

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):  
November 15, 2000

CONTINENTAL AIRLINES, INC.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other  
jurisdiction of  
incorporation)

0-09781  
(Commission  
File Number)

74-2099724  
(IRS Employer  
Identification No.)

1600 Smith, HQSEO, Houston, Texas  
(Address of principal executive offices)

77002  
(Zip Code)

(713) 324-2950  
(Registrant's telephone number, including area code)

## Item 5. Other Events.

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On November 15, 2000, Continental Airlines, Inc. ("Continental") executed various agreements (the "Northwest Agreements") with Northwest Airlines, Inc. and certain of its affiliates ("Northwest") under which Continental will, among other things, repurchase most of the Class A common stock of Continental (which has ten votes per share) owned by Northwest, reclassify the remaining shares of Class A common stock into Class B common stock of Continental (which has one vote per share), make other adjustments to Continental's corporate and alliance relationship with Northwest and issue to Northwest a share of Preferred Stock with certain blocking rights as described below (collectively, the "Northwest Transaction"). Under the Northwest Agreements, Continental and Northwest have agreed to support an adjournment of United States of America v. Northwest Airlines Corp. and Continental Airlines, Inc., Civil Action No. 98-74611, pending in the United States District Court for the Eastern District of Michigan (the "DOJ lawsuit"), pending closing of the Northwest Transaction and to seek dismissal of the DOJ litigation upon or promptly after the closing. The Northwest Agreements will, among other matters, effect the following:

Repurchase and Reclassification. Continental will repurchase from Northwest 6,685,279 shares of Class A common stock for \$450 million in cash (the "Repurchase"). Immediately thereafter, the remaining 1,975,945 shares of Class A common stock held by Northwest (as well as all other outstanding shares of Class A common stock of Continental) will be reclassified into 2,608,247 shares of Class B common stock of Continental at an exchange ratio of 1.32 shares of Class B common stock per share of Class A common stock as part of the reclassification described below (the "Reclassification").

Northwest Alliance. The existing alliance agreement between Continental and Northwest (the "Northwest Alliance") will be amended to extend its term through December 31, 2025 and to add additional termination rights (principally related to changes of control of Northwest or Continental involving third party major air carriers and certain other changes of control, as defined in the Preferred Stock and described below, and to certain redemptions of the Preferred Stock).

Preferred Stock. In connection with the amendment to the Northwest Alliance, Continental will issue Northwest one share of a new series of preferred stock (the "Preferred Stock") for a nominal price. The Preferred Stock will give Northwest the right to block, during the term of the Alliance Agreement or, if earlier, until the Preferred Stock becomes redeemable, (i) certain business combinations and similar change of control transactions involving Continental and a third party major air carrier with respect to which the stockholders of Continental are entitled to vote, (ii) certain amendments to Continental's rights plan (or certain redemptions of rights thereunder), (iii) any dividend or distribution of all or substantially all of Continental's airline assets, and (iv) certain reorganizations and restructuring transactions involving Continental. The Preferred Stock will be redeemable by Continental at a nominal price (and the blocking rights eliminated) (i) if Northwest transfers or encumbers the Preferred Stock, (ii) if there is a change of control of Northwest as defined in the Preferred Stock, unless previously consented to by Continental, (iii) on expiration or termination of the Northwest Alliance (other than as a result of a breach by Continental), or (iv) if Northwest materially breaches its standstill obligations (referred to below) to Continental or triggers Continental's rights agreement.

Change of Control. Under the terms of the Preferred Stock, a change of control of Continental or Northwest means, among other things, (i) a merger, reorganization, consolidation, business combination or similar transaction with a third party major air carrier, the acquisition by a third party major air carrier of 25% or more of the relevant carrier's capital stock or voting power, or the acquisition by the relevant carrier of 25% or more of the capital stock or voting power of a third party major air carrier, (ii) the liquidation or dissolution of Continental or Northwest, (iii) the sale, transfer or other disposition of all or substantially all of the relevant carrier's airline assets to a third party major air carrier, (iv) the sale, transfer or other disposition of all or substantially all of Continental's transatlantic or Latin American route network, or Northwest's transpacific route network, (v) the acquisition by a third party major air carrier of 25% or more of the capital stock or voting power of the relevant carrier, (vi) the acquisition by the relevant carrier of airline assets and associated employees, which airline assets would have on a pro forma basis annual passenger revenues of more than \$1 billion, or (vii) the execution by the relevant carrier of bona fide definitive agreements with respect to any of the foregoing. The Preferred Stock also provides that commercial cooperation agreements, including certain code sharing agreements and joint ventures, will not constitute a change of control of the relevant carrier under certain circumstances.

Standstill Agreement. Continental and Northwest have entered into a standstill agreement that contains standstill and conduct restrictions substantially similar to those currently contained in the corporate governance agreement between the parties, except the percentage of Continental equity permitted to be owned by Northwest will be adjusted downward to reflect its holdings following the Repurchase and Reclassification and any subsequent dispositions by Northwest of Continental common stock, subject to adjustment upward thereafter if the number of shares of Continental's common stock outstanding decreases.

Rights Agreement. Continental's rights agreement will be amended to take into account the effects of the Reclassification and the Repurchase, and to eliminate Northwest as an "Exempt Person."

Charter Amendment. At a special meeting of Continental stockholders, the charter of Continental will be amended, effective immediately following the Repurchase, to (i) reclassify the Class A common stock pursuant to the Reclassification, (ii) eliminate all references to Class A and Class D common stock, (iii) eliminate the special rights of a Northwest affiliate that currently owns Class A common stock, and (iv) provide that until the Preferred Stock becomes redeemable, Continental will not, without the consent of Northwest, amend its rights agreement or redeem the rights thereunder unless such amendment or redemption does not permit a third party major air carrier to enter into a particular transaction without becoming an "Acquiring Person" in such transaction where, but for such amendment or redemption, such air carrier would have otherwise become an Acquiring Person under the rights agreement.

Governance Agreement and Supplemental Agreement. The corporate governance agreement between the parties and the related supplemental agreement will each be terminated at the closing of the transactions.

In connection with the execution of the Northwest Agreements, Continental has agreed to purchase and terminate at closing the "rights of offer and re-offer" of 1992 Air, Inc. covering the Continental common stock owned by Northwest for \$10 million in cash (or, at Continental's election, \$11 million of Class B common stock, valued on a 20-day trailing average basis).

Continental will call a special meeting of stockholders to vote on the Reclassification and related charter amendments. Under the Northwest Agreements, Northwest will vote its shares of Class A common stock for each of these proposals, and Northwest has sufficient votes to ensure that they are approved.

Consummation of the Northwest Transaction is subject to certain closing conditions, including review of the alliance agreement amendment by the Department of Transportation. The parties currently anticipate closing the Northwest Transaction in approximately two months.

Item 7. Financial Statements and Exhibits.  
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(c) Exhibits

- 99.1 Press release dated November 15, 2000
- 99.2 Omnibus Agreement dated as of November 15, 2000 among the Company, Northwest Airlines Corporation, Northwest Airlines Holdings Corporation, Northwest Airlines, Inc. and Air Partners, L.P.
- 99.3 Amended and Restated Certificate of Incorporation of Company
- 99.4 Certificate of Designations of Series B Preferred Stock
- 99.5 Termination of Northwest Airlines/Air Partners Voting Trust dated as of November 15, 2000 among the Company and Northwest Airlines Corporation
- 99.6 Termination of Amended and Restated Governance Agreement dated as of November 15, 2000 among the Company, Northwest Airlines Corporation and Northwest Airlines Holdings Corporation
- 99.7 Termination of Supplemental Agreement dated as of November 15, 2000 among the Company, Northwest Airlines Corporation and Northwest Airlines Holdings Corporation
- 99.8 Standstill Agreement dated as of November 15, 2000 among the Company, Northwest Airlines Holdings Corporation, Northwest Airlines Corporation and Northwest Airlines, Inc.
- 99.9 Amendment to Amended and Restated Registration Rights Agreement dated as of November 15, 2000 among the Company, Air Partners, L.P., and Northwest Airlines Corporation
- 99.10 Reoffer Purchase Agreement dated as of November 15, 2000 among the Company, 1992 Air, Inc., Northwest Airlines Corporation, Northwest Airlines Holdings Corporation, and Air Partners, L.P.
- 99.11 Amended and Restated Rights Agreement dated as of November 15, 2000 between the Company and ChaseMellon Shareholder Services, LLC
- 99.12 Irrevocable Instruction Pursuant to Voting Trust Agreement
- 99.13 Form of Transfer Restriction Agreement

SIGNATURE

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

CONTINENTAL AIRLINES, INC.

By /s/ Jeffery A. Smisek

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Jeffery A. Smisek  
Executive Vice President and  
General Counsel

November 15, 2000

## EXHIBIT INDEX

EXHIBIT NUMBER -----	DESCRIPTION -----
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Continental Airlines contact:  
Corporate Communications  
713-324-5080

Northwest Airlines contact:  
Corporate Communications  
612-727-4284

CONTINENTAL, NORTHWEST REACH DEFINITIVE AGREEMENT  
ON STOCK REPURCHASE  
- - - - -

HOUSTON and MINNEAPOLIS/ST. PAUL, Nov. 16, 2000 -- Continental Airlines (NYSE: CAL and CAL.A) and Northwest Airlines (NASDAQ: NWAC) today announced that the two airlines have executed definitive agreements regarding the sale to Continental of its common stock held by Northwest Airlines, and an extension of their alliance agreement through 2025. The boards of both airlines approved the agreements prior to their execution.

In connection with the transaction, Continental will repurchase from Northwest approximately 6.7 million Continental Class A shares for \$450 million in cash. Under the terms of the agreements, the repurchase of a portion of Northwest's interest in Continental will occur immediately prior to a recapitalization of Continental, whereby each remaining outstanding share of Continental Class A common stock will be reclassified into 1.32 shares of Continental Class B common stock. After the recapitalization, Northwest will retain approximately 2.6 million shares of Continental Class B common stock, which is expected to constitute less than 5% of Continental's then outstanding common stock.

The agreements signed today also amend the alliance agreement between Continental and Northwest to extend its term through 2025, and to provide for termination rights upon certain change of control and other transactions involving the carriers and third party major air carriers.

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Continental also has agreed to issue to Northwest a special series of preferred stock. That preferred stock will give Northwest the right to block certain business combinations and similar change of control transactions involving Continental and a third party major air carrier during the term of the alliance agreement, but is subject to redemption by Continental upon certain events, including upon a change of control of Northwest involving a third party major air carrier.

The parties anticipate that the transactions contemplated by their agreements will close in approximately two months, after a special stockholders meeting of Continental is held. The parties plan to ask U.S Federal District Court Judge Denise Page Hood today to adjourn the current litigation by the United States against Northwest and Continental pending closing of the transactions, and then to dismiss that litigation without prejudice upon closing of the transactions.

"We are delighted to have reached final agreement with Northwest on these issues," said Continental Chairman and Chief Executive Officer Gordon Bethune. "We will continue to build and strengthen our alliance with Northwest in order to compete more effectively with the major networks of our larger competitors."

"This agreement serves our two objectives to build a successful alliance with Continental and to insure our partner's long-term independence," said John Dasburg, Northwest president and CEO. "We believe our customers will benefit from a fourth strong U.S. airline network that provides superior customer service and a network that takes them where they want to go."

#### SAFE HARBOR

Statements in this news release which are not purely historical facts, including statements regarding our beliefs, expectations, intentions or strategies for the future, may be "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Information with respect to the factors and events that could cause these differences is contained in the Companies' respective Securities and Exchange Commission filings, including the Companies' respective Annual Reports on Form 10-K for the year ended December 31, 1999. We undertake no obligation to update any forward-looking statements to reflect events or circumstances that may arise after the date of this release.

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OMNIBUS AGREEMENT

DATED AS OF NOVEMBER 15, 2000

AMONG

CONTINENTAL AIRLINES, INC.,

NORTHWEST AIRLINES CORPORATION,

NORTHWEST AIRLINES HOLDINGS CORPORATION,

NORTHWEST AIRLINES, INC.,

AND

AIR PARTNERS, L.P.

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Exhibit 1	--	Amended and Restated Certificate of Incorporation
Exhibit 2	--	Termination of Northwest Airlines/Air Partners Voting Trust Agreement
Exhibit 3	--	Series B Certificate of Designations
Exhibit 4	--	Termination of Amended and Restated Governance Agreement
Exhibit 5	--	Termination of Supplemental Agreement
Exhibit 6	--	Standstill Agreement
Exhibit 7	--	Amendment No. 1 to Amended and Restated Registration Rights Agreement
Exhibit 8	--	Reoffer Purchase Agreement
Exhibit 9	--	Amended and Restated Rights Agreement
Exhibit 10	--	Form of Irrevocable Instruction Pursuant to Voting Trust Agreement
Exhibit 11	--	Form of Transfer Restriction Agreement

## OMNIBUS AGREEMENT

This OMNIBUS AGREEMENT (this "AGREEMENT") dated as of November 15, 2000 is among Continental Airlines, Inc., a Delaware corporation ("CONTINENTAL"), Northwest Airlines Corporation, a Delaware corporation ("NW Parent"), Northwest Airlines Holdings Corporation, a Delaware corporation ("NW HOLDINGS"), Northwest Airlines, Inc., a Minnesota corporation ("NORTHWEST"), and Air Partners, L.P., a Texas limited partnership ("AIR PARTNERS", and together with NW Parent, NW Holdings and Northwest, the "NORTHWEST PARTIES").

## RECITALS:

WHEREAS, Northwest and Continental desire to make certain amendments to the Master Alliance Agreement;

WHEREAS, Continental intends to effect a reclassification of its Class A Common Stock into its Class B Common Stock, which reclassification is intended to qualify as a tax-free reorganization pursuant to Section 368(a)(1)(E) of the Code, and this Agreement is intended to constitute a "plan of reorganization" for purposes of Section 368 of the Code;

WHEREAS, immediately prior to the reclassification of its Class A Common Stock, Continental desires to purchase, and NW Parent desires to sell, a portion of the Class A Common Stock owned by NW Parent and its Affiliates; and

WHEREAS, in connection with such reclassification and purchase, Continental, NW Parent, NW Holdings, Air Partners and 1992 Air, Inc. intend to enter into the Reoffer Purchase Agreement;

WHEREAS, as an inducement to NW Parent's agreeing to the reclassification of Continental's Class A Common Stock and the sale of a portion of the Class A Common Stock owned by NW Parent and its Affiliates to Continental and in connection with the making of such amendments to the Master Alliance Agreement, Continental is willing to issue, and Northwest seeks to acquire, one share of Series B Preferred Stock;

NOW, THEREFORE, the parties hereto, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE I.  
DEFINITIONS

Section 1.01. Definitions. Certain capitalized and other terms used in this Agreement are defined in Annex A hereto and are used herein with the meanings ascribed to them therein.

Section 1.02. Rules of Construction. Unless the context otherwise requires, as used in this Agreement:

- (a) (i) a term defined in Annex A has the meaning ascribed to it in Annex A; (ii) an accounting term not otherwise defined herein has the meaning ascribed to it in accordance with U.S. GAAP; (iii) "or" is not exclusive; (iv) "including" means "including, without limitation;" (v) words in the singular include the plural and vice versa; (vi) words applicable to one gender apply to each gender; (vii) the terms "hereof," "herein," "hereby," "hereto" and derivative or similar words refer to this entire Agreement, including the Annexes and Exhibits hereto; and (viii) the terms "Article", "Section", "Annex" and "Exhibit" refer to the specified Article, Section, Annex or Exhibit of or to this Agreement;
- (b) a reference to any Law includes all other Laws and Regulations varying, consolidating or replacing the same from time to time, and a reference to a statute includes all regulations, policies, protocols, proclamations, executive orders and ordinances issued or otherwise applicable under that statute unless, in any such case, otherwise expressly provided in any such statute or in this Agreement; a reference to a particular section, paragraph or other part of a particular statute shall be deemed to be a reference to any other section, paragraph or other part substituted therefor from time to time;
- (c) a reference to any Person includes such Person's successors and permitted assigns;
- (d) any reference to "days" shall mean calendar days unless "Business Days" (as defined in Annex A) are expressly specified; references to "calendar" mean the Gregorian calendar; and
- (e) the Annexes and Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof for all purposes.

Each of Continental and the Northwest Parties has been represented by legal counsel and has participated in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation should arise, this Agreement shall be construed as if drafted jointly by such parties and no presumption or burden of proof shall arise favoring or burdening any party hereto by virtue of the authorship of any of the provisions of this Agreement.

ARTICLE II.  
SALE AND PURCHASE OF CLASS A SHARES

Section 2.01. Sale and Purchase of Class A Shares. On the terms and subject to the conditions contained in this Agreement, Continental agrees to purchase out of funds legally available therefor, NW Parent agrees to sell to Continental 584,985 shares of Class A Common Stock and NW Holdings agrees to sell to Continental 6,100,294 shares of Class A Common Stock (collectively, the "REPURCHASED CLASS A SHARES").

Section 2.02. Class A Purchase Price. The consideration for such sale and purchase of the Repurchased Class A Shares shall be four hundred fifty million dollars (\$450,000,000) in the aggregate (the "CLASS A PURCHASE PRICE"), paid as provided in Section 5.01(b)(ii) below, provided that if the Closing occurs on a date later than February 7, 2001 the Class A Purchase Price shall be increased by an amount per annum equal to 7% of the Class A Purchase Price, calculated on the basis of a 365-day year based on actual days elapsed from and including February 8, 2001 through but excluding the Closing Date.

ARTICLE III.  
ISSUANCE AND PURCHASE OF SERIES B SHARE

Section 3.01. Issuance and Purchase of Series B Share. On the terms and subject to the conditions contained in this Agreement, Northwest agrees to purchase, and Continental agrees to issue to Northwest, the Series B Share.

Section 3.02. Series B Purchase Price. The consideration for such issuance and purchase of the Series B Share shall be one hundred dollars (\$100) (the "SERIES B PURCHASE PRICE"), paid as provided in Section 5.01(c)(v) below.

ARTICLE IV.  
CONDITIONS TO CLOSING

Section 4.01. Delivery of Documents. On the date hereof, and coincident with the execution and delivery of this Agreement, each of the parties to this Agreement shall have executed four copies of Amendment No. 1 to the Master Alliance Agreement, dated as of the date hereof, between Continental and Northwest (the "AMENDMENT OF ALLIANCE AGREEMENT"), and each of the documents set forth as Exhibits 2, 4, 5, 6, 7 and 8 to which it is a party and delivered two copies of such executed documents to Continental (in the case of the Northwest Parties) or NW Parent (in the case of Continental). A fifth executed original of the Voting Trust Termination Agreement shall also be delivered to the Trustee.

Section 4.02. Conditions to Continental's Obligation to Close. The obligation of Continental to consummate the transactions contemplated hereby shall be subject to the satisfaction (or waiver by Continental) at or prior to the Closing of the following conditions:

- (a) the representations and warranties of the Northwest Parties contained in Article VII of this Agreement and containing a reference to "material," "materially," "Material Adverse Effect" or a similar phrase shall be true and correct, and all other representations and warranties of the Northwest Parties contained in Article VII of this Agreement shall be true and correct in all material respects, in each case as of the Closing Date as though made as of such time (provided that the text of any representation or warranty that refers to a specific date (including the date of this Agreement) shall be deemed to continue to refer to such date);

- (b) the agreements and covenants of the Northwest Parties to be complied with or performed on or before the Closing Date pursuant to the terms hereof shall have been duly complied with or performed in all material respects;
- (c) NW Parent and other parties to the Investment Agreement shall have amended the Investment Agreement so as to effectively terminate the limited proxy set forth in Section 4.2 thereof; and
- (d) the deliveries contemplated to be made to Continental under Section 5.01 shall have been made.

Section 4.03. Conditions to the Northwest Parties' Obligation to Close. The obligation of the Northwest Parties to consummate the transactions contemplated hereby shall be subject to the satisfaction (or waiver by the Northwest Parties) at or prior to the Closing of the following conditions:

- (a) the representations and warranties of Continental contained in Article VI of this Agreement and containing a reference to "material," "materially," "Material Adverse Effect" or a similar phrase shall be true and correct, and all other representations and warranties of Continental contained in Article VI of this Agreement shall be true and correct in all material respects, in each case as of the Closing Date as though made as of such time (provided that the text of any representation or warranty that refers to a specific date (including the date of this Agreement) shall be deemed to continue to refer to such date);
- (b) the agreements and covenants of Continental to be complied with or performed on or before the Closing Date pursuant to the terms hereof shall have been duly complied with or performed in all material respects;
- (c) the shares of Class B Common Stock issuable to NW Parent and its Affiliates in accordance with the Reclassification (as defined below) shall have been approved for listing on the New York Stock Exchange, subject only to notice of issuance;
- (d) Continental shall have taken all requisite action to amend the Rights Agreement so that it shall be effective at or prior to the Effective Time in the form of the Amended and Restated Rights Agreement; and
- (e) the deliveries contemplated to be made to the Northwest Parties under Section 5.01 shall have been made.

Section 4.04. Conditions to Each Party's Obligation to Close. The obligation of each Party to consummate the transactions contemplated hereby shall be subject to the satisfaction at or prior to the Closing of the following conditions:

- (a) at the Continental Stockholders Meeting called by Continental pursuant to Section 8.01(b) below, the stockholders of Continental shall have approved by the

requisite vote one or more resolutions providing for the adoption of the Amended and Restated Certificate of Incorporation (the "RECLASSIFICATION"), which shall, among other things, effect the reclassification of each share of Class A Common Stock outstanding or held as treasury shares immediately prior to the Effective Time (and immediately subsequent to the transactions described in Section 5.01(b)) into 1.32 shares of Class B Common Stock;

- (b) each other party to the Reoffer Purchase Agreement shall have performed in all material respects its obligations thereunder;
- (c) no injunction or order issued by any Court that prevents the consummation of any of the transactions contemplated by this Agreement shall be in effect; and
- (d) any U.S. Department of Transportation review period to which the Amendment of Alliance Agreement may be subject under Title 49 U.S.C. Section 41720 shall have lapsed, without material adverse action.

ARTICLE V.  
CLOSING

Section 5.01. Closing. The transactions contemplated hereby shall be consummated at a closing (the "CLOSING"), which shall be held at the offices of Vinson & Elkins L.L.P. in Houston, Texas on the Closing Date. The "CLOSING DATE" shall be the date on which the Continental Stockholders Meeting shall occur or such later date on which the Closing Conditions shall have been fulfilled or waived (other than those Closing Conditions that by their nature are to be satisfied only at Closing) as provided in Section 8.01(b), or such other date as Continental and NW Parent may, by written agreement, establish. At the Closing, the following events shall occur, each event being conditioned on the occurrence or waiver of each other event:

- (a) Immediately prior to the events described in Section 5.01(b) below, Continental and the Northwest Parties that are parties thereto shall have performed their respective obligations under the Voting Trust Termination Agreement, and the Trustee shall have performed its obligations as required by the Voting Trust Agreement.
- (b) The following events shall be deemed to occur simultaneously with each other, immediately subsequent to the events described in Section 5.01(a) above and immediately prior to the events described in Section 5.01(c) below:
  - (i) NW Parent shall cause to be delivered to Continental the certificate or certificates evidencing the Repurchased Class A Shares, which certificates shall be duly endorsed for transfer or accompanied by duly executed stock transfer powers or other appropriate instruments of assignment and transfer in favor of Continental; and



- (ii) Continental shall pay the Class A Purchase Price to NW Parent and NW Holdings apportioned according to their respective ownership of Repurchased Class A Shares. Such amount shall be paid in cash in United States Dollars by wire transfer of immediately available funds to the wire transfer addresses of NW Parent and NW Holdings as they shall designate to Continental no later than one Business Day prior to the Closing Date.
- (c) Except as otherwise described below, the following events shall be deemed to occur simultaneously with each other and at the Effective Time:
- (i) Continental shall have filed the Amended and Restated Certificate of Incorporation (the time of such filing, the "EFFECTIVE TIME"), with the Secretary of State of the State of Delaware;
  - (ii) Continental shall have filed the Series B Certificate of Designations with the Secretary of State of the State of Delaware, with an effective time immediately subsequent to the Effective Time;
  - (iii) NW Parent shall cause to be delivered to Continental the certificate or certificates evidencing 1,975,945 shares of Class A Common Stock, which shall constitute all of the shares of Class A Common Stock beneficially owned by NW Parent and its Affiliates subsequent to the sale to Continental of the Repurchased Class A Shares as contemplated by Section 5.1(b), which certificates shall be duly endorsed for transfer or accompanied by duly executed stock transfer powers or other appropriate instruments of assignment and transfer in favor of Continental;
  - (iv) Continental shall deliver to NW Parent a certificate evidencing 2,608,247 shares of Class B Common Stock, issued to NW Parent or such Affiliate of NW Parent as NW Parent shall direct not less than two days prior to the Closing, and cash in lieu of any fraction of a share of Class B Common Stock that results from the reclassification of Class A Common Stock held by NW Parent and its Affiliates into Class B Common Stock as provided in the Amended and Restated Certificate of Incorporation;
  - (v) immediately after the Effective Time, Northwest shall pay to Continental the Series B Purchase Price;
  - (vi) immediately after the Effective Time and after receipt of the Series B Purchase Price, Continental shall deliver to Northwest a certificate evidencing the Series B Preferred Share issued to Northwest;
  - (vii) Continental shall deliver to Northwest a copy of the Amended and Restated Rights Agreement effective at or prior to the Effective Time;

- (viii) NW Parent shall deliver to Continental a copy of the amendment to the Investment Agreement referenced in Section 4.02(c) effective at or prior to the Effective Time; and
- (ix) each of Continental and the Northwest Parties shall deliver an officer's certificate in a form reasonably satisfactory to the other parties, including certifications as to the incumbency of officers and to resolutions duly adopted by the board of directors of such entity approving the transactions contemplated by this Agreement.

ARTICLE VI.  
REPRESENTATIONS AND WARRANTIES  
REGARDING CONTINENTAL

Continental represents and warrants to the Northwest Parties that:

Section 6.01. Organization and Qualification. Continental is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted.

Section 6.02. Authorization of Agreement. Continental has all requisite corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby, subject only to stockholder approval of the Amended and Restated Certificate of Incorporation. The execution and delivery by Continental of this Agreement and the Ancillary Agreements to which it is a party and the performance by it of its obligations hereunder and thereunder have been duly and validly authorized by all requisite corporate action on the part of Continental, subject only to stockholder approval of the Amended and Restated Certificate of Incorporation. This Agreement and each Ancillary Agreement to which it is a party have been duly executed and delivered by Continental and (assuming due authorization, execution and delivery hereof by the other parties thereto) constitute the legal, valid and binding obligations of Continental, enforceable against Continental in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity or at law or under applicable legal codes). The Amended and Restated Certificate of Incorporation and the Series B Certificate of Designations have been duly and validly authorized by all requisite corporate action on the part of Continental, subject only to stockholder approval of the Amended and Restated Certificate of Incorporation.

Section 6.03. Approvals. Except for applicable Laws, if any, noncompliance with which could not reasonably be expected to prevent Continental from performing its obligations under this Agreement and each Ancillary Agreement to which it is a party in all material respects, the filings required pursuant to Section 5.01(c) and 8.01(a), and the review by the U.S. Department

of Transportation of the Amendment of Alliance Agreement pursuant to Title 49 U.S.C. Section 41720, no filing or registration with, no waiting period imposed by and no Authorization of, any Governmental Authority is required under any Laws applicable to Continental to permit Continental to execute, deliver or perform its obligations under this Agreement or any Ancillary Agreement or to consummate the transactions contemplated hereby and thereby.

Section 6.04. No Violation. Assuming effectuation of all filings and registrations and receipt of all Authorizations described in Section 6.03 and the listing of the shares of Class B Common Stock as described in Section 4.03(c), neither the execution and delivery by Continental of this Agreement or any Ancillary Agreement to which it is a party nor the performance by Continental of its obligations hereunder or thereunder will (a) violate or breach the terms of or cause a default under (i) any federal or Texas Laws applicable to Continental, (ii) the certificate of incorporation (as it currently exists, and after giving effect to the Reclassification and the adoption of the Amended and Restated Certificate of Incorporation) or bylaws of Continental or (iii) any contract or agreement to which Continental or any of its Subsidiaries is a party or by which it or any of its properties or assets is bound or (b), with the passage of time, the giving of notice or the taking of any action by a third Person, have any of the effects set forth in clause (a) of this Section 6.04, except in any such case for any matters described in subclause (i) or (iii) of clause (a) of this Section 6.04 that could not reasonably be expected to prevent Continental from performing its obligations under this Agreement or any Ancillary Agreement in all material respects.

Section 6.05. Series B Share. When issued to Northwest pursuant to Section 5.01(c)(vi) and paid for pursuant to Section 5.01(c)(v), the Series B Share will have been duly authorized and will be validly issued, fully paid and non-assessable. The issuance of the share of Series B Preferred Stock to Northwest and the powers, designations, preferences and relative, participating, optional or other rights of such share of Series B Preferred Stock are permitted under and do not contravene the General Corporation Law of the State of Delaware. Other than under this Agreement, there are no outstanding subscriptions, options, warrants, rights, conversion rights, rights of first refusal or other agreements or commitments obligating Continental to offer, sell, transfer or otherwise dispose of the Series B Share.

Section 6.06. Class B Common Stock. Upon delivery of the Class B Common Stock to Northwest pursuant Section 5.01(c)(iv), and receipt by Continental of the certificate or certificates of Class A Common Stock required by Section 5.01(c)(iii), such Class B Common Stock will have been duly authorized and will be validly issued, fully paid and non-assessable and the holders of outstanding shares of the capital stock of Continental are not entitled to pre-emptive or other rights to subscribe for such shares (assuming the termination of the Governance Agreement at the Effective Time).

Section 6.07. No Brokers. No broker, finder or investment banker (other than UBS Warburg LLC and Credit Suisse First Boston Corporation) is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Continental. Any amounts payable to UBS Warburg LLC or Credit Suisse First Boston Corporation in connection with such arrangements will be the responsibility of Continental.

ARTICLE VII.  
REPRESENTATIONS AND WARRANTIES  
REGARDING THE NORTHWEST PARTIES

Each of the Northwest Parties represents and warrants to Continental that:

Section 7.01. Organization and Qualification. Each of NW Parent and NW Holdings is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Northwest is a corporation duly organized, validly existing and in good standing under the Laws of the State of Minnesota and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted. Air Partners is a limited partnership duly formed and validly existing under the Laws of the State of Texas and has all requisite authority under its limited partnership agreement to own, lease and operate its properties and to carry on its business as it is now being conducted.

Section 7.02. Authorizations. Each of the Northwest Parties has all requisite corporate or partnership power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by each of the Northwest Parties of this Agreement and the Ancillary Agreements to which it is a party and the performance by it of its obligations hereunder and thereunder have been duly and validly authorized by all requisite corporate or partnership action on the part of such Northwest Party. This Agreement and each Ancillary Agreement to which it is a party have been duly executed and delivered by each of the Northwest Parties and (assuming due authorization, execution and delivery thereof by the other parties thereto) constitute the legal, valid and binding obligations of such Northwest Party, enforceable against such Northwest Party in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar Laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity, at law or under applicable legal codes).

Section 7.03. Approvals. Except for applicable Laws, if any, noncompliance with which could not reasonably be expected to prevent any of the Northwest Parties from performing its obligations under this Agreement and each Ancillary Agreement to which it is a party in all material respects, and the review by the U.S. Department of Transportation of the Amendment of Alliance Agreement pursuant to Title 49 U.S.C. Section 41720, no filing or registration with, no waiting period imposed by and no Authorization of, any Governmental Authority is required under any Laws applicable to any of the Northwest Parties to permit any of the Northwest Parties to execute, deliver or perform its obligations under this Agreement or any Ancillary Agreement to which it is a party or to consummate the transactions contemplated hereby and thereby.

