

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: )  
 )  
DELTA AIR LINES, INC., *et al.*, ) Case No. 05-17923 (ASH)  
 ) Chapter 11  
 Debtors. ) (Jointly Administered)  
 )  
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**FINAL APPLICATION OF SSI (U.S.), INC. D/B/A SPENCER STUART  
AS BOARD SEARCH CONSULTANT TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS FOR ALLOWANCE OF  
COMPENSATION FOR SERVICES RENDERED AND FOR  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
NOVEMBER 16, 2006 THROUGH MARCH 30, 2007**

Name of Applicant: SSI (U.S.). Inc., d/b/a Spencer Stuart.

Authorized to Provide Professional Services to: The Official Committee of Unsecured Creditors  
Delta Air Lines, Inc., et al.

Date of Retention: November 16, 2006

Periods for which Compensation and Reimbursement is Sought: November 16, 2006 through March 30, 2007

Amount of Compensation Sought as Actual, Reasonable, and Necessary: \$750,000

Amount of Expense Reimbursement Sought as Actual, Reasonable, and Necessary: \$65,915

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: )  
 )  
DELTA AIR LINES, INC., *et al.*, ) Case No. 05-17923 (ASH)  
 ) Chapter 11  
Debtors. ) (Jointly Administered)  
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FINAL APPLICATION OF SSI (U.S.), INC. D/B/A SPENCER STUART  
AS BOARD SEARCH CONSULTANT TO THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS FOR ALLOWANCE OF  
COMPENSATION FOR SERVICES RENDERED AND FOR  
REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
NOVEMBER 16, 2006 THROUGH MARCH 30, 2007

SSI (U.S.), Inc. d/b/a Spencer Stuart ("Spencer Stuart"), board search consultant to the Official Committee of Unsecured Creditors (the "Committee") of Delta Air Lines, Inc. (the "Debtors," the "Company," or "Delta"), hereby makes this Final Application for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses for the period November 15, 2006 through March 30, 2007 (the "Application"). In support of this Application, Spencer Stuart respectfully represents as follows:

1. This Application is made pursuant to (i) Sections 328(a) and 1103(a) of the Bankruptcy Code; (ii) Rule 2014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); (iii) the final Order approving interim compensation procedures for professionals ("Fee Procedures Order") entered by the Court on September 15, 2005; and (iv) this Court's Order, dated December 15, 2006, authorizing the Committee to retain and employ Spencer Stuart as board search consultant to the Committee in these Chapter 11 cases, as such order was amended by Orders of this Court dated March 1, 2007 and March 22, 2007 (collectively, the "Retention Order").

2. By this Application, Spencer Stuart requests final allowance and approval of compensation in the amount of \$750,000 in fees and reimbursement of actual and necessary expenses in the amount of \$65,915 for the period effective nunc pro tunc to November 16, 2006 through March 30, 2007 (the "Compensation Period").

### **Background**

3. On September 14, 2005 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "New York Bankruptcy Court").

4. On September 28, 2005, the United States Trustee duly appointed the Committee<sup>1</sup>.

5. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b). The statutory predicates for the relief requested herein are 11 U.S.C. §§ 328(a) and 1103(a).

### **Retention of Spencer Stuart**

6. On November 16, 2006, the Committee retained Spencer Stuart to act as the board search consultant to the Committee.

7. On November 30, 2006, the Committee filed an application with this Court (the "Retention Application") requesting authorization to employ and retain Spencer Stuart as the board search consultant to the Committee pursuant to Sections 328(a) and 1103(a) of the

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<sup>1</sup> The United States Trustee appointed the following entities to the Committee: U.S. Bank National Association and U.S. Bank Trust National Association, Boeing Capital Corp., Pension Benefit Guaranty Corporation, The Coca-Cola Company, Pratt & Whitney, a division of United Technologies Corporation, Air Line Pilots Association, International, Carval Investors, LLC, Fidelity Advisor Series II: Fidelity Advisor High Income Advantage Fund, and Bank of New York.

Bankruptcy Code. As noted in the Retention Application, Spencer Stuart performed services for the Committee effective nunc pro tunc to November 16, 2006.

8. On December 16, 2006, this Court authorized the Committee to retain and employ Spencer Stuart as the board search consultant to the Committee in these Chapter 11 cases, pursuant to the terms of the engagement letter between the Committee and Spencer Stuart dated November 17, 2006 (the "Original Committee Engagement Letter") which Original Engagement Letter was modified by amendments dated February 15, 2007 and March 2, 2007 (collectively, the "Committee Engagement Letter") which was further modified by the Retention Order. A copy of the Committee Engagement Letter is attached hereto as Exhibit "B".

9. Pursuant to the Retention Order, Spencer Stuart was authorized to provide board search consulting services to the Committee, including conducting a search for a non-executive Chairperson for the board of directors (the "Board") of reorganized Delta Air Lines, Inc. ("Reorganized Delta") and outside directors. In accordance with the terms of the Debtors' plan of reorganization, the Committee, with the assistance of Spencer Stuart and after consultation with the Debtors, selected a non-executive Chairperson and ten members of the Board of Reorganized Delta, three of whom are members of the existing board of directors of Delta and one of whom is Delta's CEO. Under the terms of the Committee Engagement Letter, Spencer Stuart is not entitled to be paid a fee for any existing board members or employees who are placed on the Board.

#### **Terms and Conditions of Compensation of Spencer Stuart**

10. As described more fully in the Official Committee Engagement Letter, Spencer Stuart is entitled to receive, as compensation for its services:

- a) A fee of \$100,000 per director placed on the Board (excluding any existing members of the board of directors of Delta or any employee);

- b) A fee of \$150,000 for placing a non-executive Chairperson on the Board (excluding any existing member of the board of directors of Delta);
- c) A minimum fee of \$3,500 per background check on potential directors; and
- d) Reimbursement of all reasonable out-of-pocket expenses.

