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

FORM 10-Q

(Mark One):

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

For the quarterly period ended June 30, 2015

OR

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

For the transition period from _____ to _____

Commission File Number: 001-35975



Gogo Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
Incorporation or Organization)

27-1650905
(I.R.S. Employer
Identification No.)

111 North Canal St., Suite 1500
Chicago, IL 60606
(Address of principal executive offices)

Telephone Number (312) 517-5000
(Registrant's telephone number, including area code)

1250 North Arlington Heights Rd., Itasca, IL 60143
(Former name, former address and former fiscal year, if changed since last report)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

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

As of August 3, 2015, 85,810,905 shares of \$0.0001 par value common stock were outstanding.

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Gogo Inc.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

	June 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 392,117	\$ 211,236
Accounts receivable, net of allowances of \$557 and \$774, respectively	46,695	48,509
Inventories	22,736	21,913
Prepaid expenses and other current assets	13,450	13,236
Total current assets	<u>474,998</u>	<u>294,894</u>
Non-current assets:		
Property and equipment, net	406,597	363,108
Intangible assets, net	78,775	78,464
Goodwill	620	620
Long-term restricted cash	7,874	7,874
Debt issuance costs	16,903	11,296
Other non-current assets	10,008	11,384
Total non-current assets	<u>520,777</u>	<u>472,746</u>
Total assets	<u>\$ 995,775</u>	<u>\$ 767,640</u>
Liabilities and Stockholders' equity		
Current liabilities:		
Accounts payable	\$ 19,888	\$ 41,026
Accrued liabilities	67,650	52,894
Accrued airline revenue share	12,476	13,273
Deferred revenue	32,477	20,181
Deferred airborne lease incentives	17,683	13,767
Current portion of long-term debt and capital leases	8,922	10,345
Total current liabilities	<u>159,096</u>	<u>151,486</u>
Non-current liabilities:		
Long-term debt	564,510	301,922
Deferred airborne lease incentives	100,591	83,794
Deferred tax liabilities	7,011	6,598
Other non-current liabilities	45,051	26,082
Total non-current liabilities	<u>717,163</u>	<u>418,396</u>
Total liabilities	<u>876,259</u>	<u>569,882</u>
Commitments and contingencies (Note 11)	—	—
Stockholders' equity		
Common stock, par value \$0.0001 per share; 500,000,000 shares authorized at June 30, 2015 and December 31, 2014; 86,031,699 and 85,483,300 shares issued at June 30, 2015 and December 31, 2014, respectively; and 85,810,552 and 85,300,774 shares outstanding at June 30, 2015 and December 31, 2014, respectively	9	9
Additional paid-in-capital	851,316	884,205
Accumulated other comprehensive loss	(1,689)	(1,200)
Accumulated deficit	(730,120)	(685,256)
Total stockholders' equity	<u>119,516</u>	<u>197,758</u>
Total liabilities and stockholders' equity	<u>\$ 995,775</u>	<u>\$ 767,640</u>

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except per share amounts)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue:				
Service revenue	\$ 101,395	\$ 79,165	\$ 196,801	\$ 151,456
Equipment revenue	19,796	20,364	39,901	43,767
Total revenue	<u>121,191</u>	<u>99,529</u>	<u>236,702</u>	<u>195,223</u>
Operating expenses:				
Cost of service revenue (exclusive of items shown below)	44,382	41,567	89,929	81,195
Cost of equipment revenue (exclusive of items shown below)	10,173	8,627	19,631	18,613
Engineering, design and development	17,280	15,789	34,365	29,888
Sales and marketing	11,465	9,687	21,706	17,729
General and administrative	25,646	19,855	49,839	37,427
Depreciation and amortization	20,813	14,882	39,590	30,569
Total operating expenses	<u>129,759</u>	<u>110,407</u>	<u>255,060</u>	<u>215,421</u>
Operating loss	<u>(8,568)</u>	<u>(10,878)</u>	<u>(18,358)</u>	<u>(20,198)</u>
Other (income) expense:				
Interest income	(11)	(9)	(16)	(24)
Interest expense	15,801	7,381	25,896	14,629
Other (income) expense	(8)	23	(90)	63
Total other expense	<u>15,782</u>	<u>7,395</u>	<u>25,790</u>	<u>14,668</u>
Loss before incomes taxes	<u>(24,350)</u>	<u>(18,273)</u>	<u>(44,148)</u>	<u>(34,866)</u>
Income tax provision	422	389	716	662
Net loss	<u>\$ (24,772)</u>	<u>\$ (18,662)</u>	<u>\$ (44,864)</u>	<u>\$ (35,528)</u>
Net loss attributable to common stock per share—basic and diluted	<u>\$ (0.32)</u>	<u>\$ (0.22)</u>	<u>\$ (0.56)</u>	<u>\$ (0.42)</u>
Weighted average number of shares—basic and diluted	<u>78,478</u>	<u>85,085</u>	<u>80,770</u>	<u>85,040</u>

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Comprehensive Loss
(in thousands)

	<u>For the Three Months</u> <u>Ended June 30,</u>		<u>For the Six Months</u> <u>Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net loss	\$(24,772)	\$(18,662)	\$(44,864)	\$(35,528)
Currency translation adjustments, net of tax	159	362	(489)	120
Comprehensive loss	<u>\$(24,613)</u>	<u>\$(18,300)</u>	<u>\$(45,353)</u>	<u>\$(35,408)</u>

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	For the Six Months Ended June 30,	
	2015	2014
Operating activities:		
Net loss	\$ (44,864)	\$ (35,528)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization	39,590	30,569
Loss on asset disposals/abandonments	1,148	486
Deferred income taxes	413	414
Stock compensation expense	6,299	3,818
Amortization of deferred financing costs	1,889	1,697
Accretion of debt discount	4,500	—
Changes in operating assets and liabilities:		
Accounts receivable	1,580	(6,085)
Inventories	(823)	1,040
Prepaid expenses and other current assets	(242)	(253)
Accounts payable	(5,725)	(2,624)
Accrued liabilities	11,467	(1,296)
Accrued airline revenue share	(796)	672
Deferred airborne lease incentives	15,912	8,527
Deferred revenue	12,753	1,142
Deferred rent	18,714	444
Accrued interest	3,943	(4)
Other non-current assets and liabilities	192	219
Net cash provided by operating activities	65,950	3,238
Investing activities:		
Proceeds from the sale of property and equipment	—	32
Purchases of property and equipment	(85,655)	(59,668)
Acquisition of intangible assets—capitalized software	(8,590)	(9,318)
Decrease (increase) in restricted cash	19	(2,500)
Net cash used in investing activities	(94,226)	(71,454)
Financing activities:		
Proceeds from the issuance of convertible notes	361,940	—
Forward transactions	(140,000)	—
Payment of issuance costs	(10,357)	—
Payment of debt, including capital leases	(6,249)	(4,052)
Stock option exercises	3,706	2,025
Net cash provided by (used in) financing activities	209,040	(2,027)
Effect of exchange rate changes on cash	117	64
Increase (decrease) in cash and cash equivalents	180,881	(70,179)
Cash and cash equivalents at beginning of period	211,236	266,342
Cash and cash equivalents at end of period	\$ 392,117	\$ 196,163
Supplemental Cash Flow Information:		
Cash paid for interest	\$ 16,123	\$ 13,649
Cash paid for taxes	383	311
Noncash Investing and Financing Activities:		
Purchases of property and equipment in current liabilities	\$ 14,486	\$ 16,719
Purchases of property and equipment paid by commercial airlines	5,038	1,635
Purchases of property and equipment under capital leases	117	2,127
Acquisition of intangible assets in current liabilities	1,385	2,290
Asset retirement obligation incurred	390	1,127

See the Notes to Unaudited Condensed Consolidated Financial Statements

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements

1. Basis of Presentation

The Business - Gogo Inc. (“we”, “us”, “our”) is a holding company, which through its operating subsidiaries is a provider of in-flight connectivity and wireless in-cabin digital entertainment solutions. We operate through the following three segments: Commercial Aviation North America or “CA-NA”, Commercial Aviation Rest of World or “CA-ROW” and Business Aviation or “BA”. Services provided by our CA-NA and CA-ROW businesses include Gogo Connectivity, which allows passengers to connect to the internet from their personal Wi-Fi-enabled devices; Gogo Vision, which offers passengers the opportunity to enjoy a broad selection of in-flight entertainment options on their personal Wi-Fi enabled devices; and other service revenue, which include a broad range of customizable, targeted content, advertising and e-commerce services. Services are provided by the CA-NA business on commercial aircraft flying routes that generally begin and end within North America, which for this purpose includes the United States, Canada and Mexico. Our CA-ROW business, which is in the start-up phase as we launched commercial international service in March 2014, provides service on commercial aircraft operated by foreign-based commercial airlines and international flights of North American based commercial airlines. The routes included in our CA-ROW segment are those that begin and/or end outside of North America (as defined above) for which our international service is provided. Our BA business provides in-flight internet connectivity and other voice and data communications products and services and sells equipment for in-flight telecommunications to the business aviation market. BA services include Gogo Biz, our in-flight broadband service which utilizes our ATG network and spectrum, Gogo Vision, and satellite-based voice and data services through our strategic alliances with satellite companies.

Basis of Presentation - The accompanying unaudited condensed consolidated financial statements and notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and in conformity with Article 10 of Regulation S-X promulgated under the Securities Act of 1933, as amended. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements and should be read in conjunction with our annual audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the Securities Exchange Commission (“SEC”) on February 27, 2015 (the “2014 10-K”). These unaudited condensed consolidated financial statements reflect, in the opinion of management, all material adjustments (which include only normally recurring adjustments) necessary to fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented.

The results of operations and cash flows for the three and six month periods ended June 30, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2015.

We have one class of common stock outstanding as of June 30, 2015 and December 31, 2014.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates the significant estimates and bases such estimates on historical experience and on various other assumptions believed to be reasonable under the circumstances. However, actual results could differ materially from those estimates.

Reclassifications - In order to conform to the current year presentation, certain amounts in our 2014 unaudited condensed consolidated statements of cash flows have been reclassified. Specifically, deferred rent and accrued interest are stated separately in the unaudited condensed consolidated statement of cash flows. For the six month period ended June 30, 2014, deferred rent of (\$32) had been included in accrued liabilities and deferred rent of \$476 had been included in other non-current assets and liabilities in our June 30, 2014 unaudited condensed consolidated statement of cash flows. For the six month period ended June 30, 2014, accrued interest of (\$4) had been included in accrued liabilities in our June 30, 2014 unaudited condensed consolidated statement of cash flows.

2. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue From Contracts With Customers* (“ASU 2014-09”). This pronouncement outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As originally issued, this guidance

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

was effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period, and early adoption was not permitted. In July 2015, the FASB deferred the effective date by one year, to annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period. Early adoption of the guidance is permitted, but no earlier than the original effective date. This standard will be applied using either the full or modified retrospective adoption methods. We will adopt this guidance as of January 1, 2018. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). This pronouncement provides additional guidance surrounding the disclosure of going concern uncertainties in the financial statements and requires that management perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. We will adopt this guidance as of January 1, 2017. We do not anticipate that the adoption of this guidance will result in additional disclosures.