Section 7.04. No Violation. Assuming effectuation of all filings and registrations and receipt of all Authorizations described in Section 7.03, neither the execution and delivery by each Northwest Party of this Agreement or an Ancillary Agreement to which it is a party nor the performance by the Northwest Parties of their respective obligations hereunder or thereunder will (a) violate or breach the terms of or cause a default under (i) any federal or Minnesota Laws applicable to any Northwest Party, (ii) the certificate of incorporation, bylaws or partnership agreement of any Northwest Party or (iii) any contract or agreement to which a Northwest Party or any of their respective Affiliates is a party or by which it or any of its properties or assets is bound or (b), with the passage of time, the giving of notice or the taking of any action by a third Person, have any of the effects set forth in clause (a) of this Section 7.04, except in any such case for any matters described in subclause (i) or (iii) of clause (a) of this Section 7.04 that could not reasonably be expected to prevent the Northwest Parties from performing their obligations under this Agreement or any Ancillary Agreement in all material respects.

Section 7.05. Class A Shares. Other than the Repurchased Class A Shares and the additional 1,975,945 shares of Class A Common Stock owned as of the date of this Agreement, NW Parent and its Affiliates do not own, beneficially or of record, any Equity Securities of Continental; provided, that one or more of the Northwest Parties has a limited proxy to vote certain shares as set forth in Section 4.2 of the Investment Agreement. NW Parent, directly or through one or more wholly owned Subsidiaries, has good and valid title to the Repurchased Class A Shares, and the additional 1,975,945 shares of Class A Common Stock owned as of the date of this Agreement, free and clear of any Liens (assuming the effectiveness of the Ancillary Agreements in accordance with their terms). Assuming Continental has the requisite power and authority to be the lawful owner of the Repurchased Class A Shares, upon delivery to Continental at the Closing of certificates representing the Repurchased Class A Shares, duly endorsed for the transfer to Continental, and upon NW Parent's and NW Holdings' (in proportion to their respective holdings of Repurchased Class A Shares) receipt of the Class A Purchase Price, good and valid title to the Repurchased Class A Shares will pass to Continental, free and clear of any Liens (assuming the effectiveness of the Ancillary Agreements in accordance with their terms), other than those arising from acts of Continental or its Affiliates. Other than this Agreement, there are no outstanding subscriptions, options, warrants, rights, conversion rights, rights of first refusal or other agreements or commitments obligating the Northwest Parties or the trustee of the Voting Trust to offer, sell, transfer or otherwise dispose of the Repurchased Class A Shares or otherwise relating to the voting, dividend rights or disposition of the Repurchased Class A Shares.

Section 7.06. No Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Northwest Parties.

#### ARTICLE VIII. COVENANTS

Section 8.01. Covenants and Agreements of Continental. Prior to the Closing, unless otherwise contemplated by this Agreement or consented to in writing by NW Parent:

- (a) Continental hereby covenants and agrees to promptly prepare and file with the Securities and Exchange Commission (the "SEC") a preliminary proxy statement containing (subject to the fiduciary duties of the Board of Directors under applicable Laws) the recommendation of the Board of Directors in favor of the Reclassification, to use its reasonable best efforts to respond promptly to any comments made by the SEC with respect to the preliminary proxy statement and to cause a definitive proxy statement, including any amendment or supplement thereto (the "PROXY STATEMENT") to be mailed to its stockholders at the earliest practicable time. Continental shall promptly provide NW Parent with any comments received from the SEC relating to the Proxy Statement, shall consult with NW Parent with respect to the disclosure to be contained in the Proxy Statement pertaining to the NW Parties and the transactions contemplated by this Agreement and the Ancillary Agreements and, except for the disclosure of such information as may be required by applicable Laws, shall obtain NW Parent's approval of information contained therein regarding the Northwest Parties, such approval not to be unreasonably withheld or delayed;
- (b) Continental hereby covenants and agrees to duly call, give notice of and convene a meeting of its stockholders to be held as soon as practicable after the date the Proxy Statement is mailed to its stockholders (the "CONTINENTAL STOCKHOLDERS MEETING"), for consideration of the Reclassification; provided that Continental agrees, to the extent permitted by applicable Law, to adjourn or otherwise postpone, serially if necessary, the Continental Stockholders Meeting without calling a vote on any resolution giving effect to the Reclassification until the earliest practicable date thereafter on which the Closing Conditions (other than those set forth in Section 4.04(a) and those that by their nature are to be satisfied only at Closing) shall have been met;
- (c) Continental acknowledges and agrees that NW Parent may properly direct the Trustee to vote the Equity Securities of Continental deposited in the Voting Trust pursuant to Section 3(c) of the Voting Trust Agreement, as contemplated pursuant to Section 8.02(a) below;
- (d) Continental undertakes to the Northwest Parties to use reasonable endeavours to procure the fulfilment of the Closing Conditions set out in Sections 4.01, 4.03 and 4.04 as soon as practicable, and Continental shall keep the Northwest Parties advised of the progress towards the satisfaction of such Closing Conditions, and Continental will not make the filing contemplated under Section 5.01(c)(i) prior to the date on which the Closing occurs;
- (e) from the date hereof through the Closing Date, Continental will not declare or pay any dividend or make any distribution with respect to its capital stock except as expressly provided under this Agreement; and
- (f) Continental hereby covenants and agrees to use its reasonable best efforts to obtain for both itself and the Northwest Parties that are defendants in U.S. v.

Northwest Airlines Corp. and Continental Airlines Inc., civil action no. 98-74611, pending in the United States District Court for the Eastern District of Michigan (the "DOJ Action") a prompt adjournment of the DOJ Action pending Closing and, upon or promptly after Closing, a dismissal of the DOJ Action. In the event the DOJ Action is not dismissed as to both Continental and such Northwest Parties upon or promptly after Closing, Continental covenants and agrees to take all reasonable steps in the context of the DOJ Action to ensure that the transactions contemplated by this Agreement are fulfilled and to the extent permitted by law to cooperate reasonably with the Northwest Parties in the defense of the DOJ Action.

Section 8.02. Covenants of the Northwest Parties. Prior to the Closing, unless otherwise contemplated by this Agreement or consented to in writing by Continental:

- (a) NW Parent hereby covenants and agrees to execute the Irrevocable Instruction Pursuant to Voting Trust Agreement not later than immediately prior to the vote on any resolution giving effect to the Reclassification at the Continental Stockholders Meeting called by Continental pursuant to Section 8.01(b) above, and that it will not, and will cause its Affiliates to not, take any action that would rescind or render ineffective such Irrevocable Instruction Pursuant to Voting Trust Agreement, and that it will, and will cause its Affiliates to, take all such other necessary action to ensure that Equity Securities of Continental beneficially owned by NW Parent and its Affiliates on the date hereof or hereafter acquired and entitled to vote at the Continental Stockholders Meeting are voted in favor of the Reclassification, including without limitation all Equity Securities of Continental that have been deposited in the Voting Trust;
- (b) each of the Northwest Parties hereby covenants and agrees not to assign, transfer or otherwise encumber any shares of Class A Common Stock owned by such party as of the date hereof, otherwise than pursuant to Article V or as permitted by Section 11.05, and each of the Northwest Parties hereby covenants and agrees not to exercise its right to convert any of such shares into Class B Common Stock, Class D Common Stock or otherwise;
- (c) each of the Northwest Parties undertakes to Continental to use reasonable endeavours to procure the fulfilment of the Closing Conditions set out in Sections 4.01, 4.02 and 4.04 as soon as practicable and cause the transactions contemplated by this Agreement to be timely consummated, and the Northwest Parties shall keep Continental advised of the progress towards the satisfaction of such Closing Conditions; and
- (d) each of the Northwest Parties hereby covenants and agrees to use its reasonable best efforts to obtain for Continental and the Northwest Parties that are defendants in the DOJ Action, a prompt adjournment of the DOJ Action pending Closing and, upon or promptly after Closing, a dismissal of the DOJ Action. In the event the DOJ Action is not dismissed as to both Continental and such Northwest

Parties upon or promptly after Closing, each of the Northwest Parties covenants and agrees to take all reasonable steps in the context of the DOJ Action to ensure that the transactions contemplated by this Agreement are fulfilled and to the extent permitted by law to cooperate reasonably with Continental in the defense of the DOJ Action.

ARTICLE IX.  
INDEMNIFICATION

Section 9.01. Survival of Representations, Warranties and Covenants. The representations, warranties, covenants and agreements of the parties to this Agreement contained herein shall survive the Closing and any investigation by the parties with respect thereto.

Section 9.02. General Indemnification. To the fullest extent permitted by Law and subject to the terms of Sections 9.03 and 9.04, Continental will indemnify, defend and hold harmless the Northwest Parties and their respective directors, officers, stockholders, partners, employees, agents, representatives, successors, permitted transferees and permitted assigns, from and against all out-of-pocket costs and expenses (including, without limitation, reasonable legal fees and expenses incurred in connection with Claims (as defined below)), including amounts paid to third parties (which shall be deemed to include Continental and its Affiliates, other than the Northwest Parties) in respect of settlements or judgments resulting from or arising in connection with claims made by holders, former holders, beneficial owners or former beneficial owners of Equity Securities of Continental (other than the Northwest Parties, 1992 Air, Inc. and their respective Affiliates) in their capacity as holders of such Equity Securities, or by, on behalf of or in the name of Continental (each, a "CLAIM", and collectively, "CLAIMS") based upon or in connection with this Agreement or the transactions contemplated hereby; provided, however, that Continental shall have no obligation to indemnify any party hereunder to the extent, but only to the extent, the Claim relates to a breach by any of the Northwest Parties of this Agreement or any Ancillary Agreement or any other agreement to which any of the Northwest Parties or their respective Affiliates is a party.

Section 9.03. Procedures. For purposes of this Article IX, the term "INDEMNIFYING PARTY" when used in connection with a particular Claim means Continental, which is the person having an obligation to indemnify with respect to such Claim pursuant to this Article IX, and the term "INDEMNIFIED PARTY" when used in connection with a particular Claim means the person (whether one or more) having the right to be indemnified with respect to such Claim pursuant to this Article IX. The following procedures will apply to the indemnification obligations set forth in this Agreement:

- (a) Promptly after receipt of written notice of a Claim involving a third party, the Indemnified Party against whom such Claim is asserted will give the Indemnifying Party written notice of any such Claim; provided, however, that any failure or delay in providing such notice to the Indemnifying Party will not relieve the Indemnifying Party of any obligations under this Article IX except to the extent and only to the extent the Indemnifying Party was actually and materially prejudiced by such delay or failure. The Indemnifying Party will promptly



designate counsel chosen by it and reasonably acceptable to the Indemnified Party to represent the Indemnified Party in connection with such Claim and the Indemnifying Party will pay all costs of investigation, litigation or arbitration incurred in connection with such Claim including, without limitation, fees and expenses of such counsel. The Indemnifying Party will have the right to undertake the defense, compromise or settlement of such Claim (subject to paragraph (b) below), and the Indemnifying Party will not be liable for the fees or expenses of separate counsel for the Indemnified Party, unless the employment of such counsel shall have been authorized in writing by the Indemnifying Party in connection with the defense of such action or the Indemnifying Party shall not have employed counsel reasonably satisfactory to the Indemnified Party to have charge of the defense of such action or, based upon written advice of counsel, the Indemnified Party shall have reasonably concluded that there may be defenses available to it that are different from those available to the Indemnifying Party or that a material conflict of interest or material potential conflict of interest exists (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which cases the reasonable fees and expenses of counsel for the Indemnified Party shall be borne by the Indemnifying Party and paid as incurred (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel (other than local counsel) in any one action or series of related actions in the same jurisdiction representing the Indemnified Parties who are parties to such action). The Indemnified Party will use its reasonable efforts to cooperate fully with respect to the defense of any Claim. If after the passage of a reasonable period of time after notice of any Claim, the Indemnifying Party has not initiated a defense against such Claim, the Indemnified Party will have the right, upon written notice to the Indemnifying Party, to undertake the defense, compromise or settlement of such Claim at any time prior to settlement, compromise or final determination thereof and any action so taken by the Indemnified Party with regard to such defense, compromise or settlement will be deemed to be within the protection afforded by this Agreement unless a court of competent jurisdiction makes a final determination that the Indemnified Party is not entitled to indemnification hereunder with respect to such Claim; provided, however, that any settlement of any such Claim shall require the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

- (b) Anything in this Section 9.03 to the contrary notwithstanding, the Indemnifying Party will not settle or compromise any Claim or consent to the entry of any judgment that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a full, irrevocable and unconditional release from all liability in respect of such Claim; provided that if the terms of such settlement, compromise or judgment adversely affects any of the rights granted to such Indemnified Party herein, in any of the Ancillary Agreements, in the Amended and Restated Certificate of Incorporation or in the Series B Certificate of Designation, the Indemnifying Party will not settle or compromise

such Claim or consent to the entry of judgment without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed. In the event that there is more than one Indemnified Party with respect to any Claim, any notice contemplated by this Section 9.03 to be given to the Indemnified Party will be deemed to be given for purposes hereof if it is given to any Indemnified Party. No Indemnifying Party shall be liable for any settlement of any Claim effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, the Indemnifying Party agrees to indemnify and hold harmless any Indemnified Party from and against any loss or liability by reason of such settlement.

Section 9.04. Consequential Damages. Other than (i) in the case of Continental breaching its obligation expressed in the last clause of Section 8.01(d) or (ii) in the case of NW Parent breaching its obligations under Section 8.02(a) or 8.02(b), in each of which case the provisions of this Section 9.04 shall not apply, no party to this Agreement nor any of their respective Affiliates or Representatives shall be liable to any other party hereto or any of its Affiliates or Representatives for claims for punitive, special, exemplary, incidental, indirect or consequential damages connected with this Agreement, regardless of whether a claim is based on contract, tort (including negligence), strict liability, violation of any applicable deceptive trade practices act or similar Law or any other legal or equitable principle.

ARTICLE X.  
TERMINATION, AMENDMENT AND WAIVER

Section 10.01. Termination. This Agreement may be terminated at any time prior to the Closing:

- (a) by mutual written consent of Continental and NW Parent;
- (b) by Continental, upon a Material breach of any representation, warranty, covenant or agreement on the part of any of the Northwest Parties set forth in this Agreement or if any such representation or warranty of the Northwest Parties shall have become untrue, in either case which breach or untruth could reasonably be expected to have a Material Adverse Effect on the ability of any of the Northwest Parties to consummate the transactions contemplated by this Agreement (a "TERMINATING NW BREACH"); provided, however, that, if such Terminating NW Breach is curable by any of the Northwest Parties through the exercise of its commercially reasonable efforts and for so long as the Northwest Parties continue to exercise such reasonable efforts, Continental may not terminate this Agreement under this Section 10.01(b);
- (c) by NW Parent, upon a Material breach of any representation, warranty, covenant or agreement on the part of Continental set forth in this Agreement or if any representation or warranty of Continental shall have become untrue, in either case in either case which breach or untruth could reasonably be expected to have a Material Adverse Effect on the ability of Continental to consummate the

transactions contemplated by this Agreement (a "TERMINATING CONTINENTAL Breach"); provided, however, that, if such Terminating Continental Breach is curable by Continental through the exercise of its commercially reasonable efforts and for so long as Continental continues to exercise such reasonable efforts, NW Parent may not terminate this Agreement under this Section 10.01(c);

- (d) by either Continental or NW Parent, if the Closing contemplated hereby shall not have occurred on or before March 31, 2001 (the "TERMINATION DATE"); provided, however, that the right to terminate this Agreement under this Section 10.01(d) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been, directly or indirectly, the cause of, or resulted in, the failure of the Closing to occur on or before such date.

The right of any party hereto to terminate this Agreement pursuant to this Section 10.01 shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party hereto, any Person controlling any such party or any of their directors, officers, stockholders, partners, employees, agents and representatives, whether prior to or after the execution of this Agreement.

Section 10.02. Effect of Termination. Except for Section 9.04 and Articles X and XI of this Agreement, this Agreement shall, upon termination hereof pursuant to Section 10.01 or 11.03, forthwith become void and (i) there shall be no liability on the part of Continental, the Northwest Parties or any of their respective Affiliates, officers, directors, employees or agents to any other party and (ii) all rights and obligations of any party hereto shall cease; provided, however, that nothing herein shall relieve Continental or any Northwest Party from liability (as limited by Section 9.04) for any misrepresentation, or breach of any covenant or agreement, under this Agreement.

Section 10.03. Amendment. This Agreement may not be amended except by an instrument in writing authorized and signed by Continental and the Northwest Parties.

Section 10.04. Waiver. At any time prior to the Closing, either Continental or NW Parent (on behalf of itself and the Northwest Parties) may (a) extend the time for the performance of any of the obligations or other acts of the other (including, in the case of NW Parent, the other Northwest Parties), (b) waive any inaccuracies in the representations and warranties of the other (including, in the case of NW Parent, the other Northwest Parties) contained herein or in any document delivered pursuant hereto that are made for its benefit (or the benefit of the other Northwest Parties) and (c) waive compliance by the other (including, in the case of NW Parent, the other Northwest Parties) with any of the agreements or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by Continental or NW Parent, as the case may be.

ARTICLE XI.  
MISCELLANEOUS

Section 11.01. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) to the parties at the following addresses or sent by electronic transmission to the telecopier number specified below:

If to Continental, to:

Continental Airlines, Inc.  
1600 Smith Street, Department HQSEO  
Houston, Texas 77002  
Attention: General Counsel and Chief Financial Officer  
Telephone: (713) 324-2948  
Telecopier: (713) 324-2687

Copy to:

Vinson & Elkins L.L.P.  
1001 Fannin Street  
Suite 2300  
Houston, Texas 77002  
Attention: Kevin P. Lewis  
Telephone: (713) 758-3884  
Telecopier: (713) 615-5967

If to the Northwest Parties, to:

Northwest Airlines Corporation  
5101 Northwest Drive  
St. Paul, Minnesota 55111  
Attention: General Counsel  
Telephone: (612) 727-6500  
Telecopier: (612) 727-4839

Copy to:

Simpson Thacher & Bartlett  
425 Lexington Avenue  
New York, New York 10017-3954  
Attention: Wilson S. Neely  
Telephone: (212) 455-7063  
Telecopier: (212) 455-2502

or to such other address or telecopier number as Continental or NW Parent may, from time to time, designate in a written notice given in a like manner. Notice given by telecopier shall be deemed delivered on the day the sender receives telecopier confirmation that such notice was

received at the telecopier number of the addressee. Notice given by mail as set out above shall be deemed delivered five (5) days after the date the same is postmarked.

Section 11.02. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 11.03. Severability. If any term or other provision of this Agreement, any of the Ancillary Agreements, the Amended and Restated Certificate of Incorporation or the Series B Certificate of Designations is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms and provisions of this Agreement and such other documents shall nevertheless remain in full force and effect so long as the invalidity, illegality or unenforceability of such term or provision is not materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement or the affected document so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled, but, absent mutual agreement, this Agreement shall nonetheless be terminable in the sole discretion of the party materially and adversely affected as described above.

Section 11.04. Entire Agreement. This Agreement (together with the Annexes and Exhibits hereto) constitutes the entire agreement of the parties, and supersedes all prior agreements and undertakings, both written and oral, among the parties, with respect to the subject matter hereof, and the Agreement in Principle, dated as of November 5, 2000, among Continental, NW Parent, NW Holdings and Northwest, including the Class A Recapitalization Term Sheet attached thereto, is hereby terminated and has no further force and effect.

Section 11.05. Assignment. This Agreement shall not be assigned by any party hereto except by operation of Law; provided that notwithstanding the foregoing, with respect to the obligations of NW Parent and NW Holdings set forth in Section 2.01, the Northwest Parties shall be entitled to assign in whole or in part such obligations among themselves, but only to an assignee that shall remain an Affiliate of such assignor at all times prior to the Closing and so long as each assignor remains, and each assignee becomes, liable under such Section 2.01 and each other covenant, agreement, representation and warranty relating thereto in this Agreement and, if appropriate, any Ancillary Agreement, or in any such event the assignment shall be null and void.

Section 11.06. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each party hereto and its successors, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 11.07. Failure or Indulgence Not Waiver; Remedies Cumulative. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall any single or partial exercise of any such right preclude

further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative with, and not exclusive of, any rights or remedies otherwise available.

Section 11.08. GOVERNING LAW; CONSENT TO JURISDICTION. THIS AGREEMENT SHALL BE CONSTRUED (BOTH AS TO VALIDITY AND TO PERFORMANCE) UNDER THE LAW OF THE STATE OF DELAWARE WITHOUT REFERENCE TO ANY CONFLICT OF LAWS PRINCIPLES THAT WOULD PROVIDE FOR THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BROUGHT AGAINST ANY OF THE PARTIES HERETO WITH RESPECT TO THIS AGREEMENT SHALL BE BROUGHT EXCLUSIVELY IN (i) THE CHANCERY COURT IN THE STATE OF DELAWARE, OR (ii) IF THE CHANCERY COURT DOES NOT HAVE JURISDICTION, THEN ANY OTHER DELAWARE STATE COURT OR FEDERAL DISTRICT COURT FOR THE DISTRICT OF DELAWARE HAVING JURISDICTION OVER SUCH MATTER. EACH PARTY HERETO HEREBY IRREVOCABLY CONSENTS, FOR ITSELF AND ITS LEGAL REPRESENTATIVES, PARTNERS, SUCCESSORS AND ASSIGNS, TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS FOR ALL PURPOSES IN CONNECTION WITH ANY ACTION OR PROCEEDING WHICH ARISES FROM OR RELATES TO THIS AGREEMENT, HEREBY WAIVES ANY DEFENSE OR OPPOSITION TO SUCH JURISDICTION, AND HEREBY WAIVES ANY RIGHTS IT MAY HAVE TO PERSONAL SERVICE OF SUMMONS, COMPLAINT, OR OTHER PROCESS IN CONNECTION THEREWITH, AND AGREES THAT SERVICE MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO SUCH PARTY AND SENT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 11.01 HEREOF.

Section 11.09. Specific Performance. The parties hereby acknowledge and agree that the failure of any party to this Agreement timely to perform its agreements and covenants hereunder will cause substantial and irreparable injury to the other parties to this Agreement for which damages, even if available, will not be an adequate remedy. Accordingly, each of the parties hereto hereby consents to the granting of equitable relief (including specific performance and injunctive relief) by any court having jurisdiction over the matter to enforce any party's obligations hereunder. The parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such equitable relief, and that this Section 11.09 is without prejudice to any other rights that the parties hereto may have for any failure to perform this Agreement. The parties further agree not to assert in any proceeding that grounds for any equitable relief are not satisfied. The parties acknowledge that because of the particular and unique voting control of the Class A Common Stock held by the Northwest Parties as of the date of this Agreement and the Series B Preferred Stock to be received by NW Parent in accordance with this Agreement, the making available of equitable remedies (including specific performance and injunctive relief) in this Agreement was a condition to each party's entering into this Agreement.

Section 11.10. Counterparts. This Agreement may be executed in multiple counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 11.11. Other Rights. Subject to the provisions of this Agreement, pending consummation of the transactions contemplated by this Agreement, NW Parent remains entitled to the rights and benefits provided, and remains subject to the obligations imposed, under the Governance Agreement and the Voting Trust Agreement dated as of November 20, 1998, as amended.

Section 11.12. Further Assurances. Each of the parties to this Agreement will cooperate and use its reasonable efforts to take or cause to be taken all reasonable actions, to cooperate reasonably with the other parties hereto with respect to such actions, and to do or cause to be done all things reasonably necessary or advisable to consummate and make effective the transactions contemplated by this Agreement.

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

CONTINENTAL AIRLINES, INC.

By:

-----  
Name: Jeffery A. Smisek  
Title: Executive Vice President, General Counsel  
and Secretary

NORTHWEST AIRLINES CORPORATION

By:

-----  
Name: Douglas M. Steenland  
Title: Executive Vice President, General Counsel  
and Secretary

NORTHWEST AIRLINES HOLDINGS CORPORATION

By:

-----  
Name: Douglas M. Steenland  
Title: Executive Vice President, General Counsel  
and Secretary

NORTHWEST AIRLINES, INC.

By:

-----  
Name: Douglas M. Steenland  
Title: Executive Vice President, General Counsel  
and Secretary

AIR PARTNERS, L.P.

By: Northwest Airlines, Inc., its General Partner

By:

-----  
Name: Douglas M. Steenland  
Title: Executive Vice President, General Counsel  
and Secretary

[SIGNATURE PAGE TO OMNIBUS AGREEMENT]



ANNEX A  
DEFINITIONS

"1992 Air, Inc." means 1992 Air, Inc., a Texas corporation.

"Affiliate" means a Person controlling, controlled by or under common control with another Person. For this purpose, "control" means the ability to direct the management and affairs of a Person, whether through ownership of securities, by contract or otherwise.

"Agreement" has the meaning ascribed to such term in the introductory paragraph of this document.

"Air Partners" has the meaning ascribed to such term in the introductory paragraph of this document.

"Alliance Agreement" means that certain Master Alliance Agreement, dated as of January 25, 1998, between Continental and Northwest, as amended from time to time.

"Amended and Restated Certificate of Incorporation" means the Amended and Restated Certificate of Incorporation, in the form attached hereto as Exhibit 1.

"Amended and Restated Rights Agreement" means the Amended and Restated Rights Agreement, in the form attached hereto as Exhibit 9.

"Amendment of Alliance Agreement" has the meaning set forth in Section 4.01.

"Ancillary Agreement" means any of the Termination of Amended and Restated Governance Agreement, Termination of Supplement Agreement, Amended and Restated Rights Agreement, Amendment of Alliance Agreement, Registration Rights Amendment, Reoffer Purchase Agreement, Standstill Agreement or Voting Trust Termination Agreement; collectively, the "Ancillary Agreements."

"Authorization" means any franchise, permit, license, authorization, order, certificate, registration or other consent or approval granted by any Court or Governmental Authority.

"Board of Directors" means the board of directors of Continental.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday unless such day shall be a day when financial institutions in New York City, Houston or Minneapolis are authorized by Law to close.

"Claim" and "Claims" have the meaning ascribed to such term in Section 9.02.

"Class A Common Stock" means the Class A Common Stock, par value \$0.01 per share, of Continental.

"Class A Purchase Price" has the meaning ascribed to such term in Section 2.02.

"Class B Common Stock" means the Class B Common Stock, par value \$0.01 per share, of Continental.

"Closing" has the meaning ascribed to such term in Section 5.01.

"Closing Conditions" means those conditions to the closing of the transactions contemplated hereby contained in Article IV.

"Closing Date" has the meaning ascribed to such term in Section 5.01.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Continental" has the meaning ascribed to such term in the introductory paragraph of this document.

"Continental Stockholders Meeting" has the meaning ascribed to such term in Section 8.01(b).

"Court" means any court or arbitration tribunal established and functioning under the Laws of any nation or state, including the United States of America, or any political subdivision thereof, including any state of the United States of America.

"DOJ Action" has the meaning ascribed to such term in Section 8.01(f).

"Effective Time" has the meaning ascribed to such term in Section 5.01(c)(i).

"Equity Securities" means the shares of capital stock of a corporation, or securities that are convertible into or exchangeable for such capital stock, the partnership interests in a limited partnership or the equity interests in any other legal entity.

"Form of Transfer Restriction Agreement" means the Form of Transfer Restriction Agreement in the form attached hereto as Exhibit 11.

"Governmental Authority" means any national, federal, regional, state, local or other governmental agency, authority, administrative agency, regulatory body, commission or instrumentality (other than a Court), including any multinational authority having governmental or quasi-governmental powers.

"Indemnified Party" has the meaning ascribed to such term in Section 9.03.

"Indemnifying Party" has the meaning ascribed to such term in Section 9.03.

"Investment Agreement" means that certain Investment Agreement, dated as of January 25, 1998, among NW Parent, NW Holdings, Air Partners, the Partners of Air Partners, signatory thereto, Bonderman Family Limited Partnership, 1992 Air, Inc. and Air Saipan, Inc., as amended.

"Irrevocable Instruction Pursuant to Voting Trust Agreement" means the Irrevocable Instruction Pursuant to Voting Trust Agreement in the form attached hereto as Exhibit 10.

"Laws" means all laws, statutes and ordinances of any nation or state, including the United States of America, and any political subdivision thereof, including any state of the United States of America, including all decisions of Courts having the effect of law in any such jurisdiction.

"Lien" means any mortgage, pledge, security interest, adverse claim, encumbrance, lien or charge of any kind (including any agreement to give any of the foregoing), any conditional sale or other title retention agreement, any lease in the nature thereof or the filing of or agreement to give any financing statement under the Laws of any jurisdiction.

"Master Alliance Agreement" means that certain Master Alliance Agreement, dated as of January 25, 1998, between Continental and Northwest, as amended from time to time.

"Material" means, when used in the context of any representation, warranty, covenant or condition with respect to a Person, material to the business, assets, results of operations or condition (financial or otherwise) of the specified Person and its Subsidiaries, if any, taken as a whole.

"Material Adverse Effect" means, when used in any representation, warranty, covenant or condition of a Person, any condition, circumstance, event, change or effect that would be material and adverse to the business, assets, results of operations or condition (financial or otherwise) of the specified Person and its Subsidiaries, if any, taken as a whole.

"Northwest" has the meaning ascribed to such term in the introductory paragraph of this document.

"Northwest Parties" has the meaning ascribed to such term in the introductory paragraph of this document.

"NW Holdings" has the meaning ascribed to such term in the introductory paragraph of this document.

"NW Parent" has the meaning ascribed to such term in the introductory paragraph of this document.

"Order" means any judgment, order or decree of any Court or Governmental Authority of competent jurisdiction.

"Person" means an individual, partnership, limited liability company, corporation, joint stock company, trust, estate, joint venture, association or unincorporated organization, or any other form of business or professional entity, but shall not include a Court or Governmental Authority.

"Proxy Statement" has the meaning ascribed to such term in Section 8.01(a).

"Reclassification" has the meaning ascribed to such term in Section 4.04(a).

"Registration Rights Amendment" means the Amendment No. 1 to Amended and Restated Registration Rights Agreement, substantially in the form attached hereto as Exhibit 7.

"Regulation" means any regulations, policies, protocols, proclamations, executive orders and ordinances issued or otherwise applicable under applicable Laws or issued or promulgated by any Governmental Authority having the effect of Law or any rule or regulation of any self-regulatory organization, such as a national Shares exchange in the United States of America.

"Reoffer Purchase Agreement" means that certain Reoffer Purchase Agreement, dated as of November 15, 2000, among Continental, NW Parent, NW Holdings, Air Partners and 1992 Air, Inc., substantially in the form attached hereto as Exhibit 8.

"Repurchased Class A Shares" has the meaning ascribed to such term in Section 2.01.

"Rights Agreement" means Continental's stockholder rights agreement adopted November 20, 1998.

"SEC" has the meaning ascribed to such term in Section 8.01(a).

"Series B Certificate of Designations" means the Certificate of Designations of Series B Preferred Stock of Continental, in the form attached hereto as Exhibit 3 (and providing for the Form of Transfer Restriction Agreement).

"Series B Purchase Price" has the meaning ascribed to such term in Section 3.02.

"Series B Share" means the single share of Series B Preferred Stock, par value \$0.01, of Continental, having the rights, preferences and powers as set forth in the Series B Certificate of Designations.

"Standstill Agreement" means the Standstill Agreement, substantially in the form attached hereto as Exhibit 6.

"Subsidiary" means, with respect to a specified Person, any corporation, partnership, limited liability company, joint venture or other legal entity of which the specified Person (either alone or through or together with any other Subsidiary) owns, directly or indirectly, 50 percent or more of the stock or other equity or partnership interests the holders of which are generally

entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

"Tax" or "Taxes" means all income, profits, franchise, withholding, ad valorem, employment, social security, disability, occupation, property, severance and excise taxes imposed on behalf of any Governmental Authority.

"Terminating Continental Breach" has the meaning ascribed to such term in Section 10.01(c).

