

TENTATIVE AGREEMENT

and,

UPON RATIFICATION,

LETTER OF AGREEMENT

between

NORTHWEST AIRLINES, INC.

and the

INTERNATIONAL ASSOCIATION OF MACHINISTS,

DISTRICT 143

THIS LETTER OF AGREEMENT is made and entered into in accordance with the Railway Labor Act by and between NORTHWEST AIRLINES, INC. (hereinafter referred to as the "Company") and the INTERNATIONAL ASSOCIATION OF MACHINISTS, DISTRICT 143 (hereinafter referred to as "District 143").

WHEREAS the Company and District 143 have reached agreement concerning employees represented by District 143 participation in a cost restructuring program (the "Business Restructuring Plan"),

THEREFORE the parties to this Letter of Agreement hereby agree as follows:

1. Effective Dates. Subject to paragraph 28 herein, this Letter of Agreement as to the collective bargaining agreement covering equipment service and stock clerk personnel (the "ESSC Agreement") shall become effective as to that collective bargaining agreement on the first calendar day following the execution of the Letter of Agreement contemplated hereby for that collective bargaining agreement by authorized representatives of District 143 and the Company, subject to the provisions of the bankruptcy protection letter attached hereto to Exhibit K. The date on which any collective bargaining agreement becomes effective is hereinafter referred to as the "effective date" for that collective bargaining agreement.
2. Contract Duration. The amendable date of the ESSC Agreement and all letters of agreement thereto, are hereby extended, and the relevant Articles of the ESSC Agreement will be amended to read in its entirety as follows:

“If the Company emerges from bankruptcy in 2006, this Agreement shall continue in full force and effect until December 31, 2010. In the event the Company does not emerge from bankruptcy until 2007 or later, the Company may, at its option, extend this Agreement until December 31, 2011. If the Company elects this option, it shall be obligated to implement the increase in base rates referred to in paragraph 3., below, on January 1, 2010. Once amendable, this Agreement shall renew itself without change each succeeding December 31st, thereafter, unless written notice of intended change is served in accordance with Section 6, Title I, of the Railway Labor Act, as amended (the “Act”), by either party at least one hundred eighty (180) days prior to the amendable date, or December 31st of any year thereafter upon written notice of either party thereto. In the event a new tentative collective bargaining agreement has not been concluded by July 1, 2011 or 2012, whichever applies (or July 1st of any year thereafter if applicable), and services of the National Mediation Board (the “Board”) have not previously been involved, the parties will jointly involve the services of the Board under Section 5 of the Act.”

3. Hourly Pay Rates. The base pay rates under the respective Schedule A – Rates of Pay of the District143 Agreements are set forth in Exhibit A of this Letter of Agreement and shall apply for all purposes under the ESSC Agreement. Overrides noted in current respective schedule A of the ESSC Agreement remain unchanged.

- 11.5 % wage reduction in all base rates;
- New hire progression for all IAM represented employees;
- 1.0% increase January 1, 2008;
- 1.5% increase January 1, 2009;
- Conditional 1.5% increase on January 1, 2010 should the Company fail to emerge from bankruptcy in 2006 and elect to exercise its option under paragraph 2, above, to extend the Agreement in full force and effect until December 31, 2011. Notice regarding the Company’s election of this option shall be provided to the IAM no later than 60 days prior to January 1, 2010.

- Lump sum payment related to new hire progression as set forth in Exhibit J.
4. Shift Premiums. The shift premiums for the afternoon, night and relief shifts under the ESSC Agreement shall be eliminated.
 5. Longevity. The longevity allowance under the ESSC Agreement shall be eliminated.
 6. Overtime. Article 7.A. of the ESSC Agreement shall be amended to delete the one-hour overtime guarantee (short hour rule).
 7. Vacations. Article 17.A. of the ESSC Agreement shall be amended to reduce vacation accruals by one (1) week at each step in the applicable vacation accrual rate schedule as follows:

Completed Years of Service	Rate of Accrual Per Month of Service Thereafter
Less than 4	3.33 hours
4 but less than 9	6.67 hours
9 but less than 16	10.00 hours
16 but less than 24	13.34 hours
24 but less than 29	16.67 hours
29	20.00 hours

After the effective date of the ESSC Agreement, the Company will not block vacated weeks of vacation or weeks of vacation that were previously made available but not bid during the annual vacation bid process.

8. Sick Leave. The relevant provisions of the ESSC Agreement shall be amended to reflect that sick leave accruals will be deducted on an hourly basis from the employee's accrual bank and paid at 75% of the employees normal hourly pay rate for each of the first seven (7) continuous and consecutive work days of illness. The eighth additional and all subsequent continuous and consecutive work days of illness will be paid at 100%.
9. Holidays. Article 7.C. of the ESSC Agreement shall be amended by deleting President's Day, Memorial Day and the Day after Thanksgiving from the list of recognized holidays. The remaining recognized holidays under the ESSC Agreement shall be paid at a rate of two-times the regular straight-time rate if worked.
10. Health Insurance. The Company will provide medical, prescription drug and dental insurance benefits pursuant to Exhibit B.

11. Part Time Employees. The relevant provisions of the ESSC Agreement shall be amended to provide the following:

- a. Article 5.A.1. of the ESSC Agreement shall be amended to allow the company a ratio of 25% part-time to total employees within the equipment service and related classifications at each of its MSP and DTW hubs, and 50% part-time to total employees within the equipment service and related classifications at all other Company-staffed point determined on a individual point basis. The Company agrees not to apply this new part-time ratio to those stations that the Company schedules for outsourcing pursuant to paragraph 16, below.
- b. Article 5.A.2. of the ESSC Agreement shall be suspended on an individual point basis until such time that the new above-referenced part-time ratios have been reached.
- c. Article 5.A.4. and 5. of the ESSC Agreement shall be amended to allow part-time employees to be scheduled a minimum of 16 and maximum of 30 hours per work week exclusive of unpaid meal periods.
- d. Article 5.G. of the ESSC Agreement will be amended to apply only to part-time employees hired prior to the effective date of the Agreement.
- e. Article 5.F. of the ESSC Agreement will be amended, in part, to provide for vacation at a rate of accrual which is 60% of the applicable rate for full-time employees.
- f. Article 27.C.3. of the ESSC Agreement will be amended, in part, to provide for part-time employees to make a 15% premium contribution for the cost of single coverage. All other provisions of Article 27.C. remain unchanged.

12. Seniority. For a period of twelve months after the date of signing of this Agreement and notwithstanding any other provision in the ESSC to the contrary, a permanent full time employee not holding part-time seniority in the same or related classification who has been displaced due to a reduction in force and who has insufficient seniority to displace a full-time employee (or open full-time position) or a part-time employee (or open part-time position) at his/her point may use his/her full-time seniority to displace the junior part-time employee (or open part-time position) at another point on the system. The 12-month period referenced in this paragraph may be extended for up to three (3) additional months upon mutual agreement by the parties. Upon expiration of the 12-month period, or any agreed upon extension, the provisions of this paragraph will become void, and the contractual provisions relating to seniority and the exercise of seniority shall govern.

13. Enhanced and Early-Out Severance. Subject to achieving consensual ratified and implemented Agreements between the Company and the IAM, eligible employees may be entitled to enhanced or “early-out” severance under the terms of the Enhanced and Early-Out Severance Agreement outlined in Exhibit C.
14. ESE Scope. Article 4 of the ESSC Agreement shall be amended as necessary to include all work associated with deicing, snow removal, airstarts, tow, pushback tractor operations and communications with the cockpit at locations where the Company chooses to assign Northwest employees to perform each such category of work, i.e., in lieu of outsourcing.
15. Mainline Stations. All stations with 50 or more Northwest Airlines passenger departures per week (based on 2005 scheduled departures), JFK and ANC, shall be considered Mainline Stations (Exhibit D). For stations listed in Exhibit D, the work generally classified as ramp handling and all other work covered by the ESSC Agreement will be performed by IAM represented employees, subject to any other conditions or exceptions stated herein.
16. Third Party Vendor Stations. For all stations with less than 50 Northwest Airlines passenger departures per week – based on 2005 scheduled departures (i.e., all stations not listed in Exhibit D), the Company may, at its sole discretion and without limitation, arrange for the performance of work generally classified as ramp handling, and all other work using the services of third party providers. In the future event that any third party vendor station exceeds 70 Northwest Airlines and Compass¹ (51-76 seat aircraft only) passenger departures per week for a continuous period of nine (9) months, the Company agrees to staff such station as a Mainline Station to handle Northwest Airlines flights, except that no more than four (4) stations may convert to Mainline status per year up to the amendable date (62 total Mainline). The Company may, in its sole discretion, assign equipment service personnel to handle Compass flights. In the event that any current Mainline station operates less than 30 Northwest Airlines and Compass (51-76 seat aircraft only) departures per week for a continuous period of nine (9) months, the Company may, at its sole discretion, convert such station to a third party vendor station.