In April 2015, the FASB issued ASU 2015-03, *Interest – Imputation of Interest (Subtopic 835-30)* ("ASU 2015-03"), which requires that debt issuance costs be presented in the balance sheets as a direct deduction from the carrying amount of the related debt liability. The new requirement is effective for fiscal years beginning on or after December 15, 2015, and for interim periods within those fiscal years. Retrospective presentation is required for all comparable periods presented. We do not believe that the adoption of this guidance will have a material impact on our consolidated financial statements.

3. Net Loss Per Share

Basic and diluted net loss per share have been calculated using the weighted-average number of common shares outstanding for the period. The shares of common stock effectively repurchased in connection with the Forward Transactions (as defined and described in Note 8, "Long-Term Debt and Other Liabilities") are considered participating securities requiring the two-class method to calculate basic and diluted earnings per share. Net earnings in future periods will be allocated between common shares and participating securities. In periods of a net loss, the shares associated with the Forward Transactions will not receive an allocation of losses, as the counterparties to the Forward Transactions are not required to fund losses. Additionally, the calculation of weighted average shares outstanding as of June 30, 2015 excludes approximately 7.2 million shares that will be repurchased as a result of the Forward Transactions.

As a result of the net loss for the three and six month periods ended June 30, 2015 and 2014, all of the outstanding shares of common stock underlying stock options, deferred stock units and restricted stock units were excluded from the computation of diluted shares outstanding because they were anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share for the three and six month periods ended June 30, 2015 and 2014; however, because of the undistributed losses, the shares of common stock associated with the Forward Transactions are excluded from the computation of basic earnings per share in 2015 as undistributed losses are not allocated to these shares (*in thousands, except per share amounts*):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Net loss	\$(24,772)	(18,662)	\$(44,864)	(35,528)
Less: Participation rights of the Forward Transactions	—	—	—	—
Undistributed losses	<u>\$(24,772)</u>	<u>\$(18,662)</u>	<u>\$(44,864)</u>	<u>\$(35,528)</u>
Weighted-average common shares outstanding-basic and diluted	<u>78,478</u>	<u>85,085</u>	<u>80,770</u>	<u>85,040</u>
Net loss attributable to common stock per share-basic and diluted	<u>\$ (0.32)</u>	<u>\$ (0.22)</u>	<u>\$ (0.56)</u>	<u>\$ (0.42)</u>

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

4. Inventories

Inventories consist primarily of telecommunications systems and parts, and are recorded at the lower of cost (average cost) or market. We evaluate the need for write-downs associated with obsolete, slow-moving, and nonsalable inventory by reviewing net realizable inventory values on a periodic basis.

Inventories as of June 30, 2015 and December 31, 2014, all of which were included within the BA segment, were as follows (*in thousands*):

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Work-in-process component parts	\$ 13,165	\$ 16,578
Finished goods	9,571	5,335
Total inventory	<u>\$22,736</u>	<u>\$ 21,913</u>

5. Composition of Certain Balance Sheet Accounts

Prepaid expenses and other current assets as of June 30, 2015 and December 31, 2014 were as follows (*in thousands*):

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Deposits and prepayments on satellite services	\$ 2,798	\$ 972
Prepaid rent	2,157	1,314
Prepaid insurance	1,111	187
Tenant improvement allowance receivables	1,614	5,406
Restricted cash	26	45
Other	5,744	5,312
Total prepaid expenses and other current assets	<u>\$13,450</u>	<u>\$ 13,236</u>

Property and equipment as of June 30, 2015 and December 31, 2014 were as follows (*in thousands*):

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Office equipment, furniture, fixtures and other	\$ 39,705	\$ 32,289
Leasehold improvements	40,698	31,031
Airborne equipment	369,152	319,835
Network equipment	149,763	146,795
	<u>599,318</u>	<u>529,950</u>
Accumulated depreciation	(192,721)	(166,842)
Property and equipment, net	<u>\$ 406,597</u>	<u>\$ 363,108</u>

Other non-current assets as of June 30, 2015 and December 31, 2014 were as follows (*in thousands*):

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Canadian ATG license payments ⁽¹⁾	\$ 2,222	\$ 2,417
Deposits on satellite and other airborne equipment	6,750	5,689
Deposits on furniture and fixtures	—	2,335
Other	1,036	943
Total other non-current assets	<u>\$10,008</u>	<u>\$ 11,384</u>

(1) See Note 17, “Canadian ATG Spectrum License” for further information.

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

Accrued liabilities as of June 30, 2015 and December 31, 2014 were as follows (*in thousands*):

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Employee compensation and benefits	\$17,364	\$ 13,211
Airborne equipment and installation costs	10,980	9,548
Airborne partner related accrued liabilities	14,337	7,718
Deferred rent	3,619	3,637
Other	21,350	18,780
Total accrued liabilities	<u>\$67,650</u>	<u>\$ 52,894</u>

Other non-current liabilities as of June 30, 2015 and December 31, 2014 were as follows (*in thousands*):

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Deferred rent	\$33,117	\$ 14,390
Asset retirement obligations	6,808	6,153
Capital leases	2,989	3,813
Deferred revenue	1,198	741
Other	939	985
Total other non-current liabilities	<u>\$45,051</u>	<u>\$ 26,082</u>

6. Intangible Assets

Our intangible assets are comprised of both indefinite-lived and finite-lived intangible assets. Intangible assets with indefinite lives and goodwill are not amortized, but are reviewed for impairment at least annually or whenever events or circumstances indicate the carrying value of the asset may not be recoverable. We perform our annual impairment tests of our indefinite-lived intangible assets and goodwill during the fourth quarter of each fiscal year. We also reevaluate the useful life of the indefinite-lived intangible assets each reporting period to determine whether events and circumstances continue to support an indefinite useful life. The results of our annual indefinite-lived intangible assets and goodwill impairment assessments in the fourth quarter of 2014 indicated no impairment.

As of June 30, 2015 and December 31, 2014, our goodwill balance, all of which related to our BA segment, was \$0.6 million.

Our intangible assets, other than goodwill, as of June 30, 2015 and December 31, 2014 were as follows (*in thousands, except for weighted average remaining useful life*):

	Weighted Average Remaining Useful Life (in years)	As of June 30, 2015			As of December 31, 2014		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:							
Software	2.3	\$ 81,404	\$ (42,298)	\$39,106	\$ 72,940	\$ (35,075)	\$37,865
Trademark/trade name	2.8	3,072	(2,951)	121	3,072	(2,929)	143
Aircell Axxess technology		4,129	(4,129)	—	4,129	(4,103)	26
OEM and dealer relationships	1.6	6,724	(5,658)	1,066	6,724	(5,322)	1,402
Service customer relationship	4.8	8,081	(3,249)	4,832	8,081	(2,747)	5,334
Other intangible assets	5.0	1,500	(133)	1,367	1,500	(89)	1,411
Total amortized intangible assets		<u>104,910</u>	<u>(58,418)</u>	<u>46,492</u>	<u>96,446</u>	<u>(50,265)</u>	<u>46,181</u>
Unamortized intangible assets:							
FCC Licenses		<u>32,283</u>	<u>—</u>	<u>32,283</u>	<u>32,283</u>	<u>—</u>	<u>32,283</u>
Total intangible assets		<u>\$137,193</u>	<u>\$ (58,418)</u>	<u>\$78,775</u>	<u>\$128,729</u>	<u>\$ (50,265)</u>	<u>\$78,464</u>

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

Amortization expense was \$4.6 million and \$8.2 million for the three and six month periods ended June 30, 2015, respectively, and \$2.9 million and \$5.5 million, respectively, for the comparable prior year periods.

Amortization expense for each of the next five years and thereafter is estimated to be as follows (*in thousands*):

Years ending December 31,	<u>Amortization Expense</u>
2015 (period from July 1 to December 31)	\$ 10,377
2016	\$ 16,595
2017	\$ 10,724
2018	\$ 4,945
2019	\$ 2,544
Thereafter	\$ 1,307

Actual future amortization expense could differ from the estimated amount as the result of future investments and other factors.

7. Warranties

Our BA segment provides warranties on parts and labor for our systems. Our warranty terms range from two to five years. Warranty reserves are established for costs that are estimated to be incurred after the sale, delivery, and installation of the products under warranty. The warranty reserves are determined based on known product failures, historical experience, and other available evidence, and are included in accrued liabilities in our unaudited condensed consolidated balance sheet. Our warranty reserve balance was \$1.5 million and \$1.1 million as of June 30, 2015 and December 31, 2014, respectively.

8. Long-Term Debt and Other Liabilities

Long-term debt as of June 30, 2015 and December 31, 2014 was as follows (*in thousands*):

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Amended and Restated Senior Term Facility	\$304,969	\$ 309,244
Convertible Notes	266,473	—
Alaska Facility	—	1,008
Total debt	571,442	310,252
Less current portion of long-term debt	(6,932)	(8,330)
Total long-term debt	<u>\$564,510</u>	<u>\$ 301,922</u>

Convertible Notes – On March 3, 2015, we issued \$340.0 million aggregate principal amount of 3.75% Convertible Senior Notes due 2020 (the “Convertible Notes”) in a private offering to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933, as amended. We granted an option to the initial purchasers to purchase up to an additional \$60.0 million aggregate principal amount of Convertible Notes to cover over-allotments, of which \$21.9 million was subsequently exercised during March 2015, resulting in a total issuance of \$361.9 million aggregate principal amount of Convertible Notes. We expect to use the net proceeds from the Convertible Notes, after giving effect of the Forward Transactions (as defined below), for working capital and other general corporate purposes, including potential costs associated with developing and launching our next-generation technology solutions and the acquisition of additional spectrum should it become available. The Convertible Notes mature on March 1, 2020 unless earlier repurchased or converted into shares of our common stock under certain circumstances described below. Upon maturity, we have the option to settle our obligation through cash, shares of common stock, or a combination of cash and shares of common stock. We pay interest on the Convertible Notes semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2015.

The \$361.9 million of proceeds received from the issuance of the Convertible Notes were initially allocated between long-term debt (the liability component) at \$261.9 million, and additional paid-in-capital, (the equity component) at \$100.0 million, within the unaudited condensed consolidated balance sheet. The fair value of the liability component was measured using rates determined for similar debt instruments without a conversion feature. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability component from the aggregate face value of the Convertible Notes. If we or the note holders elect not to settle the debt through conversion, we must settle the Convertible Notes at face value.

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Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

Therefore, the liability component will be accreted up to the face value of the Convertible Notes, which will result in additional non-cash interest expense being recognized within the unaudited condensed consolidated statements of operations through the Convertible Notes maturity date (see Note 9, “Interest Costs” for additional information). The effective interest rate on the Convertible Notes, including accretion of the notes to par and debt issuance cost amortization, was approximately 11.5% for the six month period ended June 30, 2015. The equity component will not be remeasured as long as it continues to meet the conditions for equity classification.