"Terminating NW Breach" has the meaning ascribed to such term in Section 10.01(b).

"Termination Date" has the meaning ascribed to such term in Section 10.01(d).

"Termination of Amended and Restated Governance Agreement" means the Termination of Amended and Restated Governance Agreement, substantially in the form attached hereto as Exhibit 4.

"Termination of Supplement Agreement" means the Termination of Supplement Agreement, substantially in the form attached hereto as Exhibit 5.

"Trustee" means Wilmington Trust Company, a Delaware banking corporation, in its capacity as trustee under the Voting Trust Agreement.

"United States Dollars" (including "Dollars," "U.S. Dollars" and "U.S.\$") means the lawful currency of the United States of America.

"U.S. GAAP" means accounting principles generally accepted in the United States of America.

"Voting Trust" means the voting trust established pursuant to the Voting Trust Agreement.

"Voting Trust Agreement" means that certain Northwest Airlines/Air Partners Voting Trust Agreement, dated as of November 20, 1998, by and among Continental, NW Parent, NW Holdings, Air Partners and the Trustee, as amended to date.

"Voting Trust Termination Agreement" means the Termination of Northwest Airlines/Air Partners Voting Trust Termination Agreement, substantially in the form attached hereto as Exhibit 2.

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
CONTINENTAL AIRLINES, INC.

(ORIGINALLY INCORPORATED ON APRIL 7, 1980  
UNDER THE NAME PEOPLE EXPRESS, INC.)

ONE: The name of this corporation is Continental Airlines, Inc. (the "Corporation").

TWO: The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the Corporation's registered agent at such address is The Corporation Trust Company.

THREE: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware ("GCL").

FOUR: The total number of shares of all classes of capital stock which the Corporation shall have the authority to issue is 210 million shares, par value \$.01 per share, of which 10 million shall be Preferred Stock ("Preferred Stock") and 200 million shall be Class B Common Stock ("Class B Common Stock"). The powers, designations, preferences and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions of each class of stock shall be governed by the following provisions:

SECTION 1. PREFERRED STOCK. The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized (i) to provide by

resolution or resolutions from time to time for the issuance of shares of Preferred Stock in one or more series, (ii) to establish from time to time the number of shares to be included in each such series, (iii) (to the extent not expressly provided for herein) to fix the designations, powers, preferences and relative, participating, optional or other special rights of the shares of each such series and the qualifications, limitations or restrictions, if any, thereof, by filing one or more certificates pursuant to the GCL (hereinafter, referred to as a "Preferred Stock Designation"), and (iv) to increase or decrease the number of shares of any such series to the extent permitted by the GCL and the Preferred Stock Designation. The authority of the Board of Directors with respect to each series shall include, but not be limited to, determination of the following:

(i) The designation of the series, which may be by distinguishing the number, letter or title of such series.

(ii) The number of shares of the series.

(iii) Whether dividends, if any, shall be paid in cash or in capital stock or other securities, whether such dividends shall be cumulative (and, if so, from which date or dates for each such series) or noncumulative, the preference or relation which such dividends, if any, shall bear to the dividends payable on any other class or classes or any other series of capital stock, and the dividend rate, if any, of the series.

(iv) Conditions and dates upon which dividends, if any, shall be payable.

(v) The redemption rights and redemption price or prices, if any, for shares of the series.

(vi) The terms and amount of any sinking fund provided for the purchase or redemption of shares of the series.

(vii) The amounts payable on and the preferences, if any, of shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

(viii) Whether the shares of the series shall be convertible into or exchangeable for shares of any other class or series of capital stock, or any other security, of the Corporation or any other corporation and, if so, the specification of such other class or series or such other security, the conversion or exchange price or prices or rate or rates, any adjustments thereof, the date or dates at which such shares shall be convertible or exchangeable and all other terms and conditions upon which such conversion or exchange may be made.

(ix) Restrictions on the issuance of shares of the same series or of any other class or series.

(x) The voting rights, if any, of the holders of shares of the series, whether as a class or otherwise, with respect to the election of directors or otherwise.

(xi) The price or other consideration for which shares of the series shall be issued and, if deemed desirable, the stated value or other valuation of the shares constituting such series.

(xii) Any other relative rights, preferences and limitations of that series. Notwithstanding anything to the contrary in this Amended and Restated Certificate of Incorporation or in a Preferred Stock Designation, the holders of Preferred Stock shall not be entitled to vote separately as a class with respect to any amendment to this Amended and Restated Certificate of Incorporation to increase the number of authorized shares of Preferred Stock. Pursuant to the authority conferred by this Article Four, the following series of Preferred Stock has been designated, such series consisting of such number of shares, with such voting



powers and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions therefor as are stated and expressed in the exhibit with respect to such series attached hereto as specified below and incorporated herein by reference:

EXHIBIT A: Series A Junior Participating Preferred Stock

SECTION 2. CLASS B COMMON STOCK. All shares of Class B Common Stock shall be identical and will entitle the holders thereof to the same rights and privileges, except as otherwise provided herein. Except as may be provided herein or in a Preferred Stock Designation, the holders of shares of Class B Common Stock shall be entitled to receive, when and if declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in stock or otherwise.

(a) VOTING RIGHTS.

(i) Except as provided in Article Six, each registered holder of Class B Common Stock shall be entitled to one vote for each share of such stock held by such holder.

(ii) Except as otherwise provided in this Article Four or required by law,

(A) Class B Common Stock shall be entitled to elect directors of the Corporation as provided for in Section 1 of Article Five; and

(B) Class B Common Stock shall be entitled to vote on all other matters submitted to a vote of stockholders of the Corporation.

(b) DIVIDENDS. Any dividend or distribution on the Class B Common Stock shall be payable on shares of Class B Common Stock ratably.

(c) LIQUIDATION. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after payment or provision for payment of the

debts and other liabilities of the Corporation, including the liquidation preferences of any series of Preferred Stock, the holders of shares of Class B Common Stock shall be entitled to share ratably in the remaining net assets of the Corporation. Neither the merger or consolidation of the Corporation, nor the sale, lease or conveyance of all or part of its assets, shall be deemed to be a liquidation, dissolution or winding up of the Corporation, either voluntarily or involuntarily, within the meaning of this Section 2(c).

Upon the effectiveness of this Amended and Restated Certificate of Incorporation (the "Effective Time"), each issued share of Class A Common Stock, par value \$.01 per share (the "Class A Common Stock"), of the Corporation shall be reclassified, changed and converted into 1.32 shares of Class B Common Stock; provided, however, in lieu of any fractional shares of Class B Common Stock to which any holder of Class A Common Stock would otherwise be entitled pursuant hereto (aggregating for this purpose all of the shares of Class A Common Stock owned of record by such stockholder), such stockholder shall be entitled to receive a cash payment (the "Cash Payment") equal to the closing price of the Class B Common Stock on the New York Stock Exchange on the date this Amended and Restated Certificate of Incorporation becomes effective multiplied by such fraction. Outstanding stock certificates registered in the name of each record holder thereof that, prior to the Effective Time, represented issued shares of Class A Common Stock shall, after the Effective Time represent a number of whole shares of Class B Common Stock equal to 1.32 times the number of shares of Class A Common Stock such certificates represented immediately prior to the Effective Time rounded down to the nearest whole share, plus the right of the record holder thereof to receive the Cash Payment until such certificates are presented to the Corporation or its transfer agent for transfer or reissue in

which event the Corporation or its transfer agent shall issue stock certificates representing the appropriate number of shares of Class B Common Stock plus the Cash Payment.

FIVE: The Board of Directors of the Corporation shall consist of such number of directors as may be determined from time to time by the Board of Directors in its sole discretion in accordance with Section 2.1 of the Bylaws of the Corporation, subject to the rights of the holders of any class or series of preferred stock of the Corporation, as set forth in a Preferred Stock Designation, to elect additional Directors under specified circumstances, and shall be subject to the following provisions:

SECTION 1: ELECTION. Holders of Class B Common Stock shall elect all directors of the Corporation (other than directors, if any, which holders of any series of Preferred Stock are entitled to elect pursuant to the provisions of the certificate of designations establishing such series). Except as otherwise consistent with applicable statutory, regulatory and interpretive restrictions regarding foreign ownership or control of U.S. air carriers, all directors shall be U.S. Citizens (as defined in Article Six, Section 1 hereof). The election of directors need not be by written ballot except as may otherwise be provided in the Bylaws. In connection with each annual election of directors of the Corporation, the Board of Directors shall nominate the Chief Executive Officer of the Corporation for election as a director.

SIX:

SECTION 1. LIMITATION OF VOTING RIGHTS. Notwithstanding anything to the contrary contained in this Amended and Restated Certificate of Incorporation, at no time shall shares of capital stock of the Corporation be voted by, or at the direction of, Persons ("Aliens") who are not "citizens of the United States" as defined in 49 U.S.C. 40102(15), as now in effect or

as it may hereafter from time to time be amended ("U.S. Citizens"), unless such shares are registered on the separate stock record maintained by the Corporation for the registration of ownership of Voting Stock, as defined in the Bylaws, by Aliens. The Bylaws may contain provisions to implement this provision.

SECTION 2. BYLAWS, ETC.

(a) The Bylaws of the Corporation may make appropriate provisions to effect the requirements of this Article Six.

(b) All certificates representing Class B Common Stock or any other Voting Stock of the Corporation are subject to the restrictions set forth in this Article Six.

(c) A majority of the directors of the Corporation shall have the exclusive power to determine all matters necessary to determine compliance with this Article Six; and the good faith determination of a majority of the directors on such matters shall be conclusive and binding for all the purposes of this Article Six.

SECTION 3. BENEFICIAL OWNERSHIP INQUIRY.

(a) The Corporation may by notice in writing (which may be included in the form of proxy or ballot distributed to stockholders of the Corporation in connection with the annual meeting (or any special meeting) of the stockholders of the Corporation, or otherwise) require a Person that is a holder of record of equity securities of the Corporation or that the Corporation knows to have, or has reasonable cause to believe has, Beneficial Ownership of equity securities of the Corporation to certify in such manner as the Corporation shall deem appropriate (including by way of execution of any form of proxy or ballot by such Person) that, to the knowledge of such Person:

(i) all equity securities of the Corporation as to which such Person has record ownership or Beneficial Ownership are owned and controlled only by U.S. Citizens; or

(ii) the number and class or series of equity securities of the Corporation owned of record or Beneficially Owned by such Person that are owned or controlled by Aliens are as set forth in such certificate.

As used herein, "Beneficial Ownership," "Beneficially Owned," or "Owned Beneficially" refers to beneficial ownership as defined in Rule 13d-3 (without regard to the 60-day provision in paragraph (d)(1)(i) thereof) under the Securities Exchange Act of 1934, as amended. As used herein, "Person" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a trust or other entity.

(b) With respect to any equity securities identified by such Person in response to Section 3(a)(ii) of this Article Six, the Corporation may require such Person to provide such further information as the Corporation may reasonably require in order to implement the provisions of this Article Six.

(c) For purposes of applying the provisions of this Article Six with respect to any equity securities of the Corporation, in the event of the failure of any Person to provide the certificate or other information to which the Corporation is entitled pursuant to this Section 3, the Corporation shall presume that the equity securities in question are owned or controlled by Aliens.

SEVEN: As permitted by the GLC, the approval of the holder of the share of Series B Preferred Stock (the "Special Stock") of the Corporation that will be issued to Northwest Airlines, Inc., a Minnesota corporation ("Northwest"), pursuant to the Omnibus

Agreement, dated as of November 15, 2000 (the "Omnibus Agreement"), among the Corporation, Northwest, Northwest Airlines Holdings Corporation, a Delaware corporation, Northwest Airlines Corporation, a Delaware corporation, and Air Partners, L.P., a Texas limited partnership, given in writing, shall, until such time as the Special Stock becomes redeemable in accordance with its terms (or the earlier repurchase of the Special Stock by the Corporation), be necessary to authorize, approve, effect or validate (a) any amendment to the Amended and Restated Rights Agreement by and between the Corporation and ChaseMellon Shareholder Services, LLC, a New Jersey limited liability company, as rights agent, or any successor thereto, as in effect immediately following the closing of the transactions contemplated by the Omnibus Agreement (the "Rights Agreement") or any successor rights agreement, or the Preferred Shares (as defined in the Rights Agreement) or (b) the redemption of the Rights (as that term is defined in the Rights Agreement) pursuant to Section 23 of the Rights Agreement or any corresponding provision or provisions of a successor rights agreement. Notwithstanding the foregoing, no such approval shall be required if (i) in the case of an amendment to the Rights Agreement, such amendment (taking into account the effect of such amendment and all other amendments adopted subsequent to the closing of the transactions under the Omnibus Agreement) (A) does not permit a Person that is a Major Carrier (as defined in the Certificate of Designations for the Special Stock) or an Affiliate (as defined in the Rights Agreement) of a Major Carrier to enter into a particular transaction without becoming an Acquiring Person (as defined in the Rights Agreement) in such transaction where, but for such amendment, such Person would have otherwise become an Acquiring Person in such transaction (provided, any amendment to the Rights Agreement that designates a Person as an Exempt

Person or otherwise exempts a Person from the definition of Acquiring Person shall provide that such Person's status as an Exempt Person (or such Person's exemption from the definition of Acquiring Person) shall remain effective only for so long as such Person is not a Major Carrier or an Affiliate of a Major Carrier), (B) does not mitigate in any material respect the adverse consequences to a Person as a result of its becoming an Acquiring Person, (C) does not amend in any material respect Section 27 of the Rights Agreement, (D) does not alter the provisions of Section 23(a) relating to the redemption of the Rights, and (E) does not extend the time during which the rights may be redeemed; or (ii) in the case of a redemption of the Rights, such redemption is in connection with a bona fide transaction involving one or more Persons, none of which is, or is an Affiliate of, a Major Carrier, which Person or Persons would otherwise become an Acquiring Person in such transaction and which transaction has either a reasonable likelihood or a purpose of producing, either directly or indirectly, any of the effects described in paragraph (a)(3)(ii) of Rule 13e-3 (as in effect on November 15, 2000) promulgated under the Securities Exchange Act of 1934, as amended, and the Corporation need not adopt a new rights agreement after such redemption except to the extent required by the following proviso; provided, that in the case of any such redemption or other state of affairs in which a rights agreement in the form of the Rights Agreement (subject to any amendments that may be made without the approval of the holder of the Special Stock (as described in this Article Seven)) is not in effect with rights having been issued thereunder, the Corporation shall, as applicable, (i) reissue the Rights, or (ii) issue rights pursuant to a rights agreement with provisions identical in all material respects as those contained in the Rights Agreement (subject to amendments that may be made without the approval of the holder of the Special Stock as described above), in each case as promptly as practicable in the event any class of common stock of the Corporation becomes registered under Section 12(b) or Section 12(g) of the Securities Exchange Act of 1934, as amended. Except as

otherwise expressly provided above and unless the Special Stock becomes redeemable in accordance with its terms or is repurchased by the Corporation, the Corporation shall take all necessary action to have in effect a rights agreement with terms and conditions identical in all material respects to the terms and conditions of the Rights Agreement (subject to amendments that may be made without the approval of the holder of the Special Stock as described above) and to issue the rights created thereunder in accordance with such rights agreement. Notwithstanding the foregoing, the definition of Acquiring Person in the Rights Agreement may be amended by changing all or some of the references therein to 15% to any percentage less than 25%.

EIGHT: Except as otherwise expressly provided herein, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

NINE: Effective as of the Consummation Date (as defined in the Investment Agreement, dated November 9, 1992, among Air Canada, a Canadian corporation, Air Partners, L.P., a Texas limited partnership, the Corporation and Continental Airlines Holdings, Inc., as amended), the Corporation elects not to be governed by Section 203 of the General Corporation Law of the State of Delaware.

TEN: No Director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except for liability (i) for any breach of the Director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the GCL, or (iv) for any transaction from which the Director derived any improper personal benefit. If the GCL is amended after the date of the filing of this Amended and Restated Certificate of Incorporation to authorize



corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the GCL, as so amended. No amendment to or repeal of this Article Ten shall affect in a manner adverse to any such Director the liability or alleged liability of such Director for or with respect to any acts or omissions of such Director or member occurring prior to such amendment or repeal.

ELEVEN: The Corporation shall indemnify, to the full extent permitted by the laws of the State of Delaware as from time to time in effect, each Director and officer of the Corporation, and may indemnify each employee and agent of the Corporation, and all other persons whom the Corporation is authorized to indemnify under the provisions of the GCL.

TWELVE: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, and any other provisions authorized by the laws of the State of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law and this Amended and Restated Certificate of Incorporation and subject to the rights, preferences and powers of any series of Preferred Stock as set forth in a Preferred Stock Designation; and all rights, preferences and privileges of whatsoever nature and conferred upon stockholders, directors or any other Persons whomsoever by and pursuant to this Amended and Restated Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article Twelve.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of the Amended and Restated Certificate of Incorporation of this Corporation, and which has been duly adopted in accordance with Sections 242 and 245 of the Delaware General Corporation Law, has been executed by its duly authorized officer this \_\_\_ day of \_\_\_\_\_, 2001.

CONTINENTAL AIRLINES, INC.

By:

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Jeffery A. Smisek  
Executive Vice President,  
General Counsel and Secretary

## SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

Section 1. Designation and Amount. The shares of this series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be 100,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

## Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any other stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount (if any) per share (rounded to the nearest cent), subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate per share amount of all cash dividends, and 1000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in

shares of Class A Common Stock, par value \$.01 per share (the "Class A Common Stock"), Class B Common Stock, par value \$.01 per share (the "Class B Common Stock") or Class D Common Stock, par value \$.01 per share (the "Class D Common Stock" and, together with the Class A Common Stock and the Class B Common Stock, the "Common Stock"), of the Corporation or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock).

(C) Dividends due pursuant to paragraph (A) of this Section shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly

Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes

per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of votes entitled to be cast by the holders of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of votes entitled to be cast by the holders of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided in the Amended and Restated Certificate of Incorporation, including any other Certificate of Designation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise required by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

#### Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; or

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock; provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series A Preferred Stock.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. The Corporation shall take all such actions as are necessary to cause all such shares to become authorized but unissued shares of Preferred Stock that may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein or in the Restated Certificate of Incorporation, including any Certificate

of Designation creating a series of Preferred Stock or any similar stock, or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount to be distributed per share to holders of shares of Common Stock plus an amount equal to any accrued and unpaid dividends. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount of stock, securities, cash and/or any other property



(payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. Amendment. The Restated Certificate of Incorporation shall not be amended in any manner, including in a merger or consolidation, which would alter, change, or repeal the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and upon liquidation, dissolution and winding up, junior to all series of Preferred Stock.

## CERTIFICATE OF DESIGNATIONS OF

SERIES B PREFERRED STOCK  
(PAR VALUE \$0.01)

OF

CONTINENTAL AIRLINES, INC.

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Pursuant to Section 151 of the  
General Corporation Law of the State of Delaware  
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Continental Airlines, Inc., a Delaware corporation, acting in accordance with Section 151 of the General Corporation Law of the State of Delaware, does hereby submit the following Certificate of Designations of its Series B Preferred Stock.

FIRST: The name of the corporation is Continental Airlines, Inc. (the "CORPORATION").

SECOND: On November 15, 2000, and in accordance with authority conferred upon the Board of Directors of the Corporation (the "BOARD") by the Amended and Restated Certificate of Incorporation of the Corporation (as the same may be amended or modified from time to time, the "CERTIFICATE OF INCORPORATION"), the Board adopted the following resolutions:

WHEREAS, the Certificate of Incorporation authorizes 10,000,000 shares of preferred stock, par value \$.01 per share (the "PREFERRED STOCK"), issuable from time to time in one or more series;

WHEREAS, the Board is authorized, subject to certain limitations prescribed by law and certain provisions of the Certificate of Incorporation, to establish and fix the number of shares to be included in any series of Preferred Stock and the designations, rights, preferences, powers, restrictions and limitations of the shares of such series;

WHEREAS, the Board deems it advisable to establish a series of Preferred Stock, designated as Series B Preferred Stock, par value \$.01 per share; and

WHEREAS, the sole share of such series is to be issued to Northwest Airlines, Inc. ("NORTHWEST"), at the closing of the transactions contemplated by, and as an inducement to the Northwest Parties (as defined below) to enter into, the Omnibus Agreement, dated as of November 15, 2000 (the "OMNIBUS AGREEMENT"), among Northwest, Northwest Airlines Holdings Corporation, Northwest Airlines Corporation, Air Partners, L.P. (together, the "NORTHWEST PARTIES") and the Corporation, and in connection with the amendment to the Master Alliance Agreement dated as of January 25, 1998 between Northwest and the Corporation (the "MASTER ALLIANCE AGREEMENT"), which amendment is being entered into pursuant to, and will be effective at the Effective Time as defined in, the Omnibus Agreement;

NOW, THEREFORE, BE IT RESOLVED, that the series of Preferred Stock designated as Series B Preferred Stock, is hereby authorized and established; and

FURTHER, RESOLVED, that the Board does hereby fix and determine the designations, rights, preferences, powers, restrictions and limitations of the Series B Preferred Stock as follows:

SECTION 1. NUMBER OF SHARES AND DESIGNATION.

The designation of the series of Preferred Stock created by this resolution shall be "Series B Preferred Stock" (hereinafter called this "SERIES"), and the number of shares constituting this Series shall be one (the "Share"). The Share shall have a stated value of \$100 and a liquidation preference of \$100 (the "LIQUIDATION PREFERENCE"), as described herein. The number of authorized shares of this Series shall not be increased or reduced without the affirmative vote or written consent of the holder of the Share, voting separately as a class.

SECTION 2. DIVIDENDS.

No dividends shall be payable in respect of the Share.

SECTION 3. REDEMPTION.

(1) The Share shall not be redeemable by the Corporation except that it may be redeemed, at the option of the Corporation, for an amount equal to the Liquidation Preference upon or following the occurrence of any one of following (each, a "REDEMPTION EVENT"):

(A) the sale, transfer, assignment, pledge, option or other disposition of the Share or any of the beneficial or voting interest therein (other than a voting interest that does not constitute an Encumbrance (as defined below), including any security derivative of such interest, by any of the Northwest Parties or their respective successors to any other Person, other than to a successor in interest to Northwest by operation of law that owns directly all or substantially all of the Airline Assets owned by Northwest, or the Encumbrance of the Share by any of the Northwest Parties or their respective successors;

(B) a NW Change of Control, unless the Corporation shall have previously notified Northwest in writing that a NW Change of Control will not be deemed to occur by virtue of the relevant event;

(C) any of the Northwest Parties committing (i) an inadvertent breach of any provision of Section 1.01, Section 1.03(a) or Section 1.04 of the Standstill Agreement being entered into by the Corporation and certain of the Northwest Parties in accordance with the Omnibus Agreement that is not cured within fifteen

days of receipt by Northwest of notice from the Corporation of such breach or (ii) any other breach in any material respect of Section 1.01, 1.03(a) or 1.04 or any breach in any material respect of Section 1.02, 1.03(b), 1.03(c), 1.03(d), 1.03(e), 1.03(f) or 1.03(g) (but only to the extent that the actions covered by Section 1.03(g) relate to Section 1.03(b), 1.03(c), 1.03(d), 1.03(e) or 1.03(f)) of the Standstill Agreement;

(D) the taking of any action by any of the Northwest Parties which has the effect or result of, or any of the Northwest Parties otherwise causing, any of them to become an "Acquiring Person" under the Amended and Restated Rights Agreement (as defined in the Omnibus Agreement), as amended from time to time (the "RIGHTS AGREEMENT"), or any successor agreement; or

(E) the Master Alliance Agreement, as amended from time to time, being terminated or expiring, other than as a result of a breach or wrongful termination thereof by the Corporation or its successor thereunder.

(2) Notice of redemption of the Series B Preferred Stock shall be sent by or on behalf of the Corporation, by first class mail, postage prepaid, to Northwest at its address as it shall appear on the records of the Corporation, (i) notifying Northwest of the redemption of the Share and (ii) stating the place at which the certificate evidencing the Share shall be surrendered. The Corporation shall act as the transfer agent for the Series B Preferred Stock.

(3) From and after the notice of redemption having been duly given, and the redemption price having been paid or irrevocably set aside for payment, the Share shall no longer be, or be deemed to be, outstanding for any purpose, and all rights, preference and powers (including voting rights and powers) of the holder of the Share shall automatically cease and terminate, except the right of Northwest, upon surrender of the certificate for the Share, to receive the redemption price.

#### SECTION 4. VOTING.

Neither the Share nor its holder (in respect of the Share) shall have any voting rights or powers either general or special, except:

(1) As required by law;

(2) The affirmative vote or written consent of the holder of the Share, voting separately as a class, given in person or by proxy, shall be necessary for authorizing, approving, effecting or validating:

(A) the amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation or any certificate amendatory thereto or supplemental thereto (including this Certificate of Designations), whether by merger,

consolidation or otherwise, that would adversely affect the powers, designations, preferences and relative, participating or other rights of the Share;

(B) any amendment, alteration or repeal of, or the adoption of any provision inconsistent with, any of the provisions of Article SEVEN of the Certificate of Incorporation, whether by merger, consolidation or otherwise;

(C) any CO Change of Control (as defined below), with respect to which the stockholders of Continental or its successor are entitled to vote, whether pursuant to applicable law or the rules of the national securities exchange or market system on which the common stock of the Corporation or its successor is principally traded;

(D) any dividend or distribution of all or substantially all of the Airline Assets (as defined below), including a dividend or distribution that includes the shares of any Subsidiary holding, directly or indirectly, all or substantially all of the Airline Assets, of the Corporation or its successor and its Subsidiaries, taken as a whole, (other than a dividend or distribution to a Holding Company the creation of which was previously subject to clause (F) below), whether as part of a single dividend or distribution or a related series thereof;

(E) any sale, transfer or other disposition, directly or indirectly, by the Corporation or its successor of all or substantially all of its Airline Assets to one or more of its Affiliates in one or a series of related transactions, provided that no such vote shall be required if (x) each such transferee of assets issues to Northwest or its successor, for a purchase price of \$100, a share of preferred stock of such transferee having powers, designations, preferences and relative, participating or other rights, and restrictions and limitations thereof, with respect to such transferee that are identical to the powers, designations, preferences and relative, participating or other rights, and restrictions and limitations thereof, of this Series with respect to the Corporation, provided, that such newly issued share may differ from the Share as may be reasonably necessary and appropriate to reflect that such new entity and not the Corporation is the issuer thereof or any other non-material changes that do not adversely affect the rights of the holder thereof, (y) a rights plan with terms and conditions identical in all material respects to those provided under the Rights Agreement (except that any Person that would otherwise be an Acquiring Person (as defined in the Rights Agreement) as a result of or in connection with any transaction may be designated as an "Exempt Person" thereunder to the extent that, and only for so long as, such Acquiring Person is not a Major Carrier or an Affiliate of a Major Carrier, and other terms and conditions may be changed if such changes would be permitted under Article SEVEN of the Certificate of Incorporation) is established at each such transferee that has outstanding capital stock registered under Section 12(b) or 12(g) under the Securities Exchange Act of 1934, as amended, and provided, that the initial exercise price established therein is established at a level based upon reasonable and customary valuation practices substantially consistent with

those used in establishing the exercise price in the predecessor agreement to the Rights Agreement, and (z) the certificate of incorporation of each such entity issuing a share of preferred stock in accordance with clause (x) of this paragraph contains provisions in form and substance identical to Article SEVEN of the Certificate of Incorporation, subject to appropriate modifications, if applicable, as may be necessary to reflect that a rights plan may not yet be required to be put into effect;

(F) any reorganization or restructuring of, or any other transaction involving, the Corporation or its successor and any of its Subsidiaries the effect of which is to create a new Holding Company (as defined below) other than a transaction subject to Section 4(2)(G), provided that no such vote shall be required if (x) such Holding Company is not a Major Carrier or an Affiliate of a Major Carrier, and it and each of its Subsidiaries owning Airline Assets issue to Northwest or its successor, for a purchase price of \$100, a share of a series of preferred stock of each such company having powers, designations, preferences and relative, participating or other rights, and restrictions and limitations thereof, with respect to each such company that are identical to the powers, designations, preferences and relative, participating or other rights, and restrictions and limitations thereof, of this Series with respect to the Corporation, provided, that such newly issued share may differ from the Share as may be reasonably necessary and appropriate to reflect that such new entity and not the Corporation is the issuer thereof or any other non-material changes that do not adversely affect the rights of the holder thereof, (y) a rights plan with identical terms and conditions in all material respects to those provided under the Rights Agreement (except that any Person that would otherwise be an Acquiring Person (as defined in the Rights Agreement) as a result of or in connection with any transaction may be designated as an "Exempt Person" thereunder to the extent that, and only for so long as, such Acquiring Person is not a Major Carrier or an Affiliate of a Major Carrier, and other terms and conditions may be changed if such changes would be permitted under Article SEVEN of the Certificate of Incorporation) is established at such new Holding Company and each such Subsidiary that has outstanding capital stock registered under Section 12(b) or 12(g) under the Securities Exchange Act of 1934, as amended, and provided, that the initial exercise price established therein is established at a level based upon reasonable and customary valuation practices substantially consistent with those used in establishing the exercise price in the predecessor agreement to the Rights Agreement, and (z) the certificate of incorporation of each such entity issuing a share of preferred stock in accordance with clause (x) of this paragraph contains provisions in form and substance identical to Article SEVEN of the Certificate of Incorporation, subject to appropriate modifications, if applicable, as may be necessary to reflect that a rights plan may not yet be required to be put into effect; or

(G) any transaction involving the establishment of a new Holding Company, whether as a result of a reorganization, restructuring or otherwise, which new Holding Company does not and will not upon consummation of such

transaction have any outstanding Capital Stock registered under Section 12(b) or 12(g) under the Securities Exchange Act of 1934, as amended, or any transaction involving the Corporation or its successor that has either a reasonable likelihood or a purpose of producing, either directly or indirectly, any of the effects described in paragraph (a)(3)(ii) of Rule 13e-3 (as in effect on the date of issuance of the Share) promulgated under the Securities Exchange Act of 1934, as amended (a "GOING PRIVATE TRANSACTION"), provided that no such vote shall be required if (1) no later than the consummation of such Going Private Transaction or the consummation of the transaction resulting in such new Holding Company, as applicable, each remaining holder of the common stock of Continental or its successor upon consummation of such Going Private Transaction, or each holder of outstanding Capital Stock of such new Holding Company (other than, in the case of a Holding Company that is a limited partnership, limited partners thereof that are not Affiliates of any general partner thereof), as applicable, executes and delivers a transfer restriction agreement to Northwest or its successor in the form of Exhibit 12 to the Omnibus Agreement, and until Continental or such Holding Company, as applicable, has outstanding Capital Stock registered under Section 12(b) or 12(g) under the Securities Exchange Act of 1934, as amended, Continental or such Holding Company, as applicable, agrees to require any Person acquiring Capital Stock from Continental or such Holding Company, as applicable, subject to the preceding parenthetical, likewise to execute and deliver such agreement to Northwest, (2) each of the share certificates representing common stock of Continental or Capital Stock of such Holding Company, as applicable, bears an appropriate legend in accordance with applicable law as to the agreement described in clause (1), and (3) the certificate of incorporation of such new Holding Company contains provisions in form and substance identical to Article SEVEN of the Certificate of Incorporation, subject to appropriate modifications as may be necessary to reflect that a rights plan is not yet required to be put into effect.

(3) The voting rights and powers set forth in Sections 4(2)(B), 4(2)(C), 4(2)(D), 4(2)(E), 4(2)(F) and 4(2)(G) shall automatically terminate if the Share becomes redeemable in accordance with Section 3 hereof.

#### SECTION 5. LIQUIDATION RIGHTS.

(1) Upon the dissolution, liquidation or winding up of the Corporation, the holder of the Share shall be entitled to receive and to be paid out of the assets of the Corporation available for distribution to its stockholders, before any payment or distribution shall be made on the common stock of the Corporation or on any other class of stock ranking junior to the Preferred Stock upon liquidation, the amount of \$100, and no more.