11. As noted by the Committee in the Retention Application, Spencer Stuart's fee structure under the Committee Engagement Letter appropriately reflects the nature of the services to be provided by Spencer Stuart and fee structures typically utilized by board search consultants when billing on a non-hourly basis.

**Summary of Services Provided by Spencer Stuart**

12. The Committee selected Spencer Stuart as its board search consultant because of its extensive and diverse experience, knowledge, and reputation in the board search area, its understanding of the issues involved in Chapter 11 cases, and because the Committee believed that Spencer Stuart was well-qualified to provide the board search consulting services that were required. Spencer Stuart has served as a board search consultant in other large Chapter 11 cases.

13. Although a number of professionals have worked on this engagement, the following professionals have performed substantial services to the Committee in this case during the Compensation Period (biographies of such professionals are annexed hereto as Exhibit "E"):

**Dayton Ogden** - Consultant  
**Julie Daum** – Consultant, Practice Leader for the North American Board  
Services Practice  
**Michael Bell** - Consultant

Pursuant to the terms of the Retention Order, "Spencer Stuart shall not be required to maintain or provide detailed time records in connection with any of its fee applications." Accordingly, no time records are annexed hereto.

14. Spencer Stuart was retained to find, evaluate, and consult the Committee regarding potential candidates for positions on the Board. Spencer Stuart's services will include, among others, the following:

- (i) Met with the Committee to become as knowledgeable as possible about the Debtors and the relevant positions prior to approaching and meeting with candidates;
- (ii) Worked with the Committee to develop detailed position specifications based on, inter alia, Spencer Stuart's knowledge of the business;
- (iii) Constructed a search strategy to ensure a comprehensive search assignment;
- (iv) Conducted an intensive search utilizing Spencer Stuart's knowledge of the marketplace to yield qualified individuals;
- (v) Thoroughly interviewed qualified candidates;
- (vi) Presented the best qualified and interested individuals for selection interviews;
- (vii) Conducted reference checks of successful candidates;
- (viii) Assisted as necessary in developing and negotiating with the candidate; and
- (ix) Performed such other search-related services as may be required by the Committee.

**Relief Requested**

15. By this Application, Spencer Stuart seeks final allowance of compensation and reimbursement of expenses for the Compensation as follows:

(a) Compensation of \$ 750,000 (\$400,000 has been paid to date), consisting of (a) a \$150,000 fee for placing a non-executive Chairperson, (b) a \$600,000 fee for placing six directors.

(b) Reimbursement of reasonable, actual, and necessary expenses in the amount of \$65,915 (\$9,809 has been paid to date) incurred in connection with Spencer Stuart's services (includes \$24,113 fee for the background check fee). A summary and itemization of these expenses is attached hereto as Exhibit "D".

### Authority for Requested Relief

16. By its Retention Order, this Court specifically provided that (a) the Committee is authorized to retain and employ Spencer Stuart effective as of November 16, 2006, pursuant to Sections 328(a) and 1103(a) of the Bankruptcy Code, as its board search consultants on terms set forth in the Committee Engagement Letter and (b) Spencer Stuart's compensation in accordance with the terms of the Committee Engagement Letter "shall not hereafter be subject to challenge except under the standard of review of Section 328(a) of the Bankruptcy Code", provided, however, "the United States Trustee retains its rights to object to Spencer Stuart's final fee application ( including expense reimbursement) on all grounds including but not limited to the reasonableness standard of review provided for in Section 330 of the Bankruptcy Code".

17. Section 330 of the Bankruptcy Code provides for the award of compensation to professionals. Section 330, by its terms, is "subject to" the provisions of Section 328 of the Bankruptcy Code. *Id.* Section 328(a) permits a debtor, with the Court's approval, to employ a professional person "on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, or on a contingent fee basis." 11 U.S.C. § 328(a).

18. Section 328 reflects a significant departure from prior bankruptcy practice relating to the compensation of professionals, as it permits the compensation of professionals, including board search consultants, on more flexible terms that reflect the nature of their services and market conditions. As the Fifth Circuit Court of Appeals recognized in In re National Gypsum Co.:

Prior to 1978, the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to

professional consultants reasonable compensation based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

National Gypsum Co., 123 F.3d 861, 862 (5<sup>th</sup> Cir. 1997).

19. There have been no developments since the Petition Date that were “not capable of being anticipated” and that would justify any modification to the fees and expense reimbursements specified in the Committee Engagement Letter. Accordingly, under Section 328, the fees and expenses requested herein are appropriate.

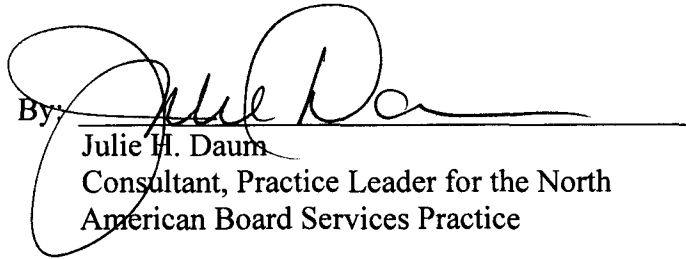
20. The professional services and related expenses that are the subject of this Application were rendered and incurred in connection with these Chapter 11 cases, and in discharge of Spencer Stuart’s professional responsibilities as board search consultant for the Committee in these Chapter 11 cases. Spencer Stuart’s services have been substantial, necessary, and beneficial to the Committee and other parties-in-interest. Spencer Stuart believes that the fees and expenses requested by this Application are reasonable, similar to the compensation charged by comparably skilled practitioners in cases other than those in bankruptcy, and necessary given the variety and complexity of the issues involved in these cases and the need to act or respond on an expedited basis to those issues.