As of June 30, 2015, the outstanding principal on the Convertible Notes was \$361.9 million, the unamortized debt discount was \$95.5 million, and the net carrying amount of the liability component was \$266.5 million, which was recorded as long-term debt within the unaudited condensed consolidated balance sheet.

We incurred approximately \$10.4 million of issuance costs related to the issuance of the Convertible Notes. Of the \$10.4 million of issuance costs incurred, \$7.5 million and \$2.9 million were recorded to deferred financing costs and additional paid-in capital, respectively, in proportion to the allocation of the proceeds of the Convertible Notes. The \$7.5 million recorded as deferred financing costs on the unaudited condensed consolidated balance sheet is being amortized over the contractual term of the Convertible Notes using the effective interest method. Total amortization expense of the deferred financing costs was \$0.3 million and \$0.4 million for the three and six month periods ended June 30, 2015, respectively. As of June 30, 2015, the balance of unamortized deferred financing costs related to the Convertible Notes was \$7.1 million. See Note 9, “Interest Costs” for additional information.

The Convertible Notes had an initial conversion rate of 41.9274 common shares per \$1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately \$23.85 per share of our common stock. Upon conversion, we currently expect to deliver cash up to the principal amount of the Convertible Notes then outstanding. With respect to any conversion value in excess of the principal amount, we currently expect to deliver shares of our common stock. We may elect to deliver cash in lieu of all or a portion of such shares. The shares of common stock subject to conversion are excluded from diluted earnings per share calculations under the if-converted method as their impact is anti-dilutive.

Holders may convert notes, at their option, in multiples of \$1,000 principal amount at any time prior to December 1, 2019, but only in the following circumstances:

- during any fiscal quarter beginning after the fiscal quarter ending June 30, 2015, if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the last 30 consecutive trading days of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the Convertible Notes on each applicable trading day;
- during the five business day period following any five consecutive trading day period in which the trading price for the Convertible Notes is less than 98% of the product of the last reported sale price of our common stock and the conversion rate for the Convertible Notes on each such trading day; or
- upon the occurrence of specified corporate events.

None of the above events allowing for conversion prior to December 1, 2019 occurred during the six month period ended June 30, 2015. Regardless of whether any of the foregoing circumstances occurs, holders may convert their Convertible Notes, in multiples of \$1,000 principal amount, at any time on or after December 1, 2019 until maturity.

In addition, if we undergo a fundamental change (as defined in the indenture governing the Convertible Notes), holders may, subject to certain conditions, require us to repurchase their Convertible Notes for cash at a price equal to 100% of the principal amount of the Convertible Notes to be purchased, plus any accrued and unpaid interest. In addition, if specific corporate events occur prior to the maturity date, we will increase the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event in certain circumstances.

In connection with the issuance of the Convertible Notes, we paid approximately \$140 million to enter into prepaid forward stock repurchase transactions (the “Forward Transactions”) with certain financial institutions, (the “Forward Counterparties”), pursuant to which we purchased approximately 7.2 million shares of common stock for settlement on or around the March 1, 2020 maturity date for the Convertible Notes, subject to the ability of each Forward Counterparty to elect to settle all or a portion of its Forward Transactions early. As a result of the Forward Transactions, total shareholders’ equity within our unaudited condensed consolidated balance sheet was reduced by

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approximately \$140 million. Approximately 7.2 million shares of common stock that will be effectively repurchased through the Forward Transactions are treated as retired shares for basic and diluted EPS purposes although they remain legally outstanding.

Senior Debt – On July 30, 2014, Gogo Intermediate Holdings LLC, Gogo Business Aviation LLC, f/k/a Aircell Business Aviation Services LLC (“GBA”), and Gogo LLC, as borrowers (the “Borrowers”), entered into an Amendment and Restatement Agreement (the “Amendment”) to the Credit Agreement dated as of June 21, 2012 and amended on April 4, 2013 (the “Amended Senior Term Facility”) among the Borrowers, the lenders named therein, and Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent. We refer to the Amendment and the Amended Senior Term Facility collectively as the “Amended and Restated Senior Term Facility.”

Prior to the Amendment, under the Amended Senior Term Facility we borrowed an aggregate principal amount of \$248.0 million (the “Tranche B-1 Loans”). Pursuant to the Amendment, we borrowed an aggregate additional principal amount of \$75.0 million (the “Tranche B-2 Loans” and, together with the Tranche B-1 Loans, the “Loans”). As of June 30, 2015 and December 31, 2014, we had \$305.0 million and \$309.2 million, respectively, outstanding under the Amended and Restated Senior Term Facility.

As of June 30, 2015, we were in compliance with the covenants, cash balance, reporting and notice requirements of the Amended and Restated Senior Term Facility and no event of default had occurred.

The maturity date of the Amended and Restated Senior Term Facility is March 21, 2018. Principal payments of \$1.7 million are due on the last day of each calendar quarter through December 31, 2017, with the remaining unpaid principal amount due and payable at maturity.

The interest rates applicable to the Tranche B-1 Loans are based on a fluctuating rate of interest measured by reference, at GBA’s option, to either (i) a London inter-bank offered rate adjusted for statutory reserve requirements (“LIBOR”) (subject to a 1.50% floor) plus an applicable margin of 9.75% per annum, or (ii) an alternate base rate (“Base Rate”) (subject to a 2.50% floor) plus an applicable margin of 8.75% per annum. The interest rates applicable to the Tranche B-2 Loans are based on a fluctuating rate of interest measured by reference, at GBA’s option, to either (i) LIBOR (subject to a 1.00% floor) plus an applicable margin of 6.50% per annum, or (ii) a Base Rate (subject to a 2.00% floor) plus an applicable margin of 5.50% per annum. As of June 30, 2015, all loans were outstanding as one month LIBOR loans, and the interest rates on the Tranche B-1 Loans and the Tranche B-2 Loans were 11.25% and 7.50%, respectively. We pay customary fees in respect of the Amended and Restated Senior Term Facility.

The Tranche B-2 Loans are secured by the same collateral and guaranteed by the same guarantors as the Tranche B-1 Loans. The call premiums, mandatory prepayments, covenants, events of default and other terms applicable to the Tranche B-2 Loans are also generally the same as the corresponding terms applicable to the Tranche B-1 Loans under the Amended and Restated Senior Term Facility.

We paid \$22.2 million of loan origination fees and financing costs related to the Amended and Restated Senior Term Facility, all but \$4.1 million of which have been accounted for as deferred financing costs. The \$4.1 million of fees that were not accounted for as deferred financing costs were fees incurred but not paid directly to the lenders in connection with the amendments in April 2013 and July 2014 and were expensed to interest expense. Total amortization expense of the deferred financing costs was \$0.8 million and \$1.5 million for the three and six month periods ended June 30, 2015, respectively, and \$0.9 million and \$1.7 million, respectively, for the comparable prior year periods. Amortization expense is included in interest expense in the unaudited condensed consolidated statements of operations. As of June 30, 2015 and December 31, 2014, the balance of unamortized deferred financing costs related to the Amended and Restated Senior Term Facility was \$9.8 million and \$11.3 million, respectively.

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Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

Principal payments under the Amended and Restated Senior Term Facility for each of the next five years and thereafter are as follows (*in thousands*):

Years ending December 31,	<u>Credit Facility</u>
2015 (period from July 1 to December 31)	\$ 3,466
2016	\$ 6,932
2017	\$ 6,932
2018	\$287,639
Thereafter	\$ —

The credit agreement executed in connection with our Amended and Restated Senior Term Facility provides for mandatory prepayments and the ability to make optional prepayments. Based on historical and current expectations regarding cash flow generation, the credit agreement was structured to provide that any mandatory prepayments will be calculated based on the excess cash flows (as defined in the credit agreement) of GBA only. This calculation is made at the end of each fiscal year, with any required payments due no later than the 95th day following the end of the applicable fiscal year, and is based on GBA's debt leverage ratio. A leverage ratio of 3.25x or higher will trigger a mandatory prepayment of 50% of excess cash flows for the year, a leverage ratio of 2.0x or higher but less than 3.25x will trigger a mandatory prepayment of 25% of excess cash flows for the year and a leverage ratio of less than 2.0x will not trigger any mandatory prepayment of excess cash flows. The amount of any required mandatory prepayments will be reduced by the amount of any optional prepayments made during the applicable fiscal year. In the event actual results or a change in estimates triggers the mandatory prepayment, such prepayment amount will be reclassified from non-current liabilities to current liabilities in our unaudited condensed consolidated balance sheet. We had no such mandatory prepayment classified as a current liability as of June 30, 2015.

We may voluntarily prepay the loans subject to conditions, prices and premiums as follows:

- (i) On and prior to December 21, 2015, we may prepay the loans at par plus (a) 3.0% of the principal amount of the loans prepaid and (b) a "make whole" premium based on a discounted present value of the interest and principal payments due on such prepaid loans through December 21, 2015;
- (ii) After December 21, 2015 but prior to December 21, 2016, we may prepay the loans at par plus 3.0% of the principal amount of loans prepaid;
- (iii) On and after December 21, 2016, we may prepay the loans at par.

Alaska Financing - On November 2, 2010, we entered into a \$4.1 million standby credit facility agreement (the "Alaska Facility") with Alaska Airlines, Inc. to finance the construction of ATG network sites in Alaska. The Alaska Facility had a six-year term and an interest rate of 10% per annum, compounded and payable quarterly. In April 2015, we paid in full and terminated the Alaska Facility.

Letters of Credit - We maintain several letters of credit totaling \$7.9 million as of both June 30, 2015 and December 31, 2014. Certain of the letters of credit require us to maintain restricted cash accounts in a similar amount, and are issued for the benefit of the landlords at our current office locations in Chicago, Illinois; Bensenville, Illinois; Itasca, Illinois; and Broomfield, Colorado.

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

9. Interest Costs

We capitalize a portion of our interest on funds borrowed during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and amortized over the useful lives of the assets.