(2) Neither the sale of all or substantially all of the assets or capital stock of the Corporation, nor the merger or consolidation of the Corporation into or with any other corporation or the merger or consolidation of any other corporation into or with the

Corporation, shall be deemed to be a dissolution, liquidation or winding up, voluntary or involuntary, for the purposes of this Section 5.

(3) After the payment to the holder of the Share of the full preferential amount provided for in this Section 5, the holder of the Share as such shall have no right or claim to any of the remaining assets of the Corporation.

SECTION 6. RANKING.

For purposes of this resolution, any stock of any class or classes of the Corporation, other than the Class B Common Stock of the Corporation (as the same may be reclassified, changed or amended from time to time), shall be deemed to rank prior to the Share upon liquidation, dissolution or winding up.

SECTION 7. NO ADDITIONAL RIGHTS.

Except as required by law and except as provided in the Certificate of Incorporation, neither the Series B Preferred Stock nor the holder of the Share, in respect of the Share, shall be entitled to any rights, powers or preferences other than those set forth in this resolution.

SECTION 8. DEFINITIONS.

Capitalized terms not otherwise defined in this Certificate of Designation shall have the following meanings in this Certificate of Designation:

"AFFILIATE" means, as applied to a Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For purposes of this definition "CONTROL" (including, with correlative meanings, the terms "CONTROLLING", "CONTROLLED BY" and "UNDER COMMON CONTROL WITH"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities, by contract or otherwise.

"AIRLINE ASSETS" means those assets used, as of the date of determination, in the relevant Person's operation as an air carrier.

"BENEFICIAL OWNERSHIP" has the meaning given such term in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, as amended.

"CAPITAL STOCK" of any Person means any and all shares, interests, rights to purchase, options, warrants, participation or other equivalents of or interests in (however designated) the equity of such Person, including any preferred stock.

"CO CHANGE OF CONTROL" means:



(i) a merger, reorganization, share exchange, consolidation, tender or exchange offer, private purchase, business combination, recapitalization or similar transaction as a result of which (A) a Major Carrier or a Holding Company of a Major Carrier and a Continental Affected Company are legally combined, (B) a Major Carrier, any of its Affiliates, or any combination thereof acquires, directly or indirectly, Beneficial Ownership of 25% or more of the Capital Stock or Voting Power of a Continental Affected Company, or (C) a Continental Affected Company acquires, directly or indirectly, Beneficial Ownership of 25% or more of the Capital Stock or Voting Power of a Major Carrier;

(ii) the liquidation or dissolution of the Corporation or its successor in connection with which the Corporation or such successor ceases operations as an air carrier;

(iii) the sale, transfer or other disposition of all or substantially all of the Airline Assets of Continental (or its successor) and its Subsidiaries on a consolidated basis directly or indirectly to a Major Carrier, any Affiliate of a Major Carrier or any combination thereof, whether in a single transaction or a series of related transactions;

(iv) the sale, transfer or other disposition of all or substantially all of the trans-Atlantic route network or the Latin American route network of the Corporation or its successor other than to an Affiliate of the Corporation;

(v) the direct or indirect acquisition by a Major Carrier, any of its Affiliates or any combination thereof of Beneficial Ownership of 25% or more of the Capital Stock or Voting Power of a Continental Affected Company;

(vi) the direct or indirect acquisition, whether in a single transaction or a series of related transactions, by a Continental Affected Company of Airline Assets and associated employees, which Airline Assets on a stand alone basis would have pro forma annual passenger revenues for the most recently completed four fiscal quarters for which financial statements can be reasonably prepared in excess of the Revenue Threshold; or

(vii) the execution by a Continental Affected Company of bona fide definitive agreements, the consummation of the transactions contemplated by which would result in a transaction described in the immediately preceding clauses (i), (ii), (iii), (iv), (v) or (vi).

Notwithstanding the foregoing, (A) in no event shall a commercial cooperation agreement (such as the Northwest-KLM trans-Atlantic joint venture), which involves a Major Carrier or any of its Affiliates and a Continental Affected Party, which consists of code sharing, a joint venture or similar arrangement and which does not involve a sale, transfer, or acquisition of Airline Assets, be deemed to be a CO Change of Control, and (B) any such commercial cooperation agreement,

which involves a Major Carrier or any of its Affiliates and a Continental Affected Party, which consists of code sharing, a joint venture or similar arrangement but which does involve a sale, transfer, or acquisition of Airline Assets, shall be deemed to be a CO Change of Control only if such transaction is otherwise within the scope of one or more of the preceding clauses (i) through (vii).

"CONTINENTAL AFFECTED COMPANY" means (a) the Corporation and its successor, (b) any Holding Company of the Corporation, or (c) any Subsidiary of the Corporation or its successor or of any Holding Company of the Corporation, that in any such case owns, directly or indirectly, all or substantially all of the Airline Assets of the Corporation or its successor, such Holding Companies of the Corporation and such Subsidiaries, taken as a whole.

"ENCUMBRANCE" means the direct or indirect grant by any Northwest Party or its successor to any other Person of the sole or shared power or right to vote or consent, or direct the voting or consenting of, the Share in any respect, whether by proxy, voting agreement, arrangement, or understanding (written or otherwise) voting trust, or otherwise (other than a revocable proxy granted to any director, officer or employee of a Northwest Party or the Corporation, or any counsel for any Northwest Party, or any corporate trust officer of Wilmington Trust Company or a national trust company solely for the limited purpose of voting the Share, the instructions for which are given solely by the relevant Northwest Party), or by joining a partnership, limited partnership, syndicate or other voting group or otherwise acting in concert with another Person (other than a revocable proxy referred to above) for the purpose or with the effect of voting or directing the vote of the Share.

"HOLDING COMPANY" means, as applied to a Person, any other Person of whom such Person is, directly or indirectly, a Subsidiary.

"INSTITUTIONAL INVESTOR" shall mean an institutional or other passive investor who, with respect to the securities relating to Voting Power that are the subject of the definition of Subsidiary herein, would be entitled to file a Statement on Schedule 13G (and not required to file a Statement on Schedule 13D) with respect to such securities under the rules promulgated under the Securities Exchange Act of 1934, as amended, in effect on November 15, 2000, but only so long as such investor would not be required to file a Statement on Schedule 13D with respect to such securities.

"MAJOR CARRIER" means an air carrier (other than the Corporation and its successors and any Subsidiary thereof or Northwest Airlines Corporation and its successors and any Subsidiary thereof), the annual passenger revenues of which (including its Subsidiaries' predecessor entities) for the most recently completed fiscal year for which audited financial statements are available are in excess of the Revenue Threshold as of the date of determination (or the U.S. dollar equivalent thereof).

"NORTHWEST AFFECTED COMPANY" means (a) Northwest Airlines Corporation, Northwest and their respective successors, (b) any Holding Company of Northwest Airlines Corporation or Northwest, or (c) any Subsidiary of Northwest Airlines Corporation, Northwest or their respective successors or of any Holding Company or their respective successors, that in any such case owns, directly or indirectly, all or substantially all of the Airline Assets of Northwest Airlines Corporation, Northwest or their respective successors, such Holding Companies of Northwest Airlines Corporation, Northwest and such Subsidiaries, taken as a whole.

"NW CHANGE OF CONTROL" means:

(i) a merger, reorganization, share exchange, consolidation, tender or exchange offer, private purchase, business combination, recapitalization or similar transaction as a result of which (A) a Major Carrier or a Holding Company of a Major Carrier and a Northwest Affected Company are legally combined, (B) a Major Carrier, any of its Affiliates or any combination thereof acquires, directly or indirectly, Beneficial Ownership of 25% or more of the Capital Stock or Voting Power of a Northwest Affected Company, or (C) a Northwest Affected Company acquires, directly or indirectly, Beneficial Ownership of 25% or more of the Capital Stock or Voting Power of a Major Carrier;

(ii) the liquidation or dissolution of Northwest or its successor in connection with which Northwest or such successor ceases operations as an air carrier;

(iii) the sale, transfer or other disposition of all or substantially all of the Airline Assets of Northwest Airlines Corporation (or its successor) and its Subsidiaries on a consolidated basis directly or indirectly to a Major Carrier, any Affiliate of a Major Carrier or any combination thereof, whether in a single transaction or a series of related transactions;

(iv) the sale, transfer or other disposition of all or substantially all of the transpacific route network of Northwest or its successor other than to an Affiliate of Northwest;

(v) the direct or indirect acquisition by a Major Carrier, any of its Affiliates or any combination thereof of Beneficial Ownership of 25% or more of the Capital Stock or Voting Power of a Northwest Affected Company;

(vi) the direct or indirect acquisition, whether in a single transaction or a series of related transactions, by a Northwest Affected Company of Airline Assets and associated employees, which Airline Assets on a stand alone basis would have pro forma annual passenger revenues for the most recently completed four

fiscal quarters for which financial statements can be reasonably prepared in excess of the Revenue Threshold; or

(vii) the execution by a Northwest Affected Company of bona fide definitive agreements, the consummation of the transactions contemplated by which would result in a transaction described in the immediately preceding clauses (i), (ii), (iii) (iv), (v) or (vi).

Notwithstanding the foregoing, (A) in no event shall a commercial cooperation agreement (such as the Northwest-KLM trans-Atlantic joint venture), which involves a Major Carrier or any of its Affiliates and a Northwest Affected Party, which consists of code sharing, a joint venture or similar arrangement and which does not involve a sale, transfer, or acquisition of Airline Assets, be deemed to be a NW Change of Control, and (B) any such commercial cooperation agreement, which involves a Major Carrier or any of its Affiliates and a Northwest Affected Party, which consists of code sharing, a joint venture or similar arrangement but which does involve a sale, transfer, or acquisition of Airline Assets, shall be deemed to be a NW Change of Control only if such transaction is otherwise within the scope of one or more of the preceding clauses (i) through (vii).

"REVENUE THRESHOLD" means one billion dollars (\$1,000,000,000), as such amount may be increased based on the amount by which, for any date of determination, the most recently published Consumer Price Index for all-urban consumers published by the Department of Labor (the "CPI") has increased to such date above the CPI for calendar year 2000. For purposes hereof, the CPI for calendar year 2000 is the monthly average of the CPI for the 12 months ending on December 31, 2000.

"PERSON" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, unincorporated association, joint venture or other entity of whatever nature.

"SUBSIDIARY" (i) of any Person (other than an Institutional Investor) means any corporation, association, partnership, joint venture, limited liability company or other business entity of which more than 40% of the total Voting Power thereof or the Capital Stock thereof is at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person, or (3) one or more Subsidiaries of such Person and (ii) of any Institutional Investor means any corporation, association, partnership, joint venture, limited liability company or other business entity of which more than 50% of the total Voting Power thereof is at the time owned or controlled, directly, by such Institutional Investor.

"VOTING POWER" means, as of the date of determination, the voting power in the general election of directors, managers or trustees, as applicable.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation to be signed by its duly authorized officer this \_\_\_ day of \_\_\_\_\_, 2000.

CONTINENTAL AIRLINES, INC.

By: -----  
Name:  
Title:

TERMINATION OF NORTHWEST AIRLINES/AIR PARTNERS  
VOTING TRUST AGREEMENT

THIS TERMINATION OF NORTHWEST AIRLINES/AIR PARTNERS VOTING TRUST AGREEMENT (this "Termination Agreement") is made as of this 15th day of November, 2000 among Continental Airlines, Inc., a Delaware corporation (the "Company"), and Northwest Airlines Corporation, a Delaware corporation formerly named Newbridge Parent Corporation ("NPC").

WHEREAS, the Company, NPC, Northwest Airlines Holdings Corporation, a Delaware corporation formerly named Northwest Airlines Corporation ("NWA"), Air Partners, L.P., a Texas limited partnership ("Air Partners"), and Wilmington Trust Company, a Delaware banking corporation ("Wilmington Trust"), have entered into the Northwest Airlines/Air Partners Voting Trust Agreement dated as of the 20th day of November, 1998, as amended by the First Amendment dated as of the 8th day of February, 2000 (such agreement, as so amended, the "Voting Trust Agreement").

WHEREAS, the Company, NPC, NWA, Northwest Airlines, Inc., a Minnesota corporation, and Air Partners have entered into the Omnibus Agreement dated as of November 15, 2000 (the "Agreement").

WHEREAS, the terms of the Agreement provide that the Company and NPC shall enter into an agreement terminating the Voting Trust Agreement.

WHEREAS, this Termination Agreement has been approved by a Majority Vote (as that term is defined in the Voting Trust Agreement).

NOW THEREFORE, the Company and NPC, intending to be legally bound, hereby agree as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Voting Trust Agreement.

2. Effective immediately prior to the Effective Time (as that term is defined in the Agreement) as provided in the Agreement, the Trust shall be terminated and shall be of no further force and effect.

3. Effective immediately prior to the Effective Time (as that term is defined in the Agreement) as provided in the Agreement, the Voting Trust Agreement shall be terminated and shall be of no further force and effect, subject to the fulfillment of the obligations of the parties set forth in Sections 4 and 5 below.

4. In accordance with Section 6(b) of the Voting Trust Agreement, NPC shall deliver or cause to be delivered to the Trustee each Stockholder's Voting Trust Certificate and NPC and the Company shall deliver or cause to be delivered to the Trustee all outstanding fees and expenses of the Trustee.

5. Upon delivery to the Trustee of each Stockholder's Voting Trust Certificate, and payment in full of all fees and expenses of the Trustee then outstanding, the Trustee shall promptly deliver to Air Partners, NWA, NPC, and each Depositing Affiliate, as applicable, the certificates representing the Shares deposited in the Trust with respect to which the Voting Trust Agreement shall have been terminated, duly endorsed for transfer by the Trustee, or with duly executed stock powers attached, and shall take all such other actions as are appropriate to cause the transfer of such Shares deposited in the Trust, together with all other property relating to or allocable to such Shares and held by the Trustee for the benefit of Air Partners, NWA, NPC and any Depositing Affiliate, as applicable, pursuant to this Agreement, to Air Partners, NWA, NPC or such Depositing Affiliate, as the case may be.

6. If the Agreement has terminated in accordance with its terms prior to the Effective Time, this Termination Agreement shall be terminated and shall be of no further force and effect.

7. This Termination Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.



IN WITNESS WHEREOF, the parties hereto have caused this Termination of Northwest Airlines/Air Partners Voting Trust Agreement to be executed as of the date first referred to above.

NORTHWEST AIRLINES CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General Counsel  
and Secretary

CONTINENTAL AIRLINES, INC.

By: \_\_\_\_\_  
Jeffery A. Smisek  
Executive Vice President,  
General Counsel and Secretary

Wilmington Trust Company hereby acknowledges the termination of the Trust and the Voting Trust Agreement effective upon the Effective Time (as that term is defined in the Agreement).

WILMINGTON TRUST COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SIGNATURE PAGE TO TERMINATION OF NORTHWEST AIRLINES/AIR PARTNERS  
VOTING TRUST AGREEMENT]

## TERMINATION OF AMENDED AND RESTATED GOVERNANCE AGREEMENT

THIS TERMINATION OF AMENDED AND RESTATED GOVERNANCE AGREEMENT (this "Termination Agreement") is made as of this 15th day of November, 2000 among Continental Airlines, Inc., a Delaware corporation (the "Company"), Northwest Airlines Corporation, a Delaware corporation formerly named Newbridge Parent Corporation (the "Stockholder"), and Northwest Airlines Holdings Corporation, a Delaware corporation formerly named Northwest Airlines Corporation ("Parent").

WHEREAS, the Company, the Stockholder and the Parent have entered into that certain Amended and Restated Governance Agreement, dated as of February 8, 2000 (the "Governance Agreement").

WHEREAS, the Parent, the Stockholder, the Company, Northwest Airlines, Inc., a Minnesota corporation, and Air Partners, L.P., a Texas limited partnership, have entered into the Omnibus Agreement dated as of November 15, 2000 (the "Agreement").

WHEREAS, the terms of the Agreement provide that the Parent, the Stockholder and the Company shall enter into an agreement terminating the Governance Agreement.

WHEREAS, this Termination Agreement has been approved by a Majority Vote (as that term is defined in the Governance Agreement).

NOW THEREFORE, the Parent, the Stockholder and the Company intending to be legally bound, hereby agree as follows:

1. Effective as of the Effective Time (as defined in the Agreement), the Governance Agreement shall be terminated and shall be of no further force and effect.

2. To the extent applicable to any issuance of shares of Class B Common Stock contemplated by the Agreement, the Stockholder and the Parent hereby waive any and all

pre-emptive rights to acquire Class B Common Stock granted to them under Section 3.03 of the Governance Agreement resulting from such issuances.

3. If the Agreement has terminated in accordance with its terms prior to the Effective Time, this Termination Agreement shall be terminated and shall be of no further force and effect.

4. This Termination Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Termination of Amended and Restated Governance Agreement to be executed as of the date first referred to above.

NORTHWEST AIRLINES CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General Counsel  
and Secretary

NORTHWEST AIRLINES HOLDINGS CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General Counsel  
and Secretary

CONTINENTAL AIRLINES, INC.

By: \_\_\_\_\_  
Jeffery A. Smisek  
Executive Vice President, General Counsel  
and Secretary

[SIGNATURE PAGE TO TERMINATION OF AMENDED AND RESTATED GOVERNANCE AGREEMENT]

## TERMINATION OF SUPPLEMENTAL AGREEMENT

THIS TERMINATION OF SUPPLEMENTAL AGREEMENT (this "Termination Agreement") is made as of this 15th day of November, 2000 among Continental Airlines, Inc., a Delaware corporation (the "Company"), Northwest Airlines Corporation, a Delaware corporation formerly named Newbridge Parent Corporation (the "Stockholder"), and Northwest Airlines Holdings Corporation, a Delaware corporation formerly named Northwest Airlines Corporation ("Parent").

WHEREAS, the Parent, the Stockholder and the Company have entered into that certain Supplemental Agreement dated as of November 20, 1998, as amended by the First Amendment dated as of February 8, 2000 (such agreement, as so amended, the "Supplemental Agreement").

WHEREAS, the Parent, the Stockholder, the Company, Northwest Airlines, Inc., a Minnesota corporation, and Air Partners, L.P., a Texas limited partnership, have entered into the Omnibus Agreement dated as of November 15, 2000 (the "Agreement").

WHEREAS, the terms of the Agreement provide that the Parent, the Stockholder and the Company shall enter into an agreement terminating the Supplemental Agreement.

WHEREAS, this Termination Agreement has been approved by a Majority Vote (as that term is defined in the Supplemental Agreement).

NOW THEREFORE, the Parent, the Stockholder and the Company intending to be legally bound, hereby agree as follows:

1. Effective as of the Effective Time (as that term is defined in the Agreement), the Supplemental Agreement shall be terminated and shall be of no further force and effect.

2. If the Agreement has terminated in accordance with its terms prior to the Effective Time, this Termination Agreement shall be terminated and shall be of no further force and effect.

3. This Termination Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Termination of Supplemental Agreement to be executed as of the date first referred to above.

NORTHWEST AIRLINES CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General Counsel  
and Secretary

NORTHWEST AIRLINES HOLDINGS CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General Counsel  
and Secretary

CONTINENTAL AIRLINES, INC.

By: \_\_\_\_\_  
Jeffery A. Smisek  
Executive Vice President, General Counsel  
and Secretary

[SIGNATURE PAGE TO TERMINATION OF SUPPLEMENTAL AGREEMENT]

## STANDSTILL AGREEMENT

This Standstill Agreement, dated as of November 15, 2000, among Continental Airlines, Inc., a Delaware corporation ("Continental"), Northwest Airlines Holdings Corporation, a Delaware corporation ("NW Holdings"), Northwest Airlines Corporation, a Delaware corporation ("NW Parent"), and Northwest Airlines, Inc., a Minnesota corporation ("Northwest").

WHEREAS, Continental, NW Holdings, NW Parent, Northwest and Air Partners, L.P. have entered into that certain Omnibus Agreement dated as of November 15, 2000 (the "Omnibus Agreement");

WHEREAS, as provided in the Omnibus Agreement, at the Closing, Continental will repurchase from NW Holdings, NW Parent, Northwest and their Affiliates 6,685,279 shares of the Class A Common Stock, and in connection with the Reclassification, each issued share of Class A Common Stock, including the remaining shares owned by NW Holdings, NW Parent, Northwest and their Affiliates, will be reclassified, changed and converted, into 1.32 shares of Class B Common Stock;

WHEREAS, Continental, NW Holdings, NW Parent and Northwest desire to establish in this Standstill Agreement certain terms and conditions that will become effective at the Effective Time concerning the acquisition, disposition and voting of securities of Continental by NW Holdings, NW Parent, Northwest and their Affiliates, and related provisions concerning the relationship of NW Holdings, NW Parent, Northwest and their Affiliates with Continental; and



WHEREAS, the parties' entering into this Standstill Agreement is a condition to the parties entering into the Omnibus Agreement.

NOW, THEREFORE, Continental, NW Holdings , NW Parent and Northwest, intending to be legally bound, hereby agree, from and after the Effective Time until the termination of this Standstill Agreement in accordance with its terms, as follows:

#### SECTION 1

##### STANDSTILL AND VOTING

Section 1.01. Acquisition of Voting Securities: (a) NW Holdings, NW Parent and Northwest each covenant and agree that each of them and their respective Affiliates shall not Beneficially Own any Voting Securities in excess of the Permitted Percentage.

(b) Except as expressly provided herein, NW Holdings, NW Parent and Northwest shall not permit any Affiliate of any of them to Beneficially Own any Voting Securities that, when added to the Voting Securities Beneficially Owned by NW Holdings, NW Parent and Northwest and their respective Affiliates, shall exceed the Permitted Percentage.

(c) If at any time any of NW Holdings, NW Parent and Northwest becomes aware that it and its Affiliates Beneficially Own Voting Securities in excess of the Permitted Percentage, then NW Parent shall promptly notify Continental, and NW Holdings, NW Parent and Northwest shall promptly take all actions necessary to reduce the amount of Voting Securities Beneficially Owned by such Persons to an amount not greater than the Permitted Percentage.

Section 1.02. Voting Agreement - Voting Securities. NW Holdings, NW Parent and Northwest shall cause the Voting Securities Beneficially Owned by them and their Affiliates (a) to be voted or consented on all matters submitted to a vote of Continental's stockholders, other than the election of directors, either (i) in the case of a vote at a stockholders meeting, in the same proportion as the votes cast by other holders of Voting Securities, and (ii) in the case of written consents, so that the percentage of Voting Securities Beneficially Owned by them consented to on any matter equals the percentage of all other outstanding Voting Securities so consented; provided, that with respect to any vote on a CO Change of Control, such shares may be voted at the direction of NW Holdings and (b) in the election of directors, to be voted, at the option of NW Holdings, either (i) as recommended by the Board of Directors or (ii) in the same proportion as the votes cast by the other holders of Voting Securities.

Section 1.03. Further Restrictions on Conduct-Voting Securities. NW Holdings, NW Parent and Northwest, as applicable, covenant and agree that:

(a) except in connection with the performance of the Alliance Agreement and the negotiation of the agreements contemplated thereby, and except in connection with the exercise of rights expressly granted to the holder of the Series B Preferred Stock by the Certificate of Incorporation, including the Certificate of Designations for the Series B Preferred Stock, none of NW Holdings, NW Parent, Northwest or any of their respective Affiliates shall otherwise act, alone or in concert with others, to seek to affect or influence the Board of Directors or the control of the management of Continental or the businesses, operations, affairs, financial matters or policies of

Continental, including, without limitation, taking any action to seek representation on the Board of Directors or the board of directors of any Affiliate of Continental (it being agreed that this paragraph shall not prohibit NW Holdings and its Subsidiaries, and their respective directors, officers and employees, from (i) engaging in ordinary course business activities with Continental and its Subsidiaries or (ii) having nonpublic lawful communications with directors, officers and employees of Continental regarding ordinary course business activities, it being understood that such matters shall not include matters that, under applicable antitrust laws, could not lawfully be discussed among competitors);

(b) none of NW Holdings, NW Parent, Northwest or any of their Affiliates shall (i) deposit any Voting Securities Beneficially Owned by any of them into any voting trust or (ii) subject any such Voting Securities to any proxy (other than a revocable proxy granted to any director, officer or employee of NW Holdings, NW Parent or Continental, or any counsel for Northwest, NW Holdings or NW Parent, or any corporate trust officer or Wilmington Trust Company or a national trust company, in each case solely for the limited purpose of voting the Voting Securities as required or permitted by this Standstill Agreement, the voting direction for which has been given by NW Holdings, NW Parent or Northwest), agreement, arrangement or understanding (written or otherwise) with respect to the voting of or consenting with respect to such Voting Securities or other agreement, arrangement or understanding (written or otherwise) having similar effect;

(c) none of NW Holdings, NW Parent, Northwest or any of their respective Affiliates shall initiate or propose any stockholder proposal or action or make, or in any way participate in or encourage, directly or indirectly, any "solicitation" of "proxies" (as such terms are defined in Regulation 14A under the Exchange Act, as in effect on the date hereof) to vote or provide written consents with respect to, or seek to influence any Person (other than each other

with respect to the immediately succeeding clause) with respect to the voting of or consenting with respect to, any Voting Securities, or become a "participant" in a "solicitation" (as such terms are defined in Regulation 14A under the Exchange Act, as in effect on the date hereof) in any election contest with respect to the election or removal of any director of Continental or in opposition to the recommendation of the majority of the directors of Continental with respect to any other matter;

(d) none of NW Holdings, NW Parent, Northwest or any of their respective Affiliates shall join a partnership, limited partnership, syndicate or other group, or otherwise act in concert with any other Person (other than with each other as expressly permitted hereunder with respect to holding, voting or disposing of Voting Securities) or otherwise become a "person" within the meaning of Section 13(d)(3) of the Exchange Act (other than among themselves as expressly permitted hereunder with respect to holding, voting or disposing of Voting Securities), for the purpose of acquiring, holding, voting or disposing of Voting Securities;

(e) none of NW Holdings, NW Parent, Northwest or any of their respective Affiliates shall induce or attempt to induce or give encouragement to any other Person to initiate, or initiate themselves, any proposal or tender or exchange offer for Voting Securities or change of control of Continental, including a CO Change of Control;

(f) none of NW Holdings, NW Parent, Northwest or any of their respective Affiliates shall request Continental (or any of its directors, officers, employees or agents), directly or indirectly, to amend or waive any of the provisions of this Standstill Agreement (except in a manner that shall not require disclosure publicly or to third parties); and

(g) none of NW Holdings, NW Parent, Northwest or any of their respective Affiliates shall take any action inconsistent with the foregoing; provided that the restrictions set forth above in this Section 1.03 shall not apply (i) to any vote by NW Holdings or NW Parent with respect to a CO Change of Control as permitted by Section 1.02 of this Standstill Agreement or (ii) to Northwest acting as an alliance partner pursuant to the Alliance Agreement.

Section 1.04 Reports. During the term of this Standstill Agreement, NW Holdings shall deliver to Continental, promptly after any Transfer of Voting Securities by NW Holdings, NW Parent, Northwest or any of their respective Affiliates, an accurate written report specifying the amount and class of Voting Securities so Transferred and the amount of each class of Voting Securities owned by them after giving effect to such Transfer; provided, however, that such reporting obligation may be satisfied with respect to any such Transfer that is reported in a statement on Schedule 13D pursuant to the Exchange Act and the rules thereunder by delivering promptly to Continental a copy of such Schedule 13D statement. Continental shall be entitled to rely on such reports and statements on Schedule 13D for all purposes of this Standstill Agreement.

## SECTION 2

### REPRESENTATIONS AND WARRANTIES

#### Section 2.01. Representations and Warranties of Continental.

Continental represents and warrants to NW Holdings, NW Parent and Northwest that (a) Continental is a corporation duly organized, validly existing and in good standing under the laws of the State of

Delaware and has the corporate power and authority to enter into this Standstill Agreement and to carry out its obligations hereunder, (b) the execution and delivery of this Standstill Agreement by Continental and the consummation by Continental of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Continental and no other corporate proceedings on the part of Continental are necessary to authorize this Standstill Agreement or any of the transactions contemplated hereby, and (c) this Standstill Agreement has been duly executed and delivered by Continental and constitutes a valid and binding obligation of Continental, and is enforceable against Continental in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding at equity or at law).

Section 2.02. Representations and Warranties of NW Holdings. NW Holdings represents and warrants to Continental that (a) NW Holdings, NW Parent and Northwest are corporations duly organized, validly existing and in good standing under the laws of the state of their respective states of incorporation and each has the power and authority to enter into this Standstill Agreement and to carry out its respective obligations hereunder, (b) the execution and delivery of this Standstill Agreement by NW Holdings, NW Parent and Northwest and the consummation thereby of the transactions contemplated hereby have been duly authorized by all necessary action on their parts and no other proceedings on their parts are necessary to authorize this Standstill Agreement or any of the transactions contemplated hereby, and (c) this Standstill Agreement has been duly executed and delivered by each of NW Holdings, NW Parent and Northwest and constitutes a valid and binding obligation of each of them, and is enforceable

against each of them in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally from time to time in effect and to general principles of equity, including concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether in a proceeding at equity or at law).

### SECTION 3

#### MISCELLANEOUS

Section 3.01. Notices. All notices, requests and other communications to any party hereunder shall be in writing (including telecopy) and shall be given,

if to Continental, to:

Continental Airlines, Inc.  
1600 Smith Street, Dept. HQSEO  
Houston, Texas 77002  
Fax: (713) 324-2687  
Attention: General Counsel and Chief Financial Officer

with a copy to (which shall not constitute notice to Continental):

Vinson & Elkins L.L.P.  
2300 First City Tower  
1001 Fannin  
Houston, TX 77002-6760  
Fax: (713) 758-2346  
Attention: Scott N. Wulfe

and

Morris, Nichols, Arsht & Tunnell  
1201 N. Market Street  
P.O. Box 1347  
Wilmington, DE 19899-1347  
Fax: (302) 658-3989  
Attention: Andrew M. Johnston

if to NW Holdings, to:

Northwest Airlines Holdings Corporation  
5101 Northwest Drive  
St. Paul, Minnesota 55111  
Fax: (612) 727-4839  
Attention: General Counsel

with a copy to (which shall not constitute notice):

Simpson Thacher & Bartlett  
425 Lexington Avenue  
New York, New York 10017-3954  
Attention: Wilson Neely  
Fax: (212) 455-2502

if to NW Parent, to:

Northwest Airlines Corporation  
5101 Northwest Drive  
St. Paul, Minnesota 55111  
Attention: General Counsel  
Fax: (612) 726-7123

with a copy to (which shall not constitute notice):

Simpson Thacher & Bartlett  
425 Lexington Avenue  
New York, New York 10017-3954  
Attention: Wilson Neely  
Fax: (212) 455-2502

if to Northwest, to:

Northwest Airlines Corporation  
5101 Northwest Drive  
St. Paul, Minnesota 55111  
Attention: General Counsel  
Fax: (612) 726-7123

with a copy to (which shall not constitute notice):

Simpson Thacher & Bartlett  
425 Lexington Avenue  
New York, New York 10017-3954  
Attention: Wilson Neely  
Fax: (212) 455-2502



or such address or telecopy number as such party may hereafter specify for the purpose by notice to the other parties hereto. Each such notice, request or other communication shall be effective when delivered personally, telegraphed, or telecopies, or, if mailed, five business days after the date of the mailing.

Section 3.02. Amendments; No Waivers.

(a) Any provision of this Standstill Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the parties hereto, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 3.03. Successors and Assigns. The provisions of this Standstill Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 3.04. Governing Law; Consent to Jurisdiction. (a) This Standstill Agreement shall be construed in accordance with and governed by the internal laws of the State of Delaware.