WHEREFORE, Spencer Stuart requests the Court enter an Order substantially in the form of the Order annexed hereto as Exhibit “F” (i) finally allowing compensation for board search consulting services rendered to the Committee during the Compensation Period in the amount of \$750,000 and reimbursement of actual and necessary expenses in the amount of \$65,915 and (ii) authorizing and directing the Debtors to pay to Spencer Stuart such amount minus any amounts previously paid to Spencer Stuart.



Dated: May 21, 2007

**SSI (U.S.), INC.  
D/B/A SPENCER STUART**

By   
Julie H. Daum  
Consultant, Practice Leader for the North  
American Board Services Practice

**EXHIBIT A**

**Julie H. Daum Certification**

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re: )  
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 ) Chapter 11  
Debtors. ) (Jointly Administered)  
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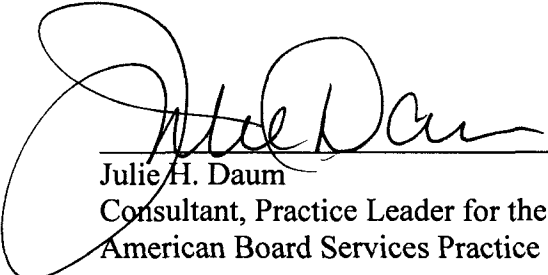
CERTIFICATION OF JULIE H. DAUM

JULIE H. DAUM, under penalty of perjury, declares and says:

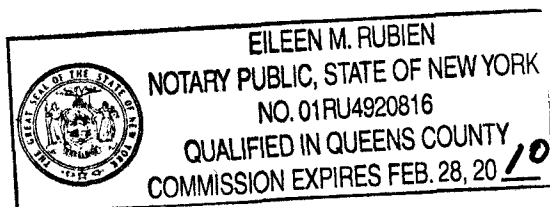
1. I am the Practice Leader for the North American Board Services Practice of the firm of SSI (U.S.), Inc. d/b/a Spencer Stuart, and I make this certification in support of the Final Application of SSI (U.S.), Inc. d/b/a Spencer Stuart for Compensation of Services Rendered and Reimbursement of Expenses for the Period of November 15, 2006 through March 30, 2007 (the "Application")

2. I have read the Local Rules, and believe that this Application complies with the provisions of the Local Rules, the United States Bankruptcy Code and the Orders of this Court.

Sworn to before me on this 21<sup>st</sup> day of  
May 2007

  
Julie H. Daum  
Consultant, Practice Leader for the North  
American Board Services Practice

  
Notary Public



**EXHIBIT B**

**Copy of the Committee Engagement Letter**

# SpencerStuart

277 Park Avenue, 29th Floor  
New York, New York 10172

T 212.336.0200 F 212.336.0296  
www.spencerstuart.com

## Private and Confidential

November 17, 2006

Ms. Lisa G. Beckerman  
Partner  
Akin, Gump, Strauss, Hauer & Feld, LLP  
590 Madison Avenue  
New York, NY 10022-2524

Dear Lisa:

We appreciate the opportunity to work with the Creditor's Committee in connection with the Committee's involvement with respect to a new board of directors for Reorganized Delta Air Lines, Inc. (which may include some of the existing members of the Board of Directors). The purpose of this letter is to confirm our working arrangements for conducting this important assignment, and to get your written authorization to proceed in support of your verbal authorization to commence work.

## Staffing

In conducting this search, Michael Bell, Julie Daum and Dayton Ogden will be the lead Spencer Stuart consultants responsible for ensuring the success of the assignment. We operate under a best-team approach that utilizes consultants who have specific industry knowledge, functional expertise, geographic reach or prior experience that is relevant to your search. We also draw upon the extensive skills of our research staff.

## Our Relationship

Based on Spencer Stuart's almost 50 years of experience in executive search, we have formulated some guidelines to ensure a successful relationship with client companies. The understanding and acceptance of these guidelines will enable us to work together efficiently and professionally.

Spencer Stuart agrees to the following:

- In undertaking this assignment, Spencer Stuart will be engaging in a professional relationship. This means we always will aim to further your best interests, protect the confidentiality of information gathered during the assignment and deepen our understanding of your business so that we can represent you effectively.
- We will communicate with you, or others you specify, as frequently as necessary to ensure the search remains on-target and meets your expectations.

Amsterdam  
Atlanta  
Barcelona  
Beijing  
Bogota  
Boston  
Brussels  
Budapest  
Buenos Aires  
Chicago  
Dallas  
Frankfurt  
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Hong Kong  
Houston  
Johannesburg  
Leeds  
London  
Los Angeles  
Madrid  
Manchester  
Melbourne  
Mexico City  
Miami  
Milan  
Minneapolis/St. Paul  
Montreal  
Mumbai  
Munich  
New York  
Orange County  
Paris  
Philadelphia  
Prague  
Rome  
San Francisco  
San Mateo  
Santiago  
Sao Paulo  
Scottsdale  
Shanghai  
Singapore  
Stamford  
Stockholm  
Sydney  
Tokyo  
Toronto  
Vienna  
Warsaw  
Washington, D.C.  
Zurich

# SpencerStuart

As our client, you agree to the following:

- Spencer Stuart will be the only consulting firm used on the assignment until either the assignment is completed or Spencer Stuart's involvement is terminated. If you have used other firms (on a contingency or retained-fee basis) to assist in recruiting an individual for this position on the board, or if the board has contacted other individuals directly, you will, on a best-efforts basis, provide Spencer Stuart with both the names of all prospective candidates
- To enable Spencer Stuart to offer an informed, professional opinion with regard to the most suitable candidates, all candidates — including those whom you identify and want to be considered for the position (internal or external) — will be subjected to the same interviewing and screening process by our consultants.
- Subject to observance of customary confidentiality guidelines, Spencer Stuart may, from time to time, list your organization, logo or a specific board placement in its marketing communication.

## **Administration, Fees and Expenses**

For this project, we will charge an initial fee of \$200,000 for the first phase. This work will include defining the appropriate composition for this board, drafting specifications for board members, identifying individuals with the requisite skills and reviewing the existing Board, including participation in meetings with members of the existing Board of Directors.