The Company agrees that should it, or a majority owned ground handling subsidiary, choose to employ personnel to perform ground handling services in stations outsourced as a result of this Agreement, the Company or its wholly owned subsidiary will voluntarily recognize the IAM as the exclusive bargaining representative for such employees for the purpose of bargaining competitive rates of pay, terms and conditions of employment.

¹ Provided that Compass remains a separate wholly owned subsidiary of NWA.

17. Cargo, Food Dock and Stock Clerks. The Company may, at its sole discretion, arrange for the performance of all the following work using a third party provider: all ESE related work at the MSP Food Dock, all stock clerk work on the system except at MSP and DTW, all ESE work at cargo operations on the system with the exception of Cargo operations at MSP, DTW, ANC, LAX, ORD, BOS, MEM, SEA, SFO, and HNL.
18. Pension Replacement. Effective January 14, 2006, or as soon as practicable thereafter, pension benefit accruals under the existing defined benefit plan shall be frozen for all employees under the ESSC Agreement as described in Attachment A to Exhibit E. Future pension benefits for employees covered by the ESSC Agreement shall be provided under the IAM National Pension Plan in accordance with the terms set forth in Exhibit E.

Preservation of the frozen defined benefit plans is contingent upon legislation being enacted to reduce pension funding costs to acceptable levels. In order for this legislation to have the effect of preserving the frozen pension plans, Northwest Airlines must also realize a competitive cost structure and have the ability to attract new financing to successfully exit bankruptcy. If this relief does not materialize, arrives too late, is insufficient, or the Company suffers adverse economic circumstances on other fronts, the Company may seek to terminate its defined benefit pension plans.

Should termination of the defined benefit plans occur, the District 143 agrees that such termination does not represent a violation of its collective bargaining agreement, but reserves the right to contest that termination.

19. Retiree Medical. For retiree medical benefits applicable to those employees who retire after the effective date of this Agreement, the ESSC Agreement shall be amended to reflect a retiree contribution equal to 50% of a premium equivalent rate based on a blended active employee/retiree cost pool subject to an annual maximum increase of eight percent (8%) in the premium equivalent rate. The active employee contributions for health care will also be based upon an active employee/retiree blended cost pool.
20. Profit Sharing. Subject to achieving consensual ratified and implemented Agreements between the Company and the IAM, the Company shall provide the employees covered under the ESSC Agreement the profit sharing described in Exhibit F.
21. Claim in Lieu of Equity. Subject to achieving consensual ratified and implemented Agreements between the Company and the IAM, the Company shall provide an unsecured claim as described in Exhibit G.

22. Success Sharing. Subject to achieving consensual ratified and implemented Agreements between the Company and the IAM, the Company shall provide the employees covered under the ESSC Agreement the Success Sharing Program described in Exhibit H.
23. Fees and Expenses. The Company will pay fees and expenses incurred by District 143 related to all IAM District 143 labor cost restructuring (COFPS, PP, ESSC, and SIMOPS) negotiations incurred prior to ratification and subject to a maximum of \$1.5 million.
24. Miscellaneous Provisions. The amendments to the Articles of the existing ESSC Agreement identified in Exhibits I herein, shall be incorporated into this Agreement provided such amendments are not otherwise in conflict with any of the terms or provisions of this Agreement.
25. Job Security Covenants. Amend the ESSC Agreement to delete in its entirety the job security covenant letter of agreement (“LOA”): ESSC LOA A. 35.
26. Labor Protective Provisions. Amend the ESSC Agreement to delete all Labor Protective Provisions (“LPPs”) in the letters of agreement: ESSC LOA A. 38 with the exception of Sections 2, 3 and 13 relating to the fair and equitable integration of seniority.
27. Successorship Language. Article 3.B. of the ESSC Agreement shall be amended to delete existing provisions, and to provide as follows:

It is understood and agreed that all provisions of this Agreement shall be binding upon any successor or assign of the Company which acquires ownership and/or control of all or substantially all of the equity securities of the company or all or substantially all of the value of the assets of the Company. In case of a sale, consolidation, merger, liquidation, reorganization, bankruptcy or trusteeship, wherein the successor is engaged in the operation of an air carrier and decides to conduct merged operations, representatives of the Company and the Union will meet without delay and negotiate for proper provisions for the fair and equitable integration of seniority pursuant to Sections 2, 3 and 13 of the Allegheny-Mohawk LPPs. Nothing herein shall prevent the Company or successor air carrier from conducting separate operations following an acquisition, and such decision is at the sole discretion of the surviving entity.

28. Conditions to Effectiveness.
 - a. Condition Precedent. Notwithstanding any provision to the contrary in this Letter of Agreement, the terms of this Letter of Agreement shall not

become effective until the Company has implemented, through binding agreement or legal unilateral authority, revisions to (i) the labor contracts of the Company's other unionized employees and (ii) the wages, benefits and working conditions of the Company's non-union employees so that the aggregate revisions in (i) and (ii) are reasonably projected to produce \$1,131 million in average annual savings in labor costs from January 1, 2006 through December 31, 2010, or December 31, 2011, if elected by the Company pursuant to paragraph 2, (excluding any implementation, severance, or separation program costs). The aggregate savings shall exclude any net savings attributable to revisions in pension plans but shall include the following: savings achieved as a result of the current 1113/1114 restructuring negotiations; savings under the pilot Bridge Agreement dated November 22, 2004; savings, net of outsourcing costs, realized through imposition of the terms imposed on AMFA represented employees on August, 19, 2005; savings from cost reductions imposed on the Company's non-contract employees prior to January 1, 2006.

- b. Condition Subsequent. The Company agrees that it will not provide, or agree to, (i) any profit sharing program, incentive program, stock option plan, or any other form of financial return, for any union employees which, in the aggregate, net of any offsetting labor cost savings, materially diminishes the value of the \$1,131 million in average annual savings in labor costs set forth above under Conditions To Effectiveness; or (ii) any pension or retirement plan benefits for any union employees which, in the aggregate, net of any offsetting labor cost savings, materially diminish the value of the \$1,131 million in average annual savings in labor costs set forth above under Conditions To Effectiveness, and which are materially more favorable than the replacement plan(s) provided under the 143 Agreements. Should the Company's defined benefit plans terminate, any savings in pension contribution costs generated by such termination shall not be used to offset or refund the labor cost reductions causing any union to fall below the required applicable labor cost reduction target. Costs related to severance or early separation programs will not be considered to diminish the value of average annual labor costs savings. Disputes over any violation of this provision will be resolved pursuant to the grievance and arbitration procedures of the applicable IAM Agreement.
- c. The Company has provided sufficient relevant information necessary to perform an audit of the terms referred to herein above.
- d. District 143 membership ratification under the IAM's Constitution and By-Laws, execution of the Agreement by District 143 President /Directing General Chair and, if required, approval by the Company's Board of Directors.

- e. District 143 may waive one or all of the forgoing conditions at its discretion.
29. The IAM hereby specifically acknowledges and agrees that the conditions precedent specified in paragraph 28.a. are satisfied (assuming that the PFAA tentative agreement of March 1, 2006, is ratified). In the event that the PFAA tentative agreement is not ratified, the IAM reserves the right to re-examine any subsequent flight attendant agreement or imposed terms.

ESSC SIGNATURE AND EXECUTION PAGE

The parties understand and agree that signature below relates specifically and proportionately to the terms of the ESSC Agreement.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this ___ day of _____ 2006.

