a)(i) or (b), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

(b) Capitalization. The authorized capital stock of the Company, and the outstanding capital stock of the Company (including securities convertible into, or exercisable or exchangeable for, capital stock of the Company) as of the most recent fiscal month-end preceding the date hereof (the “Capitalization Date”) is set forth in Schedule 2. The outstanding shares of capital stock of the Company have been duly authorized and are validly issued and outstanding, fully paid and nonassessable, and subject to no preemptive rights (and were not issued in violation of any preemptive rights). Except as provided in the Warrants, as of the date hereof, the Company does not have outstanding any securities or other obligations providing the holder the right to acquire Common Stock that is not reserved for issuance as specified on Schedule 2, and the Company has not made any other commitment to authorize, issue or sell any Common Stock. Since the Capitalization Date, the Company has not issued any shares of Common Stock, other than (i) shares issued upon the exercise of stock options or delivered under other equity-based awards or other convertible securities or warrants which were issued and outstanding on the Capitalization Date and disclosed on Schedule 2 and (ii) shares disclosed on Schedule 2 as it may be updated by written notice from the Company to Treasury in connection with each Warrant Closing Date.

(c) Listing. The Common Stock has been registered pursuant to Section 12(b) of the Exchange Act and the shares of the Common Stock outstanding on the date hereof are listed on a national securities exchange. The Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or the listing of the Common Stock on such national securities exchange, nor has the Company received any notification that the Securities and Exchange Commission (the “SEC”) or such exchange is contemplating terminating such registration or listing. The Company is in compliance with applicable continued listing requirements of such exchange in all material respects.

(d) Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any

other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Company of this Agreement, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and are in full force and effect.

(e) Execution and Delivery; Binding Effect. This Agreement has been duly authorized, executed and delivered by the Company. This Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

(f) The Warrants and Warrant Shares. Each Warrant has been duly authorized and, when executed and delivered as contemplated hereby, will constitute a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity. The Warrant Shares have been duly authorized and reserved for issuance upon exercise of the Warrants and when so issued in accordance with the terms of the Warrants will be validly issued, fully paid and non-assessable, subject, if applicable, to the approvals of its stockholders set forth on Schedule 3.

(g) Authorization, Enforceability.

(i) The Company has the corporate power and authority to execute and deliver this Agreement and the Warrants and, subject, if applicable, to the approvals of its stockholders set forth on Schedule 3, to carry out its obligations hereunder and thereunder (which includes the issuance of the Warrants and Warrant Shares). The execution, delivery and performance by the Company of this Agreement and the Warrants and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or other organizational action on the part of the Company and its stockholders, and no further approval or authorization is required on the part of the Company, subject, in each case, if applicable, to the approvals of its stockholders set forth on Schedule 3.

(ii) The execution, delivery and performance by the Company of this Agreement do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien (as defined in the Promissory Note) under, or require any payment to be made under (i) any material contractual obligation to which the Company is a party or affecting the Company or the properties of the Company or any Subsidiary or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Company or any Subsidiary or its property is subject or (c) violate any Law, except to the extent that such violation could not reasonably be expected to have a Material Adverse Effect.

(iii) Other than any current report on Form 8-K required to be filed with the SEC (which shall be made on or before the date on which it is required to be filed), such filings and approvals as are required to be made or obtained under any state “blue sky” laws, the filing of any proxy statement contemplated by Section 3.1 and such filings and approvals as have been made or obtained, no notice to, filing with, exemption or review by, or authorization, consent or approval of, any Governmental Authority is required to be made or obtained by the Company in connection with the execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the issuance of the Warrants except for any such notices, filings, exemptions, reviews, authorizations, consents and approvals the failure of which to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(h) Anti-takeover Provisions and Rights Plan. The Board of Directors of the Company (the “Board of Directors”) has taken all necessary action, and will in the future take any necessary action, to ensure that the transactions contemplated by this Agreement and the Warrants and the consummation of the transactions contemplated hereby and thereby, including the exercise of the Warrants in accordance with their terms, will be exempt from any anti-takeover or similar provisions of the Company’s Organizational Documents, and any other provisions of any applicable “moratorium”, “control share”, “fair price”, “interested stockholder” or other anti-takeover laws and regulations of any jurisdiction, whether existing on the date hereof or implemented after the date hereof. The Company has taken all actions necessary, and will in the future take any necessary action, to render any stockholders’ rights plan of the Company inapplicable to this Agreement and the Warrants and the consummation of the transactions contemplated hereby and thereby, including the exercise of the Warrants by Treasury in accordance with its terms.

(i) Reports.

(i) Since December 31, 2017, the Company and each Subsidiary has timely filed all reports, registrations, documents, filings, statements and submissions, together with any amendments thereto, that it was required to file with any Governmental Authority (the foregoing, collectively, the “Company Reports”) and has paid all fees and assessments due and payable in connection therewith, except, in each case, as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As of their respective dates of filing, the Company Reports complied in all material respects with all statutes and applicable rules and regulations of the applicable Governmental Authority. In the case of each such Company Report filed with or furnished to the SEC, such Company Report (A) did not, as of its date or if amended prior to the date hereof, as of the date of such amendment, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, and (B) complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act. With respect to all other Company Reports, the Company Reports were complete and accurate in all material respects as of their

respective dates. No executive officer of the Company or any Subsidiary has failed in any respect to make the certifications required of him or her under Section 302 or 906 of the Sarbanes-Oxley Act of 2002.

(ii) The Company (A) has implemented and maintains disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act) to ensure that material information relating to the Company, including its Subsidiaries, is made known to the chief executive officer and the chief financial officer of the Company by others within those entities, and (B) has disclosed, based on its most recent evaluation prior to the date hereof, to the Company's outside auditors and the audit committee of the Board of Directors (x) any significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(j) Offering of Securities. Neither the Company nor any person acting on its behalf has taken any action (including any offering of any securities of the Company under circumstances which would require the integration of such offering with the offering of any of the Warrants under the Securities Act, and the rules and regulations of the Securities and Exchange Commission (the "SEC") promulgated thereunder), which might subject the offering, issuance or sale of any of the Warrants to Treasury pursuant to this Agreement to the registration requirements of the Securities Act.

(k) Brokers and Finders. No broker, finder or investment banker is entitled to any financial advisory, brokerage, finder's or other fee or commission in connection with this Agreement or the Warrants or the transactions contemplated hereby or thereby based upon arrangements made by or on behalf of the Company or any Subsidiary for which Treasury could have any liability.

Article III Covenants

3.1 Commercially Reasonable Efforts.

(a) Subject to the terms and conditions of this Agreement, each of the parties will use its commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, to enable consummation of the transactions contemplated hereby and shall use commercially reasonable efforts to cooperate with the other party to that end.

(b) If the Company is required to obtain any stockholder approvals, then the Company shall comply with this Section 3.1(b) and Section 3.1(c). The Company shall call a special meeting of its stockholders, as promptly as practicable following the Initial Closing, to vote on proposals (collectively, the "Stockholder Proposals") to (i) approve the exercise of the Warrants for Common Stock for purposes of the rules of the national securities exchange on

which the Common Stock is listed and/or (ii) amend the Company's Organizational Documents to increase the number of authorized shares of Common Stock to at least such number as shall be sufficient to permit the full exercise of the Warrants for Common Stock and comply with the other provisions of this Section 3.1(b) and Section 3.1(c). The Board of Directors shall recommend to the Company's stockholders that such stockholders vote in favor of the Stockholder Proposals. In connection with such meeting, the Company shall prepare (and Treasury will reasonably cooperate with the Company to prepare) and file with the SEC as promptly as practicable (but in no event more than ten Business Days after the Initial Closing) a preliminary proxy statement, shall use its reasonable best efforts to respond to any comments of the SEC or its staff thereon and to cause a definitive proxy statement related to such stockholders' meeting to be mailed to the Company's stockholders not more than five Business Days after clearance thereof by the SEC, and shall use its reasonable best efforts to solicit proxies for such stockholder approval of the Stockholder Proposals. The Company shall notify Treasury promptly of the receipt of any comments from the SEC or its staff with respect to the proxy statement and of any request by the SEC or its staff for amendments or supplements to such proxy statement or for additional information and will supply Treasury with copies of all correspondence between the Company or any of its representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to such proxy statement. If at any time prior to such stockholders' meeting there shall occur any event that is required to be set forth in an amendment or supplement to the proxy statement, the Company shall as promptly as practicable prepare and mail to its stockholders such an amendment or supplement. Each of Treasury and the Company agrees promptly to correct any information provided by it or on its behalf for use in the proxy statement if and to the extent that such information shall have become false or misleading in any material respect, and the Company shall as promptly as practicable prepare and mail to its stockholders an amendment or supplement to correct such information to the extent required by applicable laws and regulations. The Company shall consult with Treasury prior to filing any proxy statement, or any amendment or supplement thereto, and provide Treasury with a reasonable opportunity to comment thereon. In the event that the approval of any of the Stockholder Proposals is not obtained at such special stockholders meeting, the Company shall include a proposal to approve (and the Board of Directors shall recommend approval of) each such proposal at a meeting of its stockholders no less than once in each subsequent six-month period beginning on June 30, 2021 until all such approvals are obtained or made.

(c) None of the information supplied by the Company or any of the Company Subsidiaries for inclusion in any proxy statement in connection with any such stockholders meeting of the Company will, at the date it is filed with the SEC, when first mailed to the Company's stockholders and at the time of any stockholders meeting, and at the time of any amendment or supplement thereof, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

3.2 Expenses. The Company shall pay (i) all reasonable out-of-pocket expenses incurred by Treasury (including the reasonable fees, charges and disbursements of any counsel for Treasury) in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the Warrants, any other agreements or documents executed

in connection herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by Treasury (including the fees, charges and disbursements of any counsel for Treasury), in connection with the enforcement or protection of its rights in connection with this Agreement and the Warrants, any other agreements or documents executed in connection herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or enforcement in respect of such Warrant Agreement, Warrant and other agreements or documents executed in connection herewith or therewith.

3.3 Sufficiency of Authorized Common Stock; Exchange Listing.

During the period from each Warrant Closing Date (or, if the approval of the Stockholder Proposals is required, the date of such approval) until the date on which no Warrants remain outstanding, the Company shall at all times have reserved for issuance, free of preemptive or similar rights, a sufficient number of authorized and unissued Warrant Shares to effectuate such exercise. Nothing in this Section 3.3 shall preclude the Company from satisfying its obligations in respect of the exercise of the Warrants by delivery of shares of Common Stock which are held in the treasury of the Company. As soon as reasonably practicable following each Warrant Closing Date, the Company shall, at its expense, cause the Warrant Shares to be listed on the same national securities exchange on which the Common Stock is listed, subject to official notice of issuance, and shall maintain such listing for so long as any Common Stock is listed on such exchange. The Company will use commercially reasonable efforts to maintain the listing of Common Stock on such national securities exchange so long as any Warrants or Warrant Shares remain outstanding. Neither the Company nor any of its Subsidiaries shall take any action which would be reasonably expected to result in the delisting or suspension of the Common Stock on such exchange. The foregoing shall not preclude the Company from undertaking any transaction set forth in Section 4.3 subject to compliance with that provision.

Article IV **Additional Agreements**

4.1 Investment Purposes. Treasury acknowledges that the Warrants and the Warrant Shares have not been registered under the Securities Act or under any state securities laws. Treasury (a) is acquiring the Warrants pursuant to an exemption from registration under the Securities Act solely for investment without a view to sell and with no present intention to distribute them to any person in violation of the Securities Act or any applicable U.S. state securities laws; (b) will not sell or otherwise dispose of any of the Warrants or the Warrant Shares, except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws; and (c) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of the Warrants and the Warrant Shares and of making an informed investment decision.

4.2 Legends.

(a) Treasury agrees that all certificates or other instruments representing the Warrants and the Warrant Shares will bear a legend substantially to the following effect:

“THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.”

(b) In the event that any Warrants or Warrant Shares (i) become registered under the Securities Act or (ii) are eligible to be transferred without restriction in accordance with Rule 144 or another exemption from registration under the Securities Act (other than Rule 144A), the Company shall issue new certificates or other instruments representing such Warrants or Warrant Shares, which shall not contain the legend in Section 4.2(a) above; *provided* that Treasury surrenders to the Company the previously issued certificates or other instruments.

4.3 Certain Transactions. The Company will not merge or consolidate with, or sell, transfer or lease all or substantially all of its property or assets to, any other party unless the successor, transferee or lessee party (or its ultimate parent entity), as the case may be (if not the Company), expressly assumes the due and punctual performance and observance of each and every covenant, agreement and condition of this Agreement and the Warrants to be performed and observed by the Company.

4.4 Transfer of Warrants and Warrant Shares. Subject to compliance with applicable securities laws, Treasury shall be permitted to transfer, sell, assign or otherwise dispose of (“Transfer”) all or a portion of the Warrants or Warrant Shares at any time, and the Company shall take all steps as may be reasonably requested by Treasury to facilitate the Transfer of the Warrants and the Warrant Shares.

4.5 Registration Rights.

(a) Registration.

(i) Subject to the terms and conditions of this Agreement, the Company covenants and agrees that on or before the earlier of (A) 30 days after the date on which all Warrants that may be issued pursuant to this Agreement have been issued and (B) June 30, 2021 (the end of such period, the “Registration Commencement Date”), the Company shall prepare and file with the SEC a Shelf Registration Statement covering the maximum number of Registrable Securities (or otherwise designate an existing Shelf Registration Statement filed with the SEC to cover the Registrable Securities) that may be issued pursuant to this Agreement and any Warrants outstanding at that time, and, to the extent the Shelf Registration Statement has not theretofore been declared effective or is not automatically effective upon such filing, the Company shall use reasonable best

efforts to cause such Shelf Registration Statement to be declared or become effective and to keep such Shelf Registration Statement continuously effective and in compliance with the Securities Act and usable for resale of such Registrable Securities for a period from the date of its initial effectiveness until such time as there are no Registrable Securities remaining (including by refiling such Shelf Registration Statement (or a new Shelf Registration Statement) if the initial Shelf Registration Statement expires). So long as the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) at the time of filing of the Shelf Registration Statement with the SEC, such Shelf Registration Statement shall be designated by the Company as an automatic Shelf Registration Statement. Notwithstanding the foregoing, if on the date hereof the Company is not eligible to file a registration statement on Form S-3, then the Company shall not be obligated to file a Shelf Registration Statement unless and until it is so eligible and is requested to do so in writing by Treasury.

(ii) Any registration pursuant to Section 4.5(a)(i) shall be effected by means of a shelf registration on an appropriate form under Rule 415 under the Securities Act (a “Shelf Registration Statement”). If Treasury or any other Holder intends to distribute any Registrable Securities by means of an underwritten offering it shall promptly so advise the Company and the Company shall take all reasonable steps to facilitate such distribution, including the actions required pursuant to Section 4.5(c); *provided* that the Company shall not be required to facilitate an underwritten offering of Registrable Securities unless the total number of Warrant Shares and Warrants expected to be sold in such offering exceeds, or are exercisable for, at least 20% of the total number of Warrant Shares for which Warrants issued under this Agreement could be exercised (giving effect to the anti-dilution adjustments in Warrants); and *provided, further* that the Company shall not be required to facilitate more than two completed underwritten offerings within any 12-month period. The lead underwriters in any such distribution shall be selected by the Holders of a majority of the Registrable Securities to be distributed.

(iii) The Company shall not be required to effect a registration (including a resale of Registrable Securities from an effective Shelf Registration Statement) or an underwritten offering pursuant to Section 4.5(a): (A) prior to the Registration Commencement Date; (B) with respect to securities that are not Registrable Securities; or (C) if the Company has notified Treasury and all other Holders that in the good faith judgment of the Board of Directors, it would be materially detrimental to the Company or its security holders for such registration or underwritten offering to be effected at such time, in which event the Company shall have the right to defer such registration or offering for a period of not more than 45 days after receipt of the request of Treasury or any other Holder; *provided* that such right to delay a registration or underwritten offering shall be exercised by the Company (1) only if the Company has generally exercised (or is concurrently exercising) similar black-out rights against holders of similar securities that have registration rights and (2) not more than three times in any 12-month period and not more than 90 days in the aggregate in any 12-month period. The Company shall notify the Holders of the date of any anticipated termination of any such deferral period prior to such date.

(iv) If during any period when an effective Shelf Registration Statement is not available, the Company proposes to register any of its equity securities, other than a registration pursuant to Section 4.5(a)(i) or a Special Registration, and the registration form to be filed may be used for the registration or qualification for distribution of Registrable Securities, the Company will give prompt written notice to Treasury and all other Holders of its intention to effect such a registration (but in no event less than ten days prior to the anticipated filing date) and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten Business Days after the date of the Company's notice (a "Piggyback Registration"). Any such person that has made such a written request may withdraw its Registrable Securities from such Piggyback Registration by giving written notice to the Company and the managing underwriter, if any, on or before the fifth Business Day prior to the planned effective date of such Piggyback Registration. The Company may terminate or withdraw any registration under this Section 4.5(a)(iv) prior to the effectiveness of such registration, whether or not Treasury or any other Holders have elected to include Registrable Securities in such registration.

(v) If the registration referred to in Section 4.5(a)(iv) is proposed to be underwritten, the Company will so advise Treasury and all other Holders as a part of the written notice given pursuant to Section 4.5(a)(iv). In such event, the right of Treasury and all other Holders to registration pursuant to Section 4.5(a) will be conditioned upon such persons' participation in such underwriting and the inclusion of such person's Registrable Securities in the underwriting if such securities are of the same class of securities as the securities to be offered in the underwritten offering, and each such person will (together with the Company and the other persons distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company; *provided* that Treasury (as opposed to other Holders) shall not be required to indemnify any person in connection with any registration. If any participating person disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the managing underwriters and Treasury (if Treasury is participating in the underwriting).

(vi) If either (x) the Company grants "piggyback" registration rights to one or more third parties to include their securities in an underwritten offering under the Shelf Registration Statement pursuant to Section 4.5(a)(ii) or (y) a Piggyback Registration under Section 4.5(a)(iv) relates to an underwritten offering on behalf of the Company, and in either case the managing underwriters advise the Company that in their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such offering only such number of securities that in the reasonable opinion of such managing underwriters can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (A) first, in the case of a Piggyback

Registration under Section 4.5(a)(iv), the securities the Company proposes to sell, (B) then the Registrable Securities of Treasury and all other Holders who have requested inclusion of Registrable Securities pursuant to Section 4.5(a)(ii) or Section 4.5(a)(iv), as applicable, *pro rata* on the basis of the aggregate number of such securities or shares owned by each such person and (C) lastly, any other securities of the Company that have been requested to be so included, subject to the terms of this Agreement; *provided, however*, that if the Company has, prior to the date hereof, entered into an agreement with respect to its securities that is inconsistent with the order of priority contemplated hereby then it shall apply the order of priority in such conflicting agreement to the extent that this Agreement would otherwise result in a breach under such agreement.

(b) Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance hereunder shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder shall be borne by the holders of the securities so registered *pro rata* on the basis of the aggregate offering or sale price of the securities so registered.

(c) Obligations of the Company. The Company shall use its reasonable best efforts, for so long as there are Registrable Securities outstanding, to take such actions as are under its control to not become an ineligible issuer (as defined in Rule 405 under the Securities Act) and to remain a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) if it has such status on the date hereof or becomes eligible for such status in the future. In addition, whenever required to effect the registration of any Registrable Securities or facilitate the distribution of Registrable Securities pursuant to an effective Shelf Registration Statement, the Company shall, as expeditiously as reasonably practicable:

(i) Prepare and file with the SEC a prospectus supplement with respect to a proposed offering of Registrable Securities pursuant to an effective registration statement, subject to Section 4.5(d), keep such registration statement effective and keep such prospectus supplement current until the securities described therein are no longer Registrable Securities. The plan of distribution included in such registration statement, or, as applicable, prospectus supplement thereto, shall include, among other things, an underwritten offering, ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers, block trades, privately negotiated transactions, the writing or settlement of options or other derivative transactions and any other method permitted pursuant to applicable law, and any combination of any such methods of sale.

(ii) Prepare and file with the SEC such amendments and supplements to the applicable registration statement and the prospectus or prospectus supplement used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(iii) Furnish to the Holders and any underwriters such number of copies of the applicable registration statement and each such amendment and supplement thereto (including in each case all exhibits) and of a prospectus, including a preliminary

prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned or to be distributed by them.

(iv) Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders or any managing underwriter(s), to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such Holder; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(v) Notify each Holder of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the applicable prospectus, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

(vi) Give written notice to the Holders:

(A) when any registration statement filed pursuant to Section 4.5(a) or any amendment thereto has been filed with the SEC (except for any amendment effected by the filing of a document with the SEC pursuant to the Exchange Act) and when such registration statement or any post-effective amendment thereto has become effective;

(B) of any request by the SEC for amendments or supplements to any registration statement or the prospectus included therein or for additional information;

(C) of the issuance by the SEC of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for that purpose;

(D) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Common Stock for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(E) of the happening of any event that requires the Company to make changes in any effective registration statement or the prospectus related to the registration statement in order to make the statements therein not misleading (which notice shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made); and

(F) if at any time the representations and warranties of the Company contained in any underwriting agreement contemplated by Section 4.5(c)(x) cease to be true and correct.

(vii) Use its reasonable best efforts to prevent the issuance or obtain the withdrawal of any order suspending the effectiveness of any registration statement referred to in Section 4.5(c)(vi)(C) at the earliest practicable time.

(viii) Upon the occurrence of any event contemplated by Section 4.5(c)(v), 4.5(c)(vi)(E) or 4.5(d), promptly prepare a post-effective amendment to such registration statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to the Holders and any underwriters, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with Section 4.5(c)(vi)(E) to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Holders and any underwriters shall suspend use of such prospectus and use their reasonable best efforts to return to the Company all copies of such prospectus (at the Company's expense) other than permanent file copies then in such Holders' or underwriters' possession. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days. The Company shall notify the Holders of the date of any anticipated termination of any such suspension period prior to such date.

(ix) Use reasonable best efforts to procure the cooperation of the Company's transfer agent in settling any offering or sale of Registrable Securities, including with respect to the transfer of physical stock certificates into book-entry form in accordance with any procedures reasonably requested by the Holders or any managing underwriter(s).