The Committee will determine if there is a second phase of this project with respect to the new Board. The second phase will not begin until initiated by the Committee. For this phase, we will charge a retainer fee of \$100,000 plus direct expenses for each director we help recruit to the Board. We will credit the first two placements against the initial retainer of \$200,000.

In addition to our professional fee, we will bill you directly for the actual out-of-pocket cost of both consultants and candidates' interview and travel-related expenses, including videoconferencing costs, airfare, car rental/taxi fares, parking, meals and lodging, costs of any special report generated and expedited delivery costs. We also will charge you directly for the prorated portion of all out-of-office communications expenses, including cellular phone charges.

For your convenience and internal confidentiality, invoices for this project will be given a unique assignment number. For your records, Spencer Stuart's Tax Identification Number is 36-3538416. Invoices for professional services and expenses are due and payable upon receipt.

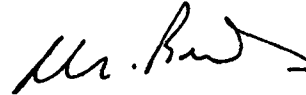
# SpencerStuart

We look forward to the opportunity to partner with you on this important search assignment.

Sincerely,



Julie Hembrock Daum  
North American Board Services  
Practice Leader



Michael J. Bell  
Global Aviation  
Practice Leader

JHD/sam  
cc: Dayton Ogden

# SpencerStuart

## ENHANCED DUE DILIGENCE

Spencer Stuart offers an optional service to supply the most comprehensive background information possible about potential candidates. In partnership with two outside investigative firms, we provide background checks that compliment our search process for board of director candidates. The cost of this service is incurred by the client.

### **Board of Director Screen (Public domain information only)**

Cost: \$3,500 (minimum)

Estimated turnaround time: 3 to 5 business days

**Employment verification** — Extensive database searching is done, using publicly available press reports or other online information, to find press releases or articles that corroborate the executive's employment history. *Please note:* this does not include calling current and previous employers.

**Civil and criminal litigation checks** — An extensive electronic review of the relevant federal and state legal filing databases available to the public to identify any civil or criminal proceedings naming the candidate as a party. In addition, we will search electronically for criminal records in the county where the candidate maintains his or her primary residence and current place of employment. In jurisdictions where legal filings are not available electronically, on-site courthouse searches can be conducted for an additional cost. If requested, the actual court documents can be obtained for further clarification for an additional cost.

**Professional licensing authority checks** — A comprehensive search is conducted for any actions taken against the candidate by licensing authorities (e.g., accountancy boards) or by securities authorities (e.g., SEC, NASD).

During the assignment, the investigative firm will provide oral updates, followed by a detailed, written report, which includes the pertinent findings.



277 Park Avenue, 29th Floor  
New York, New York 10172

T 212.336.0200 F 212.336.0296  
www.spencerstuart.com

# SpencerStuart

February 15, 2007

Ms. Lisa G. Beckerman  
Partner  
Akin Gump Strauss Hauer & Feld LLP  
590 Madison Avenue  
New York, New York 10022-2524

Re: Spencer Stuart November 17, 2006 Engagement Letter  
(the "Engagement Letter")

Dear Lisa:

Pursuant to the terms of the Engagement Letter, this letter is to confirm that Spencer Stuart has begun the second phase of the project for the Official Committee of Unsecured Creditors (the "Creditors' Committee"). In addition, the Creditors' Committee and Spencer Stuart have agreed to make certain modifications to the Engagement Letter, in part to clarify certain terms of the engagement.

Upon Bankruptcy Court approval of this amendment to the Engagement Letter, Delta Air Lines, Inc. ("Delta") will pay Spencer Stuart \$150,000, which is in addition to the \$200,000 initial retainer previously paid to Spencer Stuart by Delta. The \$350,000 payments to Spencer Stuart described above will be credited against Spencer Stuart's Retainer Fees (as defined below) or Minimum Fee (as defined below), as applicable. Spencer Stuart agrees that no Retainer Fee will be charged with respect to any existing member of the Board of Directors of Delta, or any employee of Delta, who serves on the Board of Directors of Delta as of the effective date of the plan of reorganization for Delta (the "New Board"). Subject to the preceding sentence, Spencer Stuart shall receive a retainer fee ("Retainer Fee") of \$100,000 for each director that Spencer Stuart helps recruit to the New Board. In the event that the Creditors' Committee terminates Spencer Stuart's engagement prior to the effective date of the plan of reorganization for Delta or in the event that fewer than five new members (excluding any existing member of the Board of Directors of Delta or any employee of Delta) are recruited to the New Board, Spencer Stuart shall receive a minimum fee (the "Minimum Fee") of \$500,000 against which Spencer Stuart will credit the \$350,000 payments described above. In order to receive payment of the Retainer Fees or the Minimum Fee, as applicable, after crediting the \$350,000 against such fee, Spencer Stuart must file a final fee application with the Bankruptcy Court pursuant to Section 330 of the Bankruptcy Code and the order of the Bankruptcy Court which establishes procedures for monthly compensation and reimbursement of expenses and obtain an order of the Bankruptcy Court approving the final fee application.

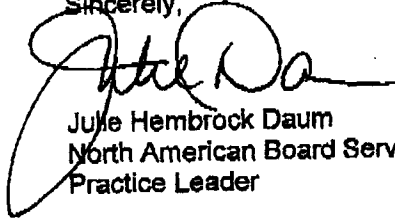
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Zurich

Ms. Lisa G. Beckerman  
February 15, 2007  
Page Two

SpencerStuart

The terms of the Engagement Letter shall otherwise remain unaltered.