For INTERNATIONAL ASSOCIATION OF MACHINIST AND AEROSPACE WORKERS – DISTRICT #143	For NORTHWEST AIRLINES, INC.
<hr/> Robert B. DePace President & Directing General Chair IAM District #143	<hr/> Julie Hagen Showers Vice President Labor Relations Northwest Airlines, Inc.
<hr/> Gerald F. Bernson Senior General Chair IAM District #143	<hr/> Andrew C. Roberts Executive Vice President Operations Northwest Airlines, Inc.
<hr/> Kevin Graf General Chair IAM District #143	<hr/> David M. Davis Senior Vice President - Finance & Controller Northwest Airlines, Inc.
<hr/> Steve Kelton General Chair IAM District #143	<hr/> Randall B. Ohm Senior Labor Counsel Northwest Airlines, Inc.
<hr/> Mike Gasper	<hr/> .
<hr/> Joseph Pascarella	
<hr/> David Carr	

Exhibit A
Schedule A Rates of Pay

Applicable to employees hired into a position prior to Date of Signing

	Present	DOS	1/1/2008	1/1/2009
Equipment Service				
1st 18 Months	\$10.26	\$9.08	\$9.17	\$9.31
2nd 18 Months	\$11.86	\$10.50	\$10.60	\$10.76
3rd 18 Months	\$13.51	\$11.96	\$12.08	\$12.26
Next 6 Months	\$16.32	\$14.44	\$14.59	\$14.81
Thereafter	\$20.20	\$17.88	\$18.06	\$18.33
Stock Clerk				
1st 18 Months	\$10.35	\$9.16	\$9.25	\$9.39
2nd 18 Months	\$11.96	\$10.58	\$10.69	\$10.85
3rd 18 Months	\$13.65	\$12.08	\$12.20	\$12.38
Next 6 Months	\$16.47	\$14.58	\$14.72	\$14.94
Thereafter	\$20.84	\$18.44	\$18.63	\$18.91

Applicable to employees hired into a position on or after Date of Signing

	DOS	1/1/2008	1/1/2009
Equipment Service			
1st Year	\$9.00	\$9.09	\$9.23
2nd Year	\$9.99	\$10.09	\$10.24
3rd Year	\$10.97	\$11.08	\$11.25
4th Year	\$11.96	\$12.08	\$12.26
5th Year	\$12.95	\$13.08	\$13.28
6th Year	\$13.93	\$14.07	\$14.28
7th Year	\$14.92	\$15.07	\$15.30
8th Year	\$15.91	\$16.07	\$16.31
9th Year	\$16.89	\$17.06	\$17.32
Thereafter	\$17.88	\$18.06	\$18.33
Stock Clerk			
1st Year	\$9.00	\$9.09	\$9.23
2nd Year	\$9.99	\$10.09	\$10.24
3rd Year	\$10.97	\$11.08	\$11.25
4th Year	\$11.96	\$12.08	\$12.26
5th Year	\$12.95	\$13.08	\$13.28
6th Year	\$13.93	\$14.07	\$14.28
7th Year	\$14.92	\$15.07	\$15.30
8th Year	\$15.91	\$16.07	\$16.31
9th Year	\$16.89	\$17.06	\$17.32
Thereafter	\$17.88	\$18.06	\$18.33

Exhibit B
Health Care Benefits
Medical Plan

Plan Design Provision	Existing NWA Group Medical	Proposed Terms 1/13/2005
Conceptual Design	Indemnity program with NWA offering optional PPO and POS alternatives	One plan for all employees, PPO with out of network coverage.
Bargained	Yes	Yes
Contribution Amount	Flat dollar	15% subject to an annual increase of no more than 8%
Tobacco Surcharge	No	No
How the plan works	Services rec'd from participating providers, provider files claims and benefits paid based on allowable charge, otherwise patient responsible for filing claims and benefits paid based on R&C	In – if services rec'd from in-network provider, provider files claims and benefits paid based on allowable charge Out – if services rec'd from out-of-network provider, patient responsible for filing claims and benefits paid based on R&C
Deductible	\$200/\$475 \$100/\$300 OOA	\$350/\$700 deductible that applies to both in and out of network (not separate). No indexing in future years.
Out-of-Pocket Maximum – excludes Rx and MH	\$1,600/\$4,000	\$2,000/\$4,000 OOP max that applies to both in and out of network (not separate). No indexing in future years.
Maximum Lifetime Benefit	Unlimited	Unlimited (In or Out)
Preadmission Certification	Patient responsible	In – Provider will call Out – Patient responsible
Eligible Expenses	No preventive care payment based on R&C	In – Most preventive care covered (based on age/gender) Out – no preventive care, payment based on R&C
Nurseline	Available through claims administrator	Available through claims administrator
Office Visits	20% after deductible	In – 20% after deductible Out – 30% after deductible
Preventive Care	Not covered	In – Most care covered, 10%, no deductible (based on age/gender) Out – Not covered
Laboratory Services	20% after deductible	In – 20% after deductible Out – 30% after deductible

Plan Design Provision	Existing NWA Group Medical	Proposed Terms 1/13/2005
Diagnostic Procedures & X-rays	20% after deductible	In – 20% after deductible Out – 30% after deductible
Facility Charges – Outpatient	20% after deductible	In – 20% after deductible Out – 30% after deductible
Emergency Room	20% after deductible	In – \$50 copay that applies to facility and physician charge. Out – \$50 copay Co-pay applies if true emergency, otherwise 20% In or 30% Out co-insurance applies. Co-pay will apply toward OOP max.
Hospital – Inpatient	0% of first \$4,000, then 20%	In – 20% after deductible Out – 30% after deductible
Physician Hospital/ Professional Services	20% after deductible	In – 20% after deductible Out – 30% after deductible
Prescription Drugs	Covered under Rx Plan	Covered under Rx
Durable Medical Equipment & Consumable Medical Supplies	20% after deductible	In – 20% after deductible Out – 30% after deductible Prior auth required on purchases over \$1,000
Mental Health/Chemical Dependency	Inpatient combined w/hospital inpatient Outpatient – MH 20% up to certain \$ limit, then 50% after deductible, CD 20% after deductible limited to 130 hours/yr	In – 20% after deductible Out – 30% of R&C after deductible Single OOP max of \$2,000/\$4,000 that will apply to mental health both in and out of network. This is a separate OOP max.
Maternity	20% after deductible	In – 20% after deductible for prenatal office visits, post-natal, labor, delivery, newborn hospital care Out – 30% after deductible All moms-to be automatically registered in prenatal program, otherwise subject to pre-cert penalty on IP hospital
Physical, Occupational & Speech Therapy	20% after deductible	In – 20% after deductible Out – 30% after deductible Limited to 20 visits/yr IN and OON combined unless add'l authorized by

Plan Design Provision	Existing NWA Group Medical	Proposed Terms 1/13/2005
		plan
Chiropractic Care	IAM - 0% up to \$600/yr including maintenance care	In – 0% up to \$600; 20% after deductible thereafter. Out – 30% after deductible. Limited to 20 visits/yr IN and OON combined, unless add'l authorized by plan
Weight Management/ Bariatric Surgery	20% after deductible for physician + hospital inpatient	In – 20% after deductible – covers 4 physician visits/yr for treatment of obesity, 6 dietician visits/yr plus counseling prior auth required – centers of excellence required where available. Out – 30% of R&C after deductible. Weight loss drugs covered under Rx Plan.
Home Health Care	20% after deductible, limited to 40 visits/yr	In – 20% after deductible Out – 30% after deductible
Hospice Care	0% with plan approval	In and Out – 0% with plan approval
Health Threatening Emergencies	N/A	Covered as in-network (initial care only, follow-up care paid at IN or OON level)
Coordination of Benefits (COB)	Full COB	Full COB
Working Spouse Exclusion	No	No
Definition of R&C	No less than 80 th percentile for geographic area, as determined by Ingenix data	No less than 80 th percentile for geographic area as determined by Ingenix data

Assumptions:

- Continue Disease Management programs

Prescription Plan

Prescription Drugs	NWA Rx	Proposed Terms 1/13/2005
Bargained	Yes	Yes
Deductible	None	None
Maximum Lifetime Benefits	Unlimited	Unlimited
In-Network Pharmacy Benefits	\$7 for generic \$10 for brand Up to a 34-day supply	The following copays will apply for 2006 and 2007: <ul style="list-style-type: none"> ○ Generic = \$14 ○ Preferred Brand = \$24 ○ Non-Preferred Brand = \$36

Prescription Drugs	NWA Rx	Proposed Terms 1/13/2005
		<ul style="list-style-type: none"> ○ Lifestyle drugs: 50% + difference in brand/generic - \$30/min, no max <p>For 2008 and thereafter the following copays will apply:</p> <ul style="list-style-type: none"> ○ Generic = \$15 ○ Preferred Brand = \$30 ○ Non-Preferred Brand = \$45 ○ Lifestyle drugs: 50% + difference in brand/generic - \$30/min, no max <p>Out-of-pocket max of \$1000/ person which applies to Rxs filled at both retail and mail.</p> <p>50% for maintenance meds after two fills at retail.</p> <p>Member pays the difference for brand drugs when a generic is available (Generic copay plus the difference in cost between the brand and generic).</p> <p>Up to a 30-day supply</p> <p>Include provision to permit access to non-preferred brand when participant's physician demonstrates that other alternatives are not medically appropriate</p>
Medco By Mail	<p>\$14 generic \$20 brand</p> <p>Up to a 90-day supply</p>	<p>For 2006 through 2009, all medications charged 2 ½ times the retail equivalent for a 90 day supply</p> <p>Member pays the difference for brand drugs when a generic is available (Generic copay plus the difference in cost between the brand and generic).</p> <p>The current requirement to obtain maintenance medications through mail will continue to apply.</p>
Out-of-Network	Reimbursed difference between retail	Reimbursed difference between retail

Prescription Drugs	NWA Rx	Proposed Terms 1/13/2005
Coverage	price and in-network price, less copay	price and in-network price, less copay
Formulary	Open	See footnote *
Prior Authorization	Traditional and Smart Auth Programs	Traditional and Smart Auth Programs
Drugs Not Covered	OTC and prescribed medications with OTC equivalents Appetite suppressants (except if approved via prior authorization) Experimental or investigational medications Replacement prescriptions resulting from loss, theft or breakage Cosmetic medications Vitamins, except for prescription vitamins Contraceptives and contraceptive devices (however, oral contraceptives and contraceptive patches covered in-network and through Medco by Mail	OTC and prescribed medications with OTC equivalents Appetite suppressants (except if approved via prior authorization) Experimental or investigational medications Replacement prescriptions resulting from loss, theft or breakage Cosmetic medications Vitamins, except for prescription vitamins Contraceptives and contraceptive devices (however, oral contraceptives and contraceptive patches covered in-network and through Medco by Mail

* Preferred Formulary – includes both single source and multi-source brand drugs. Additions are made to the formulary four times a year; deletions are made two times a year.