(b) Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Standstill Agreement or the transactions contemplated hereby may be brought in any federal court located in the State of Delaware or any Delaware state court, and each of the parties hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is being brought in any such court has been brought in an inconvenient form. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 3.01 shall be deemed effective service of process on such party.

Section 3.05. Counterparts; Effectiveness. This Standstill Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Standstill Agreement shall become effective when each party hereto shall have received counterparts thereof signed by the other party hereto.

Section 3.06. Specific Performance. The parties hereto each acknowledge and agree, and agree not to assert otherwise in any proceeding, that a breach or threatened breach of any of the provisions of this Standstill Agreement by a party will cause irreparable injury to the other parties to this Standstill Agreement for which remedies at law would be inadequate and, in

recognition of that fact, agrees that, in the event of a breach or threatened breach by any of them of the provisions of this Standstill Agreement, in addition to any remedies at law, the aggrieved party, without posting any bond and without any showing of irreparable injury, shall be entitled to obtain equitable relief in the form of specific performance, a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available. The provisions of this Section 3.06 are without prejudice to any other rights that the parties hereto may have for any breach of this Standstill Agreement. The parties further agree not to assert in any proceeding that grounds for any equitable relief are not satisfied.

Section 3.07. Severability. If any term, provision, covenant or restriction of this Standstill Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Standstill Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, provided that the parties hereto shall negotiate in good faith to attempt to place the parties in the same position as they would have been in had such provision not been held to be invalid, void or unenforceable.

Section 3.08. Non-Exclusivity. No action or transaction taken in accordance with the express provisions of, and as expressly permitted by, any provision of this Standstill Agreement shall be treated as a breach of any other provision of this Standstill Agreement, notwithstanding that such action or transaction shall not have been expressly excepted from such latter provision.

Section 3.09. Effective Time; Termination. This Standstill Agreement shall become effective at the Effective Time and shall terminate on the earlier to occur of (a) the

termination of the Alliance Agreement in accordance with its terms and (b) Continental publicly announcing that it is seeking, or has entered into an agreement with, a Person to acquire a majority of the outstanding Voting Securities, whether by merger, tender offer or otherwise, or to acquire all or substantially all of Continental's airline assets.

#### SECTION 4

##### DEFINITIONS

For purposes of this Standstill Agreement, the following terms shall have the following meanings:

"Affiliate" shall have the meaning set forth in Rule 12b-2 under the Exchange Act (as in effect on the date of this Standstill Agreement); provided, that none of the B/C/P Group shall be an Affiliate of NW Parent, NW Holdings or Northwest for purposes of this Agreement.

"Alliance Agreement" shall mean that certain Master Alliance Agreement dated as of January 25, 1998 between Northwest Airlines, Inc., an indirect wholly owned subsidiary of NW Holdings, and Continental, as in effect on the Closing, as such agreement may be subsequently amended from time to time.

"Associate" shall have the meaning set forth in Rule 12b-2 under the Exchange Act (as in effect on the date of this Agreement).

"Beneficially Own" or "Beneficial Ownership" with respect to any securities shall mean having "beneficial ownership" of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act), including pursuant to any agreement, arrangement or understanding, whether or not in writing.

"Board of Directors" shall mean the board of directors of Continental.

"B/C/P Group" means David Bonderman, James Coulter or William S. Price, III, or any Person with respect to which one or more of them (i) directly or indirectly controls at least 50.1% of the voting power, (ii) directly or indirectly controls at least 50.1% of the equity, or (iii) directly or indirectly controls in a manner substantially similar to the control that the general partner of Air Partners, L.P., a Texas limited partnership ("Air Partners"), had over Air Partners pursuant to and as provided in the "Partnership Agreement" (as defined in the Investment Agreement, dated as of January 25, 1998, among NW Parent, NW Holdings, Air Partners, the Partners of Air Partners signatory thereto, Bonderman Family Limited Partnership, 1992 Air, Inc. and Air Saipan, Inc., as amended), which Persons described in clause (iii) shall include 1998 CAI Partners, L.P., a Texas limited partnership, under its partnership agreement and ownership structure in effect on November 20, 1998.

"Class A Common Stock" shall mean shares of Class A Common Stock, par value \$.01 per share, previously authorized by the amended and restated certificate of incorporation of Continental, which will be reclassified into Class B Common Stock in the Recapitalization.

"Class B Common Stock" shall mean shares of Class B Common Stock, par value \$0.01 per share, of Continental.

"Closing" shall have the meaning set forth in the Omnibus Agreement.

"CO Change of Control" shall have the meaning ascribed to such term in the Certificate of Designation for the Series B Preferred Stock.

"Effective Time" shall have the meaning set forth in the Omnibus Agreement.

"Exchange Act" shall mean the Securities Exchange Act of 1934.

"Omnibus Agreement" shall mean the Omnibus Agreement dated as of November 15, 2000 among Continental, NW Holdings, NW Parent, Northwest and Air Partners, L.P., as such agreement may be subsequently amended from time to time.

"Permitted Percentage" shall mean the percentage of outstanding Voting Securities represented by the Shares immediately following the Effective Time; provided, however, that if NW Holdings, NW Parent, Northwest or any of their Affiliates shall Transfer any of the Shares such that they no longer Beneficially Own such Shares, the Permitted Percentage shall be reduced to the percentage of outstanding Voting Securities represented by the Shares Beneficially Owned by them immediately after such Transfer; and provided further, that if the Voting Securities Beneficially Owned by NW Holdings, NW Parent, Northwest and their respective Affiliates exceed the Permitted Percentage then in effect solely by reason of (i) a decrease in the outstanding Voting Securities or (ii) the rights issued to NW Holdings, NW Parent, Northwest and their respective Affiliates under the "Rights Agreement" (as defined in the Omnibus Agreement) having been distributed or having become exercisable, then the percentage of the outstanding Voting Securities Beneficially Owned by them as a result of the occurrence of (i) or (ii) shall become the Permitted Percentage.

"Person" shall mean any individual partnership (limited or general), joint venture, limited liability company, corporation, trust, business trust, unincorporated organization, government or department or agency of a government.

"Reclassification" shall have the meaning set forth in the Omnibus Agreement.

"Series B Preferred Stock" shall mean the Series B Preferred Stock of Continental issued to Northwest as provided in the Omnibus Agreement.

"Shares" shall mean the shares of Class B Common Stock Beneficially Owned by NW Holdings, NW Parent, Northwest and their respective Affiliates, immediately following the Effective Time.

"Subsidiary" shall mean, as to any Person, any Person at least a majority of the shares of stock or other equity interests of which having general voting power under ordinary circumstances to elect a majority of the board of directors (or comparable governing body) thereof (irrespective of whether or not at the time stock or equity of any other class or classes shall have or might have voting power by reason of the happening of any contingency) is, at the time as of which the determination is being made, owned by such Person, or one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries.

"13D Group" shall mean any group of Persons acquiring, holding, voting or disposing of Voting Securities which would be required under Section 13(d) of the Exchange Act and the rules and regulations thereunder (as in effect, and based on legal interpretations thereof existing, on the date hereof) to file a statement on Schedule 13D with the Securities and Exchange Commission as a "person" within the meaning of Section 13(d)(3) of the Exchange Act if such group beneficially owned Voting Securities representing more than 5% of any class of Voting Securities then outstanding.

"Transfer" shall mean any sale, exchange, transfer, pledge, encumbrance or other disposition, and "to Transfer" shall mean to sell, exchange, transfer, pledge, encumber or otherwise dispose of.

"Voting Securities" shall mean at any time shares of any class of capital stock of Continental that are then entitled to vote generally in the election of directors including, without limitation, Class B Common Stock.



IN WITNESS WHEREOF, the parties hereto have caused this Standstill Agreement to be executed as of the date first referred to above.

NORTHWEST AIRLINES HOLDINGS CORPORATION

By: -----  
Douglas M. Steenland  
Executive Vice President, General  
Counsel and Secretary

NORTHWEST AIRLINES CORPORATION

By: -----  
Douglas M. Steenland  
Executive Vice President, General  
Counsel and Secretary

NORTHWEST AIRLINES, INC.

By: -----  
Douglas M. Steenland  
Executive Vice President, General  
Counsel and Secretary

CONTINENTAL AIRLINES, INC.

By: -----  
Jeffery A. Smisek  
Executive Vice President, General  
Counsel and Secretary

[SIGNATURE PAGE TO STANDSTILL AGREEMENT]

AMENDMENT TO AMENDED AND RESTATED  
REGISTRATION RIGHTS AGREEMENT

This Amendment to Amended and Restated Registration Rights Agreement (as amended) is dated as of November 15, 2000 (this "Amendment") and is among Continental Airlines, Inc., a Delaware corporation ("Continental"), Air Partners, L.P., a Texas limited partnership ("Air Partners"), and Northwest Airlines Corporation, a Delaware corporation ("Northwest"). Continental, Air Partners and Northwest are sometimes referred to herein individually as a "Party" and jointly as the "Parties".

RECITALS:

WHEREAS, that certain Omnibus Agreement, dated as of November 15, 2000, by and among Continental, Northwest, Northwest Airlines Holding Corporation, a Delaware corporation, Northwest Airlines, Inc., a Minnesota corporation, and Air Partners (the "Omnibus Agreement") requires the Parties to enter into this Amendment, subject to the terms and conditions contained in the Omnibus Agreement;

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. The Amended and Restated Registration Rights Agreement dated as of April 19, 1996, as amended by Agreement dated as of October 1, 1996 and further amended by Amendment to Amended and Restated Registration Rights Agreement dated as of November 20, 1998 (as so amended, the "Registration Rights Agreement"), is, subject to Paragraph 3 below, hereby amended, from and after the date of Closing, as follows:

- (a) The definition of "Registrable Securities" contained in Section 1 of the Registration Rights Agreement is amended by revising clause (h) thereof to read in its entirety as follows:

"(h) any shares of any class of capital stock of Continental which are then entitled to vote generally in the election of directors, including without limitation, Class A Common Stock, Class B Common Stock (including those certain 2,608,247 shares of Class B Common Stock issued to Northwest pursuant to Section 5.01(c)(iv) of the Omnibus Agreement, dated as of November 15, 2000, by and among Continental, Northwest, Northwest Airlines Holding Corporation, a Delaware corporation, Northwest Airlines, Inc., a Minnesota corporation, and Air Partners.)"

- (b) Section 2.1(b) of the Registration Rights Agreement is amended by revising clause (iv) of such Section to read in its entirety as follows:

"(iv) if the Party providing the Notice of Demand, other than Northwest and its Affiliates, does not beneficially own, directly or indirectly, at least five percent (5%) of the aggregate voting power of the then outstanding Voting Securities on a fully-diluted basis, or, with respect to a Notice of Demand from Northwest, if at the time of such Notice of Demand Northwest and its Affiliates do not own, in the aggregate, in excess of 500,000 of the shares of Continental Class B Common Stock issued to Northwest pursuant to Section 5.01(c)(iv) of the Omnibus Agreement;"

- (c) Section 2.2(a) of the Registration Rights Agreement is amended by inserting the following language after the first occurrence of the word "thereof" in the first sentence of such Section:

"or, with respect to the rights of Northwest in afforded by this Section 2.2(a), until the later of the twelfth (12th) anniversary thereof or such time as Northwest and its Affiliates do not own, in the aggregate, in excess of 500,000 of the shares of Continental Class B Common Stock issued to Northwest pursuant to Section 5.01(c)(iv) of the Omnibus Agreement;"

- (d) Section 15 of the Registration Rights Agreement is amended by inserting the following language after the parenthetical clause "(as defined in the Investment Agreement)":

"and the registration rights granted by Continental in that certain Reoffer Purchase Agreement, dated November 15, 2000, by and between Continental, 1992 Air, Inc., a Texas corporation, Northwest Airlines Corporation, a Delaware corporation, Northwest Airlines Holdings Corporation, a Delaware corporation, and Air Partners, L.P., a Texas partnership."

2. The Registration Rights Agreement, as amended hereby, is ratified and confirmed.

3. The effectiveness of the provisions of Sections 1 and 2 above are conditioned upon the occurrence of the Effective Time, as such term is defined in the Omnibus Agreement. If the Omnibus Agreement terminates in accordance with its terms prior to the Effective Time, then this Amendment shall be of no force and effect, and the Registration Rights Agreement shall continue in full force and effect without being amended hereby.

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

CONTINENTAL AIRLINES, INC.

By: \_\_\_\_\_  
Jeffery A. Smisek  
Executive Vice President, General  
Counsel and Secretary

AIR PARTNERS, L.P.

By: NORTHWEST AIRLINES CORPORATION,  
its General Partner

By: \_\_\_\_\_  
Name:  
Title:

NORTHWEST AIRLINES CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General  
Counsel and Secretary

[SIGNATURE PAGE TO AMENDMENT TO AMENDED AND RESTATED  
REGISTRATION RIGHTS AGREEMENT]

## REOFFER PURCHASE AGREEMENT

REOFFER PURCHASE AGREEMENT (the "Agreement"), dated as of November 15, 2000, by and between Continental Airlines, Inc., a Delaware corporation ("Continental"), 1992 Air, Inc., a Texas corporation ("1992 Air"), Northwest Airlines Corporation, a Delaware corporation ("NAC"), Northwest Airlines Holdings Corporation, a Delaware corporation ("NAHC"), and Air Partners, L.P., a Texas partnership ("AP", and together with NAC and NAHC, the "Northwest Parties").

## W I T N E S S E T H:

WHEREAS, each of 1992 Air and the Northwest Parties is a party to the Investment Agreement, dated as of January 25, 1998 (as amended, the "Investment Agreement"), pursuant to which 1992 Air was granted certain rights of offer and re-offer (the "Rights of Offer and Re-Offer") with respect to certain shares of Class A Common Stock, par value \$0.01 per share, of Continental ("Continental A Stock") held by the Northwest Parties, as set forth in Section 4.1(d) of the Investment Agreement;

WHEREAS, NAC, NAHC, AP, Northwest Airlines, Inc., a Minnesota corporation ("NAI"), and Continental are entering into the Omnibus Agreement dated as of the date hereof (the "Omnibus Agreement," and the transactions as set forth therein, the "Northwest Transaction"), pursuant to which, among other things, Continental will repurchase 6,685,279 shares of Continental A Stock owned by NAC, NAHC and NAI for \$450 million, and reclassify all remaining outstanding Continental A Stock into Class B Common Stock, par value \$0.01 per share, of Continental ("Continental B Stock") at a ratio of 1.32 shares of Continental B Stock per share of Continental A Stock; and

WHEREAS, in furtherance of the Northwest Transaction, Continental desires to purchase from 1992 Air, and 1992 Air desires to sell to Continental, the Rights of Offer and Re-Offer.

NOW, THEREFORE, in consideration of the rights and obligations contained herein, and for other good and valuable consideration, the adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Acquisition. In reliance upon the representations, warranties, covenants and agreements contained herein and upon the terms and subject to the conditions hereinafter set forth, at the Closing (as defined below), 1992 Air shall sell, assign, transfer, convey and deliver to Continental, and Continental shall purchase, acquire and accept from 1992 Air the Rights of Offer and Re-Offer (the "Acquisition").

## Section 2. Purchase Price.

(a) The aggregate purchase price for the Rights of Offer and Re-Offer shall, at the election of Continental, be either:

- (i) U.S. \$10 million in cash (the "Cash Purchase Price"); or

(ii) that number of shares of Continental B Stock equal to the quotient of (x) U.S. \$11 million, divided by (y) the Continental Share Value (the "Stock Purchase Price");

provided that if the Closing occurs on a date later than February 15, 2001 then the Cash Purchase Price, if Continental elects to pay the Cash Purchase Price, or the Stock Purchase Price, if Continental elects to pay the Stock Purchase Price, shall be increased by an amount per annum equal to 7% of the Cash Purchase Price or the Stock Purchase Price, as the case may be, calculated on the basis of a 365-day year based on actual days elapsed from and including February 16, 2001 through but excluding the Closing Date.

"Continental Share Value" shall be the volume weighted average of the closing price of the Continental B Stock on the New York Stock Exchange (the "NYSE") for the 20 Trading Days immediately preceding the third Business Day prior to the Closing Date. "Trading Day" shall mean any day on which the NYSE is open for trading. "Business Day" shall mean any day on which banking institutions in New York, New York are not authorized or required to close.

(b) Election Notice. No later than the close of business on the third Business Day prior to the Closing, Continental shall deliver to 1992 Air a notice (the "Election Notice"), irrevocably electing to pay either the Cash Purchase Price or the Stock Purchase Price; provided that, if Continental shall elect to pay the Stock Purchase Price, the Election Notice shall also set forth the number of shares of Continental B Stock to be issued pursuant thereto and the amount of cash, if any, in lieu of fractional shares. If Continental shall fail to deliver a timely Election Notice, it shall be treated for all purposes in this Agreement as if it had elected to pay the Cash Purchase Price.

### Section 3. Payment at the Closing.

(a) Cash Payment. If, pursuant to the Election Notice, Continental elects to pay the Cash Purchase Price, Continental shall pay and deliver to 1992 Air (and/or its designee(s)) at the Closing the sum of the Cash Purchase Price in immediately available funds by wire transfer or other means acceptable to 1992 Air to such account or accounts as 1992 Air shall specify in writing to Continental at least one Business Day prior to the Closing.

#### (b) Stock Payment.

(i) Stock Issuance. If, pursuant to the Election Notice, Continental elects to pay the Stock Purchase Price, Continental shall issue and deliver to 1992 Air (and/or its designee(s)) certificate(s) representing the shares of Continental B Stock constituting the Stock Purchase Price, in such denominations and to 1992 Air or to such other person or persons as 1992 Air shall specify in writing to Continental no later than the close of business on the second Business Day prior to the Closing (each such other person, a "Designee").

(ii) Fractional Shares. Notwithstanding any other provision hereof, no fractional shares of Continental B Stock will be issued in the Acquisition; instead Continental shall pay at the Closing, in cash, the product of such fractional share, multiplied by the Continental Share Value.

(iii) Anti-Dilution. In the event that Continental changes the number or classes of shares of Continental capital stock issued and outstanding prior to the Closing as a result of a stock split, stock dividend, recapitalization, subdivision, reclassification, combination, exchange of shares, or other similar transaction, other than the repurchase by Continental of the Repurchased Class A Shares and the Reclassification, each as provided for and defined in the Omnibus Agreement (a "Continental Capital Change"), appropriate adjustment shall be made to the Stock Purchase Price to preserve without diminution the rights of 1992 Air. If the record date for such a Continental Capital Change shall be prior to the Closing but the payment date or issue date, as applicable, therefor shall be subsequent to the Closing, Continental shall take such action as shall be required so that on such payment date or issue date, as applicable, 1992 Air (and/or its designee(s)) shall be entitled to receive such additional Continental securities as it would have received as a result of such event if the record date therefor had been immediately after the Closing.

#### Section 4. Closing Matters.

(a) The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Vinson & Elkins L.L.P. in Houston, Texas at the Effective Time, as such term is defined in the Omnibus Agreement, or at such other location, time and date as the parties hereto may mutually determine and set forth in writing (the "Closing Date").

(b) Delivery at Closing. At the Closing, (i) Continental shall deliver to 1992 Air (and/or its designees) by wire transfer, the funds in the amount of the Cash Purchase Price, or, as the case may be, certificate(s) representing the shares of Continental B Stock constituting the Stock Purchase Price in such denominations and to 1992 Air or its Designee(s), as the case may be, (ii) 1992 Air shall deliver to Continental a receipt acknowledging such delivery, and (iii) the Acquisition shall become effective.

Section 5. Suspension of the Rights of Offer and Re-Offer. In furtherance of the Acquisition and the Northwest Transaction, 1992 Air and each of the Northwest Parties agrees that all rights, obligations and time periods which are part of the Rights of Offer and Re-Offer and which are triggered or otherwise implicated as a result of the Northwest Transaction shall be suspended solely with respect to the Northwest Transaction. This suspension shall act only with respect to the Northwest Transaction, and shall in no way impair or prejudice the right of 1992 Air to exercise its Rights of Offer and Re-Offer in any other respect or as to any other matter or transaction or at any other time prior to Closing. This suspension shall cease immediately upon the earliest to occur of (a) any breach of this Agreement by Continental or the Northwest Parties, and (b) upon termination of this Agreement. Notwithstanding anything in this Section 5 to the contrary, the parties hereto agree that upon the closing Continental will acquire all of the rights of offer and re-offer set forth in Section 4.1(d) of the Investment Agreement, and immediately subsequent to the effective time and without any additional consideration or any further action by any party such rights of offer and reoffer shall terminate

#### Section 6. Representations and Warranties.

(a) Continental Representations and Warranties. Continental represents and warrants to 1992 Air and each of the Northwest Parties as follows, as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date:

(i) its execution, delivery and performance of this Agreement has been approved by its board of directors and does not violate its certificate of incorporation or by-laws or any material agreement to which it is a party;

(ii) this Agreement constitutes a valid and binding obligation of Continental, enforceable against Continental in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity or at law or under applicable legal codes); and

(iii) if Continental shall elect to pay the Stock Purchase Price, all Continental B Stock to be issued pursuant to the Acquisition, when issued, will be duly authorized, validly issued, fully-paid and non-assessable, free and clear of any mortgage, lien, pledge, charges, security interest, restriction on voting or transfer or other encumbrance, subject to restrictions imposed by applicable securities laws, and will not have been issued in violation of or subject to any subscription or pre-emptive right.

(b) 1992 Air Representations and Warranties. 1992 Air represents and warrants to Continental and each of the Northwest Parties as follows, as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date:

(i) its execution, delivery and performance of this Agreement has been approved by all necessary corporate approvals and does not violate its constituent documents or any material agreement to which it is a party;

(ii) this Agreement constitutes a valid and binding obligation of 1992 Air, enforceable against 1992 Air in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity or at law or under applicable legal codes);

(iii) if Continental shall elect to pay the Stock Purchase Price then 1992 Air is acquiring the Continental B Stock for its own account as principal for investment and not with a view to resale or distribution; 1992 Air is fully aware that such securities have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or under any applicable state securities laws and are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and that such securities may not be transferred sold or disposed of by 1992 Air absent registration under or exemption from the registration requirements of, the Securities Act; and 1992 Air is able to bear the economic risk of the investment and has such knowledge and experience in financial matters and knowledge of the business of Continental as to be capable of evaluating the merits and risks of a prospective investment; and



(iv) 1992 Air has not assigned, transferred, waived, impaired or otherwise encumbered the Rights of Offer and Re-Offer.

In the event that shares of Continental B Stock are to be delivered at the Closing to Designees pursuant to Section 3(b) hereof, 1992 Air shall deliver to Continental no later than the Closing representations and warranties of each Designee similar in scope to the representations and warranties of 1992 Air in Section (6)(b)(iii) hereof.

(c) Northwest Parties Representations and Warranties. Each of the Northwest Parties represents and warrants to 1992 Air and Continental as follows, as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date:

(i) its execution, delivery and performance of this Agreement has been approved by all necessary corporate approvals and does not violate its constituent documents or any material agreement to which it is a party; and

(ii) this Agreement constitutes a valid and binding obligation of such Northwest Party, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally and legal principles of general applicability governing the availability of equitable remedies (whether considered in a proceeding in equity or at law or under applicable legal codes).

Section 7. No Encumbrance. 1992 Air hereby covenants and agrees, from and after the date hereof until the Closing or earlier termination of this Agreement, not to assign, transfer, waive, impair or otherwise encumber the Rights of Offer and Re-Offer without the prior written consent of Continental.

Section 8. Omnibus Amendment. Continental shall notify 1992 Air in writing promptly upon the amendment, assignment, waiver, or other modification of the Omnibus Agreement (without regard to whether such amendment, assignment, waiver or other modification was effected pursuant to and in accordance with the terms of the Omnibus Agreement) made without the prior written consent of 1992 Air (an "Amendment").

Section 9. Termination.

(a) This Agreement may be terminated by 1992 Air anytime prior to Closing following an Amendment made without the prior written consent of 1992 Air that has the effect of either directly or indirectly (i) reducing the consideration payable to NW Parent and NW Holdings under Section 5.01(b)(ii) of the Omnibus Agreement, (ii) reducing the number of shares of Class B Common Stock deliverable to NW Parent and NW Holdings under Section 5.01(c)(iv) of the Omnibus Agreement, (iii) adversely affecting the economic benefit of the transactions contemplated by the Omnibus Agreement to the holders of Class A Common Stock (specifically including 1992 Air and its Affiliates) other than the Northwest Parties or their respective Affiliates (such term, when used in this Agreement, having the meaning ascribed to such term in the Omnibus Agreement) or (iv) reducing the consideration payable to 1992 Air under this Agreement.

(b) This Agreement shall automatically terminate upon the termination of the Omnibus Agreement, if prior to the Effective Time.

(c) This Agreement may be terminated by the mutual consent of the parties hereto.

(d) This Agreement may be terminated by 1992 Air, upon a material breach of any representation, warranty, covenant or agreement on the part of Continental set forth in this Agreement or if any representation or warranty of Continental shall have become untrue, in either case which breach or untruth could reasonably be expected to have a material adverse effect on the ability of Continental to consummate the transactions contemplated by this Agreement (a "Terminating Continental Breach"); provided, however, that, if such Terminating Continental Breach is curable by Continental through the exercise of its commercially reasonable efforts and for so long as Continental continues to exercise such reasonable efforts, 1992 Air may not terminate this Agreement under this Section 9(d);

(e) This Agreement may be terminated by Continental, upon a material breach of any representation, warranty, covenant or agreement on the part of 1992 Air or any of the Northwest Parties set forth in this Agreement or if any representation or warranty of 1992 Air or any of the Northwest Parties shall have become untrue, in either case which breach or untruth could reasonably be expected to have a material adverse effect on the ability of 1992 Air or any of the Northwest Parties to consummate the transactions contemplated by this Agreement (a "Terminating 1992 Air Breach"); provided, however, that, if such Terminating 1992 Air Breach is curable by such breaching party through the exercise of its commercially reasonable efforts and for so long as such party continues to exercise such reasonable efforts, Continental may not terminate this Agreement under this Section 9(e);

(f) Upon the termination of this Agreement in accordance with the provisions of this Section 9, this Agreement, except for Section 10(c), shall be null and void and of no further force and effect, and no party shall have any liability or further obligation to any other party hereunder, except that termination shall not relieve a party from liability for any willful breach of this Agreement.

#### Section 10. Indemnification

(a) To the fullest extent permitted by Law, as such term is defined in the Omnibus Agreement, subject to the terms of Sections 10(b) and 10(c), Continental will indemnify, defend and hold harmless 1992 Air and its respective directors, officers, stockholders, partners, employees, agents, representatives, successors, permitted transferees and permitted assigns, from and against all out-of-pocket costs and expenses (including, without limitation, reasonable legal fees and expenses incurred in connection with Claims (as defined below)), including amounts paid to third parties (which shall be deemed to include Continental and its Affiliates, other than the Northwest Parties, NAI and 1992 Air and their respective Affiliates) in respect of settlements or judgments resulting from or arising in connection with claims made by holders, former holders, beneficial owners or former beneficial owners of Equity Securities, as such term is defined in the Omnibus Agreement, of Continental (other than the Northwest Parties, 1992 Air, and their respective Affiliates) in their capacity as holders of such Equity Securities, or by, on behalf of or in the name of Continental (each, a "Claim", and collectively,

"Claims") based upon or in connection with this Agreement or the Omnibus Agreement or the transactions contemplated hereby or thereby; provided, however, that Continental shall have no obligation to indemnify any party hereunder to the extent, but only to the extent, the Claim relates to a breach by 1992 Air or its Affiliates of this Agreement or any other agreement to which 1992 Air or its Affiliates is a party.

(b) For purposes of this Section 10, the term "Indemnifying Party" when used in connection with a particular Claim means Continental, which is the person having an obligation to indemnify with respect to such Claim pursuant to this Section 10, and the term "Indemnified Party" when used in connection with a particular Claim means the person (whether one or more) having the right to be indemnified with respect to such Claim pursuant to this Section 10. The following procedures will apply to the indemnification obligations set forth in this Agreement:

(i) Promptly after receipt of written notice of a Claim involving a third party, the Indemnified Party against whom such Claim is asserted will give the Indemnifying Party written notice of any such Claim; provided, however, that any failure or delay in providing such notice to the Indemnifying Party will not relieve the Indemnifying Party of any obligations under this Section 10 except to the extent and only to the extent the Indemnifying Party was actually and materially prejudiced by such delay or failure. The Indemnifying Party will promptly designate counsel chosen by it and reasonably acceptable to the Indemnified Party to represent the Indemnified Party in connection with such Claim and the Indemnifying Party will pay all costs of investigation, litigation or arbitration incurred in connection with such Claim including, without limitation, fees and expenses of such counsel. The Indemnifying Party will have the right to undertake the defense, compromise or settlement of such Claim (subject to paragraph (ii) below), and the Indemnifying Party will not be liable for the fees or expenses of separate counsel for the Indemnified Party, unless the employment of such counsel shall have been authorized in writing by the Indemnifying Party in connection with the defense of such action or the Indemnifying Party shall not have employed counsel reasonably satisfactory to the Indemnified Party to have charge of the defense of such action or, based upon the written advice of counsel, the Indemnified Party shall have reasonably concluded that there may be defenses available to it that are different from those available to the Indemnifying Party or that a material conflict of interest or material potential conflict of interest exists (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of the Indemnified Party), in any of which cases the reasonable fees and expenses of counsel for the Indemnified Party shall be borne by the Indemnifying Party and paid as incurred (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel (other than local counsel) in any one action or series of related actions in the same jurisdiction representing the Indemnified Parties who are parties to such action). The Indemnified Party will use its reasonable efforts to cooperate fully with respect to the defense of any Claim. If after the passage of a reasonable period of time after notice of any Claim, the Indemnifying Party has not initiated a defense against such Claim, the Indemnified Party will have the right, upon written notice to the Indemnifying Party, to undertake the defense, compromise or settlement of such Claim at any time prior to settlement, compromise or final determination thereof and any action so taken by the Indemnified Party with regard to such defense, compromise or settlement will be deemed to be within

the protection afforded by this Agreement unless a court of competent jurisdiction makes a final determination that the Indemnified Party is not entitled to indemnification hereunder with respect to such Claim; provided, however, that any settlement of any such Claim shall require the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

(ii) Anything in this Section 10(b) to the contrary notwithstanding, the Indemnifying Party will not settle or compromise any Claim or consent to the entry of any judgment that does not include as an unconditional term thereof the giving by the claimant or plaintiff to the Indemnified Party a full, irrevocable and unconditional release from all liability in respect of such Claim; provided that if the terms of such settlement, compromise or judgment adversely affects any of the rights granted to such Indemnified Party herein, in any of the Ancillary Agreements, or in the Amended and Restated Certificate of Incorporation (such capitalized terms having the meaning ascribed to them in the Omnibus Agreement), the Indemnifying Party will not settle or compromise such Claim or consent to the entry of judgment without the written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed. In the event that there is more than one Indemnified Party with respect to any Claim, any notice contemplated by this Section 10(b) to be given to the Indemnified Party will be deemed to be given for purposes hereof if it is given to any Indemnified Party. No Indemnifying Party shall be liable for any settlement of any Claim effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent, the Indemnifying Party agrees to indemnify and hold harmless any Indemnified Party from and against any loss or liability by reason of such settlement.

(c) No party to this Agreement nor any of their respective Affiliates or representatives shall be liable to any other party hereto or any of its Affiliates or representatives for claims for punitive, special, exemplary, incidental, indirect or consequential damages connected with this Agreement, regardless of whether a claim is based on contract, tort (including negligence), strict liability, violation of any applicable deceptive trade practices act or similar Law or any other legal or equitable principle.

Section 11. Registration Rights. If Continental shall elect to pay the Stock Purchase Price, then within 90 days of the Closing, Continental shall file and use its reasonable best efforts to cause to be effective an S-3 registration statement covering the resale of the Continental securities constituting the Stock Purchase Price by 1992 Air, its Designees and its and their transferees and shall use its reasonable best efforts to maintain the effectiveness of such registration statement (subject to usual and customary limitations, including reasonable blackouts) for a period of three years.