Sincerely,



Julie Hembrook Daum  
North American Board Services  
Practice Leader

cc: Michael J. Bell  
Dayton Ogden

277 Park Avenue, 29th Floor  
New York, New York 10172

T 212.336.0200 F 212.336.0296  
www.spencerstuart.com

# SpencerStuart

March 2, 2007

Ms. Lisa G. Beckerman  
Partner  
Akin Gump Strauss Hauer & Feld LLP  
590 Madison Avenue  
New York, New York 10022-2524

Re: Spencer Stuart November 17, 2006 Engagement Letter as amended by  
letter agreement dated February 15, 2007 (the "Engagement Letter")

Dear Lisa:

The Official Committee of Unsecured Creditors (the "Creditors' Committee") and Spencer Stuart have agreed to make a further modification to the Engagement Letter.

Upon Bankruptcy Court approval of this second amendment to the Engagement Letter, Delta Air Lines, Inc. ("Delta") will pay Spencer Stuart an additional \$50,000. This payment will be credited against Spencer Stuart's Retainer Fees (as defined below) or Minimum Fee (as defined below), as applicable, in addition to the \$350,000 in payments previously made to Spencer Stuart. Spencer Stuart agrees that no Retainer Fee will be charged with respect to any existing member of the Board of Directors of Delta, or any employee of Delta, who serves on the Board of Directors of Delta as of the effective date of the plan of reorganization for Delta (the "New Board"). Subject to the preceding sentence, Spencer Stuart shall receive a retainer fee ("Retainer Fee") of \$100,000 for each director, and (without duplication) \$150,000 for a non-executive Chairperson, that Spencer Stuart helps recruit to the New Board. In accordance with Delta's plan of reorganization, it is anticipated that Spencer Stuart will assist the Creditors' Committee in recruiting a maximum of seven directors or a non-executive Chairperson and six other directors to the New Board. In the event that the Creditors' Committee terminates Spencer Stuart's engagement prior to the effective date of the plan of reorganization for Delta or in the event that fewer than five new members (excluding any existing member of the Board of Directors of Delta or any employee of Delta) are recruited to the New Board, Spencer Stuart shall receive a minimum fee (the "Minimum Fee") of \$500,000 against which Spencer Stuart will credit the \$400,000 payments described above. In order to receive payment of the Retainer Fees or the Minimum Fee, as applicable, after crediting the \$400,000 against such fee, Spencer Stuart must file a final fee application with the Bankruptcy Court pursuant to Section 330 of the Bankruptcy Code and the order of the Bankruptcy Court which establishes procedures for monthly compensation and reimbursement of expenses and obtain an order of the Bankruptcy Court approving the final fee application.

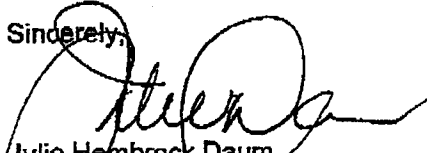
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Minneapolis/Sr. Paul  
Montreal  
Munich  
New York  
Orange County  
Paris  
Philadelphia  
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Rome  
San Francisco  
Sao Paulo  
Santiago  
Sao Paulo  
Seattle  
Shanghai  
Singapore  
Stamford  
Stockholm  
Sydney  
Tokyo  
Toronto  
Vienna  
Warsaw  
Washington, D.C.  
Zurich

Ms. Lisa G. Beckerman  
March 2, 2007  
Page 2

# SpencerStuart

The terms of the Engagement Letter shall otherwise remain unaltered.

Sincerely,



Julie Hembrook Daum  
North American Board Services  
Practice Leader

/sam

cc: Michael J. Bell  
Dayton Ogden

**EXHIBIT C**

**Copy of the Retention Order**

Daniel H. Golden (DG-5624)  
Lisa G. Beckerman (LB-9655)  
David H. Botter (DB-2300)  
AKIN GUMP STRAUSS HAUER & FELD LLP  
590 Madison Avenue  
New York, New York 10022-2524  
(212) 872-1000 (Telephone)  
(212) 872-1002 (Facsimile)

Attorneys for the Official Committee of Unsecured  
Creditors of Delta Air Lines, Inc., et al.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:	: Chapter 11
DELTA AIR LINES, INC., <u>et al.</u> ,	: Case No. 05-17923 (ASH)
Debtors.	: (Jointly Administered)
-----X	

**ORDER PURSUANT TO 11 U.S.C. §§ 328(A) AND 1103  
AUTHORIZING THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS TO EMPLOY AND RETAIN SSI (U.S.), INC. D/B/A  
SPENCER STUART AS A BOARD SEARCH CONSULTANT**

Upon consideration of the application (the "Application") of the Official Committee of Unsecured Creditors (the "Committee") of Delta Air Lines, Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), for entry of an order authorizing the Committee to employ and retain SSI (U.S.), Inc. d/b/a Spencer Stuart ("Spencer Stuart") as a board search consultant, and upon the Declaration of Julie Daum, Consultant and Practice Leader for the North American Board Services Practice of Spencer Stuart, (the "Daum Declaration"), and the Court being satisfied, based on the representations made in the Application and in the Daum Declaration, that Spencer Stuart does not hold or represent an interest adverse to the Debtors' estates and is a "disinterested person," as that term

is defined under Section 101(14) of Title 11 of the United States Code (as amended, the "Bankruptcy Code"), as modified by Section 1107(b) of the Bankruptcy Code, and that the employment of Spencer Stuart is necessary and would be in the best interests of the Debtors, their creditors and estates; and the Court being satisfied that the terms of compensation being sought by Spencer Stuart, as described in the engagement letter (the "Engagement Letter") attached as Exhibit "B" to the Application, are reasonable; and due and proper notice having been provided; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED, that the Committee is authorized, effective as of November 17, 2006 to employ and retain Spencer Stuart as a board search consultant on the terms set forth in the Engagement Letter; and it is further

ORDERED, that if any supplemental affidavits or declarations are filed and served after the entry of this Order, absent any objections filed within twenty (20) days after the filing and service of such supplemental declarations, Spencer Stuart's employment shall continue as authorized pursuant to this Order; and it is further