** Formulary First Coverage Review – for Proton Pump Inhibitors (PPI). For non-formulary prescriptions of PPIs, stopped at point of sale. Patient offered generic. If doesn't want generic, offered formulary brand. If patient purchases non-formulary PPI, no coverage under Rx plan, patient pays full cost of drug.

Dental Plan

Dental	Traditional Dental Plan	Proposed Terms 1/13/2005
Bargained	Yes	Yes
Contribution Amount	20% ALPA and Salaried	15% subject to an annual increase of no more than 6.5%
How the plan works	If participating dentist used, no claim forms to file and benefits paid based on allowed charge – no balance bill If non-par dentist used, must file claim form and benefits paid based on R&C	Maintain current traditional plan with passive PPO overlay
Deductible	\$50/\$125 for Class II and III services	\$50/\$125 deductible for Class II and III services

Plan Dollar Maximums	Class I, II & III/person/year \$2,250 Class IV/lifetime/person \$2,500	Class I, II & III/person/year \$2,000 Class IV/lifetime/person \$2,000
Plan Covers	Class I – Preventive – 90% Class II – Minor Restorations – 80% after deductible Class III – Major Restorations – 60% after deductible Class IV – Orthodontia – 50% Coverage for dental implants covered as Class IV expense	Class I – Preventive – 90% Class II – Minor Restorations – 80% after deductible Class III – Major Restorations – 60% after deductible Class IV – Orthodontia – 50% Dental implants covered as Class III expenses
Coordination of Benefits	Full COB	Full COB
Working Spouse Exclusion	No	No
Network	Currently Delta Dental	Delta Dental with PPO overlay

Exhibit C

Enhanced and Early-Out Severance Agreement

Subject to achieving consensual ratified and implemented Agreements between the Company and the IAM, the Company agrees to provide 1000 severance units for either employees laid off as a result of the implementation of this Agreement, or employees applying for early out severance. When the agreement is implemented, employees laid off as a result of this agreement and electing enhanced severance (one unit) or contractual severance (one-half unit) will decrement the 1000 units accordingly. Any remaining severance units will be made available as early out severance packages (one unit) to eligible applicants in accordance with paragraphs B. 1-7, below.

A. Enhanced Severance

1. An employee, who is displaced from his/her home metropolitan area/point due to a reduction that (1) occurs during the first twelve months of this Agreement, and (2) is the result of implementing this Agreement, may elect the following:
 - a. He/she may exercise his/her seniority pursuant to the applicable provisions of Article 11.B. of the ESSC Agreement; or
 - b. He/She may elect to receive contractual severance/lay off pay provided he/she is eligible pursuant to the current provisions of Article 22.A. of the ESSC Agreement; or
 - c. He/She may elect to receive enhanced severance which is herein defined as an amount equal to two times the amount to which he/she would have been entitled as contractual severance/layoff pay provided he/she is eligible pursuant to the provisions of Article 22.A. of the ESSC Agreement.
2. An employee who elects to take contractual severance/layoff pay as set forth in paragraph 1.b. above shall be placed in an off payroll status, and will have his/her recall rights established pursuant to, and governed by, Article 11.C. of the ESSC Agreement.
3. An employee who elects to take enhanced severance as set forth in paragraph 1.c. above, shall be treated as follows:
 - a. Such employee shall be deemed to have voluntarily terminated from the Company; however, he/she will retain a preferential right of rehire (superior to any other new hire candidate) to the point from which he/she was displaced; and

- b. In the event such employee is rehired, he/she would be paid as a new hire consistent with the new hire pay progression schedules;
 - c. Such employee will have only one right of refusal. Should the employee reject an offer of rehire, the employee will forfeit all preferred rehire rights under this Agreement.
4. For each employee who elects to receive enhanced severance pursuant to paragraph 1.c., above, the number of severance units severance described, above, will be reduced by one unit. For each employee who elects to receive contractual severance/layoff pay pursuant to paragraph 1.b., above, the number of severance units described, above, will be reduced by one-half unit.

B. Early Out Severance

1. When the layoff and displacement process described in paragraphs A.1. – A.4., above, has been completed, all remaining unused severance packages will be made available as early out severance (“EOS”) packages for the most senior full-time employee/applicants actively employed in permanent positions covered by the Agreement on the date(s) the program is offered.
2. Eligibility for EOS packages will be based upon the established system seniority under the ESSC Agreement of full-time employees who apply for such EOS packages at designated periods of time.
3. Each full-time employee awarded an EOS package will be paid an amount equal to two times the amount to which he/she would have been entitled as contractual severance/layoff pay under the provisions of Article 22.B., regardless of whether he/she is or is not independently eligible for contractual severance/layoff pay under Article 22.A. of the ESSC Agreement. For each package so awarded, one severance unit will be deducted from the pool described in paragraph B.1., above.
4. Any EOS paid to an employee under this Agreement will be paid in lieu of any contractual severance/layoff pay to which that employee/applicant might otherwise be eligible.
5. A full-time employee who applies for and is awarded an EOS package as set forth, above, shall be treated as follows:
 - a. Such employee shall be deemed to have voluntarily terminated from the Company; however, he/she will retain a preferential right of rehire (superior to any other new hire candidate) to the point from which he/she was displaced.

- b. In the event such employee is rehired, he/she would be paid as a new hire consistent with the new hire pay progression schedules.
 - c. Such employee will have only one right of refusal. Should the employee reject an offer of rehire, the employee will forfeit all preferred rehire rights under this Agreement.
- 6. In order to maintain operational integrity in the employee/applicant's station, the timing of EOS awards and separation from employment under this agreement will be based upon needs of the operation and the ability to backfill any open positions within the same classification (or related full-time and/or part-time related classification) as well as the employee/applicant's position at the point.
- 7. Notwithstanding paragraph 6., above, the Company agrees to offer a minimum of 100 EOS packages per year, beginning no later than January 15, 2007, and renewing annually thereafter during the term of this Agreement, until all remaining early-out severance packages established pursuant to paragraph B.1., above, have been depleted. The Company reserves the right, in its sole discretion, to offer more than this minimum number of early-out severance packages in any year. Should less than 100 packages be awarded in any year due to insufficient applicants, however, the number of unused early-out severance packages in that year shall be forfeited.

C. Employees on Lay Off Pre Petition

An IAM-represented employee who was off payroll on layoff status prior to the filing of the Company's bankruptcy petition, and who has not returned to an on payroll status prior to the date of signing of this Agreement, will be treated as follows:

- a. Such employee shall be deemed to have voluntarily terminated from the Company; however, he/she will retain a preferential right of rehire (superior to any other new hire candidate) to the point from which he/she was displaced; and
- b. In the event such employee is rehired, he/she would be paid as a new hire consistent with the new hire pay progression schedules;
- c. Such employee will have only one right of refusal. Should the employee reject an offer of rehire, the employee will forfeit all preferred rehire rights under this Agreement.

Exhibit D

Mainline Stations

Station	Station
MSP	DTW
MEM	HNL
IND	IAD
LGA	PDX
ORD	JFK
LAX	ANC
MCO	PHX
MKE	TPA
DCA	DFW
LAS	BNA
SEA	BWI
ATL	MSN
BOS	MDW
EWR	STL
MCI	CMH
DEN	RSW
GRR	FLL
PHL	GRB
SFO	FNT
IAH	MSY

Exhibit E
Participation in the IAM National Pension Plan

Subject to paragraph 5 below, the Company agrees to participate in the IAM National Pension Plan (“NPP”) in accordance with the following terms.

1. Participation. All full-time and part-time active employees who are represented by the International Association of Machinists and Aerospace Workers shall be eligible to participate in the Plan effective January 1, 2007 or beginning on the first day of employment, if later. Notwithstanding the above, contributions on behalf of new-hire employees will be made retroactively after the first sixty (60) calendar days of service have been completed.
2. Contribution Rate. Contributions to the NPP shall commence within 30 days from emerging from bankruptcy. The contribution rate for each eligible employee shall be equivalent to 5.0% of the employee’s Hourly Pension Base as defined below in the event of DB plan freeze and 6.5% of the employee’s Hourly Pension Base as defined below in the event of DB plan termination. The Company’s cent/dollar contribution per hour worked shall be adjusted automatically as the Hourly Pension Base changes.