Section 12. Further Assurances. Each of the parties to this Agreement will cooperate and use its reasonable efforts to take or cause to be taken all reasonable actions, to cooperate reasonably with the other parties hereto with respect to such actions, and to do or cause to be done all things reasonably necessary or advisable to consummate and make effective the transactions contemplated by this Agreement.

Section 13. General Release. 1992 Air, for itself and its Affiliates, hereby, fully, finally, and forever releases, acquits, and discharges, the Northwest Parties and Northwest

Airlines, Inc., a Minnesota corporation, and the Northwest Parties, for themselves and Northwest Airlines, Inc., hereby, fully, finally, and forever releases, acquits, and discharges 1992 Air and its Affiliates from any and all theories of recovery of whatever nature, whether known or now unknown, whether past, present or future, whether contingent, prospective or matured, recognized by the law of any jurisdiction and comprehensively includes, but is not limited to, all causes of action, demands, claims, debts, obligations, liens, actions, liability, suits, and judgments, whether based in contract or tort, whether arising in equity or under the common law or any contract or under any statute or otherwise, relating to or arising from this Agreement or the Omnibus Agreement or the transactions contemplated hereby or thereby, other than claims against a party arising from such party's breach of this Agreement or the Omnibus Agreement, and from any and all declaratory or monetary elements of relief or recovery of whatsoever nature, whether known or now unknown, recognized by the law of any jurisdiction including, but not limited to, actual damages of every description (whether direct, consequential, incidental or otherwise), such as economic loss, property loss, or reputation loss; statutory, multiple, treble, punitive or exemplary damages; attorneys' fees; prejudgment or post judgment or other interest; equitable, declaratory or injunctive relief; expenses; and costs of court, relating to or arising from this Agreement or the Omnibus Agreement or the transactions contemplated hereby or thereby, other than those arising from such party's breach of this Agreement or the Omnibus Agreement.

#### Section 14. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by, and interpreted in accordance with, the laws of the State of Delaware (regardless of the laws that might otherwise govern under applicable principles of conflicts of law).

(b) Jurisdiction. Any judicial proceeding brought against any of the parties hereto with respect to this Agreement shall be brought in the United States District Court for the District of Delaware irrespective of where such party may be located at the time of such proceeding, and by execution and delivery of this Agreement, each of the parties hereto hereby consents to the exclusive jurisdiction of such court and waives any defense or opposition to such jurisdiction.

(c) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute one and the same document.

(d) Assignment; No Third-Party Beneficiaries; Amendment. Neither this Agreement, nor any of the rights, interests or obligations shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party. This Agreement is binding upon and for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

(e) Waiver. Failure by any party to take action against another in case of the others noncompliance with obligations or conditions set forth in this Agreement shall not be interpreted as a waiver for a subsequent noncompliance of the same or other obligations or

conditions. No waiver shall be deemed to have been made by any party of any of its rights under this Agreement unless the same is in writing and is signed on its behalf by its authorized representative. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time.

(f) Interpretation. The descriptive headings herein are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. Whenever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation". Any reference to "herein" or "hereof" or similar terms shall refer to the agreement as a whole rather than to the individual paragraph or section.

(g) Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as it is enforceable.

(h) Specific Performance. The parties hereby acknowledge and agree that the failure of any party to this Agreement timely to perform its agreements and covenants hereunder will cause substantial and irreparable injury to the other parties to this Agreement for which damages, even if available, will not be an adequate remedy. Accordingly, each of the parties hereto hereby consents to the granting of equitable relief (including specific performance and injunctive relief) by any court having jurisdiction over the matter to enforce any party's obligations hereunder. The parties further agree to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such equitable relief, and that this Section 14(h) is without prejudice to any other rights that the parties hereto may have for any failure to perform this Agreement. The parties further agree not to assert in any proceeding that grounds for any equitable relief are not satisfied. The parties acknowledge that because the obligations imposed on them in this Agreement are special, unique and of an extraordinary character, the making available of equitable remedies (including specific performance and injunctive relief) in this Agreement was a condition to each party's entering into this Agreement.

(i) Notices. All notices, requests and other communications hereunder to a party shall be in writing and shall be deemed given (x) upon delivery if personally delivered or (y) three Business Days after being mailed by registered or certified mail (return receipt requested) or (z) one Business Day after being delivered by overnight courier or by facsimile (with confirmation) to such party at its address or facsimile set forth below or such other address or facsimile as such party may specify by notice to the parties hereto.

If to Continental:  
Continental Airlines Inc.  
1600 Smith Street  
Dept. HQSEO  
Houston, Texas 77002  
Attention: General Counsel and Chief Financial Officer  
Facsimile: (713) 324-2687

If to 1992 Air:

1992 Air, Inc.  
301 Commerce Street, Suite 3300  
Fort Worth, Texas 76102  
Attention: James J. O'Brien  
Facsimile (817) 871-4013

If to the Northwest Parties:

Northwest Airlines Corporation  
5101 Northwest Drive  
St. Paul, Minnesota 55111  
Attention: General Counsel  
Telephone: (612) 727-6500  
Telecopier: (612) 726-7123

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this Agreement executed on behalf of the parties hereto by their respective duly authorized officers, all as of the date first above written.

1992 AIR, INC., a Texas Corporation

By: \_\_\_\_\_  
Name:  
Title:

CONTINENTAL AIRLINES, INC.

By: \_\_\_\_\_  
Jeffery A. Smisek  
Executive Vice President, General Counsel  
and Secretary

NORTHWEST AIRLINES CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General Counsel  
and Secretary

NORTHWEST AIRLINES HOLDINGS CORPORATION

By: \_\_\_\_\_  
Douglas M. Steenland  
Executive Vice President, General Counsel  
and Secretary

AIR PARTNERS L.P.

By NORTHWEST AIRLINES CORPORATION,  
its General Partner  
By: \_\_\_\_\_  
Name:  
Title:

[SIGNATURE PAGE TO REOFFER PURCHASE AGREEMENT]



## AMENDED AND RESTATED RIGHTS AGREEMENT

This Amended and Restated Rights Agreement (this "Agreement"), dated as of November 15, 2000 is effective as of the Effective Time (as defined herein), between Continental Airlines, Inc., a Delaware corporation (the "Company"), and ChaseMellon Shareholder Services, LLC, a New Jersey limited liability company (the "Rights Agent").

WHEREAS, the Company and Harris Trust and Savings Bank, an Illinois banking corporation (the "Predecessor Rights Agent"), were parties to that certain Rights Agreement dated as of November 20, 1998, as amended by the First Amendment, dated as of February 8, 2000 (such agreement, as so amended, the "Rights Agreement").

WHEREAS, the Rights Agent has agreed to act as Rights Agent under this Agreement effective as of the Effective Time.

WHEREAS, in connection with the adoption of the Rights Agreement, the Board of Directors of the Company had authorized and declared a dividend of one preferred share purchase right (a "Right") for each share of Class A Common Stock, par value \$.01 per share, of the Company (the "Class A Common Shares"), Class B Common Stock, par value \$.01 per share, of the Company (the "Class B Common Shares"), and Class D Common Stock, par value \$.01 per share, of the Company (the "Class D Common Shares") outstanding at the Close of Business on December 2, 1998 (the "Record Date"), each Right representing the right to purchase one one-thousandth of a Preferred Share (as hereinafter defined), or such different amount or kind of securities as is herein provided upon the terms and subject to the conditions herein set forth, and had further authorized and directed the issuance of one Right with respect to each additional Class A Common Share, Class B Common Share and Class D Common Share that shall become outstanding

between the Record Date and the earlier of the Distribution Date, the Redemption Date and the Final Expiration Date (as such terms are hereinafter defined).

WHEREAS, the Company, Northwest Airlines Corporation, a Delaware corporation ("NW Parent"), Northwest Airlines Holdings Corporation, ("NW Holdings"), Northwest Airlines, Inc., a Minnesota corporation, and Air Partners, L.P., a Texas limited partnership ("Air Partners"), have entered into that certain Omnibus Agreement dated as of November 15, 2000 (the "Omnibus Agreement").

WHEREAS, the terms of the Omnibus Agreement require the Company to amend the Rights Agreement to reflect the transactions contemplated by the Omnibus Agreement and to effectuate certain provisions thereof.

WHEREAS, pursuant to the Amended and Restated Certificate of Incorporation of the Company to be filed with the Secretary of State of the State of Delaware as contemplated by the Omnibus Agreement (the "Amended and Restated Certificate of Incorporation"), each Class A Common Share, issued immediately prior to the effectiveness of the Amended and Restated Certificate of Incorporation (the "Effective Time") will be reclassified, changed and converted into 1.32 Class B Common Shares (such reclassification of the Class A Common Shares, the "Reclassification") and all references to the Class D Common Shares will be deleted.

WHEREAS, this Agreement has been approved by the Required Board Vote (as hereinafter defined).

Accordingly, in consideration of the premises and the mutual agreements herein set forth, the parties hereto hereby agree as follows:

Section 1. Certain Definitions. For purposes of this Agreement, the following terms have the meanings indicated:

"Acquiring Person" shall mean any Person who or which, together with all Affiliates and Associates of such Person, shall, after the Announcement Date, be or become the Beneficial Owner of Common Shares representing 15% or more of the Voting Power of the Common Shares of the Company then outstanding (or, if such Person is an Institutional Investor (as such term is hereinafter defined), more than the Permitted Percentage (as such term is hereinafter defined)). Notwithstanding the foregoing, no Person shall be or become an Acquiring Person (1) if such Person is an Exempt Person (so long as such Person remains an Exempt Person), (2) as the result of (a) an acquisition of Common Shares by the Company or (b) the application of Article Six of the Amended and Restated Certificate of Incorporation and related provisions of the Company's bylaws, which, by reducing the number or Voting Power of shares outstanding, increases the Voting Power of the shares beneficially owned by such Person to 15% or more of the Voting Power of the Common Shares of the Company then outstanding (or, if such Person is an Institutional Investor, more than the Permitted Percentage); provided, however, that if a Person shall so become the Beneficial Owner of Common Shares representing 15% or more of the Voting Power of the Common Shares of the Company then outstanding (or, if such Person is an Institutional Investor, more than the Permitted Percentage) by reason of the acquisition of Common Shares by the Company or the application of Article Six of the Amended and Restated Certificate of Incorporation and related provisions of the Company's bylaws, and shall, after such share purchases by the Company or such application, purchase or otherwise take action to cause it to become the Beneficial Owner of Common Shares representing an additional 1% of the Voting Power of the Common Shares of the Company then outstanding (or, if such Person is an Institutional Investor, at least

100,000 additional Common Shares), then such Person shall be an Acquiring Person, or (3) if the Board of Directors determines in good faith that a Person who would otherwise be an Acquiring Person, as defined pursuant to the foregoing provisions of this paragraph, has become such inadvertently, and such Person divests as promptly as practicable a sufficient number of Common Shares so that such Person would no longer be an Acquiring Person, as defined pursuant to the foregoing provisions of this paragraph, then such Person shall not be an Acquiring Person for any purposes of this Agreement. Notwithstanding any of the foregoing, in the event that the Board of Directors determines in good faith that a Person no longer meets the requirements set forth in the definition of "Institutional Investor," then such Person shall as promptly as practicable divest itself of a sufficient number of Common Shares so that such Person beneficially owns Common Shares representing less than 15% of the Voting Power of the Common Shares then outstanding. If the Board of Directors determines in good faith that such Person does not divest itself of Common Shares in accordance with the requirements set forth in the prior sentence, then such Person shall be or become an "Acquiring Person" for any and all purposes of this Agreement.

"Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement.

"Air Partners" shall have the meaning set forth in the recitals hereof.

"Amended and Restated Certificate of Incorporation" shall have the meaning set forth in the recitals hereof.

"Announcement Date" shall mean November 20, 1998, the date on which the declaration of a dividend of one Right for each Class A Common Share and Class B Common Share then outstanding was first announced publicly.

A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any securities:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time or the satisfaction of one or more conditions) pursuant to any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), written or otherwise, or upon the exercise of conversion rights, exchange rights, rights (other than the Rights), warrants or options, or otherwise; provided, however, that a Person shall not be the Beneficial Owner of, or beneficially own, securities tendered pursuant to a tender or exchange offer made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act by or on behalf of such Person or any of such Person's Affiliates or Associates until such tendered securities are accepted for purchase or exchange; (B) the right to vote pursuant to any agreement, arrangement or understanding; provided, however, that a Person shall not be the Beneficial Owner of, or beneficially own, any security if the agreement, arrangement or understanding to vote such security (1) arises solely from a revocable proxy or consent given to such Person in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable rules and regulations promulgated under the Exchange Act and (2) is not also then reportable on Schedule 13D under the Exchange Act (or any comparable or successor report); or (C) "beneficial ownership" of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act as in effect on the date of this Agreement); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding (other than customary agreements with and between underwriters and selling group members with respect to a bona fide public offering of securities), written or otherwise, for the purpose of acquiring, holding, voting (except to the extent contemplated by the proviso to section (B) of the immediately preceding paragraph (ii)) or disposing of any securities of the Company.

Notwithstanding anything in this definition of Beneficial Ownership to the contrary, the phrase "then outstanding," when used with reference to a Person's Beneficial Ownership of securities of the Company, shall mean the number of such securities then issued and outstanding together with the number of such securities not then actually issued and outstanding which such Person would be deemed to own beneficially hereunder.

"B/C/P Group" means David Bonderman, James Coulter or William S. Price, III, or any Person with respect to which one or more of them (i) directly or indirectly controls at least 50.1% of the voting power, (ii) directly or indirectly controls at least 50.1% of the equity, or (iii) directly or indirectly controls in a manner substantially similar to the control that the general partner of Air Partners had over Air Partners pursuant to and as provided in the "Partnership Agreement" (as defined in the Investment Agreement), which Persons described in clause (iii) shall include 1998 CAI Partners, L.P., a Texas limited partnership, under its partnership agreement and ownership structure in effect on November 20, 1998.

"Board of Directors" means the board of directors of the Company.

"Business Day" shall mean any day other than a Saturday, Sunday, holiday or a day on which banking institutions in the City of Houston or the State of Illinois are authorized or obligated by law or executive order to close.

"Cash Payment" shall have the meaning set forth in Section 11(o) hereof.

"Class A Common Shares" shall have the meaning set forth in the recitals hereof.

"Class B Common Shares" shall have the meaning set forth in the recitals hereof.

"Close of Business" on any given date shall mean 5:00 p.m., Central time, on such date; provided, however, that if such date is not a Business Day it shall mean 5:00 P.M., central time, on the next succeeding Business Day.

"Common Shares" when used with reference to the Company shall mean the Class B Common Shares. "Common Shares" when used with reference to any Person other than the Company (or, in the event of a transaction referred to in Section 13 hereof, if the Company is the surviving corporation or the successor when thereafter used with reference to the Company) shall mean the capital stock (or equity interest) with the greatest voting power of such other Person or, if such other Person is a Subsidiary of another Person, the Person or Persons which ultimately control such first-mentioned Person.

"common stock equivalents" shall have the meaning set forth in Section 11(a)(iii)(B)(3) hereof.

"Current Value" shall have the meaning set forth in Section 11(a)(iii)(A)(1) hereof.

"Distribution Date" shall have the meaning set forth in Section 3(a) hereof.

"Effective Time" shall have the meaning set forth in the recitals hereof.

"equivalent preferred shares" shall have the meaning set forth in Section 11(b) hereof.

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

"Exchange Ratio" shall have the meaning set forth in Section 24(a) hereof.

"Exempt Person" shall mean (i) the Company, (ii) any Subsidiary of the Company, (iii) any employee benefit plan of the Company or any Subsidiary of the Company, (iv) any entity holding Common Shares for or pursuant to the terms of any such employee benefit plan, (v) the B/C/P Group, and (vi) any Person who, as a result of a transfer of (or an agreement to transfer) Common Shares by any member of the B/C/P Group, becomes the beneficial owner of Common Shares representing 15% or more of the Voting Power of the Company then outstanding; provided that such Person shall not have acquired Beneficial Ownership of Common Shares in addition to those acquired from any member of the B/C/P Group other than with the Required Board Vote.

"Exercise Price" shall have the meaning set forth in Section 7(b).

"Final Expiration Date" shall mean November 20, 2008.

"Institutional Investor" shall mean a Person who, as of January 31, 2000, was the Beneficial Owner of Common Shares representing more than 14% of the Voting Power of the Common Shares then outstanding and had a Schedule 13G on file with the Securities and Exchange Commission pursuant to the requirements of Rule 13d-1 under the Exchange Act with respect to such holdings ("Schedule 13G"), so long as such Person (i) is principally engaged in the business of managing investment funds for unaffiliated securities investors and, as part of such Person's duties as agent for fully managed accounts, holds or exercises voting or dispositive power over Common Shares of the Company, (ii) such Person acquires Beneficial Ownership of Common Shares of the Company pursuant to trading activities undertaken in the ordinary course of such Person's business and not with the purpose nor the effect, either alone or in concert with



any Person, of exercising the power to direct or cause the direction of the management and policies of the Company or of otherwise changing or influencing the control of the Company, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to Rule 13d-3(b) of the Exchange Act and (iii) if such Person is a Person included in Rule 13d-1(b)(1)(ii) of the Exchange Act, such Person is not obligated to, and does not, file a Schedule 13D with respect to the securities of the Company.

"Investment Agreement" shall mean the Investment Agreement dated as of January 25, 1998 among NW Parent, NW Holdings, Air Partners, the partners of Air Partners signatory thereto, Bonderman Family Limited Partnership, 1992 Air, Inc. and Air Saipan, Inc. as amended by Amendment No. 1 dated February 27, 1998 and Amendment No. 2 dated as of November 20, 1998.

"NW Holdings" shall have the meaning set forth in the recitals hereof.

"NW Parent" shall have the meaning set forth in the recitals hereof.

"Omnibus Agreement" shall have the meaning set forth in the recitals hereof.

"Permitted Percentage" shall mean, with respect to an Institutional Investor, (a) through December 31, 2001, 47% of the Common Shares of the Company then outstanding (the "Maximum Percentage") and (b) after December 31, 2001, at any given date (a "Determination Date"), the lesser of (i) the Maximum Percentage and (ii) the lowest percentage of the outstanding Common Shares of the Company beneficially owned by the Institutional Investor as set forth in or derived from any Schedule 13G filed by the Institutional Investor after December 31, 2001 and prior to the Determination Date with respect to its beneficial ownership of Common Shares; provided, however, in no event shall the Permitted Percentage be less than 25% of the Common Shares of the Company then outstanding.

"Person" shall mean any individual, firm, corporation, partnership, limited partnership, limited liability partnership, business trust, limited liability company, unincorporated association, or joint venture or other entity, and shall include any successor (by merger or otherwise) of such entity.

"Predecessor Rights Agent" shall have the meaning set forth in the recitals hereof.

"Preferred Shares" shall mean the shares of Series A Junior Participating Preferred Stock, par value \$.01 per share, of the Company.

"Reclassification" shall have the meaning set forth in the recitals hereof.

"Record Date" shall have the meaning set forth in the recitals hereof.

"Redemption Date" shall mean the date on which the Rights are redeemed as provided in Section 23 hereof.

"Redemption Price" shall mean \$.001 per Right, appropriately adjusted to reflect any stock split, stock dividend, or similar transaction occurring after the date hereof.

"Required Board Vote" shall mean approval of an action by the Board of Directors by the affirmative vote of two-thirds of the members of the Board of Directors voting on the action.

"Right Certificate" shall mean a certificate evidencing a Right in substantially the form of Exhibit B hereto.

"Rights Agent" shall have the meaning set forth in the recitals hereof.

"Rights Agreement" shall have the meaning set forth in the recitals hereof.

"Section 11(a)(ii) Trigger Date" shall have the meaning set forth in Section 11(a)(iii) hereof.

"Section 13 Trigger Date" shall have the meaning set forth in Section 13 hereof.

"Shares Acquisition Date" shall mean the earlier of the date of (i) the public announcement by the Company or an Acquiring Person that an Acquiring Person has become such or (ii) the public disclosure of facts by the Company or an Acquiring Person indicating that an Acquiring Person has become such.

"Spread" shall have the meaning set forth in Section 11(a)(iii)(A) hereof.

"Subsidiary" of any Person shall mean any Person of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by such Person.

"Substitution Period" shall have the meaning set forth in Section 11(a)(iii) hereof.

"Summary of Rights" shall mean the Summary of Rights to Purchase Preferred Shares in substantially the form of Exhibit C to the Rights Agreement.

"Voting Power" shall mean the total number of votes entitled to be cast by the holders of the Common Shares of the Company then outstanding taking into account the operation of Article Six of the Amended and Restated Certificate of Incorporation and related provisions of the Company's bylaws.

Section 2. Appointment of Rights Agent. The Company hereby appoints the Rights Agent to act as agent for the Company in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Company may from time to time appoint such co-Rights Agents, as it may deem necessary or desirable. The Rights Agent shall have no duty to supervise, and in no event shall be liable for, the acts or omissions of any such co rights Agent.

## Section 3. Issue of Right Certificates.

(a) Until the Close of Business on the earlier of (i) the tenth day after the Shares Acquisition Date or (ii) the tenth Business Day (or such later date as may be determined by action of the Board of Directors prior to such time as any Person becomes an Acquiring Person) after the date of the commencement by any Person (other than an Exempt Person) of, or of the first public announcement of the intention of any Person (other than any of the Persons referred to in the preceding parenthetical) to commence (unless such Person publicly announces within five (5) Business Days that it no longer intends to commence), a tender or exchange offer the consummation of which could result in any Person becoming an Acquiring Person (such earlier date being herein referred to as the "Distribution Date"), (x) the Rights will be evidenced (subject to the provisions of Section 3(b) hereof) by the certificates for Common Shares registered in the names of the holders thereof (which certificates shall also be deemed to be Right Certificates other than for purposes of this Section 3 and any provision of this Agreement referring to the issuance or distribution of Right Certificates) and not by separate Right Certificates, and (y) the Rights (and the right to receive Right Certificates) will be transferable only in connection with the transfer of Common Shares. As soon as practicable after the Company has notified the Rights Agent of the occurrence of the Distribution Date, the Company will prepare and execute, (and, if at such time, the Rights Agent is not also the Company's transfer agent, provide the Rights Agent with a list of stockholders (together with all other necessary information)), the Rights Agent will countersign, and the Company will send or cause to be sent (and the Rights Agent will, if requested, send at the expense of the Company) by first-class, insured, postage-prepaid mail (or such other method of delivery selected by the Company), to each record holder of Common Shares as of the Close of Business on the Distribution Date, at the address of such holder shown on the records of the Company, a Right Certificate

evidencing one Right for each Common Share so held (subject to adjustment as provided in this Agreement). As of the Close of Business on the Distribution Date, the Rights will be evidenced solely by such Right Certificates.

(b) The Rights Agent will mail to any holder of the Right Certificates a copy of this Agreement without charge to the holder but at the expense of the Company after receipt of a written request therefor. With respect to certificates representing Common Shares outstanding as of the Record Date, until the Distribution Date, the Rights will be evidenced by such certificates registered in the names of the holders thereof. Until the Distribution Date (or the earlier of the Redemption Date or the Final Expiration Date), the surrender for transfer of any certificate for Common Shares outstanding on the Record Date, with or without a copy of the Summary of Rights attached thereto, shall also constitute the transfer of the Rights associated with the Common Shares evidenced thereby.

(c) Certificates for Common Shares which become outstanding (including, without limitation, reacquired Common Shares referred to in the last sentence of this paragraph (c)) after the Effective Time but prior to the earliest of the Distribution Date, the Redemption Date or the Final Expiration Date shall have impressed on, printed on, written on or otherwise affixed to them substantially the following legend:

This certificate also evidences and entitles the holder hereof to certain rights (the "Rights") as set forth in the Amended and Restated Rights Agreement between Continental Airlines, Inc. and ChaseMellon Shareholder Services, LLC, dated as of November 15, 2000 as it may from time to time be amended or supplemented pursuant to its terms (the "Rights Agreement"), the terms of which are hereby incorporated herein by reference. A copy of the Rights Agreement is on file at the principal executive offices of Continental Airlines, Inc. Under certain circumstances set forth in the Rights Agreement, such Rights will be evidenced by separate certificates and will no longer be evidenced by this certificate. ChaseMellon Shareholder Services, LLC will mail to the holder of this certificate a

copy of the Rights Agreement without charge after receipt of a written request therefor. Under certain circumstances, rights beneficially owned by any Person who becomes an Acquiring Person (as defined in the Rights Agreement) and certain other Persons shall become null and void.

With respect to such certificates containing the foregoing legend, until the Distribution Date, the Rights associated with the Common Shares represented by such certificates shall be evidenced by such certificates alone, and the surrender for transfer of any such certificate shall also constitute the transfer of the Rights associated with the Common Shares represented thereby. In the event that the Company purchases or acquires any Common Shares after the Record Date but prior to the Distribution Date, any Rights associated with such Common Shares shall be canceled and retired so that the Company shall not be entitled to exercise any Rights associated with the Common Shares that are no longer outstanding.

Section 4. Form of Right Certificates. The Right Certificates (and the forms of election to purchase Preferred Shares and of assignment to be printed on the reverse thereof) shall be substantially the same as Exhibit B hereto and may have such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Company may deem appropriate, provided that such marks, legends, summaries and endorsements do not affect the rights, duties or responsibilities of the Rights Agent and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Rights may from time to time be listed, or to conform to usage. Subject to the other provisions of this Agreement, the Right Certificates shall entitle the holders thereof to purchase such number of one one-thousandths of a Preferred Share as shall be set forth therein at the Exercise Price, but the number of one one-thousandths of a Preferred Share and the Exercise Price shall be subject to adjustment as provided herein.

Section 5. Countersignature and Registration. The Right Certificates shall be executed on behalf of the Company by its Chairman of the Board, its Chief Executive Officer, its President, any of its Vice Presidents, or its Treasurer, either manually or by facsimile signature; shall have affixed thereto the Company's seal or a facsimile thereof; and shall be attested by the Secretary or any Assistant Secretary of the Company, either manually or by facsimile signature. The Rights Agent shall countersign the Right Certificates, either manually or by facsimile signature, and the Right Certificate shall not be valid for any purpose unless so countersigned. In case any officer of the Company who shall have signed any of the Right Certificates shall cease to be such officer of the Company before countersignature by the Rights Agent and issuance and delivery by the Company, such Right Certificates may nonetheless be countersigned by the Rights Agent and issued and delivered by the Company with the same force and effect as though the person who signed such Right Certificates had not ceased to be such officer of the Company; and any Right Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Right Certificate, shall be a proper officer of the Company to sign such Right Certificate, although at the date of the execution of this Rights Agreement any such person was not such an officer.

Following the Distribution Date and receipt by the Rights Agent of all relevant information, the Rights Agent will keep or cause to be kept, at its office designated for such purpose, books for registration of the transfer of the Right Certificates issued hereunder. Such books shall show the names and addresses of the respective holders of the Right Certificates, the number of Rights evidenced on its face by each of the Right Certificates and the date of each of the Right Certificates.

Section 6. Transfer, Split Up, Combination and Exchange of Right Certificates; Mutilated, Destroyed, Lost or Stolen Right Certificates.

(a) Subject to the provisions of Section 14 hereof, at any time after the Close of Business on the Distribution Date, and at or prior to the earliest of the Redemption Date, the Close of Business on the Final Expiration Date, or the time at which the Rights are exchanged as provided in Section 24 hereof, any Right Certificate or Right Certificates (other than Right Certificates representing Rights that have become void pursuant to Section 11(a)(ii) hereof) may be transferred, split up, combined or exchanged for another Right Certificate or Right Certificates, entitling the registered holder to purchase a like number of one one-thousandths of a Preferred Share as the Right Certificate or Right Certificates surrendered then entitled such holder to purchase. Any registered holder desiring to transfer, split up, combine or exchange any Right Certificate or Right Certificates shall make such request in writing delivered to the Rights Agent, and shall surrender the Right Certificate or Right Certificates to be transferred, split up, combined or exchanged at the office of the Rights Agent designated for such purpose. Neither the Rights Agent nor the Company shall be obligated to take any action whatsoever with respect to the transfer of any such surrendered Right Certificate until the registered holder shall have properly completed and signed the certificate contained in the form of assignment on the reverse side of such Right Certificate and shall have provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company or the Rights Agent shall reasonably request. Thereupon the Rights Agent shall countersign and deliver to the Person entitled thereto a Right Certificate or Right Certificates, as the case may be, as so requested. The Company may require payment of a sum sufficient for any tax or governmental charge that may be imposed in connection with any transfer, split up, combination or exchange of



Right Certificates. The Rights Agent shall have no duty or obligation under this Section 6 or any other similar provision of this Agreement unless and until it is satisfied that all such taxes and/or governmental charges have been paid in full.

(b) Upon receipt by the Company and the Rights Agent of evidence reasonably satisfactory to them of the loss, theft, destruction or mutilation of a Right Certificate, and, in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to them, and, at the Company's or the Rights Agent's request, reimbursement to the Company and the Rights Agent of all reasonable expenses incidental thereto, and upon surrender to the Rights Agent and cancellation of the Right Certificate if mutilated, the Company will make and deliver a new Right Certificate of like tenor to the Rights Agent for delivery to the registered holder in lieu of the Right Certificate so lost, stolen, destroyed or mutilated.

Section 7. Exercise of Rights; Exercise Price; Expiration Date of Rights.

(a) The registered holder of any Right Certificate (other than a holder whose Rights have become void pursuant to Section 11(a)(ii) hereof) may exercise the Rights evidenced thereby in whole or in part at any time after the Distribution Date upon surrender of the Right Certificate, with the form of election to purchase on the reverse side thereof duly executed, to the Rights Agent at its office designated for such purpose, together with payment of the Exercise Price for each one one-thousandth of a Preferred Share as to which the Rights are exercised, prior to the earliest of (i) the Close of Business on the Final Expiration Date, (ii) the time at which the right to exercise the Rights terminates pursuant to Section 23 hereof, or (iii) the time at which such Rights are exchanged as provided in Section 24 hereof.

(b) The purchase price for each one one-thousandth of a Preferred Share to be purchased upon the exercise of a Right shall initially be Two Hundred Dollars (\$200) (the

"Exercise Price"), shall be subject to adjustment from time to time as provided in Sections 11 and 13 hereof, and shall be payable in lawful money of the United States of America in accordance with paragraph (c) below.

(c) Upon receipt of a Right Certificate representing exercisable Rights, with the form of election to purchase and certificate duly executed, accompanied by payment of the Exercise Price for the number of one one-thousandths of a Preferred Share to be purchased and an amount equal to any applicable tax or governmental charge required to be paid by the holder of such Right Certificate in accordance with Section 9 hereof by certified check, cashier's check or money order payable to the order of the Company, the Rights Agent shall thereupon promptly (i) (A) requisition from any transfer agent of the Preferred Shares certificates for the number of one one-thousandths of a Preferred Share to be purchased and the Company hereby irrevocably authorizes its transfer agent to comply with all such requests, or (B) requisition from any depository agent for the Preferred Shares depository receipts representing such number of one one-thousandths of a Preferred Share as are to be purchased (in which case certificates for the Preferred Shares represented by such receipts shall be deposited by the transfer agent with the depository agent) and the Company hereby directs the depository agent to comply with such request, (ii) when necessary to comply with this Agreement, requisition from the Company the amount of cash to be paid in lieu of issuance of fractional Preferred Shares in accordance with Section 14 hereof, (iii) after receipt of such certificates or depository receipts, cause the same to be delivered to or upon the order of the registered holder of such Right Certificate, registered in such name or names as may be designated by such holder and (iv) when necessary to comply with this Agreement, after receipt, deliver the cash described in clause (iii) above to or upon the order of the registered holder of such Right Certificate.