ORDERED, that the Debtors are authorized to pay Spencer Stuart the \$200,000 initial project fee (the "Initial Fee") in exchange for Spencer Stuart commencing the services described in the Engagement Letter. Spencer Stuart shall not be required to file interim applications for allowance of compensation but will be required to file a final application for allowance of compensation; and it is further

ORDERED, except as provided in the proceeding paragraph, that all compensation and reimbursement of expenses to be paid to Spencer Stuart shall be subject to prior approval of this Court in accordance with the requirements under Section 330 of the Bankruptcy Code and the

order of this Court which establishes procedures for monthly compensation and reimbursement of expenses; and it is further

ORDERED, except as provided in the following decretal paragraph, that the terms of the Initial Fee and the Retainer Fees,<sup>1</sup> as described in the Engagement Letter, and the reimbursement of Spencer Stuart's expenses, shall not hereafter be subject to challenge except under the standard of review set forth in Section 328(a) of the Bankruptcy Code; and it is further

ORDERED, that the United States Trustee retains all rights to object to Spencer Stuart's final fee application (including expense reimbursement) on all grounds including but not limited to the reasonableness standard provided for in Section 330 of the Bankruptcy Code; provided, however, that Spencer Stuart shall not be required to maintain or provide detailed time records in connection with any of its fee applications; and it is further

ORDERED, that to the extent this Order is inconsistent with the Engagement Letter, this Order shall govern.

Dated: December 15, 2006  
White Plains, New York

/s/ Adlai S. Hardin, Jr.  
UNITED STATES BANKRUPTCY JUDGE

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<sup>1</sup> Capitalized Terms used but not defined herein shall have the meaning ascribed to them in the Application.



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Attorneys for the Official Committee of Unsecured  
Creditors of Delta Air Lines, Inc., et al.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re: : Chapter 11  
: :  
DELTA AIR LINES, INC., et al., : Case No. 05-17923 (ASH)  
: :  
Debtors. : (Jointly Administered)  
-----X

**ORDER AMENDING ORDER PURSUANT TO 11 U.S.C. §§ 328(a)  
AND 1103 AUTHORIZING THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS TO EMPLOY AND RETAIN SSI (U.S.),  
INC. D/B/A SPENCER STUART AS A BOARD SEARCH CONSULTANT**

Upon consideration of the application (the "Application") of the Official Committee of Unsecured Creditors (the "Committee") of Delta Air Lines, Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), for entry of an order authorizing the Committee to employ and retain SSI (U.S.), Inc. d/b/a Spencer Stuart ("Spencer Stuart") as a board search consultant, and upon the Declaration of Julie Daum, Consultant and Practice Leader for the North American Board Services Practice of Spencer Stuart, (the "Daum Declaration"); and upon the Order Pursuant to 11 U.S.C. §§ 328(A) And 1103 Authorizing the Official Committee of Unsecured Creditors to Employ and Retain SSI (U.S.), Inc. d/b/a Spencer Stuart as a Board Search Consultant dated December 15, 2006 (the

“Order”); and upon the application of the Committee to modify the terms of Spencer Stuart’s employment (the “Application to Amend”); and due and proper notice having been provided; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED, that the terms of the amendment to the engagement letter (the “Amendment”) attached as Exhibit “C” to the Application to Amend are hereby approved; and it is further

ORDERED, that the Debtors are authorized to pay Spencer Stuart an additional \$150,000 project fee (the “Additional Fee”). Spencer Stuart shall not be required to file interim applications for allowance of compensation but will be required to file a final application for allowance of compensation; and it is further

ORDERED, except as provided in the preceding paragraph and in the Order, that all compensation and reimbursement of expenses to be paid to Spencer Stuart shall be subject to prior approval of this Court in accordance with the requirements under Section 330 of the Bankruptcy Code and the order of this Court which establishes procedures for monthly compensation and reimbursement of expenses; and it is further

ORDERED, except as provided in the following decretal paragraph, that the terms of the Initial Fee<sup>1</sup>, the Additional Fee and the Retainer Fees, and the reimbursement of Spencer Stuart’s expenses, shall not hereafter be subject to challenge except under the standard of review set forth in Section 328(a) of the Bankruptcy Code; and it is further

ORDERED, that the United States Trustee retains all rights to object to Spencer Stuart’s final fee application (including expense reimbursement) on all grounds including but not limited to the reasonableness standard provided for in Section 330 of the Bankruptcy Code; provided,

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<sup>1</sup> Capitalized Terms used but not defined herein shall have the meaning ascribed to them in the Application.

however, that Spencer Stuart shall not be required to maintain or provide detailed time records in connection with any of its fee applications; and it is further

ORDERED, that, except as modified herein, the Order shall remain in full force and effect.

Dated: March 1, 2007  
White Plains, New York

/s/ Adlai S. Hardin, Jr.  
UNITED STATES BANKRUPTCY JUDGE

Daniel H. Golden (DG-5624)  
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Attorneys for the Official Committee of Unsecured  
Creditors of Delta Air Lines, Inc., et al.

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re: : Chapter 11  
: :  
DELTA AIR LINES, INC., et al., : Case No. 05-17923 (ASH)  
: :  
Debtors. : (Jointly Administered)  
-----X

**SECOND ORDER AMENDING ORDER PURSUANT TO 11 U.S.C.  
§§ 328(a) AND 1103 AUTHORIZING THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS TO EMPLOY AND RETAIN SSI (U.S.),  
INC. D/B/A SPENCER STUART AS A BOARD SEARCH CONSULTANT**

Upon consideration of the application (the "Application") of the Official Committee of Unsecured Creditors (the "Committee") of Delta Air Lines, Inc. and its affiliated debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), for entry of an order authorizing the Committee to employ and retain SSI (U.S.), Inc. d/b/a Spencer Stuart ("Spencer Stuart") as a board search consultant, and upon the Declaration of Julie Daum, Consultant and Practice Leader for the North American Board Services Practice of Spencer Stuart, (the "Daum Declaration"); and upon the Order Pursuant to 11 U.S.C. §§ 328(A) And 1103 Authorizing the Official Committee of Unsecured Creditors to Employ and Retain SSI (U.S.), Inc. d/b/a Spencer Stuart as a Board Search Consultant dated December 15, 2006 (the