Class	Classifications Covered	Hourly Pension Base
A	ESE, Lead ESE, Stock Clerk, Lead Stock Clerk, CSA, RSA, Clerical Level D, Operations Clerk, Commercial Agents, and Print Shop Tech II.	Base rate at top-of-scale for Customer Service Agent.
B	Clerical Levels A,B,C, Skycap, Print Shop Tech. Print Shop Tech I, World Club Rep./Supervisor and QSA’s.	Base rate at top-of-scale for Clerical Level B.
C	Clerical Level E, Aircraft Routing Controller, Agent Supervisor, Sr. Control Agent, Super – Cargo. and Print Shop Tech III.	Base rate at top-of-scale for Clerical Level E.

3. Contribution Base. The Company shall make the applicable cents per hour worked contribution on behalf of each eligible participant for all hours for which compensation is received by the employee (including vacation, sick leave, OJI, Union business and other paid leave), up to a maximum of forty (40) pay hours per week.
4. Benefit Levels and Other Terms. District Lodge 143 and Northwest hereby adopt and agree to be bound by the Trust Agreement, dated May 1, 1960, as amended, creating the

I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended, from time to time.

5. Conditions of Participation. The Company's agreement to participate in the NPP shall be subject to the following conditions.
 - a. The IAM agrees to freeze the accrual of benefits under the Northwest Airlines pension Plan for Contract Employees ("Contract Plan") for IAM represented employees and adopt the Fifteenth Amendment of the Contract Plan attached as Attachment A.
 - b. A favorable ruling from the Internal Revenue Service on the Company's October 20, 2005 Request for Ruling Under Code Section 412(f) as revised on December 2, 2005 that freezing the IAM portion of the Contract Pension Plan and providing future retirement benefits in the NPP does not violate the conditions of the 2003 plan year funding waivers for the Northwest Airlines Pension Plan for Contract Employees or the Northwest Airlines Pension Plan for Salaried Employees or resolution of this restriction through legislative means.
 - c. No condition, requirement, rule or other obligation shall be imposed by the NPP on the Company which, in the judgment of the Company and District 143, is materially at variance with the Company's obligation under this agreement.
 - d. The NPP meets the following criteria unless waived by the Company at its sole discretion:
 - (1) The NPP certifies to the Company that the ratio of inactive to active participants in the NPP is not greater than 2:1 (including employees of the Company)
 - (2) The NPP furnishes sufficient information such that the Company concludes that the Company's projected average annual NPP contributions are not greater than 15 percent of total projected annual NPP contributions (including contributions by the Company).
 - (3) The NPP certifies to the Company that the NPP is not less than 100 percent funded for vested liabilities based on the market value of the NPP's assets and the present value of vested liabilities (using an annual earnings assumption not greater than 7.5 percent and the NPP's normal mortality, termination and retirement assumptions) determined as of a date on or about 90 days before the Company joins the NPP.

- (4) The NPP furnishes sufficient information such that the Company concludes that the NPP is maintained by a reasonably diverse group of reasonably financially-sound employers.
 - (5) The Company will have the opportunity to nominate a representative to sit on the board of Trustees.
 - (6) The NPP certifies to the Company that there are no major problems with NPP administration (such as Government investigations or litigation that pose a significant risk to the NPP). In addition, the NPP furnishes sufficient information such that the Company concludes that the cost of NPP administration is reasonable.
6. Provisional Plan. In the event that the conditions set forth herein under paragraphs 5(c) or 5(d) are not met, or should the parties fail to reach a ratified ESSC Agreement, and the Company resorts to other legal unilateral authority, the Company will make a 5% employer contribution for employees covered under the ESSC Agreement in the Retirement Savings Plan for Contract Employees.
7. Commencement of Contributions. Employer contributions to the NPP or, if applicable, to the RSP for Contract Employees will commence on the earliest of:
- emergence from bankruptcy, or
 - date of signing this Agreement plus twelve (12) months should the Pension Plan be frozen, or
 - upon approval of the bankruptcy court of the plan termination should the Pension Plan be terminated.

Attachment A

(to Exhibit E)

**FIFTEENTH AMENDMENT
OF
NORTHWEST AIRLINES
PENSION PLAN FOR CONTRACT EMPLOYEES**

The “NORTHWEST AIRLINES PENSION PLAN FOR CONTRACT EMPLOYEES” heretofore adopted by NORTHWEST AIRLINES, INC., a Minnesota corporation, and heretofore amended by fourteen amendments (hereinafter collectively referred to as the “Plan Statement”), is hereby further amended in the following respects:

1. GENERAL STATEMENT OF PURPOSE. The purpose of this Amendment is to implement the cessation of the accrual of benefits under the Plan as of the Accrual Cessation Date.

- (a) This Amendment shall not cause the termination of the Plan Statement in the sense contemplated by ERISA §4041, et seq.
- (b) Absent some further action by this corporation, the benefits due under the Plan Statement shall continue to be held and paid under the terms of the Plan Statement as if there had been no cessation of accruals.
- (c) The Participants in this Plan are employed in multiple bargaining units represented by multiple unions. The cessation of accruals may be effective for the employees in the several bargaining units as of more than one date. If that occurs, there will be multiple Accrual Cessation Dates.
- (d) The Plan Statement and this Amendment shall be construed and administered on a basis consistent with this general statement of purpose. In giving effect to this general statement of purpose, no significance shall attach to the placement of the following rules in the Plan Statement or to the repetition of some but not other of the following rules.

2. ACCRUAL CESSATION DATE DEFINED. Effective as of September 13, 2005, Section 1.2 of the Plan Statement is amended by adding thereto the following new Section 1.2.1 (and all subsequent sections and cross references thereto shall be renumbered accordingly).

1.2.1. **Accrual Cessation Date** — the date specified in a Retirement Plan Agreement by and between the Employer and the union representing a classification of

Participants (or in writing by the Employer for a classification of Participants) as the date the accrual of benefits under this Plan shall cease for that classification.

3. ACCRUED BENEFIT FROZEN. Effective as of the Accrual Cessation Date, Section 1.2.2 (formerly Section 1.2.1) of the Plan Statement is amended by adding thereto the following new Section 1.2.2(g):

(g) **Accrual Cessation.** Notwithstanding the forgoing, a Participant's Accrued Benefit determined as of the Accrual Cessation Date shall not thereafter change.

4. BENEFIT SERVICE FROZEN. Effective as of the Accrual Cessation Date, Section 1.2.7 (formerly Section 1.2.6) of the Plan Statement is amended by adding thereto the following new Section 1.2.7(h).

(h) **Accrual Cessation.** Notwithstanding the foregoing, no service performed after the Accrual Cessation Date, shall be considered in determining Benefit Service for any purpose under this Plan. A Participant's Benefit Service determined as of the Accrual Cessation Date shall not thereafter change.

5. DISABILITIES NOT RECOGNIZED. Effective as of the Accrual Cessation Date, Section 1.2.9 (formerly Section 1.2.8) of the Plan Statement is amended by adding thereto the following new Section 1.2.9(c).

(c) **No New Disabilities Recognized.** No condition shall be considered a Disability unless a substantially completed application for a Disability Retirement Pension premised on that condition was filed prior to the Accrual Cessation Date.

6. EARLY RETIREMENT ELIGIBILITY NOT FROZEN. Effective as of the Accrual Cessation Date, Section 1.2.11 (formerly Section 1.2.10) of the Plan Statement is amended by adding thereto the following sentence.

Notwithstanding the cessation of the accrual of additional benefits as of the Accrual Cessation Date, as required by section 411(d)(6) of the Code a Participant may attain Earliest Retirement Date after the Accrual Cessation Date (i.e., age attained prior to Termination of Employment and Vesting Service earned after the Accrual Cessation Date shall be recognized in determining a Participant's Earliest Retirement Date).

7. ELIGIBILITY SERVICE FROZEN. Effective as of the Accrual Cessation Date, Section 1.2.13 (formerly Section 1.2.12) of the Plan Statement is amended by adding thereto the following new Section 1.2.13(e).

(e) **Accrual Cessation.** Notwithstanding the foregoing, no service performed after the Accrual Cessation Date, shall be considered in determining Eligibility Service for any purpose under this Plan. A Participant's

Eligibility Service determined as of the Accrual Cessation Date shall not thereafter change.

8. VESTING SERVICE NOT FROZEN. Effective as of the Accrual Cessation Date, Section 1.2.31 (formerly Section 1.2.30) of the Plan Statement is amended by adding thereto the following new Section 1.2.31(g).