(x) If an underwritten offering is requested pursuant to Section 4.5(a)(ii), enter into an underwriting agreement in customary form, scope and substance and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by the managing underwriter(s), if any, to expedite or facilitate the underwritten disposition of such Registrable Securities, and in connection therewith in any underwritten offering (including making members of management and executives of the Company available to participate in "road shows", similar sales events and other marketing activities), (A) make such representations and warranties to the Holders that are selling stockholders and the managing underwriter(s), if any, with respect to the business of the Company and its subsidiaries, and the Shelf Registration Statement, prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in customary form, substance and scope, and, if true, confirm the same if and when requested, (B) use its reasonable best efforts to furnish the underwriters with opinions and "10b-5" letters of counsel to the Company, addressed to the managing underwriter(s), if any, covering the matters customarily covered in such opinions and letters requested in underwritten offerings, (C) use its

reasonable best efforts to obtain “cold comfort” letters from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any business acquired by the Company for which financial statements and financial data are included in the Shelf Registration Statement) who have certified the financial statements included in such Shelf Registration Statement, addressed to each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in “cold comfort” letters, (D) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures customary in underwritten offerings (provided that Treasury shall not be obligated to provide any indemnity), and (E) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (A) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

(xi) Make available for inspection by a representative of Holders that are selling stockholders, the managing underwriter(s), if any, and any attorneys or accountants retained by such Holders or managing underwriter(s), at the offices where normally kept, during reasonable business hours, financial and other records, pertinent corporate documents and properties of the Company, and cause the officers, directors and employees of the Company to supply all information in each case reasonably requested (and of the type customarily provided in connection with due diligence conducted in connection with a registered public offering of securities) by any such representative, managing underwriter(s), attorney or accountant in connection with such Shelf Registration Statement.

(xii) Use reasonable best efforts to cause all such Registrable Securities to be listed on each national securities exchange on which similar securities issued by the Company are then listed or, if no similar securities issued by the Company are then listed on any national securities exchange, use its reasonable best efforts to cause all such Registrable Securities to be listed on such securities exchange as Treasury may designate.

(xiii) If requested by Holders of a majority of the Registrable Securities being registered and/or sold in connection therewith, or the managing underwriter(s), if any, promptly include in a prospectus supplement or amendment such information as the Holders of a majority of the Registrable Securities being registered and/or sold in connection therewith or managing underwriter(s), if any, may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such prospectus supplement or such amendment as soon as practicable after the Company has received such request.

(xiv) Timely provide to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(d) Suspension of Sales. Upon receipt of written notice from the Company that a registration statement, prospectus or prospectus supplement contains or may contain an untrue statement of a material fact or omits or may omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that circumstances exist that make inadvisable use of such registration statement, prospectus or prospectus supplement, Treasury and each Holder of Registrable Securities shall forthwith discontinue disposition of Registrable Securities until Treasury and/or Holder has received copies of a supplemented or amended prospectus or prospectus supplement, or until Treasury and/or such Holder is advised in writing by the Company that the use of the prospectus and, if applicable, prospectus supplement may be resumed, and, if so directed by the Company, Treasury and/or such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in Treasury and/or such Holder's possession, of the prospectus and, if applicable, prospectus supplement covering such Registrable Securities current at the time of receipt of such notice. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days. The Company shall notify Treasury prior to the anticipated termination of any such suspension period of the date of such anticipated termination

(e) Termination of Registration Rights. A Holder's registration rights as to any securities held by such Holder shall not be available unless such securities are Registrable Securities.

(f) Furnishing Information.

(i) Neither Treasury nor any Holder shall use any free writing prospectus (as defined in Rule 405) in connection with the sale of Registrable Securities without the prior written consent of the Company.

(ii) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 4.5(c) that Treasury and/or the selling Holders and the underwriters, if any, shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registered offering of their Registrable Securities.

(g) Indemnification.

(i) The Company agrees to indemnify each Holder and, if a Holder is a person other than an individual, such Holder's officers, directors, employees, agents, representatives and Affiliates, and each Person, if any, that controls a Holder within the meaning of the Securities Act (each, an "Indemnatee"), against any and all losses, claims, damages, actions, liabilities, costs and expenses (including reasonable fees, expenses and disbursements of attorneys and other professionals incurred in connection with investigating, defending, settling, compromising or paying any such losses, claims, damages, actions, liabilities, costs and expenses), joint or several, arising out of or based upon any untrue statement or alleged untrue statement of material fact contained in any registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto or any documents incorporated therein

by reference or contained in any free writing prospectus (as such term is defined in Rule 405) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto); or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, that the Company shall not be liable to such Indemnatee 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 (A) an untrue statement or omission made in such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto or contained in any free writing prospectus (as such term is defined in Rule 405) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto), in reliance upon and in conformity with information regarding such Indemnatee or its plan of distribution or ownership interests which was furnished in writing to the Company by such Indemnatee for use in connection with such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto, or (B) offers or sales effected by or on behalf of such Indemnatee “by means of” (as defined in Rule 159A) a “free writing prospectus” (as defined in Rule 405) that was not authorized in writing by the Company.

(ii) If the indemnification provided for in Section 4.5(g)(i) is unavailable to an Indemnatee with respect to any losses, claims, damages, actions, liabilities, costs or expenses referred to therein or is insufficient to hold the Indemnatee harmless as contemplated therein, then the Company, in lieu of indemnifying such Indemnatee, shall contribute to the amount paid or payable by such Indemnatee as a result of such losses, claims, damages, actions, liabilities, costs or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnatee, on the one hand, and the Company, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, actions, liabilities, costs or expenses as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Indemnatee, on the other hand, shall be determined by reference to, among other factors, whether the untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company or by the Indemnatee and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; the Company and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 4.5(g)(ii) were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 4.5(g)(i). No Indemnatee guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from the Company if the Company was not guilty of such fraudulent misrepresentation.

(h) Assignment of Registration Rights. The rights of Treasury to registration of Registrable Securities pursuant to Section 4.5(a) may be assigned by Treasury to a transferee or assignee of Registrable Securities in connection with a transfer of a total number of Warrant

Shares and/or Warrants exercisable for at least 20% of the total number of Warrant Shares for which Warrants issued and to be issued under this Agreement could be exercised (giving effect to the anti-dilution adjustments in Warrants); *provided, however*, the transferor shall, within ten days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the number and type of Registrable Securities that are being assigned.

(i) Clear Market. With respect to any underwritten offering of Registrable Securities by Treasury or other Holders pursuant to this Section 4.5, the Company agrees not to effect (other than pursuant to such registration or pursuant to a Special Registration) any public sale or distribution, or to file any Shelf Registration Statement (other than such registration or a Special Registration) covering, in the case of an underwritten offering of Common Stock or Warrants, any of its equity securities, or, in each case, any securities convertible into or exchangeable or exercisable for such securities, during the period not to exceed 30 days following the effective date of such offering. The Company also agrees to cause such of its directors and senior executive officers to execute and deliver customary lock-up agreements in such form and for such time period up to 30 days as may be requested by the managing underwriter. “Special Registration” means the registration of (A) equity securities and/or options or other rights in respect thereof solely registered on Form S-4 or Form S-8 (or successor form) or (B) shares of equity securities and/or options or other rights in respect thereof to be offered to directors, members of management, employees, consultants, customers, lenders or vendors of the Company or Company Subsidiaries or in connection with dividend reinvestment plans.

(j) Rule 144; Rule 144A. With a view to making available to Treasury and Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its reasonable best efforts to:

(i) make and keep adequate public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the date hereof;

(ii) (A) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act, and (B) if at any time the Company is not required to file such reports, make available, upon the request of any Holder, such information necessary to permit sales pursuant to Rule 144A (including the information required by Rule 144A(d)(4) under the Securities Act);

(iii) so long as Treasury or a Holder owns any Registrable Securities, furnish to Treasury or such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of Rule 144 under the Securities Act, and of the Exchange Act; a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as Treasury or Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities to the public without registration; *provided, however*, that the availability of the foregoing reports on the EDGAR filing system of the SEC will be deemed to satisfy the foregoing delivery requirements; and

(iv) take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act.

(k) As used in this Section 4.5, the following terms shall have the following respective meanings:

(i) “Holder” means Treasury and any other holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with Section 4.5(h) hereof.

(ii) “Register,” “registered,” and “registration” shall refer to a registration effected by preparing and (A) filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of effectiveness of such registration statement or (B) filing a prospectus and/or prospectus supplement in respect of an appropriate effective registration statement on Form S-3.

(iii) “Registrable Securities” means (A) the Warrants (subject to Section 4.5(p)) and (B) any equity securities issued or issuable directly or indirectly with respect to the securities referred to in the foregoing clause (A) by way of conversion, exercise or exchange thereof, including the Warrant Shares, or share dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization, *provided* that, once issued, such securities will not be Registrable Securities when (1) they are sold pursuant to an effective registration statement under the Securities Act, (2) except as provided below in Section 4.5(o), they may be sold pursuant to Rule 144 without limitation thereunder on volume or manner of sale, (3) they shall have ceased to be outstanding or (4) they have been sold in a private transaction in which the transferor’s rights under this Agreement are not assigned to the transferee of the securities. No Registrable Securities may be registered under more than one registration statement at any one time.

(iv) “Registration Expenses” mean all expenses incurred by the Company in effecting any registration pursuant to this Agreement (whether or not any registration or prospectus becomes effective or final) or otherwise complying with its obligations under this Section 4.5, including all registration, filing and listing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, expenses incurred in connection with any “road show”, the reasonable fees and disbursements of Treasury’s counsel (if Treasury is participating in the registered offering), and expenses of the Company’s independent accountants in connection with any regular or special reviews or audits incident to or required by any such registration, but shall not include Selling Expenses.

(v) “Rule 144,” “Rule 144A,” “Rule 159A,” “Rule 405” and “Rule 415” mean, in each case, such rule promulgated under the Securities Act (or any successor provision), as the same shall be amended from time to time.

(vi) “Selling Expenses” mean all discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of Treasury’s counsel included in Registration Expenses).

(l) At any time, any holder of Registrable Securities (including any Holder) may elect to forfeit its rights set forth in this Section 4.5 from that date forward; *provided*, that a Holder forfeiting such rights shall nonetheless be entitled to participate under Section 4.5(a)(iv) – (vi) in any Pending Underwritten Offering to the same extent that such Holder would have been entitled to if the holder had not withdrawn; and *provided, further*, that no such forfeiture shall terminate a Holder’s rights or obligations under Section 4.5(f) with respect to any prior registration or Pending Underwritten Offering. “*Pending Underwritten Offering*” means, with respect to any Holder forfeiting its rights pursuant to this Section 4.5(l), any underwritten offering of Registrable Securities in which such Holder has advised the Company of its intent to register its Registrable Securities either pursuant to Section 4.5(a)(ii) or 4.5(a)(iv) prior to the date of such Holder’s forfeiture.

(m) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Company fails to perform any of its obligations under this Section 4.5 and that Treasury and the Holders from time to time may be irreparably harmed by any such failure, and accordingly agree that Treasury and such Holders, in addition to any other remedy to which they may be entitled at law or in equity, to the fullest extent permitted and enforceable under applicable law shall be entitled to compel specific performance of the obligations of the Company under this Section 4.5 in accordance with the terms and conditions of this Section 4.5.

(n) No Inconsistent Agreements. The Company shall not, on or after the date hereof, enter into any agreement with respect to its securities that may impair the rights granted to Treasury and the Holders under this Section 4.5 or that otherwise conflicts with the provisions hereof in any manner that may impair the rights granted to Treasury and the Holders under this Section 4.5. In the event the Company has, prior to the date hereof, entered into any agreement with respect to its securities that is inconsistent with the rights granted to Treasury and the Holders under this Section 4.5 (including agreements that are inconsistent with the order of priority contemplated by Section 4.5(a)(vi)) or that may otherwise conflict with the provisions hereof, the Company shall use its reasonable best efforts to amend such agreements to ensure they are consistent with the provisions of this Section 4.5. Any transaction entered into by the Company that would reasonably be expected to require the inclusion in a Shelf Registration Statement or any Company Report filed with the SEC of any separate financial statements pursuant to Rule 3-05 of Regulation S-X or pro forma financial statements pursuant to Article 11 of Regulation S-X shall include provisions requiring the Company’s counterparty to provide any information necessary to allow the Company to comply with its obligation hereunder.

(o) Certain Offerings by Treasury. In the case of any securities held by Treasury that cease to be Registrable Securities solely by reason of clause (2) in the definition of “Registrable Securities,” the provisions of Sections 4.5(a)(ii), clauses (iv), (ix) and (x)-(xii) of Section 4.5(c), Section 4.5(g) and Section 4.5(i) shall continue to apply until such securities otherwise cease to

be Registrable Securities. In any such case, an “underwritten” offering or other disposition shall include any distribution of such securities on behalf of Treasury by one or more broker-dealers, an “underwriting agreement” shall include any purchase agreement entered into by such broker-dealers, and any “registration statement” or “prospectus” shall include any offering document approved by the Company and used in connection with such distribution.

(p) Registered Sales of the Warrants. The Holders agree to sell the Warrants or any portion thereof under the Shelf Registration Statement only beginning 30 days after notifying the Company of any such sale, during which 30-day period Treasury and all Holders of the Warrants shall take reasonable steps to agree to revisions to the Warrants, at the expense of the Company, to permit a public distribution of the Warrants, including entering into a revised warrant agreement, appointing a warrant agent, and making the securities eligible for book entry clearing and settlement at the Depository Trust Company.

4.6 Voting of Warrant Shares. Notwithstanding anything in this Agreement to the contrary, Treasury shall not exercise any voting rights with respect to the Warrant Shares.

Article V Miscellaneous

5.1 Survival of Representations and Warranties. The representations and warranties of the Company made herein or in any certificates delivered in connection with the Initial Closing or any subsequent Closing shall survive such Closing without limitation.

5.2 Amendment. No amendment of any provision of this Agreement will be effective unless made in writing and signed by an officer or a duly authorized representative of each party; *provided* that Treasury may unilaterally amend any provision of this Agreement to the extent required to comply with any changes after the date hereof in applicable federal statutes. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative of any rights or remedies provided by law.

5.3 Waiver of Conditions. No waiver will be effective unless it is in a writing signed by a duly authorized officer of the waiving party that makes express reference to the provision or provisions subject to such waiver.

5.4 **Governing Law: Submission to Jurisdiction, Etc.** This Agreement will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the parties hereto agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia and the United States Court of Federal Claims for any and all civil actions, suits or proceedings arising out of or relating to this Agreement or the Warrants or the transactions contemplated hereby or thereby, and (b) that notice may be served upon (i) the Company at the address and in the manner set forth for notices to the Company in Section 5.5 and (ii) Treasury in accordance with

federal law. To the extent permitted by applicable law, each of the parties hereto hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to this Agreement or the Warrants or the transactions contemplated hereby or thereby.

5.5 Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, or (b) on the second Business Day following the date of dispatch if delivered by a recognized next day courier service. All notices to the Company shall be delivered as set forth below, or pursuant to such other instruction as may be designated in writing by the Company to Treasury. All notices to Treasury shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by Treasury to the Company.

If to the Company:

JetBlue Airways Corporation
27-01 Queens Plaza North
Long Island City, NY 11101
Attention: Treasurer
Telephone: 718 709 2039
Facsimile: 718 425 9260
Email: treasury@jetblue.com

Copy to:

JetBlue Airways Corporation
27-01 Queens Plaza North
Long Island City, NY 11101
Attention: General Counsel and Corporate Secretary
Facsimile: 718 709 3631

If to Treasury:

United States Department of the Treasury
1500 Pennsylvania Avenue, NW, Room 2312
Washington, D.C. 20220
Attention: Assistant General Counsel (Banking and Finance)

5.6 Definitions.

(a) The term “Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or

functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

(b) The term “Laws” has the meaning ascribed thereto in the Promissory Note.

(c) The term “Lien” has the meaning ascribed thereto in the Promissory Note.

(d) The term “Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Company and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of the Company to perform its obligations under this Agreement or any Warrant or (ii) the legality, validity, binding effect or enforceability against the Company of this Agreement or any Warrant to which it is a party.

(e) The term “Organizational Documents” has the meaning ascribed thereto in the Promissory Note.

(f) The term “Subsidiary” has the meaning ascribed thereto in the Promissory Note.

5.7 Assignment. Neither this Agreement nor any right, remedy, obligation nor liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of the other party, and any attempt to assign any right, remedy, obligation or liability hereunder without such consent shall be void, except (a) an assignment, in the case of a Business Combination where such party is not the surviving entity, or a sale of substantially all of its assets, to the entity which is the survivor of such Business Combination or the purchaser in such sale and (b) as provided in Section 4.5.

5.8 Severability. If any provision of this Agreement or the Warrants, or the application thereof to any person or circumstance, is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

5.9 No Third Party Beneficiaries. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the Company and Treasury any benefit, right or remedies, except that the provisions of Section 4.5 shall inure to the benefit of the persons referred to in that Section.

* * *

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

THE UNITED STATES DEPARTMENT OF THE
TREASURY

By: _____
Name:
Title:

JETBLUE AIRWAYS CORPORATION

By: ____
Name:
Title:

[Signature Page to Warrant Agreement]

FORM OF OPINION

(a) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the state of its incorporation.

(b) Each of the Warrants has been duly authorized and, when executed and delivered as contemplated by the Agreement, will constitute a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.

(c) The shares of Common Stock issuable upon exercise of the Warrants have been duly authorized and reserved for issuance upon exercise of the Warrants and when so issued in accordance with the terms of the Warrants will be validly issued, fully paid and non-assessable.

(d) The Company has the corporate power and authority to execute and deliver the Agreement and the Warrants and to carry out its obligations thereunder (which includes the issuance of the Warrants and Warrant Shares).

(e) The execution, delivery and performance by the Company of the Agreement and the Warrants and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of the Company and its stockholders, and no further approval or authorization is required on the part of the Company.

(f) The Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity; *provided, however*, such counsel need express no opinion with respect to Section 4.5(g) or the severability provisions of the Agreement insofar as Section 4.5(g) is concerned.

(g) No registration of the Warrant and the Common Stock issuable upon exercise of the Warrant under the U.S. Securities Act of 1933, as amended, is required for the offer and sale of the Warrant or the Common Stock issuable upon exercise of the Warrant by the Company to the Holder pursuant to and in the manner contemplated by this Agreement.

(h) The Company is not required to be registered as an investment company under the Investment Company Act of 1940, as amended.

FORM OF WARRANT

[SEE ATTACHED]

WARRANT TO PURCHASE COMMON STOCK

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT AND SUCH LAWS.

WARRANT to purchase

Shares of Common Stock

of

JetBlue Airways Corporation

Issue Date: _____

1. **Definitions.** Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

“*Affiliate*” means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such other person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”) when used with respect to any person, means the possession, directly or indirectly, of the power to cause the direction of management and/or policies of such person, whether through the ownership of voting securities by contract or otherwise.

“*Aggregate Net Cash Settlement Amount*” has the meaning ascribed thereto in Section 2(i).

“*Aggregate Net Share Settlement Amount*” has the meaning ascribed thereto in Section 2(ii).

“*Appraisal Procedure*” means a procedure whereby two independent appraisers, one chosen by the Company and one by the Original Warrantholder, shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 10 days after the Appraisal Procedure is invoked. If within 30 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 10 days thereafter by the mutual consent of such first two appraisers. The decision of the third appraiser so appointed and chosen

shall be given within 30 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Original Warrantholder; otherwise, the average of all three determinations shall be binding upon the Company and the Original Warrantholder. The costs of conducting any Appraisal Procedure shall be borne by the Company.

“Average Market Price” means, with respect to any security, the arithmetic average of the Market Price of such security for the 15 consecutive trading day period ending on and including the trading day immediately preceding the determination date.

“Board of Directors” means the board of directors of the Company, including any duly authorized committee thereof.

“Business Combination” means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company’s stockholders.

“Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close; *provided* that banks shall be deemed to be generally open for business in the event of a “shelter in place” or similar closure of physical branch locations at the direction of any governmental entity if such banks’ electronic funds transfer system (including wire transfers) are open for use by customers on such day.

“Capital Stock” means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

“Charter” means, with respect to any Person, its certificate or articles of incorporation, articles of association, or similar organizational document.

“Common Stock” means common stock of the Company, par value \$0.01 subject to adjustment as provided in Section 13(E).

“Company” means the Person whose name, corporate or other organizational form and jurisdiction of organization is set forth in Item 1 of Schedule A hereto.

“conversion” has the meaning set forth in Section 13(B).

“convertible securities” has the meaning set forth in Section 13(B).

“Depository” means The Depository Trust Company, its nominees and their respective successors.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“*Exercise Date*” means each date a Notice of Exercise substantially in the form annexed hereto is delivered to the Company in accordance with Section 2 hereof.

“*Exercise Price*” means the amount set forth in Item 2 of Schedule A hereto, subject to adjustment as contemplated herein.

“*Fair Market Value*” means, with respect to any security or other property, the fair market value of such security or other property as determined by the Board of Directors, acting in good faith in reliance on an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose. For so long as the Original Warrantholder holds this Warrant or any portion thereof, it may object in writing to the Board of Director’s calculation of fair market value within 10 days of receipt of written notice thereof. If the Original Warrantholder and the Company are unable to agree on fair market value during the 10-day period following the delivery of the Original Warrantholder’s objection, the Appraisal Procedure may be invoked by either party to determine Fair Market Value by delivering written notification thereof not later than the 30th day after delivery of the Original Warrantholder’s objection.

“*Initial Number*” has the meaning set forth in Section 13(B).

“*Issue Date*” means the date set forth in Item 3 of Schedule A hereto.

“*Market Price*” means, with respect to a particular security, on any given day, the last reported sale price regular way or, in case no such reported sale takes place on such day, the average of the last closing bid and ask prices regular way, in either case on the principal national securities exchange on which the applicable securities are listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the average of the closing bid and ask prices as furnished by two members of the Financial Industry Regulatory Authority, Inc. selected from time to time by the Company for that purpose. “Market Price” shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price of such security shall be deemed to be (i) in the event that any portion of the Warrant is held by the Original Warrantholder, the fair market value per share of such security as determined in good faith by the Original Warrantholder or (ii) in all other circumstances, the fair market value per share of such security as determined in good faith by the Board of Directors in reliance on an opinion of a nationally recognized independent investment banking corporation retained by the Company for this purpose and certified in a resolution to the Warrantholder.