“Order”); and upon the Order Amending Order Pursuant to 11 U.S.C. §§ 328(a) and 1103 Authorizing the Official Committee of Unsecured Creditors to Employ and Retain SSI (U.S.), Inc. d/b/a Spencer Stuart as a Board Search Consultant dated March 1, 2007 (the Amending Order”); and upon the application of the Committee to modify the terms of Spencer Stuart’s employment (the “Second Application to Amend”); and due and proper notice having been provided; and after due deliberation and sufficient cause appearing therefore, it is hereby

ORDERED, that the terms of the second amendment to the engagement letter (the “Second Amendment”) attached as Exhibit “E” to the Second Application to Amend are hereby approved; and it is further

ORDERED, that the Debtors are authorized to pay Spencer Stuart an additional \$50,000 project fee (the “Project Fee”). Spencer Stuart shall not be required to file interim applications for allowance of compensation but will be required to file a final application for allowance of compensation; and it is further

ORDERED, except as provided in the preceding paragraph and in the Order, that all compensation and reimbursement of expenses to be paid to Spencer Stuart shall be subject to prior approval of this Court in accordance with the requirements under Section 330 of the Bankruptcy Code and the order of this Court which establishes procedures for monthly compensation and reimbursement of expenses; and it is further

ORDERED, except as provided in the following decretal paragraph, that the terms of the Initial Fee<sup>1</sup>, the Additional Fee, the Project Fee and the Retainer Fees, and the reimbursement of

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<sup>1</sup> Capitalized Terms used but not defined herein shall have the meaning ascribed to them in the Application and the first application of the Committee to modify the terms of Spencer Stuart’s employment.

Spencer Stuart's expenses, shall not hereafter be subject to challenge except under the standard of review set forth in Section 328(a) of the Bankruptcy Code; and it is further

ORDERED, that the United States Trustee retains all rights to object to Spencer Stuart's final fee application (including expense reimbursement) on all grounds including but not limited to the reasonableness standard provided for in Section 330 of the Bankruptcy Code; provided, however, that Spencer Stuart shall not be required to maintain or provide detailed time records in connection with any of its fee applications; and it is further

ORDERED, that, except as modified herein, the Order shall remain in full force and effect.

Dated: March 22, 2007  
White Plains, New York

/s/ Adlai S. Hardin, Jr.  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT D**  
**Summary of Expenses**

A. **Airfare:** (first class and coach fares) Airfare includes necessary travel expenses associated with airplane travel when there is a need for in-person meetings, management interviews, due diligence and working sessions.

During the Compensation Period, Spencer Stuart billed the Debtors for \$21,922 in total expenses related to Airfare.

B. **Lodging:** Lodging includes expenses associated with hotel stays and related expenses incurred when out-of-town meetings were required or for necessary overnight stays in connection with working sessions.

During the Compensation Period, Spencer Stuart billed the Debtors for \$6,809 in total expenses related to Lodging.

C. **Other Transportation:** Other Transportation includes train ticket expenses, cab fare or other airport transportation, and parking and rental car charges.

During the Compensation Period, Spencer Stuart billed the Debtors for \$7,135 in total expenses related to Other Transportation.

D. **Travel/Working Meals:** Spencer Stuart charged for overtime meals and other meals consumed during meetings with individuals regarding the Chapter 11 cases in order to expedite or facilitate working sessions or for necessary meals during travel.

During the Compensation Period, Spencer Stuart billed the Debtors for \$2,123 in total expenses related to Travel/Working Meals.

E. **Telephone/Fax/Videoconferencing:** Expenses include all telephone, fax, videoconferencing usage related to the case.

During the Compensation Period, Spencer Stuart billed the Debtors for \$875 in total expenses related to Telephone/Fax.



- F. **Computer Online Resources:** Expenses associated with research on database systems or document retrieval relating to education verification services in this case. During the Compensation Period, Spencer Stuart billed the Debtors for \$24 in total expenses related to Computer Online Resources.
- G. **Delivery, Mail & Federal Express:** Spencer Stuart utilized Federal Express and other overnight delivery services when documents had to be distributed the next day. During the Compensation Period, Spencer Stuart billed the Debtors for \$2,150 in total expenses related to Delivery, Mail & Federal Express.
- H. **Office Expense:** Includes photocopy charges, color copy charges, binding materials, etc. During the Compensation Period, Spencer Stuart billed the Debtors for \$764 in total expenses related to Office Expense.
- I. **Investigative Background Check Services:** Delta had Spencer Stuart engage the services of a third party investigative firm to check the backgrounds of the Directors. During the Compensation Period, Spencer Stuart billed the Debtors for \$24,113 in total expenses related to Office Expense.

**EXHIBIT E**  
**Professional Biographies**

## **Dayton Ogden**

Dayton Ogden joined Spencer Stuart in 1979 and three years later became manager of the firm's New York and Stamford offices. In 1987, at the age of 42, he was elected chief executive of the firm and in 1993 became the first CEO in the firm's history to be re-elected to a third term. He served as chairman of the firm from 2003 to 2006, having served as joint chairman for the previous four years. He is currently a member of the Board Services and Industrial practices.

Dayton's search consulting practice focuses on senior executive and board recruiting for a broad range of international clients. He is a frequent commentator on key trends and issues affecting CEOs and boards, both in the U.S. and internationally. He serves on the board of the American Business Conference, an organization that includes the CEOs of emerging growth companies. He is also secretary and a director of Project HOPE, a leading healthcare foundation based in Washington, D.C. He has just completed seven years of board service with Advanced Tissue Sciences, a NASDAQ bio-tech company. In 2000, Oxford University Press published a book entitled *CEO Succession*, which Dayton co-authored.