(d) In case the registered holder of any Right Certificate shall exercise less than all the Rights evidenced thereby, a new Right Certificate evidencing the unexercised Rights shall be issued by the Rights Agent to the registered holder of such Right Certificate or to his duly authorized assigns, subject to the provisions of Section 6 and Section 14 hereof.

(e) Notwithstanding anything in this Agreement to the contrary, neither the Rights Agent nor the Company shall be obligated to undertake any action with respect to a registered holder upon the occurrence of any purported exercise as set forth in this Section 7 unless such registered holder shall have (i) properly completed and signed the certificate following the form of election to purchase set forth on the reverse side of the Right Certificate surrendered for such exercise and (ii) provided such additional evidence of the identity of the Beneficial Owner (or former Beneficial Owner) or Affiliates or Associates thereof as the Company or the Rights Agent shall reasonably request.

(f) The Rights Agent shall have no liability to any holder of Rights or any other Person as a result of the Company's failure to make any determination under this Section 7 or any other section with respect to an Acquiring Person or an Affiliate or Associate of an Acquiring Person or transferees hereunder.

#### Section 8. Cancellation and Destruction of Right Certificates.

All Right Certificates surrendered for the purpose of exercise, transfer, split up, combination or exchange shall, if surrendered to the Company or to any of its agents, be delivered to the Rights Agent for cancellation or in canceled form, or, if surrendered to the Rights Agent, shall be canceled by it, and no Right Certificates shall be issued in lieu thereof except as expressly permitted by the provisions of this Rights Agreement. The Company shall deliver to the Rights Agent for cancellation and retirement, and the Rights Agent shall so cancel and retire, any other Right Certificate purchased or

acquired by the Company otherwise than upon the exercise thereof. The Rights Agent shall deliver all canceled Right Certificates to the Company, or shall, at the written request of the Company, destroy such canceled Right Certificates, and in such case shall deliver a certificate of destruction thereof to the Company.

Section 9. Status and Availability of Preferred Shares.

(a) The Company covenants and agrees that it will take all such action as may be necessary to ensure that all Preferred Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates for such Preferred Shares (subject to payment of the Exercise Price), be duly and validly authorized and issued and fully paid and non-assessable shares.

(b) The Company further covenants and agrees that it will pay when due and payable any and all taxes and governmental charges which may be payable in respect of the issuance or delivery of the Right Certificates or of any Preferred Shares upon the exercise of Rights. The Company shall not, however, be required to pay any tax or charge which may be payable in respect of any transfer or delivery of Right Certificates to a person other than, or the issuance or delivery of certificates or depositary receipts for the Preferred Shares in a name other than that of, the registered holder of the Right Certificate evidencing Rights surrendered for exercise; or to issue or to deliver any certificates or depositary receipts for Preferred Shares upon the exercise of any Rights until any such tax or charge shall have been paid (any such tax or charge being payable by the holder of such Right Certificate at the time of surrender); or until it has been established to the Company's reasonable satisfaction that no such tax or charge is due.

(c) The Company covenants and agrees that it will cause to be reserved and kept available, out of its authorized and unissued Preferred Shares or any Preferred Shares held

in its treasury, the number of Preferred Shares that will be sufficient to permit the exercise in full of all outstanding Rights in accordance with Section 7 hereof.

Section 10. Preferred Shares Record Date. Each Person in whose name any certificate for Preferred Shares is issued upon the exercise of Rights shall for all purposes have become the holder of record of the Preferred Shares represented thereby on, and such certificate shall be dated, the date upon which the Right Certificate evidencing such Rights was duly surrendered and payment of the Exercise Price (and any applicable transfer taxes or governmental charges) was made. Prior to the exercise of the Rights evidenced thereby, the holder of a Right Certificate shall not be entitled to any rights of a holder of Preferred Shares for which the Rights shall be exercisable, including, without limitation, the right to vote, to receive dividends or other distributions or to exercise any preemptive rights, and shall not be entitled to receive any notice of any proceedings of the Company, except as provided herein.

Section 11. Adjustment of Exercise Price, Number of Shares or Number of Rights. The Exercise Price, the number of Preferred Shares covered by each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 11.

(a) (i) In the event the Company shall at any time after the date of this Agreement (A) declare a dividend on the Preferred Shares payable in Preferred Shares, (B) subdivide the outstanding Preferred Shares, (C) combine the outstanding Preferred Shares into a smaller number of Preferred Shares or (D) issue any shares of its capital stock in a reclassification of the Preferred Shares (including any such reclassification in connection with a consolidation or merger in which the Company is the continuing or surviving corporation), except as otherwise provided in this Section 11(a), the Exercise Price in effect at the time of the record date for such dividend or of the effective date of such subdivision, combination or reclassification, and the

number and kind of shares of capital stock issuable on such date, shall be proportionately adjusted so that the holder of any Right exercised after such time shall be entitled to receive the aggregate number and kind of shares of capital stock which, if such Right had been exercised immediately prior to such date, he would have owned upon such exercise and been entitled to receive by virtue of such dividend, subdivision, combination or reclassification; provided, however, that in no event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right.

(ii) Subject to the following paragraph of this subparagraph (ii) and to Section 24 of this Agreement, in the event any Person shall become an Acquiring Person, each holder of a Right shall thereafter have a right to receive, upon exercise thereof at a price equal to the then current Exercise Price multiplied by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Agreement and in lieu of such number of Preferred Shares for which a Right is then exercisable, such number of Common Shares as shall equal the result obtained by (x) multiplying the then current Exercise Price by the number of one one-thousandths of a Preferred Share for which a Right was or would have been exercisable (if the Rights had been exercisable) as of immediately prior to such Person becoming an Acquiring Person and dividing that product by (y) 50% of the then current per share market price of the Common Shares (determined pursuant to Section 11(d) hereof) on the date such Person became an Acquiring Person. In the event that any Person shall become an Acquiring Person and the Rights shall then be outstanding, the Company shall not take any action that would eliminate or diminish the benefits intended to be afforded by the Rights.

From and after the occurrence of such an event, any Rights that are or were acquired or beneficially owned by such Acquiring Person (or any Associate or Affiliate of such Acquiring

Person) on or after the earlier of (x) the date of such event and (y) the Distribution Date, shall be void and any holder of such Rights shall thereafter have no right to exercise such Rights under any provision of this Agreement. No Right Certificate shall be issued pursuant to Section 3 that represents Rights beneficially owned by an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate, Affiliate or transferee thereof; no Right Certificate shall be issued at any time upon the transfer of any Rights to an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof or to any nominee of such Acquiring Person, Associate or Affiliate; and any Right Certificate delivered to the Rights Agent for transfer to an Acquiring Person whose Rights would be void pursuant to the preceding sentence or any Associate or Affiliate thereof shall be canceled.

(iii) In the event that the number of Common Shares which are authorized by the Company's certificate of incorporation and not outstanding or subscribed for, or reserved or otherwise committed for issuance for purposes other than upon exercise of the Rights, are not sufficient to permit the holder of each Right to purchase the number of Common Shares to which he would be entitled upon the exercise in full of the Rights in accordance with subparagraph (ii) of paragraph (a) of this Section 11, or should the Board of Directors so elect, the Company shall: (A) determine the excess of (1) the value of the Common Shares issuable upon the exercise of a Right (calculated as provided in the last sentence of this subparagraph (iii)) pursuant to Section 11(a)(ii) hereof (the "Current Value") over (2) the Exercise Price (such excess, the "Spread"), and (B) with respect to each Right, make adequate provision to substitute for such Common Shares, upon payment of the applicable Exercise Price, any one or more of the following having an aggregate value determined by the Board of Directors to be equal to the Current Value: (1) cash; (2) a reduction in the Exercise Price; (3) Preferred Shares or other equity securities of the Company

(including, without limitation, shares, or units or fractions of shares, of preferred stock which the Board of Directors has determined to have the same value as the Common Shares (such shares of preferred stock, "common stock equivalents")); (4) debt securities of the Company; or (5) other assets; provided, however, if the Company shall not have made adequate provision to deliver value pursuant to clause (B) above within thirty (30) days following the first occurrence of an event triggering the rights to purchase Common Shares described in Section 11(a)(ii) (the "Section 11(a)(ii) Trigger Date"), then the Company shall be obligated to deliver, upon the surrender for exercise of a Right and without requiring payment of the Exercise Price, shares of Common Shares (to the extent available) and then, if necessary, cash, which shares and cash have an aggregate value equal to the Spread. If the Board of Directors shall determine in good faith that it is likely that sufficient additional shares of Common Shares could be authorized for issuance upon exercise in full of the Rights, the thirty (30) day period set forth above may be extended to the extent necessary, but not more than ninety (90) days after the Section 11(a)(ii) Trigger Date, in order that the Company may seek stockholder approval for the authorization of such additional shares (such period, as it may be extended, the "Substitution Period"). To the extent that the Company determines that some action need be taken pursuant to the first and/or second sentences of this Section 11(a)(iii), the Company (x) shall provide, subject to Section 7(e) hereof and the last paragraph of Section 11(a)(ii) hereof, that such action shall apply uniformly to all outstanding Rights, and (y) may suspend the exercisability of the Rights until the expiration of the Substitution Period in order to seek any authorization of additional shares and/or to decide the appropriate form of distribution to be made pursuant to such first sentence and to determine the value thereof. In the event of any such suspension, the Company shall make a public announcement, and shall promptly deliver to the Rights Agent a statement, stating that the exercisability of the Rights has been



temporarily suspended. At such time as the suspension is no longer in effect, the Company shall make another public announcement, and promptly deliver to the Rights Agent a statement, so stating. For purposes of this Section 11(a)(iii), the value of the Common Shares shall be the current per share market price (as determined pursuant to Section 11(d)(i) hereof) of the Common Shares on the Section 11(a)(ii) Trigger Date and the value of any common stock equivalent shall be deemed to have the same value as the Common Shares on such date.

(b) In case the Company shall fix a record date for the issuance of rights, options or warrants to all holders of Preferred Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Preferred Shares (or shares having the same rights, powers and preferences as the Preferred Shares ("equivalent preferred shares")) or securities convertible into Preferred Shares or equivalent preferred shares at a price per Preferred Share or equivalent preferred share (or having a conversion price per share, if a security convertible into Preferred Shares or equivalent preferred shares) less than the then current per share market price of the Preferred Shares (as defined in Section 11(d)) on such record date, the Exercise Price to be in effect after such record date shall be adjusted by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the number of Preferred Shares outstanding on such record date plus the number of Preferred Shares which the aggregate offering price of the total number of Preferred Shares and/or equivalent preferred shares so to be offered (and/or the aggregate initial conversion price of the convertible securities so to be offered) would purchase at such current market price and the denominator of which shall be the number of Preferred Shares outstanding on such record date plus the number of additional Preferred Shares and/or equivalent preferred shares to be offered for subscription or purchase (or into which the convertible securities so to be offered are initially convertible); provided, however, that in no

event shall the consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company issuable upon exercise of one Right. In case such subscription price may be paid in a consideration part or all of which shall be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a reasonably detailed statement filed with the Rights Agent. Preferred Shares owned by or held for the account of the Company shall not be deemed outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed; and in the event that such rights, options or warrants are not so issued, the Exercise Price shall be adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed.

(c) In case the Company shall fix a record date for the making of a distribution to all holders of the Preferred Shares (including any such distribution made in connection with a consolidation or merger in which the Company is the continuing or surviving corporation) of evidences of indebtedness or assets (other than a regular quarterly cash dividend or a dividend payable in Preferred Shares) or subscription rights or warrants (excluding those referred to in Section 11(b) hereof), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction, the numerator of which shall be the then current per share market price of the Preferred Shares on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a reasonably detailed statement filed with the Rights Agent) of the portion of the assets or evidences of indebtedness so to be distributed or of such subscription rights or warrants applicable to one Preferred Share and the denominator of which shall be such current per share market price of the Preferred Shares; provided, however, that in no event shall the

consideration to be paid upon the exercise of one Right be less than the aggregate par value of the shares of capital stock of the Company to be issued upon exercise of one Right. Such adjustments shall be made successively whenever such a record date is fixed; and in the event that such distribution is not so made, the Exercise Price shall again be adjusted to be the Exercise Price which would then be in effect if such record date had not been fixed.

(d) (i) For the purpose of any computation hereunder, the "current per share market price" of any security (a "Security" for the purpose of this Section 11(d)(i)) on any date shall be the average of the daily closing prices per share of such Security for the thirty (30) consecutive Trading Days (as such term is hereinafter defined) immediately prior to, but not including, such date; provided, however, that in the event that the current per share market price of the Security is determined during a period following the announcement by the issuer of such Security of (A) a dividend or distribution on such Security payable in shares of such Security or securities convertible into such shares, or (B) any subdivision, combination or reclassification of such Security and prior to the expiration of thirty (30) Trading Days after the ex-dividend date for such dividend or distribution, or the record date for such subdivision, combination or reclassification, then, and in each such case, the current per share market price shall be appropriately adjusted to reflect the current market price per share equivalent of such Security. The closing price for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Security is not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the

Security is listed or admitted to trading or, if the Security is not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System ("NASDAQ") or such other system then in use, or, if on any such date the Security is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Security selected by the Board of Directors. The term "Trading Day" shall mean a day on which the principal national securities exchange on which the Security is listed or admitted to trading is open for the transaction of business or, if the Security is not listed or admitted to trading on any national securities exchange, a Business Day.

(ii) For the purpose of any computation hereunder, the "current per share market price" of the Preferred Shares shall be determined in accordance with the method set forth in Section 11(d)(i). If the Preferred Shares are not publicly traded, the "current per share market price" of the Preferred Shares shall be conclusively deemed to be the current per share market price of the Common Shares as determined pursuant to Section 11(d)(i) (appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof), multiplied by 1000. If neither the Common Shares nor the Preferred Shares are publicly held or so listed or traded, "current per share market price" shall mean the fair value per share as determined in good faith by the Board of Directors, whose determination shall be described in a reasonably detailed statement filed with the Rights Agent.

(e) No adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 11(e) are not required to be made

shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Section 11 shall be made to the nearest cent or to the nearest one ten-millionth of a Preferred Share or one ten-thousandth of any other share or security as the case may be. Notwithstanding the first sentence of this Section 11(e), any adjustment required by this Section 11 shall be made no later than three (3) years from the date of the transaction that requires such adjustment.

(f) If as a result of an adjustment made pursuant to Section 11(a) hereof, the holder of any Right thereafter exercised shall become entitled to receive any shares of capital stock of the Company other than Preferred Shares, the number of such other shares so receivable upon exercise of any Right shall thereafter be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to the Preferred Shares contained in Section 11(a) through (c), inclusive, and the provisions of Sections 7, 9, 10 and 13 with respect to the Preferred Shares shall apply on like terms to any such other shares.

(g) All Rights originally issued by the Company subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of one one-thousandths of a Preferred Share purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.

(h) Unless the Company shall have exercised its election as provided in Section 11(i), upon each adjustment of the Exercise Price as a result of the calculations made in Sections 11(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of one one-thousandths of a Preferred Share (calculated to the nearest one ten-millionth of a Preferred Share) obtained by (i) multiplying (x) the number of one one-thousandths of a share covered by a

Right immediately prior to this adjustment by (y) the Exercise Price in effect immediately prior to such adjustment of the Exercise Price and (ii) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.

(i) The Company may elect on or after the date of any adjustment of the Exercise Price to adjust the number of Rights in substitution for any adjustment in the number of one one-thousandths of a Preferred Share purchasable upon the exercise of a Right. Each of the Rights outstanding after such adjustment of the number of Rights shall be exercisable for the number of one one-thousandths of a Preferred Share for which a Right was exercisable immediately prior to such adjustment. Each Right held of record prior to such adjustment of the number of Rights shall become that number of Rights (calculated to the nearest one millionth) obtained by dividing the Exercise Price in effect immediately prior to adjustment of the Exercise Price by the Exercise Price in effect immediately after adjustment of the Exercise Price. The Company shall make a public announcement (with prompt written notice thereof to the Rights Agent) of its election to adjust the number of Rights, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any day thereafter, but, if the Right Certificates have been distributed, shall be at least ten (10) days later than the date of the public announcement. If Right Certificates have been distributed, upon each adjustment of the number of Rights pursuant to this Section 11(i), the Company shall, as promptly as practicable, cause to be distributed to holders of record of Right Certificates on such record date Right Certificates evidencing, subject to Section 14 hereof, the additional Rights to which such holders shall be entitled as a result of such adjustment, or, at the option of the Company, shall cause to be distributed to such holders of record in substitution and replacement for the Right Certificates held by such holders prior to the date of adjustment, and upon

surrender thereof, if required by the Company, new Right Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Right Certificates to be so distributed shall be issued, executed and countersigned in the manner provided for herein and shall be registered in the names of the holders of record of Right Certificates on the record date specified in the public announcement.

(j) Irrespective of any adjustment or change in the Exercise Price or the number of one one-thousandths of a Preferred Share issuable upon the exercise of the Rights, the Right Certificates theretofore and thereafter issued may continue to express the Exercise Price and the number of one one-thousandths of a Preferred Share, which were expressed in the initial Right Certificates issued hereunder.

(k) Before taking any action that would cause an adjustment reducing the Exercise Price below one one-thousandth of the then par value of the Preferred Shares issuable upon exercise of the Rights, the Company shall take any corporate action which may, in the opinion of its counsel, be necessary in order that the Company may validly and legally issue fully paid and non-assessable Preferred Shares at such adjusted Exercise Price.

(l) In any case in which this Section 11 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Company may elect to defer (with prompt written notice thereof to the Rights Agent) until the occurrence of such event the issuing to the holder of any Right exercised after such record date of the Preferred Shares and other capital stock or securities of the Company, if any, issuable upon such exercise over and above the Preferred Shares and other capital stock or securities of the Company, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Company shall deliver to such holder a due bill or other appropriate instrument

evidencing such holder's right to receive such additional shares upon the occurrence of the event requiring such adjustment.

(m) Anything in this Section 11 to the contrary notwithstanding, the Company shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 11, as and to the extent that it in its sole discretion shall determine to be advisable in order that any (i) consolidation or subdivision of the Preferred Shares, (ii) issuance wholly for cash of any Preferred Shares at less than the current market price, (iii) issuance wholly for cash of Preferred Shares or securities which by their terms are convertible into or exchangeable for Preferred Shares, (iv) dividends on Preferred Shares payable in Preferred Shares or (v) issuance of any rights, options or warrants referred to hereinabove in Section 11(b), hereafter made by the Company to holders of its Preferred Shares shall not be taxable to such stockholders.

(n) In the event that at any time after the date of this Agreement and prior to the Distribution Date, the Company shall (i) declare or pay any dividend on the Common Shares payable in Common Shares or (ii) effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise other than by payment of dividends in Common Shares) into a greater or lesser number of Common Shares, then in any such case (i) the number of one one-thousandths of a Preferred Share purchasable after such event upon proper exercise of each Right shall be determined by multiplying the number of one one-thousandths of a Preferred Share so purchasable immediately prior to such event by a fraction, the numerator of which is the Voting Power of the number of Common Shares outstanding immediately before such event and the denominator of which is the Voting Power of the number of Common Shares outstanding immediately after such event, and (ii) each Common Share outstanding immediately after such



event shall have issued with respect to it that number of Rights which each Common Share outstanding immediately prior to such event had issued with respect to it. The adjustments provided for in this Section 11(n) shall be made successively whenever such a dividend is declared or paid or such a subdivision, combination or consolidation is effected.

(o) Each Class B Common Share that becomes outstanding as a result of the Reclassification shall have one Right attached thereto. Upon the Effective Time, the Rights that were previously attached to the Class A Common Shares outstanding immediately prior to the Effective Time shall become void. From and after the Effective Time, the (A) outstanding stock certificates registered in the name of each record holder thereof and the Summary of Rights attached thereto and (B) outstanding stock certificates containing the legend contemplated by Section 3 hereof registered in the name of each record holder thereof, which, in either case, prior to the Effective Time, represented outstanding Class A Common Shares and an equal number of Rights shall represent (1) a number of whole Class B Common Shares equal to 1.32 times the number of Class A Common Shares such certificates represented immediately prior to the Effective Time rounded down to the nearest whole share, (2) an equal number of whole Rights and (3) the right of the record holder thereof to receive, in lieu of fractional Class B Common Shares, the Cash Payment (as defined in the Amended and Restated Certificate of Incorporation), until such certificates are presented to the Company or its transfer agent for transfer or reissue, in which event the Company or its transfer agent shall issue (y) stock certificates containing the legend contemplated by Section 3 hereof representing the appropriate number of whole Class B Common Shares into which the Class A Common Shares were reclassified as a result of the Reclassification and an equal number of whole Rights and (y) the Cash Payment.

Section 12. Certificate of Adjustment. Whenever an adjustment is made as provided in Sections 11 or 13 hereof, the Company shall promptly (a) prepare a certificate setting forth such adjustment, and a brief, reasonably detailed statement of the facts, computations and methodology accounting for such adjustment, (b) file with the Rights Agent and with each transfer agent for the Preferred Shares or the Common Shares a copy of such certificate and (c) mail a brief summary thereof to each holder of a Right Certificate in accordance with Section 25 hereof. The Rights Agent shall be fully protected in relying on any such certificate and on any adjustment therein contained, and shall not be obligated or responsible for calculating any adjustment, nor shall it be deemed to have a duty with respect to nor knowledge of such an adjustment unless and until it shall have received such certificate.

Section 13. Consolidation, Merger or Sale or Transfer of Assets or Earning Power. In the event that, at any time after a Person becomes an Acquiring Person, directly or indirectly, (a) the Company shall consolidate with, or merge with and into, any other Person, (b) any Person shall consolidate with the Company, or merge with and into the Company and the Company shall be the continuing or surviving corporation of such merger and, in connection with such merger, all or part of the Common Shares shall be changed into or exchanged for stock or other securities of any other Person (or the Company) or cash or any other property, or (c) the Company shall sell or otherwise transfer (or one or more of its Subsidiaries shall sell or otherwise transfer), in one or more transactions, assets or earning power aggregating 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to any other Person other than the Company or one or more of its wholly-owned Subsidiaries (the date of any such event, a "Section 13 Trigger Date"), then, and in each such case, proper provision shall be made so that (i) each holder of a Right (except as otherwise provided herein) shall thereafter have the right to receive,

upon the exercise thereof at a price equal to the then current Exercise Price multiplied by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable, in accordance with the terms of this Agreement and in lieu of Preferred Shares for which a Right is then exercisable, such number of Common Shares of such other Person (including the Company as successor thereto or as the surviving corporation) as shall equal the result obtained by (A) multiplying the then current Exercise Price by the number of one one-thousandths of a Preferred Share for which a Right is then exercisable and dividing that product by (B) 50% of the then current per share market price of the Common Shares of such other Person (determined pursuant to Section 11(d) hereof) on the date of consummation of such consolidation, merger, sale or transfer; (ii) the issuer of such Common Shares shall thereafter be liable for, and shall assume, by virtue of such consolidation, merger, sale or transfer, all the obligations and duties of the Company pursuant to this Agreement; (iii) the term "Company" shall thereafter be deemed to refer to such issuer; and (iv) such issuer shall take such steps (including, but not limited to, the reservation of a sufficient number of its Common Shares in accordance with Section 9 hereof) in connection with such consummation as may be necessary to assure that the provisions hereof shall thereafter be applicable, as nearly as reasonably may be, in relation to the Common Shares thereafter deliverable upon the exercise of the Rights. The Company covenants and agrees that it shall not consummate any such consolidation, merger, sale or transfer unless prior thereto the Company and such issuer shall have executed and delivered to the Rights Agent a supplemental agreement so providing. The Company shall not enter into any transaction of the kind referred to in this Section 13 if at the time of such transaction there are any rights, warrants, instruments or securities outstanding or any agreements or arrangements which, as a result of the consummation of such transaction, would eliminate or substantially diminish the benefits intended to be afforded by the Rights. The provisions of this Section 13 shall

similarly apply to successive mergers or consolidations or sales or other transfers. For purposes hereof, the "earning power" of the Company and its Subsidiaries shall be determined in good faith by the Company's Board of Directors on the basis of the operating earnings of each business operated by the Company and its Subsidiaries during the three (3) fiscal years preceding the date of such determination (or, in the case of any business not operated by the Company or any Subsidiary during three (3) full fiscal years preceding such date, during the period such business was operated by the Company or any Subsidiary).

Section 14. Fractional Rights and Fractional Shares.

(a) The Company shall not be required to issue fractions of Rights or to distribute Right Certificates which evidence fractional Rights. In lieu of such fractional Rights, there shall be paid to the registered holders of the Right Certificates with regard to which such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the current market value of a whole Right. For the purposes of this Section 14(a), the current market value of a whole Right shall be the closing price of the Rights for the Trading Day immediately prior to the date on which such fractional Rights would have been otherwise issuable. The closing price for any day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the New York Stock Exchange or, if the Rights are not listed or admitted to trading on the New York Stock Exchange, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Rights are listed or admitted to trading or, if the Rights are not listed or admitted to trading on any national securities exchange, the last quoted price or, if not so quoted, the average of the high bid

and low asked prices in the over-the-counter market, as reported by NASDAQ or such other system then in use or, if on any such date the Rights are not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the Rights selected by the Board of Directors. If on any such date no such market maker is making a market in the Rights, the fair value of the Rights on such date as determined in good faith by the Board of Directors shall be used.

(b) The Company shall not be required to issue fractions of Preferred Shares (other than fractions that are integral multiples of one one-thousandth of a Preferred Share) upon exercise of the Rights or to distribute certificates which evidence fractional Preferred Shares. Fractions of Preferred Shares in integral multiples of one one-thousandth of a Preferred Share may, at the election of the Company, be evidenced by depositary receipts, pursuant to an appropriate agreement between the Company and a depositary selected by it; provided, that such agreement shall provide that the holders of such depositary receipts shall have all the rights, privileges and preferences to which they are entitled as beneficial owners of the Preferred Shares represented by such depositary receipts. In lieu of fractional Preferred Shares that are not integral multiples of one one-thousandth of a Preferred Share, the Company shall pay to each registered holder of Right Certificates at the time such Rights are exercised as herein provided an amount in cash equal to the same fraction of the current market value of one Preferred Share as the fraction of one Preferred Share that such holder would otherwise receive upon the exercise of the aggregate number of Rights exercised by such holder. For the purposes of this Section 14(b), the current market value of a Preferred Share shall be the closing price of a Common Share (as determined pursuant to the second sentence of Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of such exercise multiplied by 1000.

(c) The holder of a Right by the acceptance of the Right expressly waives any right to receive fractional Rights or fractional shares upon exercise of a Right except as provided above.

(d) The Rights Agent shall have no duty or obligation with respect to this Section 14 or any other Section hereof concerning fractional shares unless and until it has received specific instructions (and sufficient cash, if required) from the Company with respect to its duties and obligations under such Sections.

Section 15. Rights of Action. All rights of action in respect of this Agreement, excepting the rights of action given to the Rights Agent under Section 18 or Section 20 hereof, are vested in the respective registered holders of the Right Certificates (and, prior to the Distribution Date, the registered holders of the Common Shares); and any registered holder of any Right Certificate (or, prior to the Distribution Date, of the Common Shares) may, without the consent of the Rights Agent or of the holder of any other Right Certificate (or, prior to the Distribution Date, of the Common Shares), on his own behalf and for his own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company to enforce, or otherwise act in respect of, his right to exercise the Rights evidenced by such Right Certificate in the manner provided in such Right Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

Section 16. Agreement of Right Holders. Every holder of a Right, by accepting the same, consents and agrees with the Company and the Rights Agent and with every other holder of a Right that:

(a) prior to the Distribution Date, the Rights will be transferable only in connection with the transfer of the Common Shares;

(b) after the Distribution Date, the Right Certificates are transferable only on the registry books maintained by the Rights Agent if surrendered at the office of the Rights Agent designated for such purpose, duly endorsed or accompanied by a proper instrument of transfer with a properly completed form of certification;

(c) the Company and the Rights Agent may treat the Person in whose name the Right Certificate (or, prior to the Distribution Date, the associated Common Shares certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on the Right Certificates or the associated Common Shares certificate made by anyone other than the Company or the Rights Agent) for all purposes whatsoever, and neither the Company nor the Rights Agent shall be affected by any notice to the contrary; and

(d) notwithstanding anything in this Agreement to the contrary, neither the Company nor the Rights Agent shall have any liability to any holder of a Right or other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree, judgment or ruling (whether interlocutory or final) issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining

performance of such obligation; provided, however, that the Company must use its reasonable best efforts to have any such order, decree, judgment or ruling lifted or otherwise overturned as soon as possible.

Section 17. Right Certificate Holder Not Deemed a Stockholder. No holder, as such, of any Right Certificate shall be entitled to vote, receive dividends or be deemed for any purpose the holder of the Preferred Shares or any other securities of the Company which may at any time be issuable on the exercise of the Rights represented thereby nor shall anything contained herein or in any Right Certificate be construed to confer upon the holder of any Right Certificate, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in Section 25 hereof), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by such Right Certificate shall have been exercised in accordance with the provisions hereof.

Section 18. Concerning the Rights Agent. The Company agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time, on demand of the Rights Agent, its reasonable expenses, legal fees and disbursements incurred in the preparation, delivery, acceptance, administration, execution and amendment of this Agreement and the exercise and performance of its duties hereunder. The Company also agrees to indemnify the Rights Agent, and its officers, agents and directors for, and to hold each of them harmless against, any loss, liability, damage, judgment, ruling (interlocutory or final), fine, penalty, claim, demand, settlement, cost or expense, incurred without gross negligence, bad faith or willful misconduct (as finally determined by a court of competent jurisdiction) on the part of



the Rights Agent, for any action taken, suffered or omitted by the Rights Agent or such indemnified party in connection with the acceptance or administration of this Agreement or the exercise or performance of its duties hereunder, including, without limitation, the costs and expenses of defending against any claim of liability in the premises. The indemnity provided for herein shall survive the termination and expiration of the Rights, the termination and expiration of this Agreement, and the resignation or removal of the Rights Agent. The costs and expenses of successfully enforcing this right of indemnification shall also be paid by the Company.

The Rights Agent may conclusively rely upon and shall be protected by the Company and shall incur no liability for, or in respect of any action taken, suffered or omitted by it in connection with, the acceptance and administration of this Agreement or the exercise or performance of its duties hereunder in reliance upon any Right Certificate or certificate for the Preferred Shares or Common Shares or for other securities of the Company, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons, or otherwise upon the advice of counsel as set forth in Section 20 hereof. The Rights Agent shall not be deemed to have any duty or notice unless and until the Company has provided the Rights Agent with actual written notice.

Notwithstanding anything in this Agreement to the contrary, in no event shall the Rights Agent be liable for special, punitive, incidental, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Rights Agent has been advised of the likelihood of such loss or damage and regardless of the form of the action. Any liability of the Rights Agent under this Agreement shall be limited to \$50,000; provided,

however, with respect to liability arising from the bad faith or willful misconduct of the Rights Agent, the liability of the Rights Agent shall not be so limited.

Section 19. Merger or Consolidation or Change of Name of Rights Agent. Any Person into which the Rights Agent or any successor Rights Agent may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Rights Agent or any successor Rights Agent shall be a party, or any Person succeeding to the shareholder services business of the Rights Agent or any successor Rights Agent, shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such Person would be eligible for appointment as a successor Rights Agent under the provisions of Section 21 hereof. In case at the time such successor Rights Agent shall succeed to the agency created by this Agreement any of the Right Certificates shall have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, any successor Rights Agent may countersign such Right Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

In case at any time the name of the Rights Agent shall be changed and at such time any of the Right Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Right Certificates so countersigned; and in case at that time any of the Right Certificates shall not have been countersigned, the Rights Agent may countersign such Right Certificates either in its prior name or in its changed name; and in all

such cases such Right Certificates shall have the full force provided in the Right Certificates and in this Agreement.