(g) **Accrual Cessation.** Notwithstanding the cessation of the accrual of additional benefits effective as of the Accrual Cessation Date, as required by section 411(d)(6) of the Code a Participant's employment (whether in or out of Recognized Employment) after the Accrual Cessation Date shall be taken into account in determining the Participant's Vesting Service (i.e., Vesting Service determined as of the Accrual Cessation Date may thereafter increase).

9. USERRA RIGHTS FROZEN. Effective as of the Accrual Cessation Date, Section 1.4 of the Plan Statement is amended by adding thereto the following sentence.

Notwithstanding the foregoing, a Participant shall not be credited with any Benefit Service and shall not be deemed to have earned any earnings or other remuneration on account of any ununiformed service after the Accrual Cessation Date.

10. PARTICIPATION CLOSED. Effective as of the Accrual Cessation Date, Section 2.1 of the Plan Statement is amended by adding thereto the following sentence.

No individual who has not become a Participant before the Accrual Cessation Date shall thereafter become a Participant in this Plan.

11. PARTICIPATION CLOSED. Effective as of the Accrual Cessation Date, Section 2.2 of the Plan Statement is amended by adding thereto the following sentence.

No individual who returns to employment with the Employer after the Accrual Cessation Date shall become a Participant pursuant to the previous sentence.

12. DISABILITIES NOT RECOGNIZED. Effective as of the Accrual Cessation Date, Section 3.3.1 of the Plan Statement is amended by adding thereto the following sentence.

Notwithstanding the forgoing, no Participant shall receive a Disability Retirement Pension unless a substantially completed application for a Disability Retirement Pension was filed prior to the Accrual Cessation Date.

13. SAVINGS CLAUSE. Save and except as hereinabove expressly amended, the Plan Statement shall continue in full force and effect.

14. ACCRUAL CESSATION. With respect to classifications of employees in the service of the Employer as Equipment Service and Stock Clerk Personnel; Plant Protection Personnel; and Clerical, Office, Fleet and Passenger Service Personnel represented by the

International Association of Machinists & Aerospace Workers, the accrual of benefits under the Pension Plan shall cease as of the last day of the first calendar month in which the following conditions are first satisfied:

- (a) As determined by the Vice President Compensation and Benefits, the plan administrator has made a good faith effort to deliver the notice required by section 204(h) of ERISA to the Participants and alternate payees who are entitled to such notice and the applicable advance notice period (e.g., 45 days) has been completed.**
- (b) As determined by the Vice President Compensation and Benefits, all requirements to give prior notice to the IRS, DOL, PBGC or any other governmental agency has been given and all required waiting periods, approvals and permissions have been obtained (e.g., Code §412(f)).**

IN WITNESS WHEREOF, NORTHWEST AIRLINES, INC. has caused this Amendment to be executed as of _____, 2006.

NORTHWEST AIRLINES, INC.

THE INTERNATIONAL ASSOCIATION OF
MACHINISTS & AEROSPACE WORKERS

By _____
Julie Hagen Showers, Vice President Labor
Relations

By _____
Its _____

And _____
Timothy J. Meginnes, Vice President
Compensation and Benefits

Exhibit F

**LETTER OF AGREEMENT
between**

**NORTHWEST AIRLINES, INC.
and the
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS**

NORTHWEST AIRLINES PROFIT SHARING PLAN

This Letter of Agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between Northwest Airlines, Inc. (“Northwest Airlines”) and the International Association of Machinists & Aerospace Workers (the “Union”).

As part of an overall compensation plan for its employees, Northwest Airlines hereby establishes an annual incentive compensation program to be known as the “Northwest Airlines Profit Sharing Plan” (the “Plan”), as set forth herein. The Plan provides for the awarding of annual payments to Participants based on the Company’s achievement of financial performance goals during each fiscal year commencing with fiscal year 2006. The Plan shall be part of the Union Agreement, become effective as of the Effective Date of the Union Agreement and its duration shall be concurrent with such Agreement and subject to any status quo period thereafter.

Northwest Airlines and the Union agree as follows:

I. DEFINITIONS

The following terms will be defined as set forth below for purposes of the Letter of Agreement:

1.1 **Annual Base Salary.** The total remuneration paid to a Participant by Northwest Airlines during any Plan Year, as reported on Treasury Form W-2 (or any comparable successor form) in Box 1 + Box 10 + Box 12 code D thereof.

1.2 **Aggregate Payout Amount.** The amount determined under the provisions of Section 4.1 below for any Plan Year.

1.3 Award. The award paid to a Participant for a Plan Year, determined by multiplying the Participant's Award Percentage for the Plan Year by the Aggregate Payout Amount for the Plan Year.

1.4 Award Percentage. The percentage determined under the provisions of Section 4.2 below.

1.5 Company. Collectively, Northwest Airlines Corporation, the indirect parent corporation of Northwest Airlines, Inc., and Northwest Airlines, Inc.

1.6 Income. For any Plan Year, the Company's consolidated net income (taking into account expenses accrued for payments due under the Plan but excluding (i) extraordinary, unusual or special items; (ii) restructuring gains or losses; and (iii) gains and losses on the sale or disposition of assets or equity investments; and including only that portion of the results of any subsidiary equal to such subsidiary's results multiplied by the Company's ownership percentage in such subsidiary), plus income taxes, minus preferred stock requirements, as reported in the Company's Consolidated Financial Statements.

1.7 Participant. An employee of Northwest Airlines who meets the eligibility requirements in Section 3.1 below to participate in the Plan.

1.8 Pre-Tax Margin. Income as a percent of Revenue for any Plan Year, rounded to two decimal places.

1.9 Plan Year. Each of the Company's fiscal years, currently January 1 through December 31, commencing with fiscal year 2006, occurring during the term hereof.

1.10 Revenue. The Company's total revenues for any Plan Year, as reported in the Company's Consolidated Financial Statements.

II. ADMINISTRATION

2.1 Administration. The Plan shall be administered by the Board of Directors of Northwest Airlines (or a committee thereof).

2.2 Review of Calculation. The Company shall provide to each union whose employees participate in this Plan, within 75 calendar days following the end of a Plan Year, the financial results of the Company for such Plan Year and all information relevant to calculating the Pre-Tax Margin and the Award amounts, if any.

2.3 Dispute Resolution. In the event of any dispute regarding the calculation of the Pre-Tax Margin or the Award amounts or other administrative matters, such

dispute shall be subject to the grievance and System Board of Adjustment procedures under the applicable collective bargaining agreements.

III. ELIGIBILITY AND PARTICIPATION

- 3.1 Eligibility. Any Northwest Airlines employee represented by a union that has agreed to participation by its members in the Plan and any Northwest Airlines employee of a group, class or craft that the Company has designated as eligible to participate in the Plan shall be eligible to participate in the Plan with respect to a Plan Year if such employee was actively employed by Northwest Airlines on the last day of the applicable Plan Year; provided, however, if a Participant is eligible to receive an award under another incentive program maintained by the Company during a Plan Year, such Participant will be eligible to participate in the Plan during such Plan Year if the amount of such Participant's Award is greater than the amount such Participant would receive under such other incentive programs, in which event such Participant would cease to be eligible to participate in such other incentive program; provided, further, no salaried or management employee who participates in another management incentive program shall be eligible to participate in the Plan.
- 3.2 Partial Year Participation. Notwithstanding Section 3.1, if an employee's employment with Northwest Airlines ceases as a result of retirement, such an employee shall be eligible to be a Participant for the Plan Year during which his or her retirement occurred.

IV. AWARD DETERMINATION

- 4.1 Aggregate Payout Amount.
- (a) If the Company's Pre-Tax Margin for a Plan Year is less than or equal to ten percent (10%), the Aggregate Payout Amount for such Plan Year shall be equal to ten percent (10%) of Income for such Plan Year, provided such amount is in excess of \$1,000,000.00.
- (b) If the Company's Pre-Tax Margin for a Plan Year is greater than ten percent (10%), the Aggregate Payout Amount for such Plan Year shall be equal to the sum of (i) ten percent (10%) of that portion of Income for such Plan Year which portion would have resulted in the Pre-Tax Margin being equal to ten percent (10%) (the "10% Margin Portion") and (ii) fifteen percent (15%) of Income for such Plan Year in excess of the 10% Margin Portion, provided the sum of (i) and (ii) is in excess of \$1,000,000.00.
- (c) If the amount determined under (a) or (b) is less than \$1,000,000.00, the Aggregate Payment Amount shall be zero.
- 4.2 Each Participant's Award for each Plan Year shall be determined as follows:

- (a) The Award Percentage for each Participant for a Plan Year shall be equal to the Participant's Annual Base Salary for such Plan Year divided by the aggregate amount of the Annual Base Salaries of all Participants for such Plan Year, rounded to ten (10) decimal places.
- (b) Once the Award Percentage for each Participant has been determined, the Award Percentage for each Participant shall be multiplied by the Aggregate Payout Amount for the Plan Year to determine the amount of each Participant's Award for the Plan Year. All calculations with respect to a Participant's Award shall be rounded to two (2) decimal places.