“*Original Warrantholder*” means the United States Department of the Treasury. Any actions specified to be taken by the Original Warrantholder hereunder may only be taken by such Person and not by any other Warrantholder.

“Permitted Transactions” has the meaning set forth in Section 13(B).

“Per Share Net Cash Settlement Amount” means the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date less the then applicable Exercise Price.

“Per Share Net Share Settlement Amount” means the quotient of (i) the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date less the then applicable Exercise Price *divided by* (ii) the Average Market Price of a share of Common Stock determined as of the relevant Exercise Date.

“Person” has the meaning given to it in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act.

“Per Share Fair Market Value” has the meaning set forth in Section 13(C).

“Pro Rata Repurchases” means any purchase of shares of Common Stock by the Company or any Affiliate thereof pursuant to (A) any tender offer or exchange offer subject to Section 13(e) or 14(e) of the Exchange Act or Regulation 14E promulgated thereunder or (B) any other offer available to substantially all holders of Common Stock, in the case of both (A) or (B), whether for cash, shares of Capital Stock of the Company, other securities of the Company, evidences of indebtedness of the Company or any other Person or any other property (including, without limitation, shares of Capital Stock, other securities or evidences of indebtedness of a subsidiary), or any combination thereof, effected while this Warrant is outstanding. The *“Effective Date”* of a Pro Rata Repurchase shall mean the date of acceptance of shares for purchase or exchange by the Company under any tender or exchange offer which is a Pro Rata Repurchase or the date of purchase with respect to any Pro Rata Repurchase that is not a tender or exchange offer.

“Regulatory Approvals” with respect to the Warrantholder, means, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Common Stock and to own such Common Stock without the Warrantholder being in violation of applicable law, rule or regulation, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities Act” means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“trading day” means (A) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a Business Day or (B) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a Business Day on which such relevant exchange or

quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of Common Stock.

“*U.S. GAAP*” means United States generally accepted accounting principles.

“*Warrant*” means this Warrant, issued pursuant to the Warrant Agreement.

“*Warrant Agreement*” means the Warrant Agreement, dated as of the date set forth in Item 4 of Schedule A hereto, as amended from time to time, between the Company and the United States Department of the Treasury.

“*Warrantholder*” has the meaning set forth in Section 2.

“*Warrant Shares*” has the meaning set forth in Section 2.

2. Number of Warrant Shares; Net Exercise. This certifies that, for value received, the United States Department of the Treasury or its permitted assigns (the “*Warrantholder*”) is entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the Company, in whole or in part, after the receipt of all applicable Regulatory Approvals, if any, up to an aggregate of the number of fully paid and nonassessable shares of Common Stock set forth in Item 5 of Schedule A hereto. The number of shares of Common Stock (the “*Warrant Shares*”) issuable upon exercise of this Warrant and the Exercise Price are subject to adjustment as provided herein, and all references to “Common Stock,” “Warrant Shares” and “Exercise Price” herein shall be deemed to include any such adjustment or series of adjustments.

Upon exercise of the Warrant in accordance with Section 3 hereof, the Company shall elect to pay or deliver, as the case may be, to the exercising Warrantholder (a) cash (“*Net Cash Settlement*”) or (b) Warrant Shares together with cash, if applicable, in lieu of delivering any fractional shares in accordance with Section 5 of this Warrant (“*Net Share Settlement*”). The Company will notify the exercising Warrantholder of its election of a settlement method within one Business Day after the relevant Exercise Date and if it fails to deliver a timely notice shall be deemed to have elected Net Share Settlement.

(i) *Net Cash Settlement.* If the Company elects Net Cash Settlement, it shall pay to the Warrantholder cash equal to the Per Share Net Cash Settlement Amount multiplied by the number of Warrant Shares as to which the Warrant has been exercised as indicated in the Notice of Exercise (the “*Aggregate Net Cash Settlement Amount*”).

(ii) *Net Share Settlement.* If the Company elects Net Share Settlement, it shall deliver to the Warrantholder a number of shares of Common Stock equal to the Per Share Net Share Settlement Amount multiplied by the number of Warrant Shares as to which the Warrant has been exercised as indicated in the Notice of Exercise (the “*Aggregate Net Share Settlement Amount*”).

3. Term; Method of Exercise. Subject to Section 2, to the extent permitted by applicable laws and regulations, this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after the execution and delivery of this Warrant by the Company on the date hereof, but in no event later than 5:00 p.m., New York City time on the fifth anniversary of the Issue Date of this Warrant, by the surrender of this Warrant and delivery of the Notice of Exercise annexed hereto, duly completed and executed on behalf of the Warrantholder, at the principal executive office of the Company located at the address set forth in Item 6 of Schedule A hereto (or such other office or agency of the Company in the United States as it may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company).

If the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder will be entitled to receive from the Company within a reasonable time after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant, and in any event not exceeding three Business Days after the date thereof, a new warrant in substantially identical form for the purchase of that number of Warrant Shares equal to the difference between the number of Warrant Shares subject to this Warrant and the number of Warrant Shares as to which this Warrant is so exercised. Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Warrant Shares is subject to the condition that the Warrantholder will have first received any applicable Regulatory Approvals.

4. Method of Settlement.

(i) *Net Cash Settlement.* If the Company elects Net Cash Settlement, the Company shall, within a reasonable time, not to exceed five Business Days after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant, pay to the exercising Warrantholder the Aggregate Net Cash Settlement Amount.

(ii) *Net Share Settlement.* If the Company elects Net Share Settlement, shares of Common Stock equal to the Aggregate Net Share Settlement Amount shall be (x) issued in such name or names as the exercising Warrantholder may designate and (y) delivered by the Company or the Company's transfer agent to such Warrantholder or its nominee or nominees (i) if the shares are then able to be so delivered, via book-entry transfer crediting the account of such Warrantholder (or the relevant agent member for the benefit of such Warrantholder) through the Depositary's DWAC system (if the Company's transfer agent participates in such system), or (ii) otherwise in certificated form by physical delivery to the address specified by the Warrantholder in the Notice of Exercise, within a reasonable time, not to exceed three Business Days after the date on which this Warrant has been duly exercised in accordance with the terms of this Warrant. The Company hereby represents and warrants that any Warrant Shares issued upon the exercise of this Warrant in accordance with the provisions of Section 3 will be duly and validly authorized and issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith). The Company agrees that the

Warrant Shares so issued will be deemed to have been issued to the Warrantholder as of the close of business on the date on which this Warrant and payment of the Exercise Price are delivered to the Company in accordance with the terms of this Warrant, notwithstanding that the stock transfer books of the Company may then be closed or certificates representing such Warrant Shares may not be actually delivered on such date. The Company will at all times reserve and keep available, out of its authorized but unissued Common Stock, solely for the purpose of providing for the exercise of this Warrant, the aggregate number of shares of Common Stock then issuable upon exercise of this Warrant at any time. The Company will (A) procure, at its sole expense, the listing of the Warrant Shares issuable upon exercise of this Warrant at any time, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Warrant Shares at all times after issuance. The Company will use reasonable best efforts to ensure that the Warrant Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Warrant Shares are listed or traded.

5. No Fractional Warrant Shares or Scrip. No fractional Warrant Shares or scrip representing fractional Warrant Shares shall be issued upon any exercise of this Warrant. In lieu of any fractional Share to which the Warrantholder would otherwise be entitled, the Warrantholder shall be entitled to receive a cash payment equal to the Average Market Price of the Common Stock determined as of the Exercise Date multiplied by such fraction of a share, less the pro-rated Exercise Price for such fractional share.

6. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

7. Charges, Taxes and Expenses. Issuance of certificates for Warrant Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; *provided, however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate, or any certificates or other securities in a name other than that of the registered holder of the Warrant surrendered upon exercise of the Warrant.

8. Transfer/Assignment.

(A) Subject to compliance with clause (B) of this Section 8, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 3. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 8 shall be paid by the Company.

(B) If and for so long as required by the Warrant Agreement, this Warrant shall contain the legend as set forth in Sections 4.2(a) of the Warrant Agreement.

9. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Warrant Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

10. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Warrant Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

11. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding day that is a Business Day.

12. Information. With a view to making available to Warrantholders the benefits of certain rules and regulations of the SEC which may permit the sale of the Warrants and Warrant Shares to the public without registration, the Company agrees to use its reasonable best efforts to:

(A) make and keep adequate public information available, as those terms are understood and defined in Rule 144(c) or any similar or analogous rule promulgated under the Securities Act, at all times after the date hereof;

(B) (x) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Securities Act and the Exchange Act, and (y) if at any time the Company is not required to file such reports, make available, upon the request of any Warrantholder, such information necessary to permit sales pursuant to Rule 144A (including the information required by Rule 144A(d)(4) under the Securities Act);

(C) furnish to any holder of Warrants or Warrant Shares forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of the Exchange Act and Rule 144(c)(1); a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as the Warrantholder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities to the public without registration; and

(D) take such further action as any Warrantholder may reasonably request, all to the extent required from time to time to enable such Warrantholder to sell Warrants or Warrant Shares without registration under the Securities Act.

13. Adjustments and Other Rights. The Exercise Price and the number of Warrant Shares issuable upon exercise of the Warrant shall be subject to adjustment from time to time as follows; *provided*, that if more than one subsection of this Section 13 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 13 so as to result in duplication:

(A) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Company shall (i) declare and pay a dividend or make a distribution on its Common Stock in shares of Common Stock, (ii) subdivide or reclassify the outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of Warrant Shares issuable upon exercise of this Warrant at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Warrantholder after such date shall be entitled to acquire the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to this Warrant after such date had this Warrant been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment and (2) the Exercise Price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of Warrant Shares issuable upon exercise of the Warrant determined pursuant to the immediately preceding sentence.

(B) Certain Issuances of Common Stock or Convertible Securities. If the Company shall issue shares of Common Stock (or rights or warrants or other securities exercisable or convertible into or exchangeable (collectively, a “*conversion*”) for shares of Common Stock) (collectively, “*convertible securities*”) (other than in Permitted Transactions (as defined below) or a transaction to which subsection (A) of this Section 13 is applicable) without consideration or at a consideration per share (or having a conversion price per share) that is less than 90% of the Average Market Price determined as of the date of the agreement on pricing such shares (or such convertible securities) then, in such event:

(A) the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to the date of the agreement on pricing of such shares (or of such convertible securities) (the “*Initial Number*”) shall be increased to the number obtained by multiplying the Initial Number by a fraction (A) the numerator of which shall be the sum of (x) the number of shares of Common Stock of the Company outstanding on such date and (y) the number of additional

shares of Common Stock issued (or into which convertible securities may be exercised or convert) and (B) the denominator of which shall be the sum of (I) the number of shares of Common Stock outstanding on such date and (II) the number of shares of Common Stock which the aggregate consideration receivable by the Company for the total number of shares of Common Stock so issued (or into which convertible securities may be exercised or convert) would purchase at the Average Market Price determined as of the date of the agreement on pricing such shares (or such convertible securities); and

(B) the Exercise Price payable upon exercise of the Warrant shall be adjusted by multiplying such Exercise Price in effect immediately prior to the date of the agreement on pricing of such shares (or of such convertible securities) by a fraction, the numerator of which shall be the number of shares of Common Stock issuable upon exercise of this Warrant prior to such date and the denominator of which shall be the number of shares of Common Stock issuable upon exercise of this Warrant immediately after the adjustment described in clause (A) above.

For purposes of the foregoing, the aggregate consideration receivable by the Company in connection with the issuance of such shares of Common Stock or convertible securities shall be deemed to be equal to the sum of the net offering price (including the Fair Market Value of any non-cash consideration and after deduction of any related expenses payable to third parties) of all such securities plus the minimum aggregate amount, if any, payable upon exercise or conversion of any such convertible securities into shares of Common Stock; and “*Permitted Transactions*” shall mean issuances (i) as consideration for or to fund the acquisition of businesses and/or related assets, (ii) in connection with employee benefit plans and compensation related arrangements in the ordinary course and consistent with past practice approved by the Board of Directors, (iii) in connection with a public or broadly marketed offering and sale of Common Stock or convertible securities for cash conducted by the Company or its affiliates pursuant to registration under the Securities Act or Rule 144A thereunder on a basis consistent with capital raising transactions by comparable institutions and (iv) in connection with the exercise of preemptive rights on terms existing as of the Issue Date. Any adjustment made pursuant to this Section 13(B) shall become effective immediately upon the date of such issuance.

(C) Other Distributions. In case the Company shall fix a record date for the making of a distribution to all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights or warrants (excluding dividends of its Common Stock and other dividends or distributions referred to in Section 13(A)), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Average Market Price of the Common Stock determined as of the first date on which the Common Stock trades regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of indebtedness, assets, rights or warrants to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the “*Per Share Fair Market Value*”) divided by

(y) the Average Market Price specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of Warrant Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the event that such distribution is not so made, the Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash or warrants, as the case may be, to the Exercise Price that would then be in effect and the number of Warrant Shares that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

(D) Certain Repurchases of Common Stock. In case the Company effects a Pro Rata Repurchase of Common Stock, then the Exercise Price shall be reduced to the price determined by multiplying the Exercise Price in effect immediately prior to the Effective Date of such Pro Rata Repurchase by a fraction of which the numerator shall be (i) the product of (x) the number of shares of Common Stock outstanding immediately before such Pro Rata Repurchase and (y) the Average Market Price of a share of Common Stock determined as of the date of the first public announcement by the Company or any of its Affiliates of the intent to effect such Pro Rata Repurchase, minus (ii) the aggregate purchase price of the Pro Rata Repurchase, and of which the denominator shall be the product of (i) the number of shares of Common Stock outstanding immediately prior to such Pro Rata Repurchase minus the number of shares of Common Stock so repurchased and (ii) the Average Market Price per share of Common Stock determined as of the date of the first public announcement by the Company or any of its Affiliates of the intent to effect such Pro Rata Repurchase. In such event, the number of shares of Common Stock issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Warrant Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the Pro Rata Repurchase giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. For the avoidance of doubt, no increase to the Exercise Price or decrease in the number of Warrant Shares issuable upon exercise of this Warrant shall be made pursuant to this Section 13(D).

(E) Business Combinations. In case of any Business Combination or reclassification of Common Stock (other than a reclassification of Common Stock referred to in Section 13(A)), the Warrantholder's right to receive Warrant Shares upon exercise of this Warrant shall be converted into the right to exercise this Warrant to acquire the number of shares of stock or other securities or property (including cash) which the Common Stock issuable (at the time of such Business Combination or reclassification) upon exercise of this Warrant immediately prior to such Business Combination or reclassification would have been entitled to receive upon consummation of such Business Combination or reclassification; and in any such case, if necessary, the provisions set forth herein with respect to the rights and interests thereafter of the Warrantholder shall be appropriately adjusted so as to be applicable, as nearly as may reasonably be, to the Warrantholder's right to exercise this Warrant in exchange for any shares of stock or

other securities or property pursuant to this paragraph. In determining the kind and amount of stock, securities or the property receivable upon exercise of this Warrant following the consummation of such Business Combination, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such Business Combination, then the consideration that the Warrantholder shall be entitled to receive upon exercise shall be deemed to be the types and amounts of consideration received by the majority of all holders of the shares of common stock that affirmatively make an election (or of all such holders if none make an election).

(F) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 13 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Section 13 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of Warrant Shares shall be made if the amount of such adjustment would be less than \$0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate \$0.01 or 1/10th of a share of Common Stock, or more.

(G) Timing of Issuance of Additional Common Stock Upon Certain Adjustments. In any case in which the provisions of this Section 13 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Warrantholder of this Warrant exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such Warrantholder any amount of cash in lieu of a fractional share of Common Stock; *provided, however*, that the Company upon request shall deliver to such Warrantholder a due bill or other appropriate instrument evidencing such Warrantholder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(H) Other Events. For so long as the Original Warrantholder holds this Warrant or any portion thereof, if any event occurs as to which the provisions of this Section 13 are not strictly applicable or, if strictly applicable, would not, in the good faith judgment of the Board of Directors of the Company, fairly and adequately protect the purchase rights of the Warrants in accordance with the essential intent and principles of such provisions, then the Board of Directors shall make such adjustments in the application of such provisions, in accordance with such essential intent and principles, as shall be reasonably necessary, in the good faith opinion of the Board of Directors, to protect such purchase rights as aforesaid. The Exercise Price or the number of Warrant Shares shall not be adjusted in the event of a change in the par value of the Common Stock or a change in the jurisdiction of incorporation of the Company.

(I) Statement Regarding Adjustments. Whenever the Exercise Price or the number of Warrant Shares shall be adjusted as provided in Section 13, the Company shall forthwith file at

the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Warrant Shares after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

(J) Notice of Adjustment Event. In the event that the Company shall propose to take any action of the type described in this Section 13 (but only if the action of the type described in this Section 13 would result in an adjustment in the Exercise Price or the number of Warrant Shares or a change in the type of securities or property to be delivered upon exercise of this Warrant), the Company shall give notice to the Warrantholder, in the manner set forth in Section 13(J), which notice shall specify the record date, if any, with respect to any such action and the approximate date on which such action is to take place. Such notice shall also set forth the facts with respect thereto as shall be reasonably necessary to indicate the effect on the Exercise Price and the number, kind or class of shares or other securities or property which shall be deliverable upon exercise of this Warrant. In the case of any action which would require the fixing of a record date, such notice shall be given at least 10 days prior to the date so fixed, and in case of all other action, such notice shall be given at least 15 days prior to the taking of such proposed action. Failure to give such notice, or any defect therein, shall not affect the legality or validity of any such action.

(K) Proceedings Prior to Any Action Requiring Adjustment. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 13, the Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange, NASDAQ Stock Market or other applicable national securities exchange or stockholder approvals or exemptions, as applicable, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the Warrantholder is entitled to receive upon exercise of this Warrant pursuant to this Section 13.

(L) Adjustment Rules. Any adjustments pursuant to this Section 13 shall be made successively whenever an event referred to herein shall occur. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

14. No Impairment. The Company will not, by amendment of its Charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in taking of all such action as may be necessary or appropriate in order to protect the rights of the Warrantholder.

15. Governing Law. **This Warrant will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the Company**

and the Warrantholder agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia for any civil action, suit or proceeding arising out of or relating to this Warrant or the transactions contemplated hereby, and (b) that notice may be served upon the Company at the address in Section 19 below and upon the Warrantholder at the address for the Warrantholder set forth in the registry maintained by the Company pursuant to Section 9 hereof. To the extent permitted by applicable law, each of the Company and the Warrantholder hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to the Warrant or the transactions contemplated hereby or thereby.

16. Binding Effect. This Warrant shall be binding upon any successors or assigns of the Company.

17. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

18. Prohibited Actions. The Company agrees that it will not take any action which would entitle the Warrantholder to an adjustment of the Exercise Price if the total number of shares of Common Stock issuable after such action upon exercise of this Warrant, together with all shares of Common Stock then outstanding and all shares of Common Stock then issuable upon the exercise of all outstanding options, warrants, conversion and other rights, would exceed the total number of shares of Common Stock then authorized by its Charter.

19. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, or (b) on the second Business Day following the date of dispatch if delivered by a recognized next day courier service. All notices hereunder shall be delivered as set forth in Item 7 of Schedule A hereto, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

20. Entire Agreement. This Warrant, the forms attached hereto and Schedule A hereto (the terms of which are incorporated by reference herein), and the Warrant Agreement (including all documents incorporated therein), contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

[Remainder of page intentionally left blank]

[Form of Notice of Exercise]

Date:___

TO: JetBlue Airways Corporation

RE: Exercise of Warrant

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby notifies the Company of its intention to exercise its option with respect to the number of shares of the Common Stock set forth below covered by such Warrant. Pursuant to Section 4 of the Warrant, the undersigned acknowledges that the Company may settle this exercise in net cash or shares. Cash to be paid pursuant to a Net Cash Settlement or payment of fractional shares in connection with a Net Share Settlement should be deposited to the account of the Warrantholder set forth below. Common Stock to be delivered pursuant to a Net Share Settlement shall be delivered to the Warrantholder as indicated below. A new warrant evidencing the remaining shares of Common Stock covered by such Warrant, but not yet subscribed for and purchased, if any, should be issued in the name set forth below.

Number of Warrant Shares:___

Aggregate Exercise Price: ___

Address for Delivery of Warrant Shares: ___

Wire Instructions:

Proceeds to be delivered: \$

Name of Bank:

City/ State of Bank:

ABA Number of Bank

SWIFT #

Name of Account:

Account Number at Bank:

Securities to be issued to:

If in book-entry form through the Depository:

Depository Account Number:

Name of Agent Member:

If in certificated form:

Social Security Number or Other Identifying Number:

Name:

Street Address:

City, State and Zip Code:

Any unexercised Warrants evidenced by the exercising Warrantholder's interest in the Warrant:

Social Security Number or Other Identifying Number:

Name:

Street Address:

City, State and Zip Code:

Holder: ____

By: ____

Name: ____

Title: ____

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated:

JETBLUE AIRWAYS CORPORATION

By:

Name:

Title:

Attest:

By:

Name:

Title:

[Signature Page to Warrant]

Item 1

Name: JetBlue Airways Corporation
Corporate or other organizational form: Corporation
Jurisdiction of organization: Delaware

Item 2

Exercise Price:

Item 3

Issue Date:

Item 4

Date of Warrant Agreement between the Company and the United States Department of the Treasury:

Item 5

Number of shares of Common Stock:

Item 6

Company's address:

27-01 Queens Plaza North
Long Island City, NY 11101

Item 7

Notice information:

JetBlue Airways Corporation
27-01 Queens Plaza North
Long Island City, NY 11101
Attention: Treasurer
Facsimile No.: 718 425 9260
Telephone No.: 718 709 2039
Email: treasury@jetblue.com

Copy to:

JetBlue Airways Corporation
27-01 Queens Plaza North
Long Island City, NY 11101
Attention: General Counsel and Corporate Secretary
Facsimile: 718 709 3631

SCHEDULE 1

WARRANT SHARES FORMULA

The number of Warrant Shares for which Warrants issued on each Warrant Closing Date shall be exercisable shall equal:

- (i) On the Closing Date, the quotient of (x) the product of the principal amount of the Promissory Note multiplied *by* 0.1 *divided by* (y) the Exercise Price (as defined in Annex B); and
 - (ii) On each subsequent Warrant Closing Date, the quotient of (x) the product of the amount by which the principal amount of the Promissory Note is increased on such Warrant Closing Date multiplied *by* 0.1 *divided by* (y) the Exercise Price.
-

CAPITALIZATION

The authorized capital stock of the Company and the outstanding capital stock of the Company (including securities convertible into, or exercisable or exchangeable for, capital stock of the Company) as of April 30, 2021 were as follows:

- **total number of authorized shares of common stock, par value \$0.01 per share ("common stock"):** 900,000,000
- **total number of authorized shares of preferred stock, par value \$0.01 per share ("preferred stock"):** 25,000,000
- **total number of shares of common stock outstanding:** 318,005,747
- **total number of shares of preferred stock outstanding:** 0
- **total number of shares of common stock underlying unvested restricted stock units:** 2,326,110
- **total number of shares of common stock underlying unvested performance stock units (assuming payout at maximum performance levels):** 833,032 calculated based on 200% payout
- **total number of shares of common stock underlying unvested deferred stock units:** 307,429 DSUs outstanding, of that 41,587 are unvested as of 4/30/21
- **total number of shares of common stock underlying unexercised stock options:** 0

Following April 30, 2021 and through May 6, 2021, the Company issued 0 restricted stock units, 0 stock options and 0 performance stock units (assuming payouts at maximum performance levels) and 0 shares of common stock, and agreed to issue to Treasury on May 6, 2021 warrants to purchase 257,175 shares of common stock at an exercise price of \$19.90.