Before joining Spencer Stuart, Dayton was a principal of an executive search firm located in Washington, D.C. Previously, his military career included two years as gunnery officer on a U.S. Navy destroyer followed by a tour in Vietnam, where he served with distinction as officer in charge of a river patrol boat in the Mekong Delta. Dayton is a graduate of Yale University.

## **Julie Hembrock Daum**

Julie Hembrock Daum is the practice leader for the North American Board Services Practice of Spencer Stuart, the leading executive search firm in the boardroom. She consults with corporate boards, working with companies of all sizes from the Fortune 10 to pre-IPO companies and has worked on over 450 director assignments. Her recent work includes recruiting all of the outside directors for the Tyco spin-off companies and she continues to work with companies such as American Express, General Mills, United Health, Delta, Freddie Mac, eBay, Federated Department Stores, Eli Lilly, and Genzyme Corporation to recruit individual directors. She serves on the Board of Directors of Spencer Stuart.

Julie also is involved in the organization of the Northwestern Conference on Corporate Governance and the Wharton/Spencer Stuart Directors' Institute. She is a judge for the annual Wharton Board Excellence Award, and is a frequent writer and speaker on governance topics. She recently has been quoted in The New York Times, Financial Times, BusinessWeek, Time Magazine and The Wall Street Journal.

Prior to joining Spencer Stuart, Julie was the executive director of the Corporate Board Resource at Catalyst. She managed all board of directors' activities and worked with companies to identify qualified women for their board.

After graduating with an M.B.A. in corporate finance from The Wharton School at the University of Pennsylvania, Julie began her career as a consultant with McKinsey & Company in Los Angeles.

## **Michael J. Bell**

Michael is a consultant in Spencer Stuart's Miami office and leads the firm's Transportation & Third-Party Logistics Practice, specializing in the aviation and aerospace sector. In this capacity, Michael provides top-level executive search consulting services to a broad range of clients in the aviation sector, spanning the airline, aerospace and airport sectors. Michael has led senior-level searches for numerous aviation organizations around the globe. This work has included numerous CEO, president/COO, CFO, sales and marketing, and operations leadership assignments.

In addition to his primary focus on the aviation industry, Michael also serves the executive recruitment needs of clients in related sectors such as tourism, hospitality and transportation. Michael is also involved in serving corporate clients based in Florida and the U.S. Southeast, as well as those with interests in Latin America.

Michael is a regular speaker at aviation industry conferences, including those hosted by Airports Council International, Air Transport World/Global Aviation Associates, IATA, Latin America & Caribbean Aviation and Unisys Transportation. He has spoken at conferences across North, South and Central America, Europe and Africa. Michael has also authored several industry studies on leadership, including *'Crafting the Airline Leadership Team for the 21st Century,' 'The New Breed: Profiling the Next Generation of Airline Leaders in Latin America'* and *'Crafting the Airport Leadership Team for the 21st Century.'*

Prior to joining Spencer Stuart, Michael spent six years with McKinsey & Company, the leading worldwide management consulting firm, most recently as a senior engagement manager. In that role, he was responsible for developing and managing consulting relationships with client organizations. In addition to his client work, Michael was a leader in the firm's Personal Financial Services and Organizational practice groups.

Previously, Michael served for two years as executive assistant to the dean and director of administration at the Faculty of Management, University of Toronto. There, he worked with the dean, the faculty and the dean's advisory council on a broad range of development areas including strategic planning, program development, fundraising, and business, community and alumni relations.

Michael Bell is a Canadian citizen of Lebanese origin, residing in the U.S. He holds an M.B.A. and bachelor of industrial engineering from the University of Toronto and speaks English, French and Arabic.

**EXHIBIT F**  
**Form of Order**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re:</b>	)	
	)	
<b>DELTA AIR LINES, INC., <i>et al.</i>,</b>	)	<b>Case No. 05-17923 (ASH)</b>
	)	<b>Chapter 11</b>
<b>Debtors.</b>	)	<b>(Jointly Administered)</b>
	)	
	)	

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**ORDER GRANTING THE FINAL APPLICATION OF SSI (U.S.), INC.  
D/B/A SPENCER STUART FOR ALLOWANCE OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD  
NOVEMBER 15, 2006 THROUGH MARCH 30, 2007**

This matter coming before the Court on the Final Application for Compensation and Reimbursement of Expenses for the Period November 15, 2006 through March 30, 2007 (the "Application") filed by SSI (U.S.), Inc. d/b/a Spencer Stuart ("Spencer Stuart"), the board search consultant to the Official Committee of Unsecured Creditors (the "Committee") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"); the Court having reviewed the Application and all pleadings relating thereto; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein;

THE COURT HEREBY FINDS THAT:<sup>2</sup>

A. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

C. The Application complies, as applicable, with the requirements of the Bankruptcy Code, the Bankruptcy Rules, the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. §330 dated January 30, 1996 and the Orders of this Court.

D. Spencer Stuart's requested final allowance of compensation for services rendered in connection with its representation of the Committee during the Compensation Period is reasonable and appropriate under sections 328 and 330 of the Bankruptcy Code.

E. Spencer Stuart's expenses incurred during the Compensation Period for which it seeks reimbursement were actual and necessary expenses under section 330(a)(1)(B) of the Bankruptcy Code.

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<sup>2</sup> Capitalized terms not otherwise defined herein have the meanings ascribed to the in the Application.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.
2. Spencer Stuart's request for final allowance and compensation of \$750,000 and reimbursement for expenses of \$65,915 for the Compensation Period is hereby approved.
3. The Debtors are hereby authorized and directed to pay Spencer Stuart the foregoing approved fees and expenses.

Dated: New York, New York  
\_\_\_\_\_, 2007

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United States Bankruptcy Judge