V. PAYMENT OF AWARDS

- 5.1 Form and Timing of Payment. Each Participant's Award shall be paid in cash in one lump sum no later than April 15 immediately following the end of the Plan Year with respect to which the Award is paid.
- 5.2 Withholding Taxes. The Company shall deduct from all payments under the Plan all applicable federal, state or local payroll withholding taxes required by law to be withheld with respect to such payments.

VI. MISCELLANEOUS

- 6.1 Amendments. The Plan may only be amended or modified for employees represented by a union in a written agreement among such union and Northwest Airlines.
- 6.2 Governing Law. This Agreement and the Plan shall be governed by and construed in accordance with the Railway Labor Act, and the internal laws of the State of Minnesota without regard to the choice of law principles thereof.
- 6.3 No Employment Rights. The establishment of the Plan and participation in the Plan shall not confer upon any Participant any right to continued employment with Northwest Airlines, nor, subject to any applicable agreement, shall it interfere in any way with the right of Northwest Airlines to terminate the employment of any Participant at any time.
- 6.4 Unfunded Status of the Plan. The Plan is intended to constitute an "unfunded" plan. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general creditor of the Company.
- 6.5 Nontransferability. A Participant's interest in the Plan may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by any Participant and any such attempted violation of this Section 6.5 shall be null and void and without effect.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement as of this ____ day
of _____, 2006.

NORTHWEST AIRLINES, INC.

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS

By: _____

By: _____

Exhibit G

IAM Claim

- Upon the occurrence of and subject to the effective date of any plan of Agreement, IAM will have an allowed general unsecured pre-petition claim in the Company's chapter 11 case in the amount of \$181M (1) as shown below for all IAM represented groups.
- The IAM will agree to release all other claims including, without limitation, any and all claims arising from or related to any pre-petition agreements with the exception of certain grievance claims to be set forth in a separate schedule.
- The claim does not arise until the effective date of the plan of reorganization for the Company and has no vote to accept or reject any plan of reorganization.
- The claim may not be assigned or transferred in any way and IAM shall not grant any direct or indirect participation in Claim until after the effective date of a plan of reorganization for the Company.
- This claim offer is contingent upon a consensual, ratified agreement between the Company and the IAM.

<u>Source of Savings</u>	<u>Effective Date</u>	<u>Savings</u>
Bridge Agreement	NA	NA
1113 (e)	November 15, 2005- May 31, 2006	\$62M
1113 (c)	June 1, 2006- December 31, 2006	\$111M
Retiree Medical	June 1, 2006- December 31, 2006	<u>\$8M</u> (1)

Total

\$181M

Note: The \$181M claim value assumes that the IAM agreements are implemented by June 1, 2006. The value will adjust downward to reflect any delay in TA implementation.

(1) Final value to be determined based on specifics of final IAM retiree medical plan design

Exhibit H

**LETTER OF AGREEMENT
between**

**NORTHWEST AIRLINES, INC.
and the
INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS**

NORTHWEST AIRLINES IAM INCENTIVE PERFORMANCE PLAN

This Letter of Agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between Northwest Airlines, Inc. ("Northwest Airlines") and the International Association of Machinists & Aerospace Workers (the "IAM").

As part of an overall compensation plan for Northwest Airlines' IAM Represented Employees, Northwest Airlines hereby establishes an annual incentive performance program to be known as the "Northwest Airlines IAM Incentive Performance Plan" (the "Plan"), as set forth herein. The Plan provides for the awarding of annual payments to Participants subject to the achievement of certain pre-established performance goals for each calendar year commencing with 2007. The Plan shall be part of the IAM Agreement(s), become effective as of the Effective Date of the IAM Agreement(s), and shall terminate on December 30, 2011 and shall not be effective for any status quo period thereafter.

Northwest Airlines and the IAM agree as follows:

I. DEFINITIONS

The following terms will be defined as set forth below for purposes of the Letter of Agreement:

1. Annual Base Salary. The total remuneration paid to a Participant by Northwest Airlines during any Plan Year, as reported on Treasury Form W-2 (or any comparable successor form) in Box 1 + Box 10 + Box 12 code D thereof.
- 1.2 Award. The right of a Participant to receive a payment based on satisfaction of the applicable Performance Goals established for a Plan Year, determined by multiplying the Award Percentage for the Plan Year by the Participant's Annual Base Salary for the Plan Year.
- 1.3 Award Percentage. The percentage determined under the provisions of Section 4.1 below.

- 1.4 Disqualifying Separation. The termination of an employee's employment for cause or a voluntary termination of his or her employment; provided, however, a normal retirement, early retirement or disability retirement (or commencement of LTD Benefit) shall not constitute a voluntary termination.
- 1.5 Participant. An IAM represented employee of Northwest Airlines who meets the eligibility requirements in Section 3.1 below to participate in the Plan.
- 1.6 Plan Year. Each of the calendar years 2007, 2008, 2009, 2010, and 2011 (through December 30, 2011).
- 1.7 Company. Collectively, Northwest Airlines Corporation, the indirect parent corporation of Northwest Airlines, Inc., and Northwest Airlines, Inc.

II. ADMINISTRATION

- 2.1 Administration. The Plan shall be administered by the Compensation Committee of the Board of Directors of Northwest Airlines.
- 2.2 Determination of Performance Goals. Prior to January 1 of each Plan Year, the Compensation Committee shall establish a threshold performance goal, a target performance goal, and a maximum performance goal for such Plan Year under the Plan (the "Threshold Performance Goal," the "Target Performance Goal" and the "Maximum Performance Goal", respectively, and collectively the "Performance Goals"). The Performance Goals may be based on (i) Company on-time performance, (ii) customer satisfaction, (iii) Company financial measures, (iv) work attendance, (v) other Company operating metrics, (vi) other appropriate criteria as determined by the Compensation Committee, or (vii) a combination of the foregoing. The Company will meet and confer with the IAM regarding the establishment of the Performance Goals for each Plan Year prior to the Compensation Committee establishing such goals for such Plan Year.
- 2.3 Review of Calculation. The Company shall provide to the IAM within 75 calendar days following the end of each Plan Year, a report setting forth information regarding performance relative to the Performance Goals for such Plan Year and other appropriate information relevant to calculating the Award amounts.
- 2.4 Dispute Resolution. In the event of any dispute regarding the satisfaction of the Performance Goals, the Award amounts, or other administrative matters, such dispute shall be subject to the grievance and System Board of Adjustment procedures under the Pilot Agreement.

III. ELIGIBILITY AND PARTICIPATION

- 3.1 Eligibility. Subject to Section 3.2, any Northwest Airlines IAM represented employee shall be eligible to participate in the Plan with respect to a Plan Year if

such employee was actively employed by Northwest Airlines at any time during the applicable Plan Year; provided, however, if a Participant is eligible to receive an award under another incentive program maintained by the Company during such Plan Year (other than the Northwest Airlines Profit Sharing Plan), such Participant will be eligible to participate in the Plan during such Plan Year if the amount of such Participant's Award is greater than the amount such Participant would receive under such other incentive programs, in which event such Participant would cease to be eligible to participate in such other incentive program.

- 3.2 Partial Year Participation. Notwithstanding Section 3.1, if an eligible employee's employment with Northwest Airlines ceases as a result of a Disqualifying Separation, such employee shall not be eligible to be a Participant for the Plan Year during which his or her Disqualifying Separation occurred.

IV. AWARD DETERMINATION

- 4.1 Award Percentage. The Award Percentage for a Plan Year shall be determined as follows:

- (a) If only the Threshold Performance Goal has been satisfied, the Award Percentage shall be 0.5%.
- (b) If the Threshold Performance Goal and Target Performance Goal have been satisfied, the Award Percentage shall be 1.0%.
- (c) If the Threshold Performance Goal, Target Performance Goal, and Maximum Performance Goal have been satisfied, the Award Percentage shall be 1.25%.

- 4.2 Each Participant's Award for each Plan Year shall be determined as follows:

The Award Percentage for each Plan Year determined in accordance with Section 4.1 above shall be multiplied by the Participant's Annual Base Salary for the Plan Year to determine the amount of each Participant's Award for the Plan Year. All calculations with respect to a Participant's Award shall be rounded to two (2) decimal places.

V. PAYMENT OF AWARDS

- 5.1 Form and Timing of Payment. Each Participant's Award shall be paid in cash in one lump sum no later than March 31 immediately following the end of the Plan Year with respect to which the Award is paid (including March 2012 for the 2011 Plan Year).

5.2 Withholding Taxes. The Company shall deduct from all payments under the Plan all applicable Federal, state or local payroll withholding taxes required by law to be withheld with respect to such payments.