REQUIRED STOCKHOLDER APPROVALS

None.

PAYROLL SUPPORT PROGRAM 3 AGREEMENT

Recipient: JetBlue Airways Corporation 27-01 Queens Plaza North Long Island City, NY 11101	PSP Participant Number: PSA-2004030783 Employer Identification Number: 87-0617894 DUNS Number: N/A
Additional Recipients: N/A	
Amount of Initial Payroll Support Payment: \$ 270,593,026.70	
The Department of the Treasury (Treasury) hereby provides Payroll Support (as defined herein) under section 7301 of the American Rescue Plan Act of 2021. The Signatory Entity named above, on behalf of itself and its Affiliates (as defined herein), agrees to comply with this Agreement and applicable Federal law as a condition of receiving Payroll Support. The Signatory Entity and its undersigned authorized representatives acknowledge that a materially false, fictitious, or fraudulent statement (or concealment or omission of a material fact) in connection with this Agreement may result in administrative remedies as well as civil and/or criminal penalties.	
The undersigned hereby agree to the attached Payroll Support Program 3 Agreement.	
	JetBlue Airways Corporation First Authorized Representative: Title: Date:
Department of the Treasury Name: Steven Mnuchin Title: Secretary Date:	JetBlue Airways Corporation Second Authorized Representative: Title: Date:
Department of the Treasury Name: Title: Date:	/s/ Steve Priest JetBlue Airways Corporation Signature of First Authorized Representative Date Steve Priest Print Name of First Authorized Representative Title
	/s/ Ursula L. Hurley JetBlue Airways Corporation Signature of Second Authorized Representative Date Ursula L. Hurley Print Name of Second Authorized Representative Title

information is 2 hours per response. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Privacy, Transparency and Records, Department of the Treasury, 1500 Pennsylvania Ave., N.W., Washington, D.C. 20220. DO NOT send the form to this address. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid control number assigned by OMB.

PAYROLL SUPPORT PROGRAM 3 AGREEMENT

INTRODUCTION

Section 7301 of the American Rescue Plan Act of 2021 (ARP) directs the Department of the Treasury (Treasury) to provide Payroll Support (as defined herein) to passenger air carriers and certain contractors that must be exclusively used for the continuation of payment of Employee Salaries, Wages, and Benefits (as defined herein). The ARP requires certain assurances from the Recipient (as defined herein).

This Payroll Support Program 3 Agreement, including all supporting documents submitted by the Recipient and the Payroll Support Program 3 Certification attached hereto (collectively, Agreement), memorializes the binding terms and conditions applicable to the Recipient.

DEFINITIONS

As used in this Agreement, the following terms shall have the following respective meanings, unless the context clearly requires otherwise. In addition, this Agreement shall be construed in a manner consistent with any public guidance Treasury may from time to time issue regarding the implementation of section 7301 of the ARP.

Additional Payroll Support Payment means any disbursement of Payroll Support occurring after the first disbursement of Payroll Support under this Agreement.

Affiliate means any Person that directly or indirectly controls, is controlled by, or is under common control with, the Recipient. For purposes of this definition, “control” of a Person shall mean having the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by ownership of voting equity, by contract, or otherwise.

ARP means the American Rescue Plan Act of 2021.

Benefits means, without duplication of any amounts counted as Salary or Wages, pension expenses in respect of Employees, all expenses for accident, sickness, hospital, and death benefits to Employees, and the cost of insurance to provide such benefits; any Severance Pay or Other Benefits payable to Employees pursuant to a bona fide voluntary early retirement program or voluntary furlough; and any other similar expenses paid by the Recipient for the benefit of Employees, including any other fringe benefit expense described in lines 10 and 11 of Financial Reporting Schedule P-6, Form 41, as published by the Department of Transportation, but excluding any Federal, state, or local payroll taxes paid by the Recipient.

Corporate Officer means, with respect to the Recipient, its president; any vice president in charge of a principal business unit, division, or function (such as sales, administration or finance); any other officer who performs a policy-making function; or any other person who performs similar policy making functions for the Recipient. Executive officers of subsidiaries or

parents of the Recipient may be deemed Corporate Officers of the Recipient if they perform such policy-making functions for the Recipient.

Employee means an individual who is employed by the Recipient and whose principal place of employment is in the United States (including its territories and possessions), including salaried, hourly, full-time, part-time, temporary, and leased employees, but excluding any individual who is a Corporate Officer or independent contractor.

Involuntary Termination or Furlough means the Recipient terminating the employment of one or more Employees or requiring one or more Employees to take a temporary suspension or unpaid leave for any reason, including a shut-down or slow-down of business; provided, however, that an Involuntary Termination or Furlough does not include a Permitted Termination or Furlough.

Maximum Awardable Amount means the amount determined by the Secretary with respect to the Recipient pursuant to section 7301(b)(2) of the ARP.

Payroll Support means funds disbursed by the Secretary to the Recipient under this Agreement, including the first disbursement of Payroll Support and any Additional Payroll Support Payment.

Permitted Termination or Furlough means, with respect to an Employee, (1) a voluntary furlough, voluntary leave of absence, voluntary resignation, or voluntary retirement, (2) termination of employment resulting from such Employee's death or disability, or (3) the Recipient terminating the employment of such Employee for cause or placing such Employee on a temporary suspension or unpaid leave of absence for disciplinary reasons, in either case, as reasonably determined by the Recipient acting in good faith.

Person means any natural person, corporation, limited liability company, partnership, joint venture, trust, business association, governmental entity, or other entity.

PSP1 means the Payroll Support Program established under Division A, Title IV, Subtitle B of the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. No. 116-136).

PSP2 means the Payroll Support Program Extension established under Subtitle A of Title IV of Division N of the Consolidated Appropriations Act, 2021.

Recipient means, collectively, the Signatory Entity; its Affiliates that are listed on the signature page hereto as Additional Recipients; and their respective heirs, executors, administrators, successors, and assigns.

Salary means, without duplication of any amounts counted as Benefits, a predetermined regular payment, typically paid on a weekly or less frequent basis but which may be expressed as an hourly, weekly, annual or other rate, as well as cost-of-living differentials, vacation time, paid time off, sick leave, and overtime pay, paid by the Recipient to its Employees, but excluding any Federal, state, or local payroll taxes paid by the Recipient.

Secretary means the Secretary of the Treasury.

Severance Pay or Other Benefits means any severance payment or other similar benefits, including cash payments, health care benefits, perquisites, the enhancement or acceleration of the payment or vesting of any payment or benefit or any other in-kind benefit payable (whether in lump sum or over time, including after October 1, 2022) by the Recipient to a Corporate Officer or Employee in connection with any termination of such Corporate Officer's or Employee's employment (including, without limitation, resignation, severance, retirement, or constructive termination), which shall be determined and calculated in respect of any Employee or Corporate Officer of the Recipient in the manner prescribed in 17 CFR 229.402(j) (without regard to its limitation to the five most highly compensated executives and using the actual date of termination of employment rather than the last business day of the Recipient's last completed fiscal year as the trigger event).

Signatory Entity means the passenger air carrier or contractor that has entered into this Agreement.

Taxpayer Protection Instruments means warrants, options, preferred stock, debt securities, notes, or other financial instruments issued by the Recipient or an Affiliate to Treasury as compensation for the Payroll Support under this Agreement, if applicable.

Total Compensation means compensation including salary, wages, bonuses, awards of stock, and any other financial benefits provided by the Recipient or an Affiliate, as applicable, which shall be determined and calculated for the 2019 calendar year or any applicable 12-month period in respect of any Employee or Corporate Officer of the Recipient in the manner prescribed under paragraph e.6 of the award term in 2 CFR part 170, App. A, but excluding any Severance Pay or Other Benefits in connection with a termination of employment.

Wage means, without duplication of any amounts counted as Benefits, a payment, typically paid on an hourly, daily, or piecework basis, including cost-of-living differentials, vacation, paid time off, sick leave, and overtime pay, paid by the Recipient to its Employees, but excluding any Federal, state, or local payroll taxes paid by the Recipient.

PAYROLL SUPPORT PAYMENTS

1. Upon the execution of this Agreement by Treasury and the Recipient, the Secretary shall approve the Recipient to receive Payroll Support.
2. The Recipient may receive Payroll Support in multiple payments up to the Maximum Awardable Amount, and the amounts (individually and in the aggregate) and timing of such payments will be determined by the Secretary in her sole discretion. The Secretary may, in her sole discretion, increase or reduce the Maximum Awardable Amount consistent with section 7301 of the ARP.
3. The Secretary may determine in her sole discretion that any Payroll Support shall be conditioned on, and subject to, compliance by the Recipient with all applicable requirements under (a) PSP2 and (b) PSP1 if the Recipient received financial assistance in PSP1, and such additional terms and conditions (including the receipt of, and any terms regarding, Taxpayer Protection Instruments) to which the parties may agree in writing.

TERMS AND CONDITIONS

Retaining and Paying Employees

4. The Recipient shall use the Payroll Support exclusively for the continuation of payment of Wages, Salaries, and Benefits to the Employees of the Recipient.
 - a. *Furloughs and Layoffs*. The Recipient shall not conduct an Involuntary Termination or Furlough of any Employee between the date of this Agreement and September 30, 2021 or the date on which the Recipient has expended all of the Payroll Support, whichever is later.
 - b. *Employee Salary, Wages, and Benefits*
 - i. *Salary and Wages*. Except in the case of a Permitted Termination or Furlough, the Recipient shall not, between the date of this Agreement and September 30, 2021 or the date on which the Recipient has expended all of the Payroll Support, whichever is later, reduce, without the Employee's consent, (A) the pay rate of any Employee earning a Salary, or (B) the pay rate of any Employee earning Wages.
 - ii. *Benefits*. Except in the case of a Permitted Termination or Furlough, the Recipient shall not, between the date of this Agreement and September 30, 2021 or the date on which the Recipient has expended all of the Payroll Support, whichever is later, reduce, without the Employee's consent, the Benefits of any Employee; provided, however, that for purposes of this paragraph, personnel expenses associated with the performance of work duties, including those described in line 10 of Financial Reporting Schedule P-6, Form 41, as published by the Department of Transportation, may be reduced to the extent the associated work duties are not performed.

Dividends and Buybacks

5. Through September 30, 2022, neither the Recipient nor any Affiliate shall, in any transaction, purchase an equity security of the Recipient or of any direct or indirect parent company of the Recipient that, in either case, is listed on a national securities exchange.
6. Through September 30, 2022, the Recipient shall not pay dividends, or make any other capital distributions, with respect to the common stock (or equivalent equity interest) of the Recipient.

Limitations on Certain Compensation

7. Beginning April 1, 2021, and ending April 1, 2023, the Recipient and its Affiliates shall not pay any of the Recipient's Corporate Officers or Employees whose Total Compensation exceeded \$425,000 in calendar year 2019 (other than an Employee whose compensation is determined through an existing collective bargaining agreement entered into before March 11, 2021):

- a. Total Compensation which exceeds, during any 12 consecutive months of such two-year period, the Total Compensation the Corporate Officer or Employee received in calendar year 2019; or
 - b. Severance Pay or Other Benefits in connection with a termination of employment with the Recipient which exceed twice the maximum Total Compensation received by such Corporate Officer or Employee in calendar year 2019.
8. Beginning April 1, 2021, and ending April 1, 2023, the Recipient and its Affiliates shall not pay, during any 12 consecutive months of such two-year period, any of the Recipient's Corporate Officers or Employees whose Total Compensation exceeded \$3,000,000 in calendar year 2019 Total Compensation in excess of the sum of:
- a. \$3,000,000; and
 - b. 50 percent of the excess over \$3,000,000 of the Total Compensation received by such Corporate Officer or Employee in calendar year 2019.
9. For purposes of determining applicable amounts under paragraphs 7 and 8 with respect to any Corporate Officer or Employee who was employed by the Recipient or an Affiliate for less than all of calendar year 2019, the amount of Total Compensation in calendar year 2019 shall mean such Corporate Officer's or Employee's Total Compensation on an annualized basis.

Service and Eligibility

- 10.1. If the Recipient is an air carrier, until March 1, 2022, the Recipient shall comply with any applicable requirement issued by the Secretary of Transportation under section 407 of the PSP Extension Law to maintain scheduled air transportation service to any point served by the Recipient before March 1, 2020.
- 10.2. The Recipient represents, warrants, and certifies that as of March 31, 2021, the Recipient:
- a. provided air transportation as an air carrier, as defined under 49 U.S.C. § 40102; or
 - b. (i) performed, under contract with a passenger air carrier conducting operations under 14 CFR part 121, (A) catering functions; or (B) functions on the property of an airport that were directly related to the air transportation of persons, property, or mail, including the loading and unloading of property on aircraft, assistance to passengers under 14 CFR part 382, security, airport ticketing and check-in functions, groundhandling of aircraft, or aircraft cleaning and sanitization functions and waste removal; or (ii) was a subcontractor that performed such functions.
- 10.3. The Recipient represents, warrants, and certifies that between March 31, 2021, and the effective date of this Agreement, it has not:
- a. conducted an Involuntary Termination or Furlough;

- b. reduced, without the Employee's consent, (i) the pay rate of any Employee earning a Salary, or (ii) the pay rate of any Employee earning Wages; or
- c. except in the case of a Permitted Termination or Furlough, reduced, without the Employee's consent, the Benefits of any Employee (provided, however, that for purposes of this subparagraph, personnel expenses associated with the performance of work duties, including those described in line 10 of Financial Reporting Schedule P-6, Form 41, as published by the Department of Transportation, may be reduced to the extent the associated work duties are not performed).

Effective Date

11. This Agreement shall be effective as of the date of its execution by both parties.

Reporting and Auditing

12. Until the calendar quarter that begins after the later of January 1, 2023, and the date on which no Taxpayer Protection Instrument is outstanding, not later than 45 days after the end of each of the first three calendar quarters of each calendar year and 90 days after the end of each calendar year, the Signatory Entity, on behalf of itself and each other Recipient, shall certify to Treasury that it is in compliance with the terms and conditions of this Agreement and provide a report containing the following:
- a. the amount of Payroll Support funds expended during such quarter;
 - b. the Recipient's financial statements (audited by an independent certified public accountant, in the case of annual financial statements);
 - c. a copy of the Recipient's IRS Form 941 filed with respect to such quarter; and
 - d. a detailed summary describing, with respect to the Recipient, (a) any changes in Employee headcount during such quarter and the reasons therefor, including any Involuntary Termination or Furlough, (b) any changes in the amounts spent by the Recipient on Employee Wages, Salary, and Benefits during such quarter, and (c) any changes in Total Compensation for, and any Severance Pay or Other Benefits in connection with the termination of, Corporate Officers and Employees subject to limitation under this Agreement during such quarter; and the reasons for any such changes.
13. If the Recipient or any Affiliate, or any Corporate Officer of the Recipient or any Affiliate, becomes aware of facts, events, or circumstances that may materially affect the Recipient's compliance with the terms and conditions of this Agreement, the Recipient or Affiliate shall promptly provide Treasury with a written description of the events or circumstances and any action taken, or contemplated, to address the issue.
14. In the event the Recipient contemplates any action to commence a bankruptcy or insolvency proceeding in any jurisdiction, the Recipient shall promptly notify Treasury.

15. The Recipient shall:
- a. Promptly provide to Treasury and the Treasury Inspector General a copy of any Department of Transportation Inspector General report, audit report, or report of any other oversight body, that is received by the Recipient relating to this Agreement.
 - b. Immediately notify Treasury and the Treasury Inspector General of any indication of fraud, waste, abuse, or potentially criminal activity pertaining to the Payroll Support.
 - c. Promptly provide Treasury with any information Treasury may request relating to compliance by the Recipient and its Affiliates with this Agreement.
16. The Recipient and Affiliates will provide Treasury, the Treasury Inspector General, and such other entities as authorized by Treasury timely and unrestricted access to all documents, papers, or other records, including electronic records, of the Recipient related to the Payroll Support, to enable Treasury and the Treasury Inspector General to make audits, examinations, and otherwise evaluate the Recipient's compliance with the terms of this Agreement. This right also includes timely and reasonable access to the Recipient's and its Affiliates' personnel for the purpose of interview and discussion related to such documents. This right of access shall continue as long as records are required to be retained. In addition, the Recipient will provide timely reports as reasonably required by Treasury, the Treasury Inspector General, and such other entities as authorized by Treasury to comply with applicable law and to assess program effectiveness.

Recordkeeping and Internal Controls

17. If the Recipient is a debtor as defined under 11 U.S.C. § 101(13), the Payroll Support funds, any claim or account receivable arising under this Agreement, and any segregated account holding funds received under this Agreement shall not constitute or become property of the estate under 11 U.S.C. § 541.
18. The Recipient shall expend and account for Payroll Support funds in a manner sufficient to:
- a. Permit the preparation of accurate, current, and complete quarterly reports as required under this Agreement.
 - b. Permit the tracing of funds to a level of expenditures adequate to establish that such funds have been used as required under this Agreement.
19. The Recipient shall establish and maintain effective internal controls over the Payroll Support; comply with all requirements related to the Payroll Support established under applicable Federal statutes and regulations; monitor compliance with Federal statutes, regulations, and the terms and conditions of this Agreement; and take prompt corrective actions in accordance with audit recommendations. The Recipient shall promptly remedy any identified instances of noncompliance with this Agreement.
20. The Recipient and Affiliates shall retain all records pertinent to the receipt of Payroll Support and compliance with the terms and conditions of this Agreement (including by suspending any automatic deletion functions for electronic records, including e-mails) for a period of

three years following the period of performance. Such records shall include all information necessary to substantiate factual representations made in the supporting documents submitted by the Recipient related to the Payroll Support, including ledgers and sub-ledgers, and the Recipient's and Affiliates' compliance with this Agreement. While electronic storage of records (backed up as appropriate) is preferable, the Recipient and Affiliates may store records in hardcopy (paper) format. The term "records" includes all relevant financial and accounting records and all supporting documentation for the information reported on the Recipient's quarterly reports.

21. If any litigation, claim, investigation, or audit relating to the Payroll Support is started before the expiration of the three-year period, the Recipient and Affiliates shall retain all records described in paragraph 20 until all such litigation, claims, investigations, or audit findings have been completely resolved and final judgment entered or final action taken.

Remedies

22. If Treasury believes that an instance of noncompliance by the Recipient or an Affiliate with (a) this Agreement, (b) section 7301 of the ARP, or (c) the Internal Revenue Code of 1986 as it applies to the receipt of Payroll Support has occurred, Treasury may notify the Recipient in writing of its proposed determination of noncompliance, provide an explanation of the nature of the noncompliance, and specify a proposed remedy. Upon receipt of such notice, the Recipient shall, within seven days, accept Treasury's proposed remedy, propose an alternative remedy, or provide information and documentation contesting Treasury's proposed determination. Treasury shall consider any such submission by the Recipient and make a final written determination, which will state Treasury's findings regarding noncompliance and the remedy to be imposed.
23. If Treasury makes a final determination under paragraph 22 that an instance of noncompliance has occurred, Treasury may, in its sole discretion, withhold any Additional Payroll Support Payments; require the repayment of the amount of any previously disbursed Payroll Support, with appropriate interest; require additional reporting or monitoring; initiate suspension or debarment proceedings as authorized under 2 CFR Part 180; terminate this Agreement; or take any such other action as Treasury, in its sole discretion, deems appropriate.
24. Treasury may make a final determination regarding noncompliance without regard to paragraph 22 if Treasury determines, in its sole discretion, that such determination is necessary to protect a material interest of the Federal Government. In such event, Treasury shall notify the Recipient of the remedy that Treasury, in its sole discretion, shall impose, after which the Recipient may contest Treasury's final determination or propose an alternative remedy in writing to Treasury. Following the receipt of such a submission by the Recipient, Treasury may, in its sole discretion, maintain or alter its final determination.
25. Any final determination of noncompliance and any final determination to take any remedial action described herein shall not be subject to further review. To the extent permitted by law, the Recipient waives any right to judicial review of any such determinations and further agrees not to assert in any court any claim arising from or relating to any such determination or remedial action.

26. Instead of, or in addition to, the remedies listed above, Treasury may refer any noncompliance or any allegations of fraud, waste, or abuse to the Treasury Inspector General.
27. Treasury, in its sole discretion, may grant any request by the Recipient for termination of this Agreement, which such request shall be in writing and shall include the reasons for such termination, the proposed effective date of the termination, and the amount of any unused Payroll Support funds the Recipient requests to return to Treasury. Treasury may, in its sole discretion, determine the extent to which the requirements under this Agreement may cease to apply following any such termination.
28. If Treasury determines that any remaining portion of the Payroll Support will not accomplish the purpose of this Agreement, Treasury may terminate this Agreement in its entirety to the extent permitted by law.