Section 20. Duties of Rights Agent. The Rights Agent undertakes the duties and obligations expressly imposed by this Agreement upon the following terms and conditions, and no implied duties or obligations shall be read into this Agreement against the Rights Agent, by all of which the Company and the holders of Right Certificates, by their acceptance thereof, shall be bound:

(a) Before the Rights Agent acts or refrains from acting, the Rights Agent may consult with legal counsel (who may be legal counsel for the Company), and the advice or opinion of such counsel shall be full and complete authorization and protection to the Rights Agent as to any action taken, suffered or omitted by it in good faith and in accordance with such advice or opinion.

(b) Whenever in the performance of its duties under this Agreement the Rights Agent shall deem it necessary or desirable that any fact or matter be proved or established by the Company prior to taking, suffering or omitting any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by any one of the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the General Counsel, the Treasurer or the Secretary of the Company and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted in good faith by it under the provisions of this Agreement in reliance upon such certificate.

(c) The Rights Agent shall be liable hereunder only for its own gross negligence, bad faith or willful misconduct (as finally determined by a court of competent jurisdiction).

(d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Rights Agreement or in the Right Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and shall be deemed to have been made by the Company only.

(e) The Rights Agent shall not be liable for, nor be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due execution hereof by the Rights Agent) or in respect of the validity or execution of any Right Certificate (except its countersignature thereof); nor shall it have any liability for nor be responsible for any breach by the Company of any covenant or condition contained in this Rights Agreement or in any Right Certificate; nor shall it have any liability for, nor be responsible for any adjustment required under Sections 11 or 13 hereof or for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights evidenced by Right Certificates after actual notice of any such adjustment); nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Preferred Shares to be issued pursuant to this Agreement or any Rights Certificate or as to whether any Preferred Shares will, when so issued, be validly authorized and issued, fully paid and nonassessable.

(f) The Company agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other

acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.

(g) The Rights Agent is hereby authorized and directed to accept advice or instructions with respect to the performance of its duties hereunder from any one of the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, any Executive Vice President, the General Counsel, the Managing Attorney -- Corporate and the Secretary of the Company, and to apply to such officers for advice or instructions in connection with its duties, and such advice or instructions shall be full authorization to the Rights Agent and the Rights Agent shall incur no liability for or in respect of any action taken, suffered or omitted to be taken by it in good faith in accordance with the advice or instructions of any such officer. Any application by the Rights Agent for written advice or instructions from the Company may, at the option of the Rights Agent, set forth in writing any action proposed to be taken, suffered or omitted by the Rights Agent under this Rights Agreement and the date on or after which such action shall be taken, suffered by or such omission shall be effective. The Rights Agent shall not be liable for any action taken by, suffered by or omission of, the Rights Agent in accordance with a proposal included in any such application on or after the date specified in such application (which date shall not be less than five (5) Business Days after the date any officer of the Company actually receives such application, unless any such officer shall have consented in writing to an earlier date) unless, prior to taking any such action (or the effective date in the case of an omission), the Rights Agent shall have received written advice or instructions in response to such application specifying the action to be taken, suffered or omitted.

(h) The Rights Agent and any stockholder, affiliate, director, officer or employee of the Rights Agent may buy, sell or deal in any of the Rights or other securities of the

Company or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Company or for any other Person.

(i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Company or any other Person resulting from any such act, default, neglect or misconduct.

(j) Except as otherwise provided herein, the Rights Agent shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of its rights if it believes that repayment of such funds or adequate indemnification against such risk or liability is not reasonably assured to it.

(k) The Rights Agent shall not be required to take notice or be deemed to have notice of any fact, event or determination (including, without limitation, any dates or events defined in this Agreement or the designation of any Person as an Acquiring Person, Affiliate or Associate) under this Agreement unless and until the Rights Agent shall be specifically notified in writing by the Company of such fact, event or determination.

(l) If, with respect to any Rights Certificate surrendered to the Rights Agent for exercise or transfer, the certificate attached to the form of assignment or form of election to purchase, as the case may be, has not been properly completed, the Rights Agent shall not take any further action with respect to such requested exercise or transfer without first consulting with the Company.

Section 21. Change of Rights Agent. The Rights Agent or any successor Rights Agent may resign and be discharged from its duties under this Agreement upon thirty (30) days' notice in writing mailed to the Company and to each transfer agent of the Common Shares and the Preferred Shares by registered or certified mail and, at the expense of the Company, to the holders of the Right Certificates by first-class mail. The Company may remove the Rights Agent or any successor Rights Agent upon thirty (30) days' notice in writing, mailed to the Rights Agent or successor Rights Agent, as the case may be, and to each transfer agent of the Common Shares and the Preferred Shares by registered or certified mail, and to the holders of the Right Certificates by first-class mail. If the Rights Agent shall resign or be removed or shall otherwise become incapable of acting, the Company shall appoint a successor to the Rights Agent. If the Company shall fail to make such appointment within a period of thirty (30) days after giving notice of such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of a Right Certificate (who shall, with such notice, submit his Right Certificate for inspection by the Company), then the registered holder of any Right Certificate may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Company or by such a court, shall be (i) a Person organized and doing business under the laws of the United States, in good standing, which is authorized under such laws to conduct shareholder services business and is subject to supervision or examination by federal or state authority and which has at the time of its appointment as Rights Agent a combined capital and surplus of at least \$50 million dollars or (ii) a subsidiary of a Person described in clause (i) of this sentence. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally

named as Rights Agent without further act or deed; but the predecessor Rights Agent shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Company shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares and the Preferred Shares, and mail a notice thereof in writing to the registered holders of the Right Certificates. Failure to give any notice provided for in this Section 21, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

Section 22. Issuance of New Right Certificates.

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Company may, at its option, issue new Right Certificates evidencing Rights in such form as may be approved by its Board of Directors to reflect any adjustment or change in the Exercise Price and the number or kind or class of shares or other securities or property purchasable under the Right Certificates made in accordance with the provisions of this Agreement.

Section 23. Redemption.

(a) Subject to the applicable provisions, if any, in the Company's certificate of incorporation, at any time prior to the time any Person becomes an Acquiring Person, the Board of Directors may, by the Required Board Vote, redeem all but not less than all of the then outstanding Rights at the Redemption Price. The redemption of the Rights by the Board of Directors may be made effective at such time, on such basis and subject to such conditions as the Board of Directors in its sole discretion may establish. The Company may, at its option, pay the Redemption Price in cash, Common Shares (based on the market price thereof, as determined by



the Board of Directors) or other form of consideration deemed appropriate by the Board of Directors.

(b) Immediately upon the action of the Board of Directors ordering the redemption of the Rights pursuant to paragraph (a) of this Section 23 (or on such other later date, or upon satisfaction of such conditions, as shall be specified in the resolution of the Board of Directors approving such redemption), and without any further action and without any notice, the right to exercise the Rights will terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price. The Company shall promptly notify the Rights Agent in writing of such redemption and shall give public notice of any such redemption; provided, however, that the failure to give, or any defect in, any such notice shall not affect the validity of such redemption. Within ten (10) days after such action of the Board of Directors ordering the redemption of the Rights pursuant to paragraph (a), the Company shall mail a notice of redemption to all the holders of the then outstanding Rights at their last addresses as they appear upon the registry books of the Rights Agent or, prior to the Distribution Date, on the registry books of the transfer agent for the Common Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. If the payment of the Redemption Price is not included with such notice, each such notice shall state the method by which the payment of the Redemption Price will be made. Neither the Company nor any of its Affiliates or Associates may redeem, acquire or purchase for value any Rights at any time in any manner other than that specifically set forth in this Section 23 or in Section 24 hereof, other than in connection with the purchase of Common Shares prior to the Distribution Date.

Section 24. Exchange.

(a) The Board of Directors may, at its option, at any time after any

Person becomes an Acquiring Person, exchange all or part of the then outstanding and exercisable Rights (which shall not include Rights that have become void pursuant to the provisions of Section 11(a)(ii) hereof) for Common Shares at an exchange ratio of one Common Share per Right appropriately adjusted to reflect any stock split, stock dividend or similar transaction occurring after the date hereof (such exchange ratio being hereinafter referred to as the "Exchange Ratio"). Notwithstanding the foregoing, the Board of Directors shall not be empowered to effect such exchange at any time after any Person (other than the Company, any Subsidiary of the Company, any employee benefit plan of the Company or any such Subsidiary, any entity holding Common Shares for or pursuant to the terms of any such plan or any Exempt Person), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner of Common Shares representing a majority of the Voting Power then outstanding.

(b) Immediately upon the action of the Board of Directors ordering the exchange of any Rights pursuant to subsection (a) of this Section 24 and without any further action and without any notice, the right to exercise such Rights shall terminate and the only right thereafter of a holder of such Rights shall be to receive that number of Common Shares equal to the number of such Rights held by such holder multiplied by the Exchange Ratio. The Company shall promptly give public notice of any such exchange (with prompt written notice thereof to the Rights Agent); provided, however, that the failure to give, or any defect in, such notice shall not affect the validity of the exchange. The Company promptly shall mail a notice of the exchange to the Rights Agent and to all of the holders of such Rights at their last addresses as they appear upon the registry books of the Rights Agent. Any notice that is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of exchange will state the method by which the exchange of the Common Shares for Rights will be effected and, in the event

of any partial exchange, the number of Rights which will be exchanged. Any partial exchange shall be effected pro rata based on the number of Rights (other than Rights which have become void pursuant to the provisions of Section 11(a)(ii) hereof) held by each holder of Rights.

(c) In any exchange pursuant to this Section 24, the Company, at its option, may substitute Preferred Shares or common stock equivalents for Common Shares exchangeable for Rights, at the initial rate of one one-thousandth of a Preferred Share (or an appropriate number of common stock equivalents) for each Common Share, as appropriately adjusted to reflect adjustments in the voting rights of the Preferred Shares pursuant to the terms thereof, so that the fraction of a Preferred Share delivered in lieu of each Common Share shall have the same voting rights as one Common Share.

(d) In the event that there shall not be sufficient Common Shares, Preferred Shares or common stock equivalents authorized by the Company's certificate of incorporation and not outstanding or subscribed for, or reserved or otherwise committed for issuance for purposes other than upon exercise of Rights, to permit any exchange of Rights as contemplated in accordance with this Section 24, the Company shall take all such action as may be necessary to authorize additional Common Shares, Preferred Shares or common stock equivalents for issuance upon exchange of the Rights.

(e) The Company shall not be required to issue fractions of Common Shares or to distribute certificates which evidence fractional Common Shares. In lieu of such fractional Common Shares, the Company shall pay to the registered holders of the Right Certificates with regard to which such fractional Common Shares would otherwise be issuable an amount in cash equal to the same fraction of the current per share market value of a whole Common Share. For the purposes of this paragraph (e), the current per share market value of a whole Common Share

shall be the closing price of a Common Share (as determined pursuant to the second sentence of Section 11(d)(i) hereof) for the Trading Day immediately prior to the date of exchange pursuant to this Section 24.

Section 25. Notice of Certain Events.

(a) In case the Company shall, after the Distribution Date, propose (i) to pay any dividend payable in stock of any class to the holders of its Preferred Shares or to make any other distribution to the holders of its Preferred Shares (other than a regular quarterly cash dividend), (ii) to offer to the holders of its Preferred Shares rights or warrants to subscribe for or to purchase any additional Preferred Shares or shares of stock of any class or any other securities, rights or options, (iii) to effect any reclassification of its Preferred Shares (other than a reclassification involving only the subdivision of outstanding Preferred Shares), (iv) to effect any consolidation or merger into or with, or to effect any sale or other transfer (or to permit one or more of its Subsidiaries to effect any sale or other transfer), in one or more transactions, of 50% or more of the assets or earning power of the Company and its Subsidiaries (taken as a whole) to, any other Person, (v) to effect the liquidation, dissolution or winding up of the Company, or (vi) to declare or pay any dividend on the Common Shares payable in Common Shares or to effect a subdivision, combination or consolidation of the Common Shares (by reclassification or otherwise than by payment of dividends in Common Shares), then, in each such case, the Company shall give to the Rights Agent and to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of such proposed action, which shall specify the record date for the purposes of such stock dividend, or distribution of rights or warrants, or the date on which such reclassification, consolidation, merger, sale, transfer, liquidation, dissolution, or winding up is to take place and the date of participation therein by the holders of the Common Shares and/or Preferred Shares, if any

such date is to be fixed, and such notice shall be so given in the case of any action covered by clause (i) or (ii) above at least ten (10) days prior to the record date for determining holders of the Preferred Shares for purposes of such action, and in the case of any such other action, at least ten (10) days prior to the date of the taking of such proposed action or the date of participation therein by the holders of the Common Shares and/or Preferred Shares, whichever shall be the earlier.

(b) In case any event set forth in Section 11(a)(ii) hereof shall occur, then the Company shall as soon as practicable thereafter give to the Rights Agent and to each holder of a Right Certificate, in accordance with Section 26 hereof, a notice of the occurrence of such event, which notice shall describe such event and the consequences of such event to holders of Rights under Section 11(a)(ii) hereof.

Section 26. Notices. Notices or demands authorized by this Agreement to be given or made by the Rights Agent or by the holder of any Right Certificate to or on the Company shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed (until another address is filed in writing with the Rights Agent) as follows:

Continental Airlines, Inc.  
Dept. HQS-EO  
Continental Tower  
1600 Smith Street  
Houston, Texas 77002  
Attention: Secretary and General Counsel

Subject to the provisions of Section 21 hereof, any notice or demand authorized by this Agreement to be given or made by the Company or by the holder of any Right Certificate to or on the Rights Agent shall be sent by registered or certified mail and shall be deemed given upon receipt and addressed (until another address is filed in writing with the Company) as follows:

ChaseMellon Shareholder Services, LLC  
2323 Bryan Street, Suite 2300  
Dallas, TX 75201  
Attention: Relationship Manager

with a copy to:

ChaseMellon Shareholder Services, LLC  
85 Challenger Road  
Ridgefield Park, NJ 07660  
Attention: General Counsel

Notices or demands authorized by this Agreement to be given or made by the Company or the Rights Agent to the holder of any Right Certificate shall be sufficiently given or made if sent by first-class mail, postage prepaid, addressed to such holder at the address of such holder as shown on the registry books of the Company.

Section 27. Supplements and Amendments. Subject to the applicable provisions, if any, in the Company's certificate of incorporation, the Company may, by the Required Board Vote, from time to time, and the Rights Agent shall, if the Company directs, supplement or amend this Agreement without the approval of any holders of Right Certificates to cure any ambiguity, to correct or supplement any provision contained herein which may be defective or inconsistent with any other provisions herein, or to make any change to or delete any provision hereof or to adopt any other provisions with respect to the Rights which the Company may deem necessary or desirable; provided, however, that from and after such time as any Person becomes an Acquiring Person, this Agreement shall not be amended or supplemented in any manner which would adversely affect the interests of the holders of Rights (other than an Acquiring Person and its Affiliates and Associates). Notwithstanding anything contained in this Agreement to the contrary, no supplement or amendment to this Rights Agreement shall be made which reduces the Redemption Price, provides for an earlier Final Expiration Date, alters the provisions of Section 23(a) relating to the redemption

of the Rights, or extends the time during which the Rights may be redeemed if, in any such case, at the time of such supplement or amendment the Rights are not redeemable.

Notwithstanding anything in this Agreement to the contrary, no supplement or amendment that changes the rights, duties, liabilities and obligations of the Rights Agent under this Agreement will be effective against the Rights Agent without the execution of such supplement or amendment by the Rights Agent. Upon the delivery of a certificate from an appropriate officer of the Company which states that the proposed supplement or amendment is in compliance with the terms of this Section 27, the Rights Agent shall execute such supplement or amendment.

Section 28. Successors. All the covenants and provisions of this Agreement by or for the benefit of the Company or the Rights Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

Section 29. Benefits of this Agreement. Nothing in this Agreement shall be construed to give to any Person other than the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares) any legal or equitable right, remedy or claim under this Agreement; but this Agreement shall be for the sole and exclusive benefit of the Company, the Rights Agent and the registered holders of the Right Certificates (and, prior to the Distribution Date, the Common Shares).

Section 30. Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

Section 31. Governing Law. This Agreement and each Right Certificate issued hereunder shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State; provided, however, that all provisions regarding the rights, duties, obligations and liabilities of the Rights Agent shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

Section 32. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 33. Descriptive Headings. Descriptive headings of the several Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 34. Administration. The Board of Directors shall have the exclusive power and authority to administer and interpret the provisions of this Agreement and to exercise all rights and powers specifically granted to the Board of Directors or the Company or as may be necessary or advisable in the administration of this Agreement. All such actions, calculations, determinations and interpretations which are done or made by the Board of Directors in good faith shall be final, conclusive and binding on the Company, the Rights Agent, the holders of the Rights and all other Person and shall not subject the Board of Directors to any liability to the holders of the Rights. The Rights Agent shall always be entitled to assume that the Board of Directors acted in good faith and shall incur no liability in reliance thereof. Promptly following the Effective Time,



the Company shall file an amendment to the certificate of designation of the Preferred Shares to reflect the changes made to the Company's capital structure as a result of the Reclassification.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and attested, all as of the day and year first above written.

CONTINENTAL AIRLINES, INC.

Attest:

By: \_\_\_\_\_  
Scott R. Peterson  
Assistant Secretary

By: \_\_\_\_\_  
Jeffery A. Smisek  
Executive Vice President General  
Counsel and Secretary

CHASEMELLON SHAREHOLDER  
SERVICES, LLC, as rights agent

Attest:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[Signature Page to Rights Agreement]

CONTINENTAL AIRLINES, INC.

And

CHASEMELLON SHAREHOLDER SERVICES, LLC

Rights Agent

AMENDED AND RESTATED RIGHTS AGREEMENT

Dated as of November 15, 2000

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## EXHIBIT A

FORM  
of  
CERTIFICATE OF DESIGNATION  
of  
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK  
of  
CONTINENTAL AIRLINES, INC.

-----  
(Pursuant to Section 151 of the  
Delaware General Corporation Law)  
-----

Continental Airlines, Inc., a Delaware corporation (the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the Delaware General Corporation Law at a meeting duly called and held on November 16, 1998:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board of Directors" or the "Board") in accordance with the provisions of the Amended and Restated Certificate of Incorporation of the Corporation (the "Restated Certificate of Incorporation"), the Board of Directors hereby creates a series of Preferred Stock, par value \$.01 per share (the "Preferred Stock"), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Section 1. Designation and Amount. The shares of this series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be 100,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

## Section 2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any other stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the last day of March, June, September and December in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount (if any) per share (rounded to the nearest cent), subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate per share amount of all cash dividends, and 1000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Class A Common Stock, par value \$.01 per share (the "Class A Common Stock"), Class B Common Stock, par value \$.01 per share (the "Class B Common Stock") or Class D Common Stock, par value \$.01 per share (the "Class D Common Stock" and, together with the Class A Common Stock and the Class B Common Stock, the "Common Stock"), of the Corporation or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock).

(C) Dividends due pursuant to paragraph (A) of this Section shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A

Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of votes entitled to be cast by the holders of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of votes entitled to be cast by the holders of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided in the Amended and Restated Certificate of Incorporation, including any other Certificate of Designation creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise required by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled; or

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock; provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series A Preferred Stock.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. The Corporation shall take all such actions as are necessary to cause all such shares to become authorized but unissued shares of Preferred Stock that may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein or in the Restated Certificate of Incorporation, including any Certificate of Designation creating a series of Preferred Stock or any similar stock, or as otherwise required by law.

Section 6. Liquidation, Dissolution or Winding Up. Upon any liquidation, dissolution or winding up of the Corporation, the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount to be distributed per share to holders of shares of Common Stock plus an amount equal to any accrued and unpaid dividends. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. Consolidation, Merger, etc. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth,



equal to 1000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. Amendment. The Restated Certificate of Incorporation shall not be amended in any manner, including in a merger or consolidation, which would alter, change, or repeal the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

Section 9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and upon liquidation, dissolution and winding up, junior to all series of Preferred Stock.

IN WITNESS WHEREOF, this Certificate of Designation is executed on behalf of the Corporation by its duly authorized officer this \_\_\_\_\_ day of November, 1998.

CONTINENTAL AIRLINES, INC.

By: \_\_\_\_\_  
Name:  
Title:

## EXHIBIT B

## Form of Right Certificate

Certificate No. R- \_\_\_\_\_ Rights

NOT EXERCISABLE AFTER NOVEMBER 20, 2008 OR EARLIER IF REDEMPTION OR EXCHANGE OCCURS. THE RIGHTS ARE SUBJECT TO REDEMPTION AT \$.001 PER RIGHT AND TO EXCHANGE ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT (AS DEFINED HEREIN). UNDER CERTAIN CIRCUMSTANCES, RIGHTS THAT ARE OR WERE ACQUIRED OR BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR ANY ASSOCIATES OR AFFILIATES THEREOF (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY SUBSEQUENT HOLDER OF SUCH RIGHTS MAY BECOME NULL AND VOID.

## Right Certificate

CONTINENTAL AIRLINES, INC.

This certifies that \_\_\_\_\_, or registered assigns, is the registered owner of the number of Rights set forth above, each of which entitles the owner thereof, subject to the terms, provisions and conditions of the Amended and Restated Rights Agreement, dated as of November 15, 2000 (the "Rights Agreement"), between Continental Airlines, Inc., a Delaware corporation (the "Company"), and ChaseMellon Shareholder Services, LLC (the "Rights Agent"), to purchase from the Company at any time after the Distribution Date (as such term is defined in the Rights Agreement) and prior to the earliest of (i) 5:00 P.M., central time, on November 20, 2008, (ii) the Redemption Date (as such term is defined in the Rights Agreement), or (iii) the time at which such Rights are exchanged pursuant to Section 24 of the Rights Agreement, at the principal office of the Rights Agent, or at the office of its successor as Rights Agent, one one-thousandth of a fully paid non-assessable share of Series A Junior Participating Preferred Stock, par value \$.01 per share ("Preferred Shares"), of the Company, at a purchase price of \$200 per one one-thousandth of a Preferred Share (the "Exercise Price"), upon presentation and surrender of this Right Certificate with the certification and the Form of Election to Purchase duly executed. The number of Rights evidenced by this Right Certificate (and the number of one one-thousandths of a Preferred Share which may be purchased upon exercise hereof) set forth above, and the Exercise Price set forth above, are the number and Exercise Price as of November 20, 1998, based on the

Preferred Shares as constituted at such date. As provided in the Rights Agreement, the Exercise Price and the number of one one-thousandths of a Preferred Share which may be purchased upon the exercise of the Rights evidenced by this Right Certificate are subject to modification and adjustment upon the happening of certain events.

From and after the occurrence of an event described in Section 11(a)(ii) of the Rights Agreement, if the Rights are or were at any time on or after the earlier of (x) the date of such event and (y) the Distribution Date (as such term is defined in the Rights Agreement) acquired or beneficially owned by an Acquiring Person or an Associate or Affiliate of an Acquiring Person (as such terms are defined in the Rights Agreement), such Rights shall become void, and any holder of such Rights shall thereafter have no right to exercise such Rights.

This Right Certificate is subject to all of the terms, provisions and conditions of the Rights Agreement, which terms, provisions and conditions are hereby incorporated herein by reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities hereunder of the Rights Agent, the Company and the holders of the Right Certificates. Copies of the Rights Agreement are on file at the principal executive offices of the Company and the offices of the Rights Agent and will be mailed to the holder of the Right Certificates, without charge, after receipt of a written request therefor.

This Right Certificate, with or without other Right Certificates, upon surrender at the principal office of the Rights Agent, may be exchanged for another Right Certificate or Right Certificates of like tenor and date evidencing Rights entitling the holder to purchase a like aggregate number of Preferred Shares as the Rights evidenced by the Right Certificate or Right Certificates surrendered shall have entitled such holder to purchase. If this Right Certificate shall be exercised in part, the holder shall be entitled to receive upon surrender hereof another Right Certificate or Right Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, at the Company's option, the Rights evidenced by this Certificate (i) may be redeemed by the Company at a redemption price of \$.001 per Right or (ii) may be exchanged in whole or in part for shares of the Company's Class B Common stock, par value \$.01 per share, or Preferred Shares.

No fractional Preferred Shares will be issued upon the exercise of any Right or Rights evidenced hereby (other than fractions that are integral multiples of one one-thousandth of a Preferred Share, which may, at the election of the Company, be evidenced by depositary receipts), but in lieu thereof a cash payment will be made, as provided in the Rights Agreement.

No holder of this Right Certificate shall be entitled to vote or receive dividends or be deemed for any purpose the holder of the Preferred Shares or of any other securities of the Company which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote for the election of

directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting stockholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Right or Rights evidenced by this Right Certificate shall have been exercised as provided in the Rights Agreement.

This Right Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Company.

Dated as of \_\_\_\_\_ .  
-----

CONTINENTAL AIRLINES, INC.

Attest:  
  
-----

By: -----

Name:  
Title:

Name:  
Title:

Countersigned:

CHASEMELLON SHAREHOLDER SERVICES, LLC  
Rights Agent

By: -----  
Authorized Signature

Form of Reverse Side of Right Certificate

FORM OF ASSIGNMENT

-----

(To be executed by the registered holder if such holder desires to transfer the Right Certificate.)

FOR VALUE RECEIVED \_\_\_\_\_ hereby sells, assigns and transfers unto

-----  
(Please print name and address of transferee)

this Right Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint \_\_\_\_\_ Attorney, to transfer the within Right Certificate on the books of the within-named Company, with full power of substitution.

Dated: \_\_\_\_\_, \_\_\_\_\_

-----  
Signature

Signature Guaranteed:

Signatures must be guaranteed by a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States.

-----  
The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement).

-----  
Signature

Form of Reverse Side of Right Certificate--continued

FORM OF ELECTION TO PURCHASE

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(To be executed if holder desires to exercise the Right Certificate.)

To: CONTINENTAL AIRLINES, INC.:

The undersigned hereby irrevocably elects to exercise \_\_\_\_\_ Rights represented by this Right Certificate to purchase the Preferred Shares issuable upon the exercise of such Rights and requests that certificates for such Preferred Shares be issued in the name of:

Please insert social security or other identifying number

-----  
(Please print name and address)  
-----

If such number of Rights shall not be all the Rights evidenced by this Right Certificate, a new Right Certificate for the balance remaining of such Rights shall be registered in the name of and delivered to:

Please insert social security or other identifying number

-----  
(Please print name and address)  
-----

Dated: \_\_\_\_\_, \_\_\_\_\_

-----  
Signature

Signature Guaranteed:

Signatures must be guaranteed by a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office or correspondent in the United States.

-----  
The undersigned hereby certifies that the Rights evidenced by this Right Certificate are not beneficially owned by an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement).

-----  
Signature  
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NOTICE

The signature in the foregoing Forms of Assignment and Election must conform to the name as written upon the face of this Right Certificate in every particular, without alteration or enlargement or any change whatsoever.

In the event the certification set forth above in the Form of Assignment or the Form of Election to Purchase, as the case may be, is not completed, the Company and the Rights Agent will deem the beneficial owner of the Rights evidenced by this Right Certificate to be an Acquiring Person or an Affiliate or Associate thereof (as defined in the Rights Agreement) and such Assignment or Election to Purchase will not be honored.

## IRREVOCABLE INSTRUCTION

PURSUANT TO

VOTING TRUST AGREEMENT

To: Wilmington Trust Company  
 Rodney Square North  
 1100 North Market Street  
 Wilmington, Delaware 19890  
 Attention: Corporate Trust Administration

Pursuant to Section 3(c) of the Northwest Airlines/Air Partners Voting Trust Agreement dated as of November 20, 1998, as amended (the "Voting Trust Agreement"), Northwest Airlines Corporation (referred to in the Voting Trust Agreement as "NPC"), hereby irrevocably directs Wilmington Trust Company, as the Voting Trustee under the voting trust established under the Voting Trust Agreement, to vote all of the "Shares" (as defined in the Voting Trust Agreement) in favor of the adoption of the Amended and Restated Certificate of Incorporation of Continental Airlines, Inc. at the meeting of the stockholders of Continental Airlines, Inc., a Delaware corporation ("Continental"), to be held to vote upon its adoption pursuant to the Omnibus Agreement dated as of November 15, 2000 (the "Omnibus Agreement") between Continental, NPC, Northwest Airlines Holdings Corporation, Northwest Airlines, Inc. and Air Partners, L.P. Pursuant to Section 8.01(c) of the Omnibus Agreement, Continental has acknowledged and agreed that the stockholder vote on the adoption of such Amended and Restated Certificate of Incorporation is a matter upon which NPC, acting alone, may properly direct you to vote the Shares.

NORTHWEST AIRLINES CORPORATION

By:

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 Douglas M. Steenland  
 Executive Vice President, General  
 Counsel and Secretary

Dated:

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## FORM OF TRANSFER RESTRICTION AGREEMENT

The undersigned, intending to be legally bound, hereby agree as follows:

1. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Certificate of Designations (the "Certificate") of Series B Preferred Stock, par value \$.01 per share, of Continental Airlines, Inc. (the "Corporation").

2. The Holder (as defined herein) hereby agrees with Northwest (or its successor) that it will not transfer, sell or otherwise dispose of any [if Going Private Transaction, insert "common stock of the Corporation" (or its successor)] [if establishment of a new Holding Company, insert "Capital Stock of the Holding Company"] to a Prohibited Transferee (as defined herein).

3. Prior to any transfer, sale or other disposition of [if Going Private Transaction, insert "common stock of the Corporation" (or its successor)] [if establishment of a new Holding Company, insert "Capital Stock of the Holding Company"] to a Permitted Transferee, the Permitted Transferee shall execute and deliver an agreement to Northwest (or its successor) identical in all material respects to this Agreement as appropriate.

4. For purposes of this Agreement, the following terms shall have the following meanings:

"Holder" shall mean [the signatory to this Agreement other than Northwest or its successor].

"Knowledge" shall mean with respect to any Person, the actual knowledge of such Person or the knowledge which such Person should have upon reasonable inquiry.

"Permitted Transferee" shall mean any transferee of [if Going Private Transaction, insert "common stock of the Corporation" (or its successor)] [if establishment of new Holding Company, insert "Capital Stock of the Holding Company"] other than a Prohibited Transferee.

"Prohibited Transferee" shall mean any Major Carrier, or any Affiliate of a Major Carrier, who, together with its Affiliates, would have, to the Knowledge (as defined herein) of the Holder (or, if applicable, the Permitted Transferee), upon any transfer, sale or other disposition of [if Going Private Transaction, insert "common stock of the Corporation" (or its successor)] [if establishment of new Holding Company, insert "Capital Stock of the Holding Company"], Beneficial Ownership of 25% or more of the Capital Stock or Voting Power of the Corporation (or its successor) upon completion of such transfer, sale or other disposition.

5. Each certificate representing shares of [if Going Private Transaction, insert "common stock of the Corporation" (or its successor)] [if establishment of new Holding Company, insert "Capital Stock of the Holding Company"] shall bear an appropriate legend describing the restrictions set forth herein.

6. The obligations of the Holder under this Agreement shall terminate and be of no further force and effect upon (a) the transfer, sale or other disposition by the Holder of all of the [if Going Private Transaction, insert "common stock of the Corporation" (or its successor)] [if establishment of new Holding Company, insert "Capital Stock of Holding Company"] beneficially owned by such Holder to a Permitted Transferee or (b) the reissuance of

Rights under the Rights Agreement or the issuance of rights under a newly established rights agreement, in either case, in accordance with Article Seven of the certificate of incorporation of [the Corporation] [the Holding Company].

7. Unless earlier terminated under Section 6 hereof, this Agreement shall terminate and be of no further force or effect at such time as the Share becomes redeemable (or the earlier repurchase of the Share by the Corporation) in accordance with the terms of the Certificate.

8. This Agreement shall be governed by the laws of the State of Delaware.

HOLDER

By: \_\_\_\_\_

NORTHWEST (OR ITS SUCCESSOR)

By: \_\_\_\_\_