VI. MISCELLANEOUS

6.1 Amendments. The Plan may only be amended or modified in a written agreement between IAM and Northwest Airlines.

6.2 Governing Law. This Agreement and the Plan shall be governed by and construed in accordance with the Railway Labor Act, and the internal laws of the State of Minnesota without regard to the choice of law principles thereof.

6.3 No Employment Rights. The establishment of the Plan and participation in the Plan shall not confer upon any Participant any right to continued employment with Northwest Airlines, nor, subject to any applicable agreement, shall it interfere in any way with the right of Northwest Airlines to terminate the employment of any Participant at any time.

6.4 Unfunded Status of the Plan. The Plan is intended to constitute an “unfunded” plan. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general creditor of the Company.

6.5 Nontransferability. A Participant’s interest in the Plan may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by any Participant and any such attempted violation of this Section 6.5 shall be null and void and without effect.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement as of

this _____ day of _____, 2006.

NORTHWEST AIRLINES, INC.

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE
WORKERS

By: _____

By: _____

Exhibit I
IAM–Northwest Airlines Tentative Agreements
ESSC (Equipment Service/Stock Clerk Employees)

Article	Subject	TA Date
1	Purpose of Agreement	6/30/05
9	Vacancy and Bulletined Jobs	8/10/05
10	Seniority	8/10/05
11	Reduction in Force, Recall, and Realignment	8/10/05
13	Grievance and Dispute Resolution Procedures	4/7/05
14	System Board of Adjustment	4/7/05
15	Leave of Absence	6/30/05
16	Safety and Health	7/1/05
25	Other Employee Benefits	6/30/05
29	Savings Clause	6/30/05
30	Union Shop and Dues Check-Off Agreement	6/30/05

Exhibit J

Lump Sum Payment and Extension of New Hire Progression

A. Lump Sum Payment.

As a result of discussions leading to this proposed settlement agreement and future savings associated with the agreed upon changes to the IAM pay scales as shown in Exhibit A, the Company shall provide the employees represented by District 143 a one-time lump sum payment on December 31, 2010 with an aggregate value of \$13 million. The method of distribution of this lump sum payment to individual employees will be determined by mutual consent between the Company and District 143.

B. New Hire Progression.

In consideration for the payment referenced in paragraph A., above, the Company and District 143 agree that, absent mutual agreement to the contrary, neither party shall file a Section 6 notice to amend the number of pay steps nor the relative percentage difference between the pay rates at each step (i.e. the New Hire Progression) as shown in Exhibit A under all sections titled "Applicable to employees hired into a position on or after Date of Signing" during the term of this Agreement, or prior to December 31, 2015 if the amendable date of this agreement is December 31, 2010, or December 31, 2016 if the amendable date of this agreement is December 31, 2011.

Exhibit K

Terms for Bankruptcy Protection

The terms of the letter shall be part of Company's IAM Restructuring Proposal.

Robert B. DePace
President/Directing General Chair
International Association of Machinists
& Aerospace Workers
District Lodge 143
2510 Lexington Avenue South
Mendota Heights, MN 55120

Dear Mr. DePace:

This letter ("Letter") constitutes a part of the proposal provided by Northwest Airlines, Inc. (the "Company") to modify the collective bargaining agreement currently in effect between the Company and the International Association of Machinists and Aerospace Workers, District Lodge 143 (the "IAM") (such agreement, the "IAM Agreement" and such modifications, the "Modifications") provided in connection with the 2006 Restructuring Program of the Company to the IAM (the "IAM Restructuring Proposal") in furtherance of the Company's effort to improve liquidity and profitability and successfully restructure its capital structure and operations and reorganize under chapter 11, and in consideration of the Company's agreements herein.

In the event the Modifications proposed by the Company as contained in the IAM Restructuring Proposal are ratified, the terms of this Letter shall be included as part of those Modifications and the IAM Restructuring Proposal, and shall become effective only if and when the IAM Restructuring Proposal is ratified, becomes effective pursuant to Paragraph 7 hereof, and remains in effect:

The Company and all its affiliates, including but not limited to Northwest Airlines Corporation ("NWAC"), reserve the right to file or support any motion pursuant to 11 U.S.C. sections 1113(c), 1113(e), or any other provision of the Bankruptcy Code, seeking rejection or modification of, or relief or interim relief from the IAM Restructuring Proposal (a "Motion") upon (a) the occurrence, after the effective date of the IAM Restructuring Proposal, of a material adverse change in the business,

condition (financial or otherwise), operations, liabilities (actual or contingent), assets, properties or prospects of the Company and its affiliates, taken as a whole; or (b) the Company's good faith determination that such actions are necessary to permit the Company to confirm a feasible plan of reorganization which will enable the Company's continued operation as a viable airline. IAM reserves its right to object to such Motion and nothing in this Letter shall be construed as an agreement by IAM to such modifications or relief. Nothing herein shall be deemed, or construed as, an admission against interest in the event a Motion or an objection thereto is filed.

Effective January 1, 2006, or as soon as practicable thereafter, pension benefit accruals under the existing defined benefit plan shall be frozen as provided under the terms of the IAM Restructuring Proposal. Future pension benefits shall be provided under the IAM National Pension Plan, to the extent that the IAM Restructuring Proposal is in effect and remains in effect, and in accordance with such proposal.

Preservation of the frozen defined benefit plan is contingent upon legislation being enacted by Congress to reduce pension funding costs to acceptable levels. In order for this legislation to have the effect of preserving the frozen pension plan, the Company must also realize a competitive cost structure and have the ability to attract new financing to successfully exit bankruptcy. If this relief does not materialize, arrives too late, is insufficient, or the Company suffers other material adverse economic circumstances, the Company may seek to terminate its defined pension plan so long as future pension benefits are provided under the IAM National Pension Plan to the extent that the IAM Restructuring Proposal is in effect and remains in effect, and in accordance with such proposal.

To the extent that there are any claims arising out of, in connection with, or related to, the IAM Agreement or any other agreement with IAM prior to the IAM Restructuring Proposal becoming effective, the status of any such claims shall not be affected in any way as a result of the IAM Restructuring Proposal becoming effective, subject to any defenses or objections that the Company may raise at any time, including but not limited to the Company's defense that no such claims can be asserted. Notwithstanding the foregoing, if the Company agrees that any pre-Restructuring Agreement claims or grievances with any other union "ride through" the Chapter 11 case, any similarly situated IAM claims or grievances shall ride through to the same extent.

The parties' entry into the IAM Restructuring Proposal modifying the IAM Agreement shall not result in any claims by either party against the

other, except as expressly provided under the terms of the IAM Restructuring Proposal. Any claim for rejection of the IAM Restructuring Proposal that arises at any time after the effective date of the IAM Restructuring Proposal and prior to the effective date of any Chapter 11 plan of reorganization for the company shall be treated in the Chapter 11 cases or any other superseding bankruptcy cases as a pre-petition general unsecured claim against the Company and shall not be entitled to priority, as an expenses of administration of the Chapter 11 cases, any superseding bankruptcy cases, or otherwise, except to the extent that such claims are for compensation or benefits for services actually rendered to the Company during the pendency of these Chapter 11 cases and prior to such rejection, in which case such claims shall be accorded status as administrative expenses of the Chapter 11 cases to the full extent permitted by law. The Company reserves the right to argue that no claims for damages arise as a result of rejection of a collectively-bargained agreement and IAM reserves the right to argue that a claim for damages does arise as a result of such rejection and both parties reserve their rights with respect to the amounts of any such claim. Notwithstanding the foregoing, if the Company agrees to any additional administrative or general unsecured claims for any other union arising from any such rejection, the IAM shall be entitled to administrative or general unsecured claims to the same extent.

Should termination of the defined benefit plan occur, such termination will not represent a violation of the IAM Restructuring Proposal, but the IAM reserves the right to contest that termination.

The IAM Restructuring Proposal will become effective immediately upon approval by the Bankruptcy Court and upon satisfaction of such other conditions as are set forth in Paragraph ___ of the IAM Restructuring Proposal; provided, however, that notwithstanding that the IAM Restructuring Proposal shall become effective, it shall not be assumed or deemed assumed by the Company as an executory contract unless and until a chapter 11 plan of reorganization for the Company shall have been confirmed by order of the Bankruptcy Court and substantially consummated, and shall have the same rights and status as if it had been entered into and became effective prior to commencement of the chapter 11 cases on September 14, 2005.

It is expressly recognized and agreed that if the IAM Restructuring Proposal is not in effect, and the IAM Agreement remains effective without the Modifications, all of the above paragraphs are inapplicable and will be of no force or effect.

This letter shall be attached to and made a part of the IAM Restructuring Proposal and the Modifications.

Yours truly,

President and Chief Executive Officer, Northwest
Airlines