Debts

29. Any Payroll Support in excess of the amount which Treasury determines, at any time, the Recipient is authorized to receive or retain under the terms of this Agreement constitutes a debt to the Federal Government.
30. Any debts determined to be owed by the Recipient to the Federal Government shall be paid promptly by the Recipient. A debt is delinquent if it has not been paid by the date specified in Treasury's initial written demand for payment, unless other satisfactory arrangements have been made. Interest, penalties, and administrative charges shall be charged on delinquent debts in accordance with 31 U.S.C. § 3717, 31 CFR 901.9, and paragraphs 31 and 32. Treasury will refer any debt that is more than 180 days delinquent to Treasury's Bureau of the Fiscal Service for debt collection services.
31. Penalties on any debts shall accrue at a rate of not more than 6 percent per year or such other higher rate as authorized by law.
32. Administrative charges relating to the costs of processing and handling a delinquent debt shall be determined by Treasury.
33. The Recipient shall not use funds from other federally sponsored programs to pay a debt to the government arising under this Agreement.

Protections for Whistleblowers

34. In addition to other applicable whistleblower protections, in accordance with 41 U.S.C. § 4712, the Recipient shall not discharge, demote, or otherwise discriminate against an Employee as a reprisal for disclosing information to a Person listed below that the Employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant:
 - a. A Member of Congress or a representative of a committee of Congress;

- b. An Inspector General;
- c. The Government Accountability Office;
- d. A Treasury employee responsible for contract or grant oversight or management;
- e. An authorized official of the Department of Justice or other law enforcement agency;
- f. A court or grand jury; or
- g. A management official or other Employee of the Recipient who has the responsibility to investigate, discover, or address misconduct.

Lobbying

35. The Recipient shall comply with the provisions of 31 U.S.C. § 1352, as amended, and with the regulations at 31 CFR Part 21.

Non-Discrimination

36. The Recipient shall comply with, and hereby assures that it will comply with, all applicable Federal statutes and regulations relating to nondiscrimination including:
- a. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*), including Treasury's implementing regulations at 31 CFR Part 22;
 - b. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794);
 - c. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101–6107), including Treasury's implementing regulations at 31 CFR Part 23 and the general age discrimination regulations at 45 CFR Part 90; and
 - d. The Air Carrier Access Act of 1986 (49 U.S.C. § 41705).

Additional Reporting

37. Within seven days after the date of this Agreement, the Recipient shall register in SAM.gov, and thereafter maintain the currency of the information in SAM.gov until at least January 1, 2023. The Recipient shall review and update such information at least annually after the initial registration, and more frequently if required by changes in the Recipient's information. The Recipient agrees that this Agreement and information related thereto, including the Maximum Awardable Amount and any executive total compensation reported pursuant to paragraph 38, may be made available to the public through a U.S. Government website, including SAM.gov.
38. For purposes of paragraph 37, the Recipient shall report total compensation as defined in paragraph e.6 of the award term in 2 CFR part 170, App. A for each of the Recipient's five most highly compensated executives for the preceding completed fiscal year, if:

- a. the total Payroll Support is \$25,000 or more;
- b. in the preceding fiscal year, the Recipient received:
 - i. 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance, as defined at 2 CFR 170.320 (and subawards); and
 - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance, as defined at 2 CFR 170.320 (and subawards); and
- c. the public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. To determine if the public has access to the compensation information, the Recipient shall refer to U.S. Securities and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.

39. The Recipient shall report executive total compensation described in paragraph 38:

- a. as part of its registration profile at <https://www.sam.gov>; and
- b. within five business days after the end of each month following the month in which this Agreement becomes effective, and annually thereafter.

40. The Recipient agrees that, from time to time, it will, at its own expense, promptly upon reasonable request by Treasury, execute and deliver, or cause to be executed and delivered, or use its commercially reasonable efforts to procure, all instruments, documents and information, all in form and substance reasonably satisfactory to Treasury, to enable Treasury to ensure compliance with, or effect the purposes of, this Agreement, which may include, among other documents or information, (a) certain audited financial statements of the Recipient, (b) documentation regarding the Recipient's revenues derived from its business as a passenger air carrier or regarding the passenger air carriers for which the Recipient provides services as a contractor (as the case may be), and (c) the Recipient's most recent quarterly Federal tax returns. The Recipient agrees to provide Treasury with such documents or information promptly.

41. If the total value of the Recipient's currently active grants, cooperative agreements, and procurement contracts from all Federal awarding agencies exceeds \$10,000,000 for any period before termination of this Agreement, then the Recipient shall make such reports as required by 2 CFR part 200, Appendix XII.

Other

42. [Reserved]

43. Notwithstanding any other provision of this Agreement, the Recipient has no right to, and shall not, transfer, pledge, mortgage, encumber, or otherwise assign this Agreement or any Payroll Support provided under this Agreement, or any interest therein, or any claim, account receivable, or funds arising thereunder or accounts holding Payroll Support, to any party, bank, trust company, or other Person without the express written approval of Treasury.
44. The Signatory Entity will cause its Affiliates to comply with all of their obligations under or relating to this Agreement.
45. Unless otherwise provided in guidance issued by Treasury or the Internal Revenue Service, the form of any Taxpayer Protection Instrument held by Treasury and any subsequent holder will be treated as such form for purposes of the Internal Revenue Code of 1986 (for example, a Taxpayer Protection Instrument in the form of a note will be treated as indebtedness for purposes of the Internal Revenue Code of 1986).
46. This Agreement may not be amended or modified except pursuant to an agreement in writing entered into by the Recipient and Treasury, except that Treasury may unilaterally amend this Agreement if required in order to comply with applicable Federal law or regulation.
47. Subject to applicable law, Treasury may, in its sole discretion, waive any term or condition under this Agreement imposing a requirement on the Recipient or any Affiliate.
48. This Agreement shall bind and inure to the benefit of the parties and their respective heirs, executors, administrators, successors, and assigns.
49. The Recipient represents and warrants to Treasury that this Agreement, and the issuance and delivery to Treasury of the Taxpayer Protection Instruments, if applicable, have been duly authorized by all requisite corporate and, if required, stockholder action, and will not result in the violation by the Recipient of any provision of law, statute, or regulation, or of the articles of incorporation or other constitutive documents or bylaws of the Recipient, or breach or constitute an event of default under any material contract to which the Recipient is a party.
50. The Recipient represents and warrants to Treasury that this Agreement has been duly executed and delivered by the Recipient and constitutes a legal, valid, and binding obligation of the Recipient enforceable against the Recipient in accordance with its terms.
51. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute a single contract.
52. The words “execution,” “signed,” “signature,” and words of like import in any assignment shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Agreement by electronic means, or confirmation of the

execution of this Agreement on behalf of a party by an email from an authorized signatory of such party, shall be effective as delivery of a manually executed counterpart of this Agreement.

53. The captions and paragraph headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.
54. This Agreement is governed by and shall be construed in accordance with Federal law. Insofar as there may be no applicable Federal law, this Agreement shall be construed in accordance with the laws of the State of New York, without regard to any rule of conflicts of law (other than section 5-1401 of the New York General Obligations Law) that would result in the application of the substantive law of any jurisdiction other than the State of New York.
55. Nothing in this Agreement shall require any unlawful action or inaction by either party.
56. The requirement pertaining to trafficking in persons at 2 CFR 175.15(b) is incorporated herein and made applicable to the Recipient.
57. This Agreement, together with the attachments hereto, including the Payroll Support Program 3 Certification and any attached terms regarding Taxpayer Protection Instruments, constitute the entire agreement of the parties relating to the subject matter hereof and supersede any previous agreements and understandings, oral or written, relating to the subject matter hereof. There may exist other agreements between the parties as to other matters, which are not affected by this Agreement and are not included within this integration clause.
58. No failure by either party to insist upon the strict performance of any provision of this Agreement or to exercise any right or remedy hereunder, and no acceptance of full or partial Payroll Support (if applicable) or other performance by either party during the continuance of any such breach, shall constitute a waiver of any such breach of such provision.

ATTACHMENT

Payroll Support Program 3 Certification of Corporate Officer of Recipient

PAYROLL SUPPORT PROGRAM 3

CERTIFICATION OF CORPORATE OFFICER OF RECIPIENT

In connection with the Payroll Support Program 3 Agreement (Agreement) between JetBlue Airways Corporation and the Department of the Treasury (Treasury) relating to Payroll Support being provided by Treasury to the Recipient under section 7301 of the American Rescue Plan Act of 2021, I hereby certify under penalty of perjury to the Treasury that all of the following are true and correct. Capitalized terms used but not defined herein have the meanings set forth in the Agreement.

(1) I have the authority to make the following representations on behalf of myself and the Recipient. I understand that these representations will be relied upon as material in the decision by Treasury to provide Payroll Support to the Recipient.

(2) The information, certifications, attachments, and other information provided by the Recipient to Treasury related to the Payroll Support are true and correct and do not contain any materially false, fictitious, or fraudulent statement, nor any concealment or omission of any material fact.

(3) The Recipient has the legal authority to apply for the Payroll Support, and it has the institutional, managerial, and financial capability to comply with all obligations, terms, and conditions set forth in the Agreement and any attachment thereto.

(4) The Recipient and any Affiliate will give Treasury, Treasury's designee or the Treasury Office of Inspector General (as applicable) access to, and opportunity to examine, all documents, papers, or other records of the Recipient or Affiliate pertinent to the provision of Payroll Support made by Treasury to the Recipient, in order to make audits, examinations, excerpts, and transcripts.

(5) No Federal appropriated funds, including Payroll Support, have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(6) If the Payroll Support exceeds \$100,000, the Recipient shall comply with the disclosure requirements in 31 CFR Part 21 regarding any amounts paid for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the Payroll Support.

I acknowledge that a materially false, fictitious, or fraudulent statement (or concealment or omission of a material fact) in this certification may be the subject of criminal prosecution and also may subject me and the Recipient to civil penalties and/or administrative remedies for false claims or otherwise.

Corporate Officer of JetBlue Airways Corporation

Name:

Title:

Date:

Second Authorized Representative of JetBlue Airways Corporation

Name:

Title:

Date:

PROMISSORY NOTE

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH LAWS.

Reference is made to that certain Payroll Support Program 3 Agreement (“PSP3 Agreement”) dated as of the date hereof by and among JetBlue Airways Corporation, a Delaware corporation (“Issuer”), having an office at 27-01 Queens Plaza North, Long Island City, NY 11101 and the United States Department of the Treasury (“Treasury”), having an office at 1500 Pennsylvania Avenue, NW, Washington, D.C. 20220, entered into by Issuer and Treasury pursuant to the American Rescue Plan Act of 2021 (March 11, 2021) (“PSP3 Extension Law”).

WHEREAS, Issuer has requested that Treasury provide financial assistance to the Issuer and certain of its Affiliates (as defined below) that are Recipients (as defined in the PSP3 Agreement) that shall be used for the continuation of payment of employee wages, salaries, and benefits as is permissible under Section 7301(b)(1) of the PSP3 Extension Law.

WHEREAS, as appropriate compensation to the Federal Government of the United States of America for the provision of financial assistance under the PSP3 Agreement, Issuer has agreed to issue this Promissory Note (“Note”) to Treasury on the terms and conditions set forth herein.

FOR VALUE RECEIVED, Issuer unconditionally promises to pay to the Holder (as defined below) the principal sum of Fifty One Million One Hundred Seventy Seven Thousand Nine Hundred Eight Dollars and One Cents (\$51,177,908.01), subject to increases and/or decreases made pursuant to Section 2.1, as permissible under the PSP3 Agreement, or Section 2.3, in each case as noted by the Holder in Schedule I (the “Principal Amount”), outstanding hereunder, together with all accrued interest thereon on the Maturity Date (as defined below) as provided in this Note. Notations made by the Holder in Schedule I shall be final and conclusive absent manifest error; provided, however, that any failure by the Holder to make such notations or any error by omission by the Holder in this regard shall not affect the obligation of the Issuer to pay the full amount of the principal of and interest on the Note or any other amount owing hereunder.

1 DEFINITIONS

1.1 Defined Terms. As used in this Note, capitalized terms have the meanings specified in Annex A.

1.2 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” The word “or” is not exclusive. The word “year” shall refer (i) in the case of a leap year, to a year of three hundred sixty-six (366) days, and (ii) otherwise, to a year of three hundred sixty-five (365) days. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Note in its entirety and not to any particular provision hereof, (d) all references herein to Sections, Annexes and Schedules shall be construed to refer to Sections of, and Annexes and Schedules to, this Note, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

1.3 Accounting Terms. All accounting terms not otherwise defined herein shall be construed in conformity with GAAP, as in effect from time to time.

2 NOTE

2.1 Principal Amount. Upon any disbursement to the Issuer under the PSP3 Agreement after the Closing Date, the Principal Amount of this Note shall be increased in an amount equal to 30 % of any such disbursement; provided, however, that no increases in the Principal Amount of this Note shall occur pursuant to this Section until the aggregate principal amount of any disbursements to the Issuer under the PSP3 Agreement is greater than \$100,000,000.

2.2 Maturity Date. The aggregate unpaid principal amount of the Note, all accrued and unpaid interest, and all other amounts payable under this Note shall be due and payable on the Maturity Date, unless otherwise provided in Section 5.1.

2.3 Prepayments.

(a) Optional Prepayments. The Issuer may, upon written notice to the Holder, at any time and from time to time prepay the Note in whole or in part without premium or penalty in a minimum aggregate principal amount equal to the lesser of \$5,000,000 and the Principal Amount outstanding.

(b) Mandatory Prepayments. If a Change of Control occurs, within thirty (30) days following the occurrence of such Change of Control, the Issuer shall prepay the aggregate principal amount outstanding under the Note and any accrued interest or other amounts owing under the Note. The Issuer will not, and will not permit any Subsidiary to, enter into any Contractual Obligation (other than this Note) that, directly or indirectly, restricts the ability of the Issuer or any Subsidiary to make such prepayment hereunder.

2.4 Interest.

(a) Interest Rate. Subject to paragraph (b) of this Section, the Note shall bear interest on the Principal Amount outstanding from time to time at a rate per annum equal to 1.00% until the fifth anniversary of the Closing Date, and the Applicable SOFR Rate plus 2.00% thereafter until the Maturity Date. All interest hereunder shall be computed on the basis of the actual number of days in each interest period and a year of 365 or 366 days, as applicable, until the fifth anniversary of the Closing Date and computed in a manner determined by the Holder thereafter, based on prevailing customary market conventions for the use of the Applicable SOFR Rate in floating-rate debt instruments at the time of the announcement of the Applicable SOFR Rate. Each interest period will be from, and including, the Closing Date, or from and including the most recent interest payment date to which interest has been paid or provided for, to, but excluding the next interest payment date.

(b) Default Interest. If any amount payable by the Issuer or any Guarantor under this Note (including principal of the Note, interest, fees or other amount) is not paid when due, whether at stated maturity, upon acceleration or otherwise, such amount shall thereafter bear interest at a rate per annum equal to the applicable Default Rate. While any Event of Default exists, the Issuer or any Guarantor shall pay interest on the principal amount of the Note outstanding hereunder at a rate per annum equal to the applicable Default Rate.

(c) Payment Dates. Accrued interest on the Note shall be payable in arrears on the last Business Day of March and September of each year, beginning with September 30, 2021, and on the Maturity Date and at such other times as may be specified herein; provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of the Note, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(d) SOFR Fallback. If, at any time, the Holder or its designee determines that a Benchmark Transition Event has occurred with respect to the Applicable SOFR Rate or SOFR, or any successor rate, the Holder or its designee will designate a Benchmark Replacement and, as applicable, make Benchmark Conforming Changes in a manner consistent with the methodology set forth in the ARRC Fallback Provisions. Any determination, decision or election that may be made by the Holder or its designee pursuant to this Section 2.4(d), and any decision to take or refrain from taking any action or making any determination, decision or election arising out of or relating to this Section 2.4(d), shall be conclusive and binding absent manifest error, may be made by the Holder or its designee in its sole discretion, and, notwithstanding anything to the contrary in this Note, shall become effective without the consent of the Issuer, any Guarantor or any other party. Any terms used in this Section 2.4(d) but not defined in this Note shall be construed in a manner consistent with the ARRC Fallback Provisions.

2.5 Payments Generally.

(a) Payments by Issuer. All payments to be made by the Issuer hereunder shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, (i) for so long as Treasury is the Holder of this Note, each payment under this Note shall be paid in immediately available funds by electronic funds transfer to the account of the United States Treasury maintained at the Federal Reserve Bank of New York specified by Treasury in a written notice to the Issuer, or to such other account as may be specified from time to time by Treasury in a written notice to the Issuer, or (ii) in the event that Treasury is not the Holder of this Note, then each payment under this Note shall be made in immediately available funds by electronic funds transfer to such account as shall be specified by the Holder in a written notice to the Issuer, in each case not later than 12:00 noon (Washington, D.C. time) on the date specified herein. All amounts received by the Holder after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. If any payment to be made by the Issuer shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder shall be made in Dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Holder to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, and (ii) second, to pay principal then due hereunder.

3 REPRESENTATIONS AND WARRANTIES

The Issuer and each Guarantor represents and warrants to the Holder on the Closing Date and is deemed to represent and warrant to the Holder on any date on which the amount of the Note is increased pursuant to the terms hereof and in accordance with the PSP3 Agreement that:

3.1 Existence, Qualification and Power. The Issuer, each Guarantor and each Subsidiary (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Note, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in each case referred to in clause (a) (other than with respect to the Issuer and each Guarantor), (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

3.2 Authorization; No Contravention. The execution, delivery and performance by the Issuer and each Guarantor of the Note have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which the Issuer or any Guarantor is a party or affecting the Issuer or any Guarantor or the material properties of the Issuer, any Guarantor or any Subsidiary or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Issuer, the Guarantor or any Subsidiary or its property is subject or (c) violate any Law, except to the extent that such violation could not reasonably be expected to have a Material Adverse Effect.

3.3 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Issuer or any Guarantor of this Note, except for such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

3.4 Execution and Delivery; Binding Effect. This Note has been duly executed and delivered by the Issuer and each Guarantor. This Note constitutes a legal, valid and binding obligation of the Issuer and each Guarantor, enforceable against the Issuer and each Guarantor in accordance with its terms, except as such enforceability may be limited by

bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

4 COVENANTS

Until all Obligations shall have been paid in full or until any later date as provided for in this Note, the Issuer covenants and agrees with the Holder that:

4.1 Notices. The Issuer will promptly notify the Holder of the occurrence of any Default.

4.2 Guarantors. If any Subsidiary (other than an Excluded Subsidiary) is formed or acquired after the Closing Date or if any Subsidiary ceases to be an Excluded Subsidiary, then the Issuer will cause such Subsidiary to become a Guarantor of this Note within 30 days of such Subsidiary being formed or acquired or of such Subsidiary ceasing to be an Excluded Subsidiary pursuant to customary documentation reasonably acceptable to the Holder and on the terms and conditions set forth in Annex B.

4.3 Pari Passu Ranking. The Obligations of the Issuer and any Guaranteed Obligations of any Guarantor under this Note shall be unsecured obligations of the Issuer and any Guarantor ranking *pari passu* with all existing and future senior unsecured Indebtedness of the Issuer or any Guarantor that is not subordinated in right of payment to the holder or lender of such Indebtedness.

5 EVENTS OF DEFAULT

5.1 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a) the Issuer shall fail to pay any principal of the Note when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Issuer shall fail to pay any interest on the Note, or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Note, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of two (2) or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Issuer or any Guarantor, including those made prior to the Closing Date, in or in connection with this Note or any amendment or modification hereof, or any waiver hereunder, or in the PSP3 Agreement, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Note, the PSP3 Agreement or the PSP3 Application or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Note already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made;

(d) the Issuer shall fail to observe or perform any covenant, condition or agreement contained in Section 4.1;

(e) the Issuer or any Guarantor shall fail to observe or perform any covenant, condition or agreement contained in this Note (other than those specified in clause (a), (b) or (d) of this Section) and such failure shall continue unremedied for a period of 30 or more days after notice thereof by the Holder to the Issuer;

(f) (i) the Issuer or any Guarantor shall default in the performance of any obligation relating to any Indebtedness (other than Indebtedness under the Note) having an aggregate principal amount equal to or greater than \$40,000,000 ("Material Indebtedness") and any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with, and as a result of such default the holder or holders of such Material Indebtedness or any trustee or agent on behalf of such holder or holders shall have caused such Material Indebtedness to become due prior to its scheduled final maturity date or (ii) the Issuer or any Guarantor shall default in the payment of the outstanding principal amount due on the scheduled final maturity date of any Indebtedness outstanding under one or more agreements of the Issuer or any Guarantor, any applicable grace periods shall have expired and any applicable notice requirements shall have been complied with and such failure to make payment when due shall be continuing for a period of more than five (5) consecutive Business Days following the applicable scheduled final maturity date or the applicable grace period thereunder, in an aggregate principal amount at any single time unpaid exceeding \$40,000,000;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Issuer, any Guarantor or any Subsidiary or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Issuer or any of its Subsidiaries or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) the Issuer, any Guarantor or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Issuer, any Guarantor or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors;

(i) the Issuer, any Guarantor or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(j) there is entered against the Issuer, any Guarantor or any Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding an amount equal to or greater than \$40,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(k) any material provision of the Note, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or the Issuer, any Guarantor or any other Person contests in writing the validity or enforceability of any provision of the Note; or the Issuer or any Guarantor denies in writing that it has any or further liability or obligation under the Note, or purports in writing to revoke, terminate or rescind the Note;

then, and in every such event (other than an event with respect to the Issuer or any Guarantor described in clause (g) or (h) of this Section), and at any time thereafter during the continuance of such event, the Holder may, by notice to the Issuer, take any or all of the following actions, at the same or different times:

(i) declare any amounts then outstanding under the Note to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Note so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Issuer accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer and any Guarantor; and

(ii) exercise on all rights and remedies available to it under the Note and Applicable Law;

provided that, in case of any event with respect to the Issuer or any Guarantor described in clause (g) or (h) of this Section, the principal of the Note then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Issuer and any Guarantor.