The following is a summary of our interest costs for the three and six month periods ended June 30, 2015 and 2014 (*in thousands*):

	<u>For the Three Months</u> <u>Ended June 30,</u>		<u>For the Six Months</u> <u>Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Interest costs charged to expense	\$ 11,168	\$ 6,520	\$19,507	\$12,932
Amortization of deferred financing costs	1,105	861	1,889	1,697
Accretion of Convertible Notes	3,528	—	4,500	—
Interest expense	15,801	7,381	25,896	14,629
Interest costs capitalized to property and equipment	46	181	112	404
Interest costs capitalized to software	333	297	637	623
Total interest costs	<u>\$ 16,180</u>	<u>\$ 7,859</u>	<u>\$26,645</u>	<u>\$15,656</u>

10. Leases

Arrangements with Commercial Airlines — Pursuant to contractual agreements with our airline partners, we place our equipment on commercial aircraft operated by the airlines for the purpose of delivering the Gogo® service to passengers on the aircraft. Depending on the agreement, we may be responsible for the costs of installing and deinstalling the equipment. Under one type of connectivity agreement we maintain legal title to our equipment; however, under a second, more prevalent type of connectivity agreement some of our airline partners make an upfront payment and take legal title to such equipment. The majority of the equipment transactions where legal title transfers are not deemed to be sales transactions for accounting purposes because the risks and rewards of ownership are not fully transferred due to our continuing involvement with the equipment, the length of the term of our agreements with the airlines, and restrictions in the agreements regarding the airlines' use of the equipment. We account for these equipment transactions as operating leases of space for our equipment on the aircraft. The assets are recorded as airborne equipment on our unaudited condensed consolidated balance sheets, as noted in Note 5, "Composition of Certain Balance Sheet Accounts." Any upfront equipment payments are accounted for as lease incentives and recorded as deferred airborne lease incentives on our unaudited condensed consolidated balance sheets and are recognized as a reduction of the cost of service revenue on a straight-line basis over the term of the agreement with the airline. We recognized \$4.7 million and \$8.6 million for the three and six month periods ended June 30, 2015, respectively, and \$3.1 million and \$5.7 million for the comparable prior year periods, respectively, as a reduction to our cost of service revenue in our unaudited condensed consolidated statements of operations. As of June 30, 2015, deferred airborne lease incentives of \$17.7 million and \$100.6 million are included in current and non-current liabilities, respectively, in our unaudited condensed consolidated balance sheet. As of December 31, 2014, deferred airborne lease incentives of \$13.8 million and \$83.8 million are included in current and non-current liabilities, respectively, in our unaudited condensed consolidated balance sheet.

The revenue share paid to our airline partners represents an operating lease payment and is deemed to be contingent rental payments, as the payments due to each airline are based on a percentage of our CA-NA and CA-ROW service revenue generated from that airline's passengers, which is unknown until realized. Therefore, we cannot estimate the lease payments due to an airline at the commencement of our contract with such airline. Rental expense related to the arrangements with commercial airlines included in cost of service revenue is primarily comprised of these revenue share payments offset by the amortization of the deferred airborne lease incentives discussed above. Such rental expenses totaled a net charge of \$10.5 million and \$20.9 million for the three and six month periods ended June 30, 2015, respectively, and \$9.9 million and \$19.8 million, respectively, for the comparable prior year periods.

One contract with one of our airline partners requires us to provide our airline partner with a cash rebate of \$1.8 million if our service is available on a specified number of aircraft in such airline partner's fleet on the preceding December 31, in June of each year from 2015 through 2023. Based upon the number of aircraft in service on December 31, 2014, we were required to rebate \$1.8 million to this airline in June 2015. We intend to make the 2015 payment shortly.

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Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

Leases and Cell Site Contracts — We have lease agreements relating to certain facilities and equipment, which are considered operating leases. Rent expense for such operating leases was \$3.4 million and \$7.7 million for the three and six month periods ended June 30, 2015, respectively, and \$2.3 million and \$4.0 million, respectively, for the comparable prior year periods. Additionally, we have operating leases with wireless service providers for tower space and base station capacity on a volume usage basis (“cell site leases”), some of which provide for minimum annual payments. Our cell site leases generally provide for an initial noncancelable term of up to five years with up to four five-year renewal options. Total cell site rental expense was \$2.3 million and \$4.6 million for the three and six month periods ended June 30, 2015, respectively, and \$2.1 million and \$4.3 million, respectively, for the comparable prior year periods.

Annual future minimum obligations for operating leases for each of the next five years and thereafter, other than the arrangements we have with our commercial airline partners, as of June 30, 2015, are as follows (*in thousands*):

Years ending December 31,	<u>Operating Leases</u>
2015 (period from July 1 to December 31)	\$ 11,530
2016	\$ 21,089
2017	\$ 17,736
2018	\$ 15,067
2019	\$ 14,465
Thereafter	\$121,454

Equipment Leases – We lease certain computer and network equipment under capital leases, for which interest has been imputed with annual interest rates ranging from 8.3% to 13.4%. As of June 30, 2015, the computer equipment leases were classified as part of office equipment, furniture, and fixtures and other in our unaudited condensed consolidated balance sheet at a gross cost of \$1.4 million. As of June 30, 2015 the network equipment leases were classified as part of network equipment in our unaudited condensed consolidated balance sheet at a gross cost of \$6.4 million. Annual future minimum obligations under capital leases for each of the next five years and thereafter, as of June 30, 2015, are as follows (*in thousands*):

Years ending December 31,	<u>Capital Leases</u>
2015 (period from July 1 to December 31)	\$1,240
2016	2,323
2017	1,728
2018	352
Thereafter	—
Total minimum lease payments	5,643
Less: Amount representing interest	(664)
Present value of net minimum lease payments	<u>\$4,979</u>

The \$5.0 million present value of net minimum lease payments as of June 30, 2015 has a current portion of \$2.0 million included in current portion of long-term debt and capital leases and a non-current portion of \$3.0 million included in other non-current liabilities.

11. Commitments and Contingencies

Contractual Commitments - We have agreements with airborne equipment vendors under which we have remaining commitments to purchase \$14.0 million in satellite based systems and development services as of June 30, 2015. Such commitments will become payable as we receive the equipment or are provided the development services.

We have agreements with vendors to provide us with transponder and teleport satellite services. These agreements vary in length and amount and commit us to purchase transponder and teleport satellite services totaling approximately \$17.7 million for the second half of 2015, \$33.6 million in 2016, \$31.8 million in 2017, \$15.3 million in 2018 and an amount less than \$0.1 million in 2019.

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Damages and Penalties - Certain of our agreements with our airline partners may require us to incur additional obligations as a result of the occurrence of specified events, some of which may be out of our control. One contract covering the international fleet of one of our airline partners requires us to provide a credit or refund to our airline partner if a competing airline installs satellite connectivity systems on a certain number of aircraft in its international fleet more quickly than we install our system on the same number of aircraft in our airline partner's international fleet. The refund or credit has been and will continue to be reduced proportionately from the maximum amount for every installation that we complete before the competitor achieves the target, after taking into account excusable delays. As of June 30, 2015, the maximum amount of the potential credit or refund was approximately \$7 million. The actual amount of any such refund or credit depends on a number of facts and circumstances, such as the pace at which we continue to install satellite systems on aircraft delivered to us by our airline partner, as well as some that are not under our control, including, but not limited to, the number of installable aircraft made available to us from our airline partner's international fleet, our competitor's ability to install an equal or greater quantity of satellite systems on such competing airline's international fleet and any current or future regulatory delays to the extent they are not excusable delays. Any refund or credit may only be applied toward the purchase of equipment or for a refund of amounts paid by the airline for previously purchased equipment. Based on actual and forecasted installations as of June 30, 2015, we currently expect to meet the installation schedule before our competitor does, after taking excusable delays into account, and, therefore, we do not believe it is reasonably possible that we will incur a material loss. We continuously monitor the status of installations under this contract and will accrue the applicable refund or credit amount should it become probable that our competitor will complete the targeted number of installations before we do, after taking into account excusable delays.

One contract with another of our airline partners obligated us to pay our airline partner penalties and installation and other costs if we failed to receive certain regulatory approvals or begin the installation of equipment related to the provision of satellite-based service by specified deadlines. As of June 30, 2015, we have fulfilled our obligations and are no longer subject to the penalties and installation and other costs.

We have entered into a number of agreements with our airline partners that require us to provide a credit or pay liquidated damages to our airline partners on a per aircraft, per day or per hour basis if we are unable to install our equipment on aircraft by specified timelines or fail to comply with service level commitments. The maximum amount of future credits or payments we could be required to make under these agreements is uncertain because the amount of future credits or payments is based on certain variable inputs.

Indemnifications and Guarantees - In accordance with Delaware law, we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under this indemnification is uncertain and may be unlimited, depending upon circumstances. However, our Directors' and Officers' insurance does provide coverage for certain of these losses.

In the ordinary course of business we may occasionally enter into agreements pursuant to which we may be obligated to pay for the failure of performance of others, such as the use of corporate credit cards issued to employees. Based on historical experience, we believe that the risk of sustaining any material loss related to such guarantees is remote.

We have entered into a number of agreements, including our agreements with commercial airlines, pursuant to which we indemnify the other party for losses and expenses suffered or incurred in connection with any patent, copyright, or trademark infringement or misappropriation claim asserted by a third party with respect to our equipment or services. The maximum potential amount of future payments we could be required to make under these indemnification agreements is uncertain and is typically not limited by the terms of the agreements.

Berkson Litigation - On February 25, 2014, Adam Berkson filed suit against us in the United States District Court for the Eastern District of New York, on behalf of putative classes of national purchasers and a subclass of New York purchasers of our connectivity service, alleging claims that we violated New York and other consumer protection laws, as well as an implied covenant of good faith and fair dealing, by misleading consumers about recurring charges for our service. The suit seeks unspecified damages. In July 2015, we and representatives of the putative classes entered into a non-binding memorandum of understanding with respect to a settlement and we are currently negotiating a definitive settlement agreement, which will be subject to court approval. Under the contemplated settlement, eligible class members would be entitled to receive agreed-upon amounts of complementary Gogo connectivity service and we would be responsible for claims administration costs and plaintiffs' legal fees. The estimated cost of the contemplated settlement is not material.

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Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

12. Fair Value of Financial Assets and Liabilities

A three-tier fair value hierarchy has been established which prioritizes the inputs used in measuring fair value. These tiers include:

- *Level 1* - defined as observable inputs such as quoted prices in active markets;
- *Level 2* - defined as observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- *Level 3* - defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

Long-Term Debt:

Our financial assets and liabilities that are disclosed but not measured at fair value include the Convertible Notes and the Amended and Restated Senior Term Facility (each as defined in Note 8, “Long-Term Debt and Other Liabilities”), both of which are reflected on the unaudited condensed consolidated balance sheet at cost. The fair value of the Convertible Notes was approximately \$391 million, with a carrying value of \$266.5 million as of June 30, 2015 (the carrying value does not include the conversion premium). The fair value of the Amended and Restated Senior Term Facility was approximately \$331 million and \$339 million as of June 30, 2015 and December 31, 2014, respectively, with a carrying value of \$305.0 million and \$309.2 million as of June 30, 2015 and December 31, 2014, respectively. These fair value measurements are classified as Level 2 within the fair value hierarchy since they are based on quoted market prices of identical instruments in markets that are not active. We estimated the fair value of the Convertible Notes and Amended and Restated Senior Term Facility by calculating the upfront cash payment a market participant would require to assume these obligations. The upfront cash payment, excluding any issuance costs, is the amount that a market participant would be able to lend at June 30, 2015 to an entity with a credit rating similar to ours and achieve sufficient cash inflows to cover the scheduled cash outflows under the Convertible Notes and Amended and Restated Senior Term Facility.

13. Income Tax

The effective income tax rates for the three and six month periods ended June 30, 2015 were (1.7%) and (1.6%), respectively, and (2.1%) and (1.9%), respectively, for the comparable prior year periods. Income tax expense recorded in each period was similar, with differences in pre-tax income causing the change in the effective tax rate. The difference between our effective tax rates and the U.S. federal statutory rate of 35% for the three and six month periods ended June 30, 2015 and 2014 was primarily due to the recording of a valuation allowance against our net deferred tax assets which is excluded from taxable income (loss).