6 MISCELLANEOUS

6.1 Notices.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email as follows:

(i) if to the Issuer or any Guarantor, to JetBlue Airways Corporation at 27-01 Queens Plaza North, Long Island City, NY 11101, Attention of Treasurer (Telephone No. 718-709-2039; Facsimile No.: 718-425-9260; Email: treasury@jetblue.com); with a copy to: JetBlue Airways Corporation at 27-01 Queens Plaza North, Long Island City, NY 11101, Attention of General Counsel and Corporate Secretary; Facsimile No.: 718-709-3631);

(ii) if to the Holder, to the Department of the Treasury at _____, Attention of _____ (Telephone No. _____; Email: _____); and

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Holder hereunder may be delivered or furnished by electronic communication (including e-mail, FpML, and Internet or intranet websites) pursuant to procedures approved by the Holder. The Holder, the Issuer or any Guarantor may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Holder otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day.

6.2 Waivers; Amendments.

(a) No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Holder in exercising any right, remedy, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right, remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges of the Holder hereunder and under the Note are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b) Amendments, Etc. Except as otherwise expressly set forth in this Note, no amendment or waiver of any provision of this Note, and no consent to any departure by the Issuer therefrom, shall be effective unless in writing executed by the Issuer and the Holder, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

6.3 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Issuer shall pay (i) all reasonable out-of-pocket expenses incurred by the Holder (including the reasonable fees, charges and disbursements of any counsel for the Holder) in connection with the preparation, negotiation, execution, delivery and administration of this Note and the PSP3 Agreement, any other agreements or documents executed in connection herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Holder (including the fees, charges and disbursements of any counsel for the Holder), in connection with the enforcement or protection of its rights in connection with this Note and the PSP3 Agreement, any other agreements or documents executed in connection herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or enforcement in respect of such Note, PSP3 Agreement and other agreements or documents executed in connection herewith or therewith.

(b) Indemnification by the Issuer. The Issuer shall indemnify the Holder and each of its Related Parties (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, obligations, penalties, fines, settlements, judgments, disbursements and related costs and

expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Issuer) arising out of, in connection with, or as a result of (i) the execution or delivery of this Note or any agreement or instrument contemplated hereby, the performance by the Issuer or any Guarantor of its obligations hereunder or the consummation of the transactions contemplated hereby, (ii) the Note or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Issuer or any Guarantor, and regardless of whether any Indemnitee is a party thereto.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Issuer and any Guarantor shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Note or any agreement or instrument contemplated hereby, the transactions contemplated hereby, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Note or the transactions contemplated hereby.

(d) Payments. All amounts due under this Section shall be payable not later than five (5) days after demand therefor.

(e) Survival. Each party's obligations under this Section shall survive the termination of the Note and payment of the obligations hereunder.

6.4 Successors and Assigns. Neither the Issuer nor any Guarantor may assign or transfer this Note or any of its rights or obligations hereunder and any purported assignment or transfer in violation of this Note shall be void. Holder may assign or participate a portion or all of its rights under this Note at any time in compliance with all Applicable Laws. This Note shall inure to the benefit of and be binding upon Issuer, any Guarantor and Holder and their permitted successors and assigns. Any Holder that assigns, or sells participations in, any portion of the Note will take such actions as are necessary for the Note and such portion to be in "registered form" (within the meaning of Treasury Regulations Section 5f.103-1).

6.5 Counterparts; Integration; Effectiveness. This Note and any amendments, waivers, consents or supplements hereto may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute a single contract. This Note constitutes the entire contract between Issuer, any Guarantor and the Holder with respect to the subject matter hereof and supersede all previous agreements and understandings, oral or written, with respect thereto. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Note by electronic means shall be effective as delivery of a manually executed counterpart of this Note.

6.6 Severability. If any term or provision of this Note is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

6.7 Right of Setoff. If an Event of Default shall have occurred and be continuing, the Holder is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by the Holder, to or for the credit or the account of the Issuer against any and all of the due and unpaid Obligations of the Issuer now or hereafter existing under this Note to the Holder, irrespective of whether or not the Holder shall have made any demand under this Note. The rights of the Holder under this Section are in addition to other rights and remedies (including other rights of setoff) that the Holder may have. The Holder agrees to notify the Issuer promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

6.8 Governing Law; Jurisdiction; Etc. This Note will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the Issuer, any Guarantor and the Holder agrees (a) to submit to the exclusive jurisdiction and venue of the United States

District Court for the District of Columbia for any civil action, suit or proceeding arising out of or relating to this Note or the transactions contemplated hereby, and (b) that notice may be served upon the Issuer, any Guarantor or the Holder at the applicable address in Section 6.1 hereof (or upon any Holder that is not Treasury at an address provided by such Holder to Issuer in writing). To the extent permitted by Applicable Law, each of the Issuer, any Guarantor and the Holder hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to the Note or the transactions contemplated hereby.

6.9 Headings. Section headings used herein are for convenience of reference only, are not part of this Note and shall not affect the construction of, or be taken into consideration in interpreting, this Note.

IN WITNESS WHEREOF, the Issuer has executed this Note as of the day and year written below.

as Issuer

JETBLUE AIRWAYS CORPORATION,

By /s/ Ursula Hurley
Name: Ursula L. Hurley
Title: Treasurer
Date:

[Signature Page to Promissory Note]

ANNEX A

DEFINITIONS

“Affiliate” means any Person that directly or indirectly Controls, is Controlled by, or is under common Control with, the Issuer.

“Applicable Law” means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

“Applicable SOFR Rate” means a rate of interest based on SOFR that shall be determined by the Holder and publicly announced by the Holder on or prior to the fifth anniversary of the Closing Date and shall, to the extent reasonably practicable, be based on customary market conventions as in effect at the time of such announcement. In no event will the Applicable SOFR Rate be less than 0.00% per annum.

“ARRC Fallback Provisions” means the Fallback Language for New Issuances of LIBOR Floating Rate Notes set forth in the ARRC Recommendations Regarding More Robust Fallback Language for New Issuances of LIBOR Floating Rate Notes, dated April 25, 2019.

“ASU” means the Accounting Standards Update 2016-02, Leases (Topic 842) by the Financial Accounting Standards Board issued on February 25, 2016.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Business Day” means any on which Treasury and the Federal Reserve Bank of New York are both open for business.

“Capitalized Lease Obligations” means, at the time any determination thereof is to be made, the amount of the liability in respect of a Capitalized Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP; provided that all leases of such Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance of the ASU shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of this Note (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations for other purposes.

“Capitalized Leases” means all leases that have been or should be, in accordance with GAAP as in effect on the Closing Date, recorded as capitalized leases; provided that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof accounted for as a liability in accordance with GAAP; provided, further, that all leases of such Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance of the ASU shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of this Note (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations for other purposes.

“Change of Control” means the occurrence of any of the following: (a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries, or if the Issuer is a Subsidiary of any Guarantor, such Guarantor (the “Parent Guarantor”) and its Subsidiaries, taken as a whole to any Person (including any “person” (as that term is used in Section 13(d)(3) of the Exchange Act)); or (b) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any “person” (as defined above)) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Issuer or Parent Guarantor, as applicable, (measured by voting power rather than number of shares), other than (i) any such transaction where the Voting Stock of the Issuer or Parent Guarantor, as applicable, (measured by voting power rather than number of shares) outstanding immediately prior to such

transaction constitutes or is converted into or exchanged for at least a majority of the outstanding shares of the Voting Stock of such Beneficial Owner (measured by voting power rather than number of shares), or (ii) any merger or consolidation of the Issuer or Parent Guarantor, as applicable, with or into any Person (including any “person” (as defined above)) which owns or operates (directly or indirectly through a contractual arrangement) a Permitted Business (a “Permitted Person”) or a Subsidiary of a Permitted Person, in each case, if immediately after such transaction no Person (including any “person” (as defined above)) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock of such Permitted Person (measured by voting power rather than number of shares).

“Closing Date” means the date set forth on the Issuer’s and each Guarantor’s signature page to this Note.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings analogous thereto.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means an interest rate (before as well as after judgment) equal to the interest rate on the Note plus 2.00% per annum.

“Disqualified Equity Interest” means any equity interest that, by its terms (or the terms of any security or other equity interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for equity interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of Control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of Control or asset sale event shall be subject to the prior repayment in full of the Note and all other Obligations that are accrued and payable), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other equity interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one days after the Maturity Date; provided that if such equity interests are issued pursuant to a plan for the benefit of employees of the Issuer or any Subsidiary or by any such plan to such employees, such equity interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Issuer or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, death or disability.

“Dollar” and “\$” mean lawful money of the United States.

“Event of Default” has the meaning specified in Section 5.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“Excluded Subsidiary” means any Subsidiary of the Issuer that is not an obligor in respect of any Material Indebtedness that is unsecured of the Issuer or any of its Subsidiaries, unless such Subsidiary is required to be an obligor under any agreement, instrument or other document relating to any Material Indebtedness that is unsecured of the Issuer or any of its Subsidiaries.

“GAAP” means United States generally accepted accounting principles as in effect as of the date of determination thereof. Notwithstanding any other provision contained herein, (a) all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under FASB Accounting Standards Codification 825-Financial Instruments, or any

successor thereto (including pursuant to the FASB Accounting Standards Codification), to value any Indebtedness of any subsidiary at “fair value,” as defined therein and (b) the amount of any Indebtedness under GAAP with respect to Capitalized Lease Obligations shall be determined in accordance with the definition of Capitalized Lease Obligations.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guaranteed Obligations” has the meaning specified in Annex B.

“Guarantor” means each Guarantor listed on the signature page to this Note and any other Person that Guarantees this Note.

“Holder” means the United States Department of the Treasury or its designees or any other Person that shall have rights pursuant to an assignment hereunder.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP: (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (b) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial), bankers’ acceptances and bank guarantees and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person; (c) net obligations of such Person under any swap contract; (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business); (e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; (f) attributable indebtedness in respect of any Capitalized Lease Obligation and any synthetic lease obligation of any Person; (g) all obligations of such Person in respect of Disqualified Equity Interests; and (h) all Guarantees of such Person in respect of any of the foregoing. For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any swap contract on any date shall be deemed to be the swap termination value thereof as of such date. The amount of any Indebtedness of any Person for purposes of clause (e) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

“Indemnatee” has the meaning specified in Section 6.3(b).

“Issuer” has the meaning specified in the preamble to this Note.

“Laws” means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lien” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Issuer and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of the Issuer or any Guarantor to perform its Obligations, (ii) the legality, validity, binding effect or enforceability against the Issuer or any Guarantors of the Note or (iii) the rights, remedies and benefits available to, or conferred upon, the Holder under the Note.

“Material Indebtedness” has the meaning specified in Section 5.1(f).

“Maturity Date” means the date that is ten years after the Closing Date (except that, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day).

“Note” has the meaning specified in the preamble to this Note.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, the Issuer arising under or otherwise with respect to the Note, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Issuer or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Issuer under the Note and (b) the obligation of the Issuer to reimburse any amount in respect of any of the foregoing that the Holder, in each case in its sole discretion, may elect to pay or advance on behalf of the Issuer.

“Obligee Guarantor” has the meaning specified in Annex B.

“Organizational Documents” means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Permitted Business” means any business that is the same as, or reasonably related, ancillary, supportive or complementary to, the business in which the Issuer and its Subsidiaries are engaged on the date of this Note.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Principal Amount” has the meaning specified in the preamble to this Note.

“PSP3 Extension Law” has the meaning specified in the preamble to this Note.

“PSP3 Agreement” has the meaning specified in the preamble to this Note.

“PSP3 Application” means the application form and any related materials submitted by the Issuer to Treasury in connection with an application for financial assistance under Section 7301 of the PSP3 Extension Law.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the agents, advisors and representatives of such Person and of such Person’s Affiliates.

“SOFR” means the secured overnight financing rate published by the Federal Reserve Bank of New York, as administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s (or such successor’s) website.

“Subsidiary” of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the equity interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is Controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Issuer.

“Treasury” has the meaning specified in the preamble to this Note.

“United States” and “U.S.” mean the United States of America.

“Voting Stock” of any specified Person as of any date means the equity interests of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

ANNEX B
GUARANTEE

1. Guarantee of the Obligations

. Each Guarantor jointly and severally hereby irrevocably and unconditionally guarantees to the Holder, the due and punctual payment in full of all Obligations (or such lesser amount as agreed by the Holder in its sole discretion) when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the “Guaranteed Obligations”).

2. **Payment by a Guarantor.** Each Guarantor hereby jointly and severally agrees, in furtherance of the foregoing and not in limitation of any other right which the Holder may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of the Issuer to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), such Guarantor will upon demand pay, or cause to be paid, in cash, to the Holder an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for the Issuer’s becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against the Issuer for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to the Holder as aforesaid.

3. **Liability of Guarantors Absolute.** Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guarantee is a guarantee of payment when due and not of collectability;

(b) the Holder may enforce this Guarantee upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Issuer and the Holder with respect to the existence of such Event of Default;

(c) a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against the Issuer or any other Guarantors and whether or not Issuer or such Guarantors are joined in any such action or actions;

(d) payment by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any other Guarantor’s liability for any portion of the Guaranteed Obligations which has not been paid;

(e) the Holder, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor’s liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or subordinate the payment of the same to the payment of any other obligations; (iii) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guarantees of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; and (iv) enforce its rights and remedies even though such action may operate to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against the Issuer or any security for the Guaranteed Obligations; and

(f) this Guarantee and the obligations of each Guarantor hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following: (i) any failure, delay or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy

with respect to the Guaranteed Obligations, or with respect to any security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions hereof; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the Holder's consent to the change, reorganization or termination of the corporate structure or existence of the Issuer or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (v) any defenses, set-offs or counterclaims which the Issuer or any Guarantor may allege or assert against the Holder in respect of the Guaranteed Obligations, including failure of consideration, lack of authority, validity or enforceability, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (vi) any other event or circumstance that might in any manner vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

4. Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of the Holder: (a) any right to require the Holder, as a condition of payment or performance by such Guarantor, to (i) proceed against Issuer, any Guarantor or any other Person; (ii) proceed against or exhaust any security in favor of the Holder; or (iii) pursue any other remedy in the power of the Holder whatsoever or (b) presentment to, demand for payment from and protest to the Issuer or any Guarantor or notice of acceptance; and (c) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

5. Guarantors' Rights of Subrogation, Contribution, etc. Until the Guaranteed Obligations shall have been paid in full, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against the Issuer or any other Guarantor or any of its assets in connection with this Guarantee or the performance by such Guarantor of its obligations hereunder, including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against the Issuer with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that the Holder now has or may hereafter have against the Issuer, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by the Holder. In addition, until the Guaranteed Obligations shall have been paid in full, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations. If any amount shall be paid to any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and paid in full, such amount shall be held in trust for the Holder and shall forthwith be paid over to the Holder to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

6. Subordination. Any Indebtedness of the Issuer or any Guarantor now or hereafter held by any Guarantor (the "Obligee Guarantor") is hereby subordinated in right of payment to the Guaranteed Obligations, and any such indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for the Holder and shall forthwith be paid over to the Holder to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

7. Continuing Guarantee. This Guarantee is a continuing guarantee and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Each Guarantor hereby irrevocably waives any right to revoke this Guarantee as to future transactions giving rise to any Guaranteed Obligations.

8. Financial Condition of the Issuer. The Note may be issued to the Issuer without notice to or authorization from any Guarantor regardless of the financial or other condition of the Issuer at the time of such grant. Each Guarantor has adequate means to obtain information from the Issuer on a continuing basis concerning the financial condition of the Issuer and its ability to perform its obligations under the Note, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Issuer and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations.

9. Reinstatement. In the event that all or any portion of the Guaranteed Obligations are paid by the Issuer or any Guarantor, the obligations of any other Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from the Holder as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder.

10. Discharge of Guarantee Upon Sale of the Guarantor. If, in compliance with the terms and provisions of the Note, all of the capital stock of any Guarantor that is a Subsidiary of the Issuer or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) to any Person (other than to the Issuer or to any other Guarantor), the Guarantee of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any beneficiary or any other Person effective as of the time of such asset sale.

SCHEDULE I

[illegible]



27-01 Queens Plaza North
Long Island City, NY 11101
T: 1-800-JETBLUE
jetblue.com

February 12, 2021

Hi Ursula,

JetBlue is successful because of Crewleaders like you who demonstrate passion, dedication, and a commitment to balancing the interests of our Company, Customers and Shareholders.

As you likely appreciate, the impact of COVID-19 has created an incredibly challenging period for our company, our industry, and all of us as individuals. That said, we want to recognize your significant efforts and contributions despite these challenges with an Executive Retention Award to encourage your continued active employment at JetBlue.

Executive Retention Award: You will be eligible to receive a one-time cash bonus amount of \$150,000 on the later of (1) October 31, 2022, OR (2) 30 days following the lapse of CARES Act compensation restrictions, or subsequent legislation establishing similar limitations (such date, the "**Payment Date**").

You must remain actively employed with JetBlue through the Payment Date in order to be eligible to receive payment of the award. However, should you retire or experience an involuntary termination prior to the Payment Date, any entitlement to the award will be determined by the Company's Chief Executive Officer and Chief People Officer as the Company deems appropriate in its sole and exclusive discretion based on the circumstances at the time, with payment, if any, occurring on the Payment Date.

Thank you again for your continued extraordinary efforts during this unprecedented time. We look forward to your future contributions and continued success here at JetBlue.

Best regards,

/s/ Michael Elliott

Michael Elliott
Chief People Officer



27-01 Queens Plaza North
Long Island City, NY 11101
T: 1-800-JETBLUE
jetblue.com

April 12, 2021

Hi Ursula Hurley,

JetBlue is successful because of Crewleaders like you who demonstrate passion, dedication, and a commitment to balancing the interests of our Company, Customers and Shareholders.

As you likely appreciate, the impact of COVID-19 has created an incredibly challenging period for our company, our industry, and all of us as individuals. That said, we want to recognize your significant efforts and contributions despite these challenges with an Executive Retention Award to encourage your continued active employment at JetBlue.

Executive Retention Award: You will be eligible to receive a one-time cash bonus amount of \$115,000 on the later of (1) May 1, 2023, OR (2) 30 days following the lapse of CARES Act compensation restrictions, or subsequent legislation establishing similar limitations (such date, the "**Payment Date**").

You must remain actively employed with JetBlue through the Payment Date in order to be eligible to receive payment of the award. However, should you retire or experience an involuntary termination prior to the Payment Date, any entitlement to the award will be determined by the Company's Chief Executive Officer and Chief People Officer as the Company deems appropriate in its sole and exclusive discretion based on the circumstances at the time, with payment, if any, occurring on the Payment Date.

Thank you again for your continued extraordinary efforts during this unprecedented time. We look forward to your future contributions and continued success here at JetBlue.

Best regards,

/s/ Michael Elliott

Michael Elliott

Chief People Officer

**JETBLUE AIRWAYS CORPORATION
2020 OMNIBUS EQUITY INCENTIVE PLAN**

Notice of Performance Share Unit Grant

Participant:

Company: JetBlue Airways Corporation

Notice: You have been granted the following Performance Share Units in accordance with the terms of this notice, the Performance Share Unit Award Agreement attached hereto as Attachment A (such notice and agreement, collectively, this “Agreement”) and the Plan identified below.

Type of Award: Other Stock-Based Awards, referred to herein as “Performance Share Units”. A Performance Share Unit is an unfunded and unsecured obligation of the Company to deliver one Share or the cash equivalent thereof, as determined in accordance with this Agreement and subject to the terms and conditions of this Agreement and those of the Plan. []% of the Performance Share Units are “[EBITDA] Performance Share Units” and []% of the Performance Share Units are “[Adjusted Debt to Cap Ratio] Performance Share Units” and []% are “[ESG Index] Performance Share Units.”

Performance Goals: (a) [EBITDA]; (b) [Adjusted Debt to Cap Ratio]; and (c) [ESG Index] (each as defined herein).

Performance Period: Three (3) calendar year period from [] to [].

Plan: JetBlue Airways Corporation 2020 Omnibus Equity Incentive Plan.

Grant: Grant Date:

Number of Total Performance Share Units at Target:

Acknowledgement

and Agreement: The undersigned Participant acknowledges receipt of, and understands and agrees to, the terms and conditions of this Agreement and the Plan.

**JETBLUE AIRWAYS CORPORATION
2020 OMNIBUS EQUITY INCENTIVE PLAN**

Performance Share Unit Award Agreement

This Performance Share Unit Award Agreement, dated as of the Grant Date set forth in the Notice of Performance Share Unit Grant to which this Performance Share Unit Award Agreement is attached (the “Grant Notice”), is made between JetBlue Airways Corporation and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Performance Share Unit Award Agreement.

1. Definitions. Capitalized terms used but not defined herein have the meaning set forth in the Plan. For purposes of this Agreement, the following terms have the following meanings:

(a) Adjusted Debt to Cap Ratio means, with respect to a calendar year, the ratio of Adjusted Debt (defined as the sum of long term debt and finance lease obligations plus current maturities of long term debt and finance lease obligations plus aircraft operating lease liabilities) to Capitalization (defined as Stockholders Equity plus Adjusted Debt).]

(b) EBITDA means, with respect to a calendar year, Earnings before Interest, Taxes, Depreciation and Amortization.].

(c) ESG Index means a group of four equally weighted metrics comprised of (i) Sustainable Aviation Fuel Goal, (ii) Emission Goal, (iii) Goal to increase addressable spend with diverse Business Partners (e.g., MWBEs - Minority-owned, Women-owned Business Enterprises, etc.) and (iv) Goal to Increase the percentage of Officer and Director requisitions with at least 2 underrepresented groups (race/ethnic minority & female candidates) interviewing - Diverse Slate Initiative.].

(d) “Disability” means long-term disability within the meaning of the Company’s long-term disability plan in which the Participant then participates, or, if there is no such plan, as determined by the Committee in good faith.

(e) “Earned Performance Share Units” means the total of (i) the Earned [Adjusted Debt to Cap Ratio] Performance Share Units; (ii) the Earned [EBITDA] Performance Share Units and (c) the Earned [ESG Index] Performance Share Units.

(f) “Earned [Adjusted Debt to Cap Ratio]” means the percentage determined in accordance with the following table, with the Earned [Adjusted Debt to Cap Ratio] between the levels set forth in such schedule determined as of December 31, []:

[Adjusted Debt to Cap Ratio] ([]%)		
Achievement	Payout	
[]	[]%	Maximum
[]	[]%	Target
[]	[]%	Minimum

For the avoidance of doubt, (i) if [Adjusted Debt to Cap Ratio] exceeds the “Maximum” level, the Earned [Adjusted Debt to Cap Ratio] Percentage shall be []%; and (ii) if [Adjusted Debt to Cap Ratio] is less than the “Minimum” level, the Earned [Adjusted Debt to Cap Ratio] Percentage shall be zero.

(g) “Earned [Adjusted Debt to Cap Ratio] Performance Share Units” means the product of (i) the Earned [Adjusted Debt to Cap Ratio] Percentage, multiplied by (ii) the number of [Adjusted Debt to Cap Ratio] Performance Share Units set forth in the Grant Notice.

(h) “Earned [EBITDA] Percentage” means the percentage determined in accordance with the following table based on [EBITDA], with the Earned [EBITDA] Percentage between the levels set forth in such schedule determined for the year ended December 31, []:

[EBITDA]	Earned [EBITDA] Percentage ([]%)	
[]	[]	Maximum
[]	[]	Target
[]	[]	Minimum

For the avoidance of doubt, (i) if [EBITDA] exceeds the “Maximum” level, the Earned [EBITDA] Percentage shall be []%; and (ii) if [EBITDA] is less than the “Minimum” level, the Earned [EBITDA] Percentage shall be zero.

(i) “Earned [EBITDA] Performance Share Units” means the product of (i) the Earned [EBITDA] Percentage, multiplied by (ii) the number of [EBITDA] Performance Share Units set forth in the Grant Notice.

(j) “Earned [ESG Index]” means the percentage determined in accordance with the following table, with the Earned [ESG Index] as follows:

Metric	Weight	Earned ESG Index Percentage		
		Minimum ([]%)	Target ([]%)	Maximum ([]%)
[]	[]%	[]	[]	[]
[]	[]%	[]	[]	[]
[]	[]%	[]	[]	[]
[]	[]%	[]	[]	[]
ESG Index	[]%			

For the avoidance of doubt, (i) if metric exceeds the “Maximum” level, the Earned [ESG Index] Percentage shall be []%; and (ii) if metric is less than the “Minimum” level, the Earned [ESG Index] Percentage shall be zero.

(k) “Earned [ESG Index] Performance Share Units” means the product of (i) the Earned [ESG Index] Percentage, multiplied by (ii) the number of [ESG Index] Performance Share Units set forth in the Grant Notice.

(l) “Retirement” means voluntary Termination of Service by the Participant on or after the date on which the sum of the Participant’s age and years of service as an employee of the Company and its affiliated companies is at least sixty-five (65); provided, however, that the Participant has both (i) attained the age of 55, and (ii) completed ten (10) years of service as an employee of the Company and its affiliated companies.

2. Grant of Performance Share Units. Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant, pursuant to the Plan, the number of Performance Share Units, comprised of [EBITDA] Performance Share Units, [Adjusted Debt to Cap Ratio] Performance Share Units and [ESG Index] Performance Share Units, set forth in the Grant Notice.

3. Earned Performance Share Units.

(a) *Earned [EBITDA] Performance Share Units.* The [EBITDA] Performance Share Units shall become Earned [EBITDA] Performance Share Units in accordance with the provisions, and subject to the conditions, set forth in this Agreement. Following issuance of the Company's audited financial statements for calendar year [], the Committee shall determine and certify in writing the [EBITDA] attained, the Earned [EBITDA] Percentage and the number of Earned [EBITDA] Performance Share Units.

(b) *Earned [Adjusted Debt to Cap Ratio] Performance Share Units.* The [Adjusted Debt to Cap Ratio] Performance Share Units shall become Earned [Adjusted Debt to Cap Ratio] Performance Share Units in accordance with the provisions, and subject to the conditions, set forth in this Agreement. Following issuance of the Company's audited financial statements for calendar year [], the Committee shall determine and certify in writing the [Adjusted Debt to Cap Ratio] attained, the [Adjusted Debt to Cap Ratio] Percentage and the number of Earned [Adjusted Debt to Cap Ratio] Performance Share Units.

(c) *Earned [ESG Index] Performance Share Units.* The [ESG Index] Performance Share Units shall become Earned [ESG Index] Performance Share Units in accordance with the provisions, and subject to the conditions, set forth in this Agreement. Following issuance of the Company's audited financial statements for calendar year [], the Committee shall determine and certify in writing the [ESG Index metrics] attained, the Earned [ESG Index] and the number of Earned [ESG Index] Performance Share Units.

(d) *Failure to Become Earned Performance Share Units.* To the extent that the Performance Share Units do not become Earned Performance Share Units pursuant to this Section 3, such Performance Share Units shall be forfeited.

(e) *Modification of Performance Goals per Standard Adjustment Framework.* The Committee shall adjust or modify the calculation of any Performance Goal result in order to appropriately reflect the following events: (i) litigation or claim judgments or settlements; (ii) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results; (iii) any significant domestic aviation-related terrorist incident or other safety event; (iv) acquisitions, mergers, divestitures or discontinued operations; (v) business interruptions due to external factors, including but not limited to (1) government sanctions, (2) issues caused by governmental budget issues or government furloughs, or (3) atypical level 3 (or higher) weather interruptions; and (vi) a significant change in fleet or business model. The Committee may adjust the amount of Performance Share Units otherwise distributable or payable to the Participant based on considerations as the Committee may, in its discretion, determine.

(f) *Termination of Service.* Upon the Participant's Termination of Service under any circumstances, any Performance Share Units that have not been settled in accordance with Section 4 hereof prior to the date of such Termination of Service shall be immediately and unconditionally forfeited, without any action required by the Participant or the Company, except as follows:

(i) *Disability, Death, Retirement.* Upon Termination of Service due to the Participant's (A) Disability, (B) death or (C) Retirement, the Performance Share Units shall be eligible to become Earned Performance Share Units after such death, Disability or Retirement, and any Earned Performance Share Units shall be distributed in Shares or paid in cash, subject to the same terms and conditions had the Participant not incurred such Termination of Service, provided that such distribution or payment shall be pro-rated, as determined by the following formula: (x) the total number of Earned Performance Share Units multiplied by (y) a fraction, the numerator of which is the number of days from the date of the commencement of the Performance Period through the date of such Termination of Service and the denominator of which is 1,095 (such product of (x) and (y) shall be rounded down to the nearest whole Performance Share Unit). Such distribution referenced in this section (e)(i) shall be made reasonably promptly following the Committee's certification of the performance for the Performance Period pursuant to Section 3.

(ii) *Termination of Service by Participant Other Than Due to Retirement or by Company Without Cause.* Upon Termination of Service (A) by the Participant other than due to Retirement or (B) by the Company for reasons other than Cause (in each case, other than as described in Section 3(e)(i)), the Committee, in its sole discretion, may (but is not obligated to) determine that the Performance Share Units (in whole or in part) shall be eligible to become Earned Performance Share Units, and any Earned Performance Share Units shall be distributed in Shares or paid in cash subject to the same terms and conditions had the Participant not incurred such Termination of Service, provided that such distribution or payment shall be pro-rated, as determined by the following formula: (x) the total number of Earned Performance Share Units multiplied by (y) a fraction, the numerator of which is the number of days from the date of the commencement of the Performance Period through the date of such Termination of Service and the denominator of which is 1,095 (such product of (x) and (y) shall be rounded down to the nearest whole Performance Share Unit). Such distribution referenced in this section (e)(ii) shall be made reasonably promptly following the Committee's certification of the performance for the Performance Period pursuant to Section 3.

(iii) *No Acceleration.* For the avoidance of doubt, any settlement pursuant to Section 3(e)(i) or (ii) shall under no circumstance be accelerated and distributed or paid at the time of any Termination of Service described in such sections, but instead may only be distributed or paid following the conclusion of the [] Performance Period and applicable determinations and certifications contemplated by this Section 3.

4. Settlement of Earned Performance Share Units. During calendar year [], as soon as reasonably practicable following completion of all determinations and certifications contemplated by Section 3, but in no event later than such date required to comply with the short-term deferral exception under Treasury Regulations Section 1.409A-1(b)(4), or any successor regulation, subject to satisfaction of applicable tax withholding obligations in accordance with Section 6, the Company shall cause to be delivered to the Participant, without charge, one Share for each such Earned Performance Share Unit; provided, however, that the Committee may, in its discretion, elect to cause the payment of cash, or part cash and part Shares, in lieu of delivering only Shares in respect of such Earned Performance Share Units. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of such Shares as of the trading date immediately prior to the date of such payment, less applicable taxes in accordance with Section 6. Notwithstanding the foregoing provisions of this Section 4 to the contrary, if at the time of the Participant's separation from service, the Participant is a "specified employee" within the meaning of Code Section 409A, any delivery of Shares or payment hereunder that constitutes a "deferral of compensation" under Code Section 409A and that would otherwise become due on account of such separation from service shall be delayed, and such Shares or payment shall be delivered or made in full upon the earlier to occur of (a) a date during the thirty-day period commencing six months and one day following such separation from service and (b) the date of the Participant's death.

5. Change in Control. The grant awarded under this Award Agreement is subject to the provisions of Section 15 of the Plan; provided, however, that if such Change in Control does not constitute a "change in control event," within the meaning of Treasury Regulations Section 1.409A-3(i)(5), then any amounts otherwise payable under this Section 5 that constitute a "deferral of compensation" under Code Section 409A shall instead be paid at the time specified in Section 4 as if such Change in Control had not occurred.

6. Taxes. Delivery of the Shares underlying the Earned Performance Share Units upon settlement is subject to the Participant satisfying all applicable federal, state, local and foreign taxes (including the Participant's FICA obligation). The Company shall have the power and the right to (i) deduct or withhold from any Shares or amounts of cash otherwise deliverable or payable to the Participant pursuant to the Earned Performance Share Units or otherwise (provided, however, that the amount of any Shares so withheld shall not exceed the maximum statutory tax rate in the Participant's relevant jurisdiction, based on the applicable rates of the relevant tax authorities (e.g., federal, state, local), including the participant's share of payroll or similar taxes, and there is an applicable statutory tax withholding requirement), or (ii) require the Participant to remit to the Company, an amount in cash, in each case, sufficient to satisfy all such applicable taxes, pursuant to any procedures, and subject to any limitations as the Committee may prescribe and subject to applicable law, based on the Fair Market Value of the Shares on the payment date, as applicable. The Company or an Affiliate may, in the discretion of the Committee, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Section 17 of the Plan. Regardless of any action the Company or any Affiliate takes with respect to any or all tax

withholding obligations, the Participant acknowledges that the ultimate liability for all such taxes is and remains the Participant's responsibility.

7. No Rights as a Shareholder Prior to Issuance of Shares. Neither the Participant nor any other person shall become the beneficial owner of the Shares underlying the Performance Share Units, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until and after such Shares, if any, have been actually issued to the Participant and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this Agreement.

8. Transferability. The Performance Share Units shall not be transferable otherwise than by will or the laws of descent and distribution; provided, however, that the Committee may, in its discretion, permit the Performance Share Units to be transferred in accordance with the Plan, subject to such conditions and limitations as the Committee may impose.

9. No Right to Continued Employment. Neither the Performance Share Units nor any terms contained in this Agreement shall confer upon the Participant any rights or claims except in accordance with the express provisions of the Plan and this Agreement, and shall not give the Participant any express or implied right to be retained in the employment or service of the Company or any Affiliate for any period or in any particular position or at any particular rate of compensation, nor restrict in any way the right of the Company or any Affiliate, which right is hereby expressly reserved, to modify or terminate the Participant's employment or service at any time for any reason. The Participant acknowledges and agrees that any right to Earned Performance Share Units shall be earned only by continuing as an employee of the Company or an Affiliate at the will of the Company or such Affiliate and satisfaction of other applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being hired or being granted the Performance Share Units hereunder.

10. The Plan; Entire Agreement. By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. This Agreement and the Plan contain the entire agreement of the parties relating to the matters contained herein and supersede all prior agreements and understandings, oral or written, between the parties with respect to the subject matter hereof. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. The Plan and the prospectus describing the Plan can be found on the Company's Human Resources ("People Department") intranet. A paper copy of the Plan and the prospectus shall be provided to the Participant upon the Participant's written request to the Company at the address set forth in Section 13 hereof.

11. Compliance with Laws and Regulations.

(a) The Performance Share Units and the obligation of the Company to deliver any Shares hereunder shall be subject in all respects to (i) all applicable Federal and state laws, rules and regulations; and (ii) any registration, qualification, approvals or other requirements imposed by any government or regulatory agency or body which the Committee shall, in its discretion, determine to be necessary or applicable. Moreover, the Company shall not deliver any certificates or other indication of ownership for Shares to the Participant or any other person pursuant to this Agreement if doing so would be contrary to applicable law. If at any time the Company determines, in its discretion, that the listing, registration or qualification of Shares upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable, the Company shall not be required to deliver any certificates or other indication of ownership for Shares to the Participant or any other person pursuant to this Agreement unless and until such listing, registration, qualification, consent or approval has been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Company.

(b) It is intended that any Shares hereunder shall have been registered under the Securities Act. If the Participant is an "affiliate" of the Company, as that term is defined in Rule 144 under the

Securities Act (“Rule 144”), the Participant may not sell such Shares received except in compliance with Rule 144. Certificates representing Shares issued to an “affiliate” of the Company may bear a legend setting forth such restrictions on the disposition or transfer of the Shares as the Company deems appropriate to comply with federal and state securities laws.

(c) If at any time the Shares are not registered under the Securities Act, and/or there is no current prospectus in effect under the Securities Act with respect to the Shares, the Participant shall execute, prior to the delivery of any Shares to the Participant by the Company pursuant to this Agreement, an agreement (in such form as the Company may specify) in which the Participant represents and warrants that the Participant is acquiring the Shares acquired under this Agreement for the Participant's own account, for investment only and not with a view to the resale or distribution thereof, and represents and agrees that any subsequent offer for sale or distribution of any kind of such Shares shall be made only pursuant to either (i) a registration statement on an appropriate form under the Securities Act, which registration statement has become effective and is current with regard to the Shares being offered or sold; or (ii) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale of such Shares, obtain a prior favorable written opinion, in form and substance satisfactory to the Company, from counsel for or approved by the Company, as to the applicability of such exemption thereto.

12. Recoupment Policy. The Participant acknowledges that the Performance Share Units covered by this Agreement and the Performance Share Units granted hereunder are subject to Sections 20 and 21 of the Plan, including the Company’s recoupment policy, as may be amended or superseded from time to time by the Board or the Committee or otherwise in response to changes in applicable laws, rules or regulations.

13. Notices. All notices by the Participant or the Participant’s successors or permitted assigns shall be addressed to JetBlue Airways Corporation, 27-01 Queens Plaza North, Long Island City, New York 11101, Attention: General Counsel, or such other address as the Company may from time to time specify. All notices to the Participant shall be addressed to the Participant at the Participant’s address in the Company's records.

14. Other Plans. The Participant acknowledges that any income derived from the Earned Performance Share Units shall not affect the Participant’s participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company or any Affiliate.

15. Section 409A. This Agreement and any payment or delivery of Shares under this Agreement are intended to be exempt from or to comply with Code Section 409A and shall be administered and construed in accordance with such intent. In furtherance, and not in limitation, of the foregoing: (a) in no event may the Participant designate, directly or indirectly, the calendar year of any payment or delivery of Shares to be made hereunder; and (b) notwithstanding any other provision of this Agreement to the contrary, a Termination of Service hereunder shall mean and be interpreted consistent with a “separation from service” within the meaning of Code Section 409A with respect to any payment or delivery of Shares hereunder that constitutes a “deferral of compensation” under Code Section 409A that becomes due on account of such separation from service. Notwithstanding any other provision of this Agreement, in no event shall the Company, any of its affiliates, or any of its or their directors, officers, employees or independent contractors have any liability to the Participant as a result of the failure of this Agreement to comply with Code Section 409A.

16. Electronic Delivery and Signatures. The Company may, in its sole discretion, decide to deliver any documents related to the Performance Share Units, this Agreement or to participation in the Plan or to future grants that may be made under the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company. If the Company establishes procedures of an electronic signature system for delivery and acceptance of Plan documents (including this Agreement or any Award Agreement like this Agreement), the Participant hereby consents to such procedures and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his manual signature.

JetBlue Airways Corporation
2020 Omnibus Equity Incentive Plan
RSU Award Agreement for
Non-Employee Directors

“Participant”: []

“Date of Award”: [], 20

This Award Agreement, effective as of the Date of Award set forth above, sets forth the grant of Restricted Stock Units (“RSUs”) by JetBlue Airways Corporation, a Delaware corporation (the “Company”), to the Participant named above, pursuant to the provisions of the JetBlue Airways Corporation 2020 Omnibus Equity Incentive Plan (the “Plan”) (the “RSU Award Agreement”). All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

Participant understands and agrees that the RSU grant is awarded subject to and in accordance with the terms of the Plan. Participant hereby acknowledges the receipt of electronic delivery of the official prospectus for the Plan may be accessed through the [Participant’s NetBenefits.com account > Restricted Stock Units > Plan & Grant Documents tab]. A copy of the Plan is available upon request made to the Corporate Secretary at the Company’s principal offices.

The parties hereto agree as follows:

- (A) **Grant of RSUs.** The Company hereby grants to the Participant _____ [] RSUs, subject to the terms and conditions of the Plan and this RSU Award Agreement. Each RSU represents an unfunded and unsecured right to receive one share of Common Stock in the future.
 - (B) **Vesting and Settlement of RSUs.**
 - (1) The period during which the RSUs shall be subject to a substantial risk of forfeiture and/or other restrictions (the “Period of Restriction”) shall commence on the Date of Award. Subject to the Participant’s continued director service with the Company or an Affiliate (the “Company Group”), the RSUs shall vest, and the Period of Restriction shall lapse, on the first anniversary of the Date of Award (the “Vesting Date”). Any RSUs as to which the Period of Restriction has not lapsed prior to the date of the Participant’s Termination of Service shall be immediately forfeited.
 - (2) Subject to Section D below, each vested RSU shall be settled through the delivery of one Share no later than the last business
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day of the month six months following the month in which the director's service terminates (or as soon as administratively practicable thereafter, but in no event later than March 15th of the calendar year immediately following the calendar year in which the Vesting Date occurs (the "Settlement Date")).

- (3) The Shares delivered to the Participant on the Settlement Date (or such earlier date determined in accordance with Section (D) below) shall not be subject to contractual transfer restrictions (other than as provided in Section (F)(2) and (F)(7) below, in the Plan and pursuant to the Company's insider trading policies) and shall be fully paid, non-assessable and registered in the Participant's name.
 - (C) **Termination of Service.** Upon the Participant's Termination of Service under any circumstances, any RSUs that have not been settled in accordance with Section (B) above prior to the date of such Termination of Service shall be immediately and unconditionally forfeited, without any action required by the Participant or the Company.
 - (D) **Change in Control.** The RSU grant awarded under this RSU Award Agreement is subject to the provisions of Section 13 of the Plan; provided, however, that if a Change in Control occurs that does not constitute a "change in control event," within the meaning of Treasury Regulations Section 1.409A-3(i)(5), then any accelerated payment or settlement of the RSUs in accordance with Section 13 of the Plan that constitutes a "deferral of compensation" under Code Section 409A shall be made at the times specified in Sections (B) and (C) above as if such Change in Control had not occurred.
 - (E) **Transferability.** RSUs are not transferable other than by last will and testament, by the laws of descent and distribution. Further, except as set forth in the Plan, a Participant's rights under the Plan shall be exercisable during the Participant's lifetime only by the Participant, or in the event of the Participant's legal incapacity, the Participant's legal guardian or representative.
 - (F) **Miscellaneous.**
 - (1) The Plan provides a complete description of the terms and conditions governing all RSUs granted thereunder. This RSU Award Agreement and the rights of the Participant hereunder are subject to the terms and conditions of the Plan, as amended from time to time, and to such rules and regulations as the Committee may adopt for the administration of the Plan. If there is any inconsistency between the terms of this Award Agreement and the
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terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this RSU Award Agreement.

- (2) The Committee shall have the right to impose such restrictions on any shares acquired pursuant to RSUs as it deems necessary or advisable under applicable federal securities laws, international laws, rules or regulations, the rules and regulations of any stock exchange or market upon which such shares are then listed and/or traded, and/or under any blue sky or state securities laws applicable to such share. It is expressly understood by the Participant that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to administer the Plan and this Award Agreement, all of which shall be binding upon the Participant.
 - (3) The Participant acknowledges that the incentive compensation covered by this RSU Award Agreement and the RSUs granted hereunder are subject to Section 15.6 (Recoupment) of the Plan, including the Company's recoupment policy, as may be amended or superseded from time to time by the Board or otherwise in response to changes in applicable laws, rules or regulations.
 - (4) The Board may at any time, or from time to time, terminate, amend, modify or suspend the Plan, and the Board or the Committee may amend or alter this RSU Award Agreement at any time; provided, however, that no termination, amendment, modification, alteration or suspension shall materially impair the previously accrued rights of the Participant with respect to the RSUs granted pursuant to this RSU Award Agreement, without the Participant's consent, except as otherwise provided by the Plan.
 - (5) This Agreement and any payment or delivery of Shares under this Agreement are intended to comply with Section 409A of the Code, and the regulations and guidance promulgated thereunder ("Section 409A"), and shall be administered and construed in accordance with such intent. In furtherance, and not in limitation, of the foregoing: (a) in no event may the Participant designate, directly or indirectly, the calendar year of any payment or delivery of Shares to be made hereunder; and (b) notwithstanding any other provision of this Award Agreement to the contrary, a Termination of Service hereunder shall mean and be interpreted consistent with a "separation from service" within the meaning of Section 409A with respect to any payment or delivery of Shares hereunder that constitutes a "deferral of compensation" under Section 409A that becomes due on account of such separation from service.
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Notwithstanding the forgoing or any provisions of the Plan or this RSU Award Agreement, if the Company determines that any provision of this RSU Award Agreement or the Plan contravenes Section 409A or could cause the Participant to incur any additional tax, interest or penalties under Section 409A, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A, or to avoid the incurrence of any additional taxes, interest and penalties under Section 409A, and/or (ii) maintain, to the extent reasonably practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A. This Section (F)(5) does not create an obligation on the part of the Company to modify the Plan or this Award Agreement and does not guarantee that the Participant will not be subject to taxes, interest and penalties under Section 409A.