We are subject to taxation in the United States, Canada, Switzerland, Japan, Singapore, Mexico and various states. With few exceptions, as of June 30, 2015, we are no longer subject to U.S. federal, state, foreign or local examinations by tax authorities for years prior to 2011.

We record penalties and interest relating to uncertain tax positions in the income tax provision line item in the unaudited condensed consolidated statement of operations. No penalties or interest related to uncertain tax positions were recorded for the three and six month periods ended June 30, 2015. As of June 30, 2015, we did not have a liability recorded for interest or potential penalties.

We do not expect a change in the unrecognized tax benefits within the next 12 months.

In 2013 and 2014, the IRS issued final regulations that provide guidance with respect to (i) the treatment of material and supplies, (ii) capitalization of amounts paid to acquire or produce tangible property, (iii) the determination of whether an expenditure with respect to tangible property is a deductible repair or a capital expenditure and (iv) dispositions of MACRS property. The adoption of these final regulations did not have a material impact on our results of operations, financial position or cash flows.

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14. Business Segments and Major Customers

We operate our business through three operating segments: Commercial Aviation North America, or “CA-NA”, Commercial Aviation Rest of World, or “CA-ROW” and Business Aviation, or “BA”. See Note 1, “Basis of Presentation” for further information regarding our segments.

The accounting policies of the operating segments are the same as those described in Note 2, “Summary of Significant Accounting Policies” in the 2014 10-K. Intercompany transactions between segments are excluded as they are not included in management’s performance review of the segments. We currently do not generate a material amount of foreign revenue. We do not segregate assets between segments for internal reporting. Therefore, asset-related information has not been presented. We do not disclose assets outside of the United States as these assets are not material as of June 30, 2015 and December 31, 2014. For our airborne assets, we consider only those assets installed in aircraft associated with international commercial airline partners to be owned outside of the United States.

Management evaluates performance and allocates resources to each segment based on segment profit (loss), which is calculated internally as net income (loss) attributable to common stock before interest expense, interest income, income taxes, depreciation and amortization, certain non-cash charges (including amortization of deferred airborne lease incentives and stock compensation expense) and other income (expense). Segment profit (loss) is a measure of performance reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and evaluating segment performance. In addition, segment profit (loss) is included herein in conformity with ASC 280-10, *Segment Reporting*. Management believes that segment profit (loss) provides useful information for analyzing and evaluating the underlying operating results of each segment. However, segment profit (loss) should not be considered in isolation or as a substitute for net income (loss) attributable to common stock or other measures of financial performance prepared in accordance with GAAP. Additionally, our computation of segment profit (loss) may not be comparable to other similarly titled measures computed by other companies.

Information regarding our reportable segments is as follows (*in thousands*):

	For the Three Months Ended June 30, 2015			
	CA-NA	CA-ROW	BA	Total
Service revenue	\$ 75,329	\$ 2,303	\$23,763	\$101,395
Equipment revenue	262	—	19,534	19,796
Total revenue	\$ 75,591	\$ 2,303	\$43,297	\$121,191
Segment profit (loss)	<u>\$ 11,244</u>	<u>\$(17,996)</u>	<u>\$17,540</u>	<u>\$ 10,788</u>
	For the Three Months Ended June 30, 2014			
	CA-NA	CA-ROW	BA	Total
Service revenue	\$ 61,843	\$ 259	\$17,063	\$ 79,165
Equipment revenue	304	—	20,060	20,364
Total revenue	\$ 62,147	\$ 259	\$37,123	\$ 99,529
Segment profit (loss)	<u>\$ 6,448</u>	<u>\$(18,812)</u>	<u>\$15,491</u>	<u>\$ 3,127</u>
	For the Six Months Ended June 30, 2015			
	CA-NA	CA-ROW	BA	Total
Service revenue	\$147,507	\$ 3,713	\$45,581	\$196,801
Equipment revenue	618	—	39,283	39,901
Total revenue	\$148,125	\$ 3,713	\$84,864	\$236,702
Segment profit (loss)	<u>\$ 20,860</u>	<u>\$(36,272)</u>	<u>\$34,346</u>	<u>\$ 18,934</u>

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

	For the Six Months Ended June 30, 2014			
	CA-NA	CA-ROW	BA	Total
Service revenue	\$ 118,278	\$ 322	\$ 32,856	\$ 151,456
Equipment revenue	937	—	42,830	43,767
Total revenue	\$ 119,215	\$ 322	\$ 75,686	\$ 195,223
Segment profit (loss)	<u>\$ 12,252</u>	<u>\$(35,705)</u>	<u>\$ 31,954</u>	<u>\$ 8,501</u>

A reconciliation of segment profit (loss) to the relevant consolidated amounts is as follows (*in thousands*):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
CA-NA segment profit	\$ 11,244	\$ 6,448	\$ 20,860	\$ 12,252
CA-ROW segment loss	(17,996)	(18,812)	(36,272)	(35,705)
BA segment profit	17,540	15,491	34,346	31,954
Total segment profit	10,788	3,127	18,934	8,501
Interest income	11	9	16	24
Interest expense	(15,801)	(7,381)	(25,896)	(14,629)
Depreciation and amortization	(20,813)	(14,882)	(39,590)	(30,569)
Amortization of deferred airborne lease incentives ⁽¹⁾	4,671	3,091	8,597	5,688
Stock compensation expense	(3,214)	(2,214)	(6,299)	(3,818)
Other income (expense)	8	(23)	90	(63)
Loss before income taxes	\$ (24,350)	\$ (18,273)	\$ (44,148)	\$ (34,866)

(1) Amortization of deferred airborne lease incentive relates to our CA-NA and CA-ROW segments. See Note 10, “Leases” for further information.

Major Customers and Airline Partnerships — During the three and six month periods ended June 30, 2015 and 2014, no customer accounted for more than 10% of our consolidated revenue. One airline partner for the CA-ROW segment accounted for approximately 19% and 18% of consolidated accounts receivable as of June 30, 2015 and December 31, 2014, respectively.

Revenue from passengers using the Gogo service while flying on aircraft by two of our airline partners accounted for approximately 44% and 42% of consolidated revenue for the three and six month periods ended June 30, 2015, respectively, as compared to 41% and 40%, respectively, for the comparable prior year periods.

15. Employee Retirement and Postretirement Benefits

Share-Based Compensation — We have two share-based employee compensation plans as of June 30, 2015. See Note 11, “Share-Based Compensation,” in our 2014 10-K for further information regarding these plans. For the six month period ended June 30, 2015, options to purchase 1,303,710 shares of common stock were granted, options to purchase 141,686 shares of common stock were forfeited, options to purchase 12,182 shares of common stock expired, and options to purchase 376,216 shares of common stock were exercised.

For the six month period ended June 30, 2015, 541,624 restricted share units (“RSUs”) were granted, 112,878 RSUs vested and 43,580 RSUs were forfeited.

For the six month period ended June 30, 2015, 15,851 deferred share units (“DSUs”) were granted.

For the six month period ended June 30, 2015, 80,271 shares of restricted stock were granted, 41,650 shares of restricted stock vested and 5,000 shares of restricted stock were forfeited. These shares are deemed issued as of the date of grant, but not outstanding until they vest.

The employee stock purchase plan (the “ESPP”) allows eligible employees to purchase our common stock through payroll deductions at a price equal to 90% of the lower of the fair market value of the stock as of the beginning or the end of three-month offering periods. Under the ESPP, 424,594 shares were reserved for issuance. The six month period ended June 30, 2015 reflects the issuance of 30,284 shares of common stock under the ESPP. The first offering period under the ESPP commenced in the third quarter of 2014.

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

Share-based compensation totaled \$3.2 million and \$6.3 million for the three and six month periods ended June 30, 2015, respectively, and \$2.2 million and \$3.8 million, respectively, for the comparable prior year periods.

401(k) Plan — Under our 401(k) plan, all employees who are eligible to participate are entitled to make tax-deferred contributions, subject to Internal Revenue Service limitations. We match 100% of the employee’s first 4% of contributions made, subject to annual limitations. Our matching contributions were \$0.8 million and \$1.8 million for the three and six month periods ended June 30, 2015, respectively, and \$0.6 million and \$1.2 million, respectively, for the comparable prior year periods.

16. Research and Development Costs

Expenditures for research and development are charged to expense as incurred and totaled \$10.1 million and \$20.0 million for the three and six month periods ended June 30, 2015, respectively, and \$9.3 million and \$17.7 million, respectively, for the comparable prior year periods. Research and development costs are reported as a component of engineering, design and development expenses in our unaudited condensed consolidated statements of operations.

17. Canadian ATG Spectrum License

On July 17, 2012, Industry Canada issued to our Canadian subsidiary a subordinate license that allows us to use the Canadian ATG spectrum of which SkySurf Canada Communications Inc. (“SkySurf”) is the primary licensee. On July 24, 2012 we entered into a subordinate license agreement (the “License Agreement”) with SkySurf and on August 14, 2012 the agreement commenced. The License Agreement provides for our exclusive rights to use SkySurf’s ATG spectrum licenses in Canada. The License Agreement has an initial term of ten years commencing on August 14, 2012 and, provided that the primary spectrum license agreement issued by Industry Canada to SkySurf remains in effect, is renewable at our option for an additional ten-year term following the initial expiration and thereafter for a further five-year term. We made a one-time payment of C\$3.3 million, which was equivalent to approximately U.S. \$3.3 million (“one-time payment”). The renewal of the primary spectrum license will depend upon the satisfaction by Gogo and SkySurf of certain conditions set forth in the license, including, without limitation, a network build-out requirement. The term of the License Agreement, including the initial ten-year term and any renewals, is contingent on the effectiveness and renewal of the primary spectrum license issued by Industry Canada to SkySurf on June 30, 2009, which expires on June 29, 2019. We pay SkySurf C\$0.1 million, which is equivalent to U.S. \$0.1 million, monthly during the initial ten-year term of the License Agreement. Additionally, we make variable monthly payments based on the number of cell sites in Canada and the number of Canadian-domiciled commercial aircraft on which we provide our service.

As the License Agreement is for our exclusive use of a license, which is considered a right to use an intangible asset and thus not property, plant, or equipment, the agreement is not considered a lease for accounting purposes. As such, we recorded the SkySurf one-time payment as an asset in our unaudited condensed consolidated balance sheet at the time of payment. As of June 30, 2015, the one-time payment had balances of \$0.1 million included in prepaid expenses and other current assets and \$2.2 million included in other non-current assets, respectively, in our unaudited condensed consolidated balance sheet. The one-time payment is being amortized on a straight-line basis over the estimated term of the agreement of 25 years, which includes estimated renewal periods.

Amortization expense for the one-time payment for each of the next five years and thereafter is estimated to be as follows (*in thousands*):

Years ending December 31,	Canadian ATG Spectrum Amortization
2015 (period from July 1 to December 31)	\$ 53
2016	\$ 105
2017	\$ 105
2018	\$ 105
2019	\$ 105
Thereafter	\$ 1,853

Gogo Inc. and Subsidiaries
Notes to Unaudited Condensed Consolidated Financial Statements – (Continued)

Amortization expense totaled less than \$0.1 million and \$0.1 million during the three and six month periods ended June 30, 2015 and 2014, respectively.

The monthly payments are expensed as incurred and totaled approximately \$0.3 million and \$0.5 million during the three and six month periods ended June 30, 2015, respectively, and \$0.3 million and \$0.6 million, respectively, for the comparable prior year periods.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report may constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding our business outlook, industry, business strategy, plans, goals and expectations concerning our market position, international expansion, future technologies, future operations, margins, profitability, future efficiencies, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words “anticipate,” “assume,” “believe,” “budget,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “future” and the negative of these or similar terms and phrases are intended to identify forward-looking statements in this Quarterly Report on Form 10-Q.

Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Although we believe the expectations reflected in the forward-looking statements are reasonable, we can give you no assurance these expectations will prove to have been correct. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. Actual events, results and outcomes may differ materially from our expectations due to a variety of known and unknown risks, uncertainties and other factors. Although it is not possible to identify all of these risks and factors, they include, among others, the following:

- the loss of, or failure to realize benefits from, agreements with our airline partners or any failure to renew any existing agreements upon expiration or termination;
- any inability to timely and efficiently roll out our 2Ku service or other components of our technology roadmap for any reason, including regulatory delays, or the failure by our airline partners to roll out equipment upgrades, new services or adopt new technologies in order to support increased network capacity demands;
- the loss of relationships with original equipment manufacturers or dealers;
- our ability to develop network capacity sufficient to accommodate current and expected growth in passenger demand;
- unfavorable economic conditions in the airline industry and/or the economy as a whole;
- our ability to expand our international or domestic operations, including our ability to grow our business with current and potential future airline partners;
- an inability to compete effectively with other current or future providers of in-flight connectivity services and other products and services that we offer, including on the basis of price, service performance and line-fit availability;
- our reliance on third-party satellite service providers and equipment and other suppliers, including single source providers and suppliers;
- our ability to successfully develop and monetize new products and services such as Gogo Vision, Gogo Text & Talk and Gogo TV, including those that were recently released, are currently being offered on a limited or trial basis, or are in various stages of development;
- our ability to deliver products and services, including newly developed products and services, on schedules consistent with our contractual commitments to customers;
- the effects, if any, on our business of past or future airline mergers, including the merger of American Airlines and U.S. Airways;
- a revocation of, or reduction in, our right to use licensed spectrum, the availability of other air-to-ground spectrum to a competitor or the repurposing by a competitor of other spectrum for air-to-ground use;
- our use of open source software and licenses;
- the effects of service interruptions or delays, technology failures, material defects or errors in our software or damage to our equipment;

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- the limited operating history of our CA-NA and CA-ROW segments;
- increases in our projected capital expenditures due to, among other things, unexpected costs incurred in connection with the roll-out of our technology roadmap or our international expansion;
- compliance with U.S. and foreign government regulations and standards, including those related to regulation of the internet, including e-commerce or online video distribution changes, and the installation and operation of satellite equipment and our ability to obtain and maintain all necessary regulatory approvals to install and operate our equipment in the U.S. and foreign jurisdictions;
- our, or our technology suppliers', inability to effectively innovate;
- costs associated with defending pending or future intellectual property infringement and other litigation or claims;
- our ability to protect our intellectual property;
- breaches of the security of our information technology network, resulting in unauthorized access to our customer's credit card information or other personal information;
- any negative outcome or effects of pending or future litigation;
- limitations and restrictions in the agreements governing our indebtedness and our ability to service our indebtedness;
- our ability to obtain additional financing on acceptable terms or at all;
- fluctuations in our operating results;
- our ability to attract and retain customers and to capitalize on revenue from our platform;
- the demand for and market acceptance of our products and services;
- changes or developments in the regulations that apply to us, our business and our industry;
- the attraction and retention of qualified employees including key personnel;
- the effectiveness of our marketing and advertising and our ability to maintain and enhance our brands;
- our ability to manage our growth in a cost-effective manner and integrate and manage acquisitions;
- compliance with anti-corruption laws and regulations in the jurisdictions in which we operate, including the Foreign Corrupt Practices Act and the (U.K.) Bribery Act 2010;
- restrictions on the ability of U.S. companies to do business in foreign countries, including, among others, restrictions imposed by the U.S. Office of Foreign Assets Control;
- difficulties in collecting accounts receivable; and
- other risks and factors listed under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the Securities Exchange Commission ("SEC") on February 27, 2015 (the "2014 10-K").

Any one of these factors or a combination of these factors could materially affect our financial condition or future results of operations and could influence whether any forward-looking statements contained in this report ultimately prove to be accurate. Our forward-looking statements are not guarantees of future performance, and you should not place undue reliance on them. All forward-looking statements speak only as of the date made and we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

In addition, while we do, from time to time, communicate with security analysts, it is against our policy to disclose to them any material non-public information or other confidential information. Accordingly, stockholders should not assume that we agree with any statement or report issued by any analyst irrespective of the content of the statement or report. Thus, to the extent that reports issued by securities analysts contain any projections, forecasts, or opinions, such reports are not our responsibility.

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

The following discussion and analysis is intended to help the reader understand our business, financial condition, results of operations, liquidity and capital resources. You should read this discussion in conjunction with our unaudited condensed consolidated interim financial statements and the related notes contained elsewhere in this Quarterly Report on Form 10-Q. Unless the context otherwise indicates or requires, the terms "we," "our," "us," "Gogo," and the "Company," as used in this report, refer to Gogo Inc. and its directly and indirectly owned subsidiaries as a combined entity, except where otherwise stated or where it is clear that the terms refer only to Gogo Inc. exclusive of its subsidiaries.

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Risk Factors" in the 2014 10-K and in "Special Note Regarding Forward-Looking Statements" in this report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

Our fiscal year ends December 31 and, unless otherwise noted, references to years or fiscal are for fiscal years ended December 31. See "— Results of Operations."

Company Overview

Gogo ("we", "us", "our") is a leading global aero communications service provider for the global aviation industry. We operate through the following three segments: Commercial Aviation North America, or "CA-NA," Commercial Aviation Rest of World, or "CA-ROW," and Business Aviation, or "BA."

Services provided by our CA-NA and CA-ROW businesses include Gogo Connectivity, which allows passengers to connect to the internet from their personal Wi-Fi-enabled devices; Gogo Vision, which offers passengers the opportunity to enjoy a broad selection of in-flight entertainment options on their personal Wi-Fi enabled devices; and other service revenue, which include a broad range of customizable, targeted content, advertising and e-commerce services. Services are provided by the CA-NA business on commercial aircraft flying routes that generally begin and end within North America, which for this purpose includes the United States, Canada and Mexico. Our CA-ROW business, which is in the start-up phase as we launched commercial international service in March 2014, provides service on commercial aircraft operated by foreign-based commercial airlines and international flights of North American based commercial airlines. The routes included in our CA-ROW segment are those that begin and/or end outside of North America (as defined above) for which our international service is provided. Our BA business provides in-flight internet connectivity and other voice and data communications products and services and sells equipment for in-flight telecommunications to the business aviation market. BA services include Gogo Biz, our in-flight broadband service which utilizes our ATG network and spectrum, Gogo Vision, and satellite-based voice and data services through our strategic alliances with satellite companies.

Recent Developments

GOL - In June 2015, Gogo signed a definitive agreement with GOL, a Brazilian airline and Gogo's first South American airline partner, under which Gogo will provide 2Ku in-flight connectivity, wireless in-flight entertainment and its new IPTV solution – Gogo TV – on GOL's entire fleet.

Delta Air Lines – In May 2015, Delta Air Lines and Gogo entered into a definitive agreement under which Gogo will provide 2Ku service on 250 of Delta's existing mainline domestic aircraft and at least 25 new international aircraft when they enter Delta's fleet.

Factors and Trends Affecting Our Results of Operations

We believe that our operating and business performance is driven by various factors that affect the commercial airline and business aviation industries, including trends affecting the travel industry and trends affecting the customer bases that we target, as well as factors that affect wireless internet service providers and general macroeconomic factors. Key factors that may affect our future performance include:

- costs associated with implementing, and our ability to implement on a timely basis, our technology roadmap, including the need for additional cell sites in our ATG network, upgrades and installation of our ATG-4 technology, the roll-out of our satellite services, the potential licensing of additional spectrum, the development and implementation of 2Ku and other new technologies, and the implementation of improvements to our network and operations as technology changes and we experience increased network capacity constraints;

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- costs associated with and our ability to execute our international expansion, including modification to our network to accommodate satellite technology, development and implementation of new satellite-based technologies, the availability and cost of satellite capacity and compliance with applicable foreign regulations and expanded operations outside of the U.S.;
- costs associated with managing a rapidly growing company;
- the pace and extent of adoption of the Gogo service for use on international commercial aircraft by our current North American airline partners and new international airline partners;
- the number of aircraft in service in our markets, including consolidation of the airline industry or changes in fleet size by one or more of our commercial airline partners or BA fractional ownership customers;
- economic environment and other trends that affect both business and leisure travel;
- the extent of passengers', airline partners' and other aircraft owners' and operators' adoption of our products and services, which is affected by, among other things, willingness to pay for the services that we provide, changes in technology and competition from current competitors and new market entrants;
- continued demand for connectivity and proliferation of Wi-Fi enabled devices, including smartphones, tablets and laptops;
- changes in laws, regulations and interpretations affecting telecommunications services, including those affecting our ability to maintain our licenses for ATG spectrum in the U.S., obtain sufficient rights to use additional ATG spectrum and/or other sources of broadband connectivity to deliver our services, and expand our service offerings;
- changes in laws, regulations and interpretations affecting aviation, including in particular changes that impact the design of our equipment and our ability to obtain required certifications for our equipment; and
- our ability to obtain required foreign telecommunications, aviation and other licenses and approvals necessary for our international operations.

Summary Financial Information

Consolidated revenue was \$121.2 million and \$236.7 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$99.5 million and \$195.2 million, respectively, for the prior year periods. As of June 30, 2015, the CA-NA segment had 2,249 commercial aircraft online to provide the Gogo service as compared with 2,058 as of June 30, 2014. As of June 30, 2015, the BA segment had 5,351 aircraft online with Iridium satellite communications systems and 3,170 Gogo Biz systems online as compared with 5,224 and 2,415, respectively, as of June 30, 2014. The BA segment became a reseller of Inmarsat SwiftBroadband satellite service in 2013 and had 73 systems online as of June 30, 2015 as compared with 17 systems online as of June 30, 2014. As of June 30, 2015, the CA-ROW segment had 148 commercial aircraft online as compared with 19 aircraft as of June 30, 2014.

Key Business Metrics

Our management regularly reviews a number of financial and operating metrics, including the following key operating metrics for the CA-NA and BA segments, to evaluate the performance of our business and our success in executing our business plan, make decisions regarding resource allocation and corporate strategies and evaluate forward-looking projections.

Commercial Aviation North America				
	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Aircraft online	2,249	2,058	2,249	2,058
Average monthly service revenue per aircraft online (ARPA)	\$ 11,324	\$ 9,994	\$ 11,260	\$ 9,598
Gross passenger opportunity (GPO) (in thousands)	89,741	82,700	164,125	153,970
Total average revenue per passenger opportunity (ARPP)	\$ 0.84	\$ 0.75	\$ 0.90	\$ 0.77
Total average revenue per session (ARPS)	\$ 12.74	\$ 10.70	\$ 12.23	\$ 10.62
Connectivity take rate	5.9%	6.7%	6.5%	6.9%

- *Aircraft online.* We define aircraft online as the total number of commercial aircraft on which our ATG network equipment is installed and Gogo service has been made commercially available as of the last day of each period presented.
- *Average monthly service revenue per aircraft online (“ARPA”).* We define ARPA as the aggregate service revenue for the period divided by the number of months in the period, divided by the number of aircraft online during the period (expressed as an average of the month end figures for each month in such period).
- *Gross passenger opportunity (“GPO”).* We define GPO as the aggregate number of passengers who board commercial aircraft on which Gogo service has been available during the period presented. When available directly from airline partners, we aggregate actual passenger counts across flights on Gogo-equipped aircraft. When not available directly from our airline partners, we estimate GPO. Estimated GPO is calculated by first estimating the number of flights occurring on each Gogo-equipped aircraft, then multiplying by the number seats on that aircraft, and finally multiplying by a seat factor that is determined from historical information provided to us in arrears by our airline partners. The estimated number of flights are derived from real-time flight information provided to our front-end systems by Air Radio Inc. (ARINC), direct airline feeds, and supplementary third-party data sources. These aircraft-level estimates are then aggregated with actual airline-provided passenger counts to obtain total GPO.
- *Total average revenue per passenger opportunity (“ARPP”).* We define ARPP as revenue from Gogo Connectivity, Gogo Vision, and other service revenue for the period, divided by GPO for the period.
- *Total average revenue per session (“ARPS”).* We define ARPS as revenue from Gogo Connectivity, excluding non-session related revenue, divided by the total number of sessions during the period. A session, or a “use” of Gogo Connectivity, is defined as the use by a unique passenger of Gogo Connectivity on a flight segment. Multiple logins or purchases under the same user name during one flight segment count as only one session.
- *Connectivity take rate.* We define connectivity take rate as the number of sessions during the period expressed as a percentage of GPO. Included in our connectivity take-rate calculation are sessions for which we did not receive revenue, including those provided pursuant to free promotional campaigns and, to a lesser extent, as a result of complimentary passes distributed by our customer service representatives or unforeseen technical issues. For the periods listed above, the number of sessions for which we did not receive revenue was not material.

Business Aviation

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Aircraft online				
Satellite	5,424	5,241	5,424	5,241
ATG	3,170	2,415	3,170	2,415
Average monthly service revenue per aircraft online				
Satellite	\$ 179	\$ 172	\$ 174	\$ 166
ATG	2,227	2,015	2,199	2,011
Units Shipped				
Satellite	155	119	298	272
ATG	227	233	461	474
Average equipment revenue per unit shipped (in thousands)				
Satellite	\$ 41	\$ 44	\$ 40	\$ 46
ATG	55	63	55	63

- *Satellite aircraft online.* We define satellite aircraft online as the total number of business aircraft for which we provide satellite services in operation as of the last day of each period presented.
- *ATG aircraft online.* We define ATG aircraft online as the total number of business aircraft for which we provide ATG services in operation as of the last day of each period presented.
- *Average monthly service revenue per satellite aircraft online.* We define average monthly service revenue per satellite aircraft online as the aggregate satellite service revenue for the period divided by the number of months in the period, divided by the number of satellite aircraft online during the period (expressed as an average of the month end figures for each month in such period).
- *Average monthly service revenue per ATG aircraft online.* We define average monthly service revenue per ATG aircraft online as the aggregate ATG service revenue for the period divided by the number of months in the period, divided by the number of ATG aircraft online during the period (expressed as an average of the month end figures for each month in such period).
- *Units shipped.* We define units shipped as the number of satellite or ATG network equipment units, respectively, shipped during the period.
- *Average equipment revenue per satellite unit shipped.* We define average equipment revenue per satellite unit shipped as the aggregate equipment revenue earned from all satellite shipments during the period, divided by the number of satellite units shipped.
- *Average equipment revenue per ATG unit shipped.* We define average equipment revenue per ATG unit shipped as the aggregate equipment revenue from all ATG shipments during the period, divided by the number of ATG units shipped.

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Key Components of Consolidated Statements of Operations

There have been no material changes to our key components of consolidated statements of operations and segment profit (loss) as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2014 10-K.

Off-Balance Sheet Arrangements

We do not have any obligations that meet the definition of an off-balance sheet arrangement, other than operating leases, which have or are reasonably likely to have a material effect on our results of operations. See Note 10, “Leases” to our unaudited condensed consolidated financial statements for further information.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our unaudited condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The preparation of our unaudited condensed consolidated financial statements and related disclosures require us to make estimates, assumptions and judgments that affect the reported amount of assets, liabilities, revenue, costs and expenses, and related exposures. We base our estimates and assumptions on historical experience and other factors that we believe to be reasonable under the circumstances. In some instances, we could reasonably use different accounting estimates, and in some instances results could differ significantly from our estimates. We evaluate our estimates and assumptions on an ongoing basis. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We believe that the assumptions and estimates associated with long-lived assets, indefinite-lived assets and share-based compensation have the greatest potential impact on our unaudited condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” (“MD&A”) in our 2014 10-K.

Recent Accounting Pronouncements

See Note 2, “Recent Accounting Pronouncements” in our unaudited condensed consolidated financial statements for additional information.

Results of Operations

The following table sets forth, for the periods presented, certain data from our unaudited condensed consolidated statements of operations. The information contained in the table below should be read in conjunction with our unaudited condensed consolidated financial statements and related notes.

Unaudited Condensed Consolidated Statement of Operations Data
(in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Revenue:				
Service revenue	\$101,395	\$ 79,165	\$196,801	\$151,456
Equipment revenue	19,796	20,364	39,901	43,767
Total revenue	<u>121,191</u>	<u>99,529</u>	<u>236,702</u>	<u>195,223</u>
Operating expenses:				
Cost of service revenue (exclusive of items shown below)	44,382	41,567	89,929	81,195
Cost of equipment revenue (exclusive of items shown below)	10,173	8,627	19,631	18,613
Engineering, design and development	17,280	15,789	34,365	29,888
Sales and marketing	11,465	9,687	21,706	17,729
General and administrative	25,646	19,855	49,839	37,427
Depreciation and amortization	20,813	14,882	39,590	30,569
Total operating expenses	<u>129,759</u>	<u>110,407</u>	<u>255,060</u>	<u>215,421</u>
Operating loss	<u>(8,568)</u>	<u>(10,878)</u>	<u>(18,358)</u>	<u>(20,198)</u>
Other (income) expense:				
Interest income	(11)	(9)	(16)	(24)
Interest expense	15,801	7,381	25,896	14,629
Other (income) expense	(8)	23	(90)	63
Total other expense	<u>15,782</u>	<u>7,395</u>	<u>25,790</u>	<u>14,668</u>
Loss before incomes taxes	<u>(24,350)</u>	<u>(18,273)</u>	<u>(44,148)</u>	<u>(34,866)</u>
Income tax provision	422	389	716	662
Net loss	<u>\$ (24,772)</u>	<u>\$ (18,662)</u>	<u>\$ (44,864)</u>	<u>\$ (35,528)</u>

Three and Six Months Ended June 30, 2015 and 2014

Revenue:

Revenue by segment and percent change for the three and six month periods ended June 30, 2015 and 2014 were as follows (*in thousands, except for percent change*):

	For the Three Months Ended June 30,		% Change 2015 over 2014
	2015	2014	
Service Revenue:			
CA-NA	\$ 75,329	\$ 61,843	21.8%
BA	23,763	17,063	39.3%
CA-ROW	2,303	259	789.2%
Total Service Revenue	<u>\$ 101,395</u>	<u>\$ 79,165</u>	<u>28.1%</u>
Equipment Revenue:			
CA-NA	\$ 262	\$ 304	(13.8%)
BA	19,534	20,060	(2.6%)
CA-ROW	—	—	na
Total Equipment Revenue	<u>\$ 19,796</u>	<u>\$ 20,364</u>	<u>(2.8%)</u>
Total Revenue:			
CA-NA	\$ 75,591	\$ 62,147	21.6%
BA	43,297	37,123	16.6%
CA-ROW	2,303	259	789.2%
Total Revenue	<u>\$ 121,191</u>	<u>\$ 99,529</u>	<u>21.8%</u>
	For the Six Months Ended June 30,		% Change 2015 over 2014
	2015	2014	
Service Revenue:			
CA-NA	\$ 147,507	\$ 118,278	24.7%
BA	45,581	32,856	38.7%
CA-ROW	3,713	322	1,053.1%
Total Service Revenue	<u>\$ 196,801</u>	<u>\$ 151,456</u>	<u>29.9%</u>
Equipment Revenue:			
CA-NA	\$ 618	\$ 937	(34.0%)
BA	39,283	42,830	(8.3%)
CA-ROW	—	—	na
Total Equipment Revenue	<u>\$ 39,901</u>	<u>\$ 43,767</u>	<u>(8.8%)</u>
Total Revenue:			
CA-NA	\$ 148,125	\$ 119,215	24.3%
BA	84,864	75,686	12.1%
CA-ROW	3,713	322	1,053.1%
Total Revenue	<u>\$ 236,702</u>	<u>\$ 195,223</u>	<u>21.2%</u>

Commercial Aviation North America:

CA-NA revenue increased to \$75.6 million and \$148.1 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$62.1 million and \$119.2 million, respectively, for the prior year periods primarily due to an increase in connectivity service revenue. The increase in CA-NA connectivity service revenue was primarily due to an increase in ARPS, partially offset by a decrease in take rate. ARPS increased to \$12.74 and \$12.23 for the three and six month periods ended June 30, 2015, respectively, as compared with \$10.70 and \$10.62, respectively, for the prior year periods due primarily to price increases and changes in product mix. ARPA increased to \$11,324 and \$11,260 for the three and six month periods ended June 30, 2015, respectively, as compared with \$9,994 and \$9,598, respectively, for the prior year periods. ARPP increased to \$0.84 and \$0.90 for the three and six

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month periods ended June 30, 2015, respectively, as compared with \$0.75 and \$0.77, respectively, for the prior year periods. GPO increased to 89.7 million and 164.1 million for the three and six month periods ended June 30, 2015, respectively, as compared with 82.7 million and 154.0 million for the prior year periods, driven by an increase in aircraft online. The connectivity take rate decreased to 5.9% and 6.5% for the three and six month periods ended June 30, 2015, respectively, as compared with 6.7% and 6.9%, respectively, for the prior year periods primarily due to price increases, the impact of network capacity constraints and an increase in the number of regional jets which typically have a lower take rate. Gogo Connectivity sessions totaled 5.3 million and 10.7 million in the three and six month periods ended June 30, 2015, respectively, as compared with 5.5 million and 10.7 million, respectively, in the prior year periods.

A summary of the components of CA-NA's service revenue for the three and six month periods ended June 30, 2015 and 2014 is as follows (in thousands, except for percent change):

	For the Three Months Ended June 30,		% Change 2015 over 2014
	2015	2014	
Gogo Connectivity revenue ⁽¹⁾	\$ 70,152	\$ 59,134	18.6%
Gogo Vision and other service revenue ⁽²⁾	5,177	2,709	91.1%
Total service revenue	<u>\$ 75,329</u>	<u>\$ 61,843</u>	<u>21.8%</u>

	For the Six Months Ended June 30,		% Change 2015 over 2014
	2015	2014	
Gogo Connectivity revenue ⁽¹⁾	\$ 135,049	\$ 113,346	19.1%
Gogo Vision and other service revenue ⁽²⁾	12,458	4,932	152.6%
Total service revenue	<u>\$ 147,507</u>	<u>\$ 118,278</u>	<u>24.7%</u>

(1) Includes non-session related revenue of \$2.1 million and \$4.2 million for the three and six month periods ended June 30, 2015, respectively.

(2) Other service revenue includes content filtering, VoIP access for airlines' flight crews, portal development services, operations-oriented communications services, third-party advertising, e-commerce revenue share arrangements and partner co-branding and reseller arrangements.

CA-NA retail revenue increased to \$64.2 million and \$123.9 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$56.2 million and \$107.4 million, respectively, for the prior year periods, due to growth in both individual sessions and subscriptions. Revenue from individual sessions increased to \$40.1 million and \$77.8 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$33.6 million and \$63.5 million, respectively, for the prior year periods, and revenue from subscriptions increased to \$24.1 million and \$46.1 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$22.6 million and \$43.9 million, respectively, for the prior year periods. These revenue increases were due to primarily to price increases. Our non-retail revenue increased to \$5.9 million and \$11.1 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$2.9 million and \$5.9 million, respectively, for the prior year periods primarily due to increases in roaming and wholesale revenue, offset in part by a decrease in sponsorship revenue.

The increase in Gogo Vision and other service revenue of 91.1% and 152.6% to \$5.2 million and \$12.5 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$2.7 million and \$4.9 million, respectively, for the prior year periods, was driven primarily by a business-to-business arrangement with one of our airline partners for our Gogo Vision offering (which commenced in the second half of 2014), a second Gogo Vision program that occurred in the first quarter of 2015 with another airline partner, and to a lesser extent, by increased revenues from partner co-branding and reseller arrangements and operations oriented communications services, offset in part by a decrease in other service revenues.

Business Aviation:

BA revenue increased to \$43.3 million and \$84.9 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$37.1 million and \$75.7 million, respectively, for the prior year periods, due to an increase in service revenue, partially offset by a decrease in equipment revenue. BA service revenue increased to \$23.8 million and \$45.6 million for the three and six month periods ended June 30, 2015, respectively, as compared

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with \$17.1 million and \$32.9 million, respectively, for the prior year periods, primarily due to more customers subscribing to our Gogo Biz (ATG) service as well as price increases implemented during 2014. The number of ATG aircraft online increased 31.3% to 3,170 as of June 30, 2015 as compared with 2,415 as of June 30, 2014.

BA equipment revenue decreased to \$19.5 million and \$39.3 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$20.1 million and \$42.8 million, respectively, for the prior year periods. For the three month period, the decrease was due to decreases in ATG equipment revenues partially offset by increased satellite equipment revenues, and for the six month period, the decrease was due to a decrease in ATG and satellite equipment revenue. ATG equipment revenue decreased 15.5% and 16.0% to \$12.4 million and \$25.2 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$14.7 million and \$30.0 million, respectively, for the prior year periods, due to a product mix shift to lower priced systems and a decrease in the number of units shipped. Satellite equipment revenue increased to \$6.3 million for the three month period ended June 30, 2015, as compared with \$5.2 million in the prior year period, while it decreased to \$11.8 million for the six month period ended June 30, 2015 as compared with \$12.6 million in the prior year period.

Commercial Aviation Rest of World:

Our CA-ROW segment is in the start-up phase. We generated \$2.3 million and \$3.7 million of service revenue during the three and six month periods ended June 30, 2015, respectively, as compared with \$0.3 million during both of the respective prior year periods. Our CA-ROW in-flight connectivity service commenced in March 2014.

Cost of Service Revenue:

Cost of service revenue by segment and percent change for the three and six month periods ended June 30, 2015 and 2014 were as follows (*in thousands, except for percent change*):

	For the Three Months Ended June 30,		% Change 2015 over 2014
	2015	2014	
CA-NA	\$30,270	\$28,735	5.3%
BA	6,183	4,470	38.3%
CA-ROW	7,929	8,362	(5.2%)
Total	<u>\$44,382</u>	<u>\$41,567</u>	<u>6.8%</u>
	For the Six Months Ended June 30,		% Change 2015 over 2014
	2015	2014	
CA-NA	\$61,809	\$55,958	10.5%
BA	11,987	9,119	31.5%
CA-ROW	16,133	16,118	0.1%
Total	<u>\$89,929</u>	<u>\$81,195</u>	<u>10.8%</u>

CA-NA cost of service revenue increased to \$30.3 million and \$61.8 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$28.7 million and \$56.0 million, respectively, for the prior year periods, due to increases in revenue share earned by our airline partners, content costs related to our Gogo Vision service offerings and network operations expenses (including network maintenance, backhaul and site leases) and billing and transaction related expenses. The revenue share increases of \$1.8 million and \$3.8 million for the three and six month periods ended June 30, 2015, respectively, over the prior year periods were primarily driven by the increase in CA-NA service revenue for the current year; however, revenue share as a percentage of service revenue decreased due to the fact that some of our new airline contracts and amendments provide for revenue share lower than those required by certain pre-existing contracts. These increases were partially offset by an increase in the amortization of our deferred airborne lease incentives which reduces our cost of services. See Note 10, "Leases" in our unaudited condensed consolidated financial statements for additional information regarding our deferred airborne lease incentives.

BA cost of service revenue increased to \$6.2 million and \$12.0 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$4.5 million and \$9.1 million, respectively, for the prior year periods. The increase in cost of service revenue was primarily due to the year-over-year increase in the number of

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ATG units online and an increase in the average network utilization per ATG unit online, which resulted in higher ATG network service costs. Our satellite service fees also increased for the three and six month periods ended June 30, 2015 as compared with the prior year periods due to an increase in the number of subscribers to our satellite services to 5,424 as of June 30, 2015 from 5,241 as of June 30, 2014 and the increased cost of providing SwiftBroadband service.

CA-ROW cost of service revenue decreased to \$7.9 million for the three month period ended June 30, 2015, as compared with \$8.4 million in the prior year period, while remaining constant at \$16.1 million for the six month periods ended June 30, 2015 and 2014. The decrease was due to recognition of monthly service fees paid to us by certain of our airline partners and the amortization of our deferred airborne lease incentives, both of which reduce our cost of service. See Note 10, "Leases" in our consolidated financial statements for additional information regarding our deferred airborne lease incentives. These decreases were partially offset by additional satellite service fees and revenue share expense and billing and transaction related expenses as the business grew following the commencement of our service in March 2014.

We expect cost of service revenue for CA-NA to increase in future periods due to increases in revenue share and transaction expenses as our service revenue continues to increase. We believe that our network related expenses will increase to support the projected increased use and expansion of our network, which will include additional satellite coverage to support and/or supplement service in certain geographical areas. Additionally, we expect our maintenance costs to increase in future periods. However, a significant portion of our ATG network operations costs is relatively fixed in nature and does not fluctuate directly with revenue. We therefore expect total cost of service revenue in CA-NA to decline as a percentage of total service revenue as we realize efficiencies inherent in the scalability of our business.

As we expand our business internationally, we also expect to incur additional cost of service revenue in CA-ROW, reflecting increased satellite usage and additional revenue share, billing, transaction and network related expenses.

Cost of Equipment Revenue:

Cost of equipment revenue by segment and percent change for the three and six month periods ended June 30, 2015 and 2014 were as follows (*in thousands, except for percent change*):

	For the Three Months Ended June 30,		% Change
	2015	2014	2015 over 2014
CA-NA	\$ 651	\$ 127	412.6%
BA	9,522	8,500	12.0%
CA-ROW	—	—	na
Total	<u>\$10,173</u>	<u>\$ 8,627</u>	<u>17.9%</u>
	For the Six Months Ended June 30,		% Change
	2015	2014	2015 over 2014
CA-NA	\$ 802	\$ 1,114	(28.0%)
BA	18,829	17,499	7.6%
CA-ROW	—	—	na
Total	<u>\$19,631</u>	<u>\$18,613</u>	<u>5.5%</u>

Cost of equipment revenue increased to \$10.2 million and \$19.6 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$8.6 million and \$18.6 million, respectively, for the prior year periods. The increases occurred primarily within the BA segment due to shifts in product mix and an increase in warranty reserve resulting from additional units outstanding and claims experience. We expect that our cost of equipment revenue will vary with changes in equipment revenue.

Engineering, Design and Development Expenses:

Engineering, design and development expenses increased 9.4% and 15.0% to \$17.3 million and \$34.4 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$15.8 million and \$29.9

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million, respectively, for the prior year periods, due primarily to increases in the CA-NA and BA segments, partially offset by a decrease in the CA-ROW segment. Engineering, design and development expenses for the CA-NA segment increased 18.1% and 29.7% for the three and six month periods ended June 30, 2015, respectively, as compared with the prior year periods due to higher personnel expenses in connection with the development of next generation products and technologies and Supplemental Type Certificates (“STCs”). Engineering, design and development expenses for the BA segment increased 25.2% and 20.6% for the three and six month periods ended June 30, 2015, respectively, as compared with the prior year periods due to higher personnel expenses in connection with the development of next generation products and technologies and certifications. Engineering, design and development expenses for the CA-ROW segment decreased 9.8% and 5.4% for the three and six month periods ended June 30, 2015, respectively, as compared with the prior year periods due to the timing of STC spending offset in part by higher personnel expenses in connection with the development of next generation products and technologies.

We expect engineering, design and development expenses to increase in future periods as we continue to execute our technology roadmap, expand internationally and develop next generation products and technologies.

Sales and Marketing Expenses:

Sales and marketing expenses increased 18.4% and 22.4% to \$11.5 million and \$21.7 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$9.7 million and \$17.7 million, respectively, for the prior year periods, due to increases in all three segments. Consolidated sales and marketing expenses as a percentage of total consolidated revenue was 9.5% and 9.2% for the three and six month periods ended June 30, 2015, respectively, as compared with 9.7% and 9.1%, respectively, for the prior year periods. Sales and marketing expenses for the CA-ROW segment increased 51.9% and 57.7% for the three and six month periods ended June 30, 2015, respectively, over the prior