- (6) Delivery of the Shares underlying the RSUs upon settlement is subject to the Participant satisfying all applicable federal, state, local and foreign taxes (including the Participant's FICA obligation) upon settlement or earlier, to the extent required by applicable law. The Company shall have the power and the right to (i) deduct or withhold from all amounts payable to the Participant pursuant to the RSUs or otherwise, or (ii) require the Participant to remit to the Company, an amount in cash sufficient to satisfy any applicable taxes required by law whenever arising with respect to the RSUs. Further, the Company may permit to require the administrator of the Plan or the Participant to satisfy, in whole or in part, the tax obligations by withholding Shares that would otherwise be received upon settlement of the RSUs.
 - (7) This RSU Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required, or the Committee determines are advisable. The Participant agrees to take all steps the Company determines are necessary to comply with all applicable provisions of federal and state securities law in exercising his or her rights under this RSU Award Agreement.
 - (8) Neither the Participant nor any other person shall become the beneficial owner of the Shares underlying the RSUs, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until and after such Shares, if any, have been actually issued to the Participant and transferred on the books and
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records of the Company or its agent in accordance with the terms of the Plan and this RSU Award Agreement.

- (9) Neither the RSUs nor any terms contained in this Agreement shall confer upon the Participant any rights or claims except in accordance with the express provisions of the plan and this Agreement, and shall not give the Participant any express or implied right to receive another award of RSU or any other equity-based award at any time in the future or in respect of any future period. The Participant acknowledges and agrees that any right to RSUs shall be earned only by satisfaction of applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being granted the RSUs hereunder.
- (10) All obligations of the Company under the Plan and this RSU Award Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(G) Acceptance of Award.

The Participant acknowledges his or her understanding and acceptance of the terms and conditions of the Plan and this RSU Award Agreement. The Plan and this RSU Award Agreement represent the entire understanding of the parties, and supersede all prior understandings, with respect to the RSUs. If the Participant, however, desires to refuse the RSUs, the Participant must notify the Company in writing in accordance with the Plan no later than 30 days after receipt of this RSU Award Agreement. If the Participant refuses the RSUs, he or she shall not be entitled to any additional compensation or remuneration in replacement of the RSUs. If the Participant does not refuse the RSUs, the Participant shall be deemed to agree to all of the terms of the Plan and this RSU Award Agreement.

JetBlue Airways Corporation
2020 Omnibus Equity Incentive Plan
RSU Award Agreement

“Participant”: []

“Date of Award”: [], 20

This Award Agreement, effective as of the Date of Award set forth above, sets forth the grant of Restricted Stock Units (“RSUs”) by JetBlue Airways Corporation, a Delaware corporation (the “Company”), to the Participant named above, pursuant to the provisions of the Amended and Restated JetBlue Airways Corporation 2020 Omnibus Equity Incentive Plan (the “Plan”) (the “RSU Award Agreement”). All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

Participant understands and agrees that the RSU grant is awarded subject to and in accordance with the terms of the Plan. Participant hereby acknowledges the receipt of electronic delivery of the official prospectus for the Plan may be accessed through the [Participant’s NetBenefits.com account > Restricted Stock Units > Plan & Grant Documents tab]. A copy of the Plan is available upon request made to the Corporate Secretary at the Company’s principal offices.

The parties hereto agree as follows:

- (A) **Grant of RSUs.** The Company hereby grants to the Participant _____ [NUMBER] RSUs, subject to the terms and conditions of the Plan and this RSU Award Agreement. Each RSU represents an unfunded and unsecured right to receive one share of Common Stock in the future.
 - (B) **Vesting and Settlement of RSUs.**
 - (1) The period during which the RSUs shall be subject to the substantial risk of forfeiture and/or other restrictions (the “Period of Restriction”) shall commence on the Date of Award. Subject to the Participant’s continued employment with the Company or an Affiliate (the “Company Group”), the RSUs shall vest, and the Period of Restriction shall lapse, on the ([each such anniversary, a] “Vesting Date”). Any RSUs as to which the Period of Restriction has not lapsed prior to the date of the Participant’s Termination of Service shall be immediately forfeited, except as otherwise provided in Section (C) below.
 - (2) Subject to Section (D) below, each vested RSU shall be settled through the delivery of one Share no later than the last business
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day of the month in which the Vesting Date occurs (the “Settlement Date”).

- (3) The Shares delivered to the Participant on the Settlement Date (or such earlier date determined in accordance with Section (D) below) shall not be subject to contractual transfer restrictions (other than as provided in Sections (F)(2) and (F)(8) below, in the Plan and pursuant to the Company’s insider trading policies) and shall be fully paid, non-assessable and registered in the Participant’s name.

(C) **Termination of Service.**

- (1) Upon the Participant’s Termination of Service under any circumstances, any RSUs that have not been settled in accordance with Section (B) above prior to the date of such Termination of Service shall be immediately and unconditionally forfeited, without any action required by the Participant or the Company.
- (2) Notwithstanding (1) above, upon a Termination of Service due to the Participant’s (a) Disability or (b) death (as defined in the Plan), the Participant’s RSU award shall vest 100% and be distributed to the Participant or the Participant’s estate. Such distribution referenced in this section (C)(2) shall be made following such Termination of Service and no later than the last business day of the month following such Termination of Service (or as soon as administratively practicable thereafter).
- (3) Notwithstanding (1) above, upon a Termination of Service due to the Participant’s Retirement (as defined below), such RSUs shall continue to vest as if the Participant remained in Service with the Company Group.
- (4) For the purposes of this RSU Award Agreement, “Retirement” means [resignation by a Participant from active employment with the Company Group upon attainment of (i) Participant’s 55th birthday and (ii) at least 10 years’ continuous service by the Participant with the Company Group, or such other resignation by the Participant that is deemed by the Committee to be a retirement.

- (D) **Change in Control.** The RSU grant awarded under this RSU Award Agreement is subject to the provisions of Section 13 of the Plan; provided, however, that if a Change in Control occurs that does not constitute a “change in control event,” within the meaning of Treasury Regulations Section 1.409A-3(i)(5), then any accelerated payment or settlement of the
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RSUs in accordance with Section 13 of the Plan that constitutes a “deferral of compensation” under Code Section 409A shall be made at the times specified in Sections (B) and (C) above as if such Change in Control had not occurred.

- (E) **Transferability.** RSUs are not transferable other than by last will and testament, by the laws of descent and distribution. Further, except as set forth in the Plan, a Participant’s rights under the Plan shall be exercisable during the Participant’s lifetime only by the Participant, or in the event of the Participant’s legal incapacity, the Participant’s legal guardian or representative.

(F) **Miscellaneous.**

- (1) The Plan provides a complete description of the terms and conditions governing all RSUs granted thereunder. This RSU Award Agreement and the rights of the Participant hereunder are subject to the terms and conditions of the Plan, as amended from time to time, and to such rules and regulations as the Committee may adopt for the administration of the Plan. If there is any inconsistency between the terms of this Award Agreement and the terms of the Plan, the Plan’s terms shall supersede and replace the conflicting terms of this RSU Award Agreement.
 - (2) The Committee shall have the right to impose such restrictions on any shares acquired pursuant to RSUs as it deems necessary or advisable under applicable federal securities laws, international laws, rules or regulations, the rules and regulations of any stock exchange or market upon which such shares are then listed and/or traded, and/or under any blue sky or state securities laws applicable to such shares. It is expressly understood by the Participant that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to administer the Plan and this Award Agreement, all of which shall be binding upon the Participant.
 - (3) The Participant acknowledges that the incentive compensation covered by this RSU Award Agreement and the RSUs granted hereunder are subject to Section 15.6 (Recoupment) of the Plan, including the Company’s recoupment policy, as may be amended or superseded from time to time by the Board or otherwise in response to changes in applicable laws, rules or regulations.
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- (4) The Board may at any time, or from time to time, terminate, amend, modify or suspend the Plan, and the Board or the Committee may amend or alter this RSU Award Agreement at any time; provided, however, that no termination, amendment, modification, alteration or suspension shall materially impair the previously accrued rights of the Participant with respect to the RSUs granted pursuant to this RSU Award Agreement, without the Participant's consent, except as otherwise provided by the Plan.
- (5) This Agreement and any payment or delivery of Shares under this Agreement are intended to comply with Section 409A of the Code, and the regulations and guidance promulgated thereunder ("Section 409A"), and shall be administered and construed in accordance with such intent. In furtherance, and not in limitation, of the foregoing: (a) in no event may the Participant designate, directly or indirectly, the calendar year of any payment or delivery of Shares to be made hereunder; and (b) notwithstanding any other provision of this Award Agreement to the contrary, a Termination of Service hereunder shall mean and be interpreted consistent with a "separation from service" within the meaning of Section 409A with respect to any payment or delivery of Shares hereunder that constitutes a "deferral of compensation" under Section 409A that becomes due on account of such separation from service.

Notwithstanding the forgoing or any provisions of the Plan or this RSU Award Agreement, if the Company determines that any provision of this RSU Award Agreement or the Plan contravenes Section 409A or could cause the Participant to incur any additional tax, interest or penalties under Section 409A, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A, or to avoid the incurrence of any additional taxes, interest and penalties under Section 409A, and/or (ii) maintain, to the extent reasonably practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A. This Section (F)(5) does not create an obligation on the part of the Company to modify the Plan or this Award Agreement and does not guarantee that the Participant will not be subject to taxes, interest and penalties under Section 409A. Notwithstanding in the Plan or this RSU Award Agreement, to the extent that the RSUs constitute deferred compensation for purposes of Section 409A and the Participant is a "specified employee" within the meaning of Section 409A, no payment or distribution of any amounts with respect to the RSUs that are subject to Section

409A may be made before the first business day following the six (6) month anniversary from the Participant's Termination of Service from the Company Group, if earlier, the date of the Participant's death.

- (6) The Participant acknowledges that any income derived from the RSUs shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company Group.
 - (7) Delivery of the Shares underlying the RSUs upon settlement is subject to the Participant satisfying all applicable federal, state, local and foreign taxes (including the Participant's FICA obligation) upon settlement or earlier, to the extent required by applicable law. The Company shall have the power and the right to (i) deduct or withhold from all amounts payable to the Participant pursuant to the RSUs or otherwise, or (ii) require the Participant to remit to the Company, an amount in cash sufficient to satisfy any applicable taxes required by law whenever arising with respect to the RSUs. Further, the Company may permit or require the plan administrator or Participant to satisfy, in whole or in part, the tax obligations by withholding Shares that would otherwise be received upon settlement of the RSUs.
 - (8) In furtherance and not in limitation, of the foregoing Section (F)(7), in the event that the Participant is an employee of the Company Group and becomes eligible to Retire but does not Retire, the Participant shall at that time become responsible for payment of all FICA and any other taxes with respect to the Participant's outstanding RSUs. Accordingly, the Participant acknowledges that the Company may, at that time or when deemed administratively necessary by the Company, withhold from the Participant's paycheck, funds necessary to cover such obligations, and the Company shall remit said funds to the proper authorities. The Participant shall not have the right to elect whether payment of FICA shall be made in the form of cash or through withholding Shares otherwise payable on settlement of the RSUs and such determination shall be made by the Company. To the extent the Participant incurs a Termination of Service for any reason, Participant acknowledges that the Participant is solely responsible for the recovery, from the U.S. government or instrumentality thereof, of any over withholdings pursuant to this subparagraph (8). This RSU Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be
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required, or the Committee determines are advisable. The Participant agrees to take all steps the Company determines are necessary to comply with all applicable provisions of federal and state securities law in exercising the Participant's rights under this RSU Award Agreement.

- (9) Neither the Participant nor any other person shall become the beneficial owner of the Shares underlying the RSUs, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until and after such Shares, if any, have been actually issued to the Participant and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this RSU Award Agreement.
- (10) Neither the RSUs nor any terms contained in this Agreement shall confer upon the Participant any rights or claims except in accordance with the express provisions of the Plan and this Agreement, and shall not give the Participant any express or implied right to (i) receive another award of RSU or any other equity-based award at any time in the future or in respect of any future period or (ii) be retained in the employment or service of the Company Group for any period or in any particular position or at any particular rate of compensation, nor restrict in any way the right of the Company Group, which right is hereby expressly reserved, to modify or terminate the Participant's employment or service at any time for any reason. The Participant acknowledges and agrees that any right to RSUs shall be earned only by continuing as an employee or service provider of the Company Group at the will of the Company Group and satisfaction of other applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being hired or being granted the RSUs hereunder.
- (11) All obligations of the Company under the Plan and this Award Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

(G) **Acceptance of Award.**

The Participant acknowledges his or her understanding and acceptance of the terms and conditions of the Plan and this RSU Award Agreement. The Plan and this RSU Award Agreement represent the entire understanding of the parties, and supersede all prior understandings, with respect to the RSUs. If the Participant,

however, desires to refuse the RSUs, the Participant must notify the Company in writing in accordance with the Plan no later than 30 days after receipt of this RSU Award Agreement. If the Participant refuses the RSUs, he or she shall not be entitled to any additional compensation or remuneration in replacement of the RSUs. If the Participant does not refuse the RSUs, the Participant shall be deemed to agree to all of the terms of the Plan and this RSU Award Agreement.

JetBlue Airways Corporation
2020 Omnibus Equity Incentive Plan
Deferred Stock Unit Award Agreement

“Participant”: []

“Date of Award”: [], 20

This Award Agreement, effective as of the Date of Award set forth above, sets forth the grant of director Deferred Stock Units (“DSUs”) by JetBlue Airways Corporation, a Delaware corporation (the “Company”), to the Participant named above, pursuant to the provisions of the JetBlue Airways Corporation 2020 Omnibus Equity Incentive Plan (the “Plan”) (the “DSU Award Agreement”). All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein.

Participant understands and agrees that the DSU grant is awarded subject to and in accordance with the terms of the Plan. Participant hereby acknowledges the receipt of electronic delivery of the official prospectus for the Plan may be accessed through the [Participant’s NetBenefits.com account > Restricted Stock Units > Plan & Grant Documents tab]. A copy of the Plan is available upon request made to the Corporate Secretary at the Company’s principal offices.

The parties hereto agree as follows:

- (A) **Grant of DSUs.** The Company hereby grants to the Participant [] DSUs, subject to the terms and conditions of the Plan and this DSU Award Agreement. Each DSU represents an unfunded and unsecured right to receive one share of Common Stock in the future.
 - (B) Vestings and Settlements of DSUs.
 - (1) The period during which the DSUs shall be subject to a substantial risk of forfeiture and/or other restrictions (the “Period of Restriction”) shall commence on the Date of Award. Subject to the Participant’s continued director service with the Company or an Affiliate (the “Company Group”), the RSUs shall vest, and the Period of Restriction shall lapse, on the first anniversary of the Date of Award (the “Vesting Date”). Any RSUs as to which the Period of Restriction has not lapsed prior to the date of the Participant’s Termination of Service shall be immediately forfeited.
 - (2) Subject to Section D below, each vested RSU shall be settled through the delivery of one Share no later than the last business day of the month six months following the month in which the director’s service terminates (or as soon as administratively
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practicable thereafter, but in no event later than March 15th of the calendar year immediately following the calendar year in which the Vesting Date occurs (the "Settlement Date").

- (3) The Shares delivered to the Participant on the Settlement Date (or such earlier date determined in accordance with Section (D) below) shall not be subject to contractual transfer restrictions (other than as provided in Sections (F)(2) and (F)(7) below and in the Plan) the Company's insider trading policies) and shall be fully paid, non-assessable and registered in the Participant's name.
 - (C) **Termination of Service.** If, prior to the Vesting Date, the Participant incurs a Termination of Service under any circumstances, the DSUs as to which the Period of Restriction has not lapsed shall be cancelled immediately and the Participants shall immediately forfeit any rights to, and shall not be entitled to receive any Shares or payments with respect to, such DSUs.
 - (D) **Change in Control.** The DSU grant awarded under this DSU Award Agreement is subject to the provisions of Section 13 of the Plan.
 - (E) **Transferability.** DSUs are not transferable other than by last will and testament, by the laws of descent and distribution. Further, except as set forth in the Plan, a Participant's right under the Plan shall be exercisable during the Participant's lifetime only by the Participant, or in the event of the Participant's legal incapacity, the Participant's legal guardian or representative.
 - (F) **Miscellaneous**
 - (1) The Plan provides a complete description of the terms and conditions governing all DSUs granted thereunder. This DSU Award Agreement and the rights of the Participant hereunder are subject to the terms and conditions of the Plan, as amended from time to time, and to such rules and regulations as the Committee may adopt for the administration of the Plan. If there is any inconsistency between the terms of this DSU Award Agreement and the terms of the Plan, the Plan's terms shall supersede and replace the conflicting terms of this DSU Award Agreement.
 - (2) The Committee shall have the right to impose such restrictions on any shares acquired pursuant to DSUs as it deems necessary or advisable under applicable federal securities laws, international laws, rules or regulations, the rules and regulations of any stock exchange or market upon which such shares are then listed and/or traded, and/or under any blue sky or state securities laws applicable to such shares. It is expressly understood by the Participant that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate to administer the Plan and
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this DSU Award Agreement, all of which shall be binding upon the Participant.

- (3) The Shares delivered to the Participant on the Settlement Date (or such earlier date determined in accordance with Section (D) below) shall not be subject to contractual transfer restrictions (other than as provided in Sections (F)(2) and (F)(7) below, in the Plan and pursuant to the Company's insider trading policies) and shall be fully paid, non-assessable and registered in the Participant's name.
- (4) The Board may at any time, or from time to time, terminate, amend, modify or suspend the Plan, and the Board or the Committee may amend or alter this DSU Award Agreement at any time; provided, however, that no termination, amendment, modification, alteration or suspension shall materially impair the previously accrued rights of the Participant with respect to the DSUs granted pursuant to this DSU Award Agreement, without the Participant's consent, except as otherwise provided by the Plan.
- (5) This Agreement and any payment or delivery of Shares under this Agreement are intended to comply with Section 409A of the Code, and the regulations and guidance promulgated thereunder ("Section 409A"), and shall be administered and construed in accordance with such intent. In furtherance, and not in limitation, of the foregoing: (a) in no event may the Participant designate, directly or indirectly, the calendar year of any payment or delivery of Shares to be made hereunder; and (b) notwithstanding any other provision of this Award Agreement to the contrary, a Termination of Service hereunder shall mean and be interpreted consistent with a "separation from service" within the meaning of Section 409A with respect to any payment or delivery of Shares hereunder that constitutes a "deferral of compensation" under Section 409A that becomes due on account of such separation from service.

Notwithstanding the foregoing or any provisions of the Plan or this DSU Award Agreement, if the Company determines that any provision of this DSU Award Agreement or the Plan contravenes Section 409A or could cause the Participant to incur any additional tax, interest or penalties under Section 409A, the Committee may, in its sole discretion and without the Participant's consent, modify such provision to (i) comply with, or avoid being subject to, Section 409A, or to avoid the incurrence of any additional taxes, interest and penalties under Section 409A, and/or (ii) maintain, to the extent reasonable practicable, the original intent and economic benefit to the Participant of the applicable provision without materially increasing the cost to the Company or contravening the provisions of Section 409A. This Section (F)(5) does not create an obligation on the part of the Company to modify the Plan or this

Award Agreement and does not guarantee that the Participant will not be subject to taxes, interest and penalties under Section 409A.

- (6) Delivery of the Shares underlying the DSUs upon settlement is subject to the Participant satisfying all applicable federal, state, local and foreign taxes (including the Participant's FICA obligation) upon settlement or earlier, to the extent required by applicable law. The Company shall have the power and the right to (i) deduct or withhold from all amounts payable to the Participant pursuant to the DSUs or otherwise, or (ii) require the Participant to remit to the Company, an amount in cash sufficient to satisfy any applicable taxes required by law whenever arising with respect to the DSUs. Further, the Company may permit or require the administrator of the Plan or the Participant to satisfy, in whole or in part, the tax obligations by withholding Shares that would otherwise be received upon settlement of the DSUs.
 - (7) This DSU Award Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required, or the Committee determines are advisable. The Participant agrees to take all steps the Company determines are necessary to comply with all applicable provisions of federal and state securities law in exercising his or her rights under this DSU Award Agreement.
 - (8) Neither the Participant nor any other person shall become the beneficial owner of the Shares underlying the DSUs, nor have any rights to dividends or other rights as a shareholder with respect to any such Shares, until and after such Shares, if any, have been actually issued to the Participant and transferred on the books and records of the Company or its agent in accordance with the terms of the Plan and this DSU Award Agreement.
 - (9) Neither the DSUs nor any terms contained in this Agreement shall confer upon the Participant any rights or claims except in accordance with the express provisions of the Plan and this Agreement, and shall not give the Participant any express or implied right to receive another award of DSU or any other equity-based award at any time in the future or in respect of any future period. The Participant acknowledges and agrees that any right to DSUs shall be earned only by satisfaction of applicable terms and conditions contained in the Plan and this Agreement, and not through the act of being granted the DSUs hereunder.
 - (10) All obligations of the Company under the Plan and this DSU Award Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a
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Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all, or substantially all of the business and/or assets of the Company.

(G) **Acceptance of Award.**

The Participant acknowledges his or her understanding and acceptance of the terms and conditions of the Plan and this DSU Award Agreement. The Plan and this DSU Award Agreement represent the entire understanding of the parties, and supersede all prior understandings, with respect to the DSUs. If the Participant, however, desires to refuse the DSUs, the Participant must notify the Company in writing in accordance with the Plan no later than 30 days after the receipt of this DSU Award Agreement. If the Participant refuses the DSUs, he or she shall not be entitled to any additional compensation or remuneration in replacement of the DSUs. If the Participant does not refuse the DSUs, the Participant shall be deemed to agree to all of the terms of the Plan and this DSU Award Agreement.

Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer

I, Robin Hayes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2021

/s/ ROBIN HAYES

Chief Executive Officer

Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer

I, Ursula Hurley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of JetBlue Airways Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2021

By: /s/ URSULA HURLEY

Acting Chief Financial Officer

JetBlue Airways Corporation**SECTION 1350 CERTIFICATIONS**

In connection with the Quarterly Report of JetBlue Airways Corporation on Form 10-Q for the period ended June 30, 2021, as filed with the Securities and Exchange Commission on July 30, 2021 (the “Report”), the undersigned, in the capacities and on the dates indicated below, each hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of JetBlue Airways Corporation.

Date: July 30, 2021

By: /s/ ROBIN HAYES*Chief Executive Officer*

Date: July 30, 2021

By: /s/ URSULA HURLEY*Acting Chief Financial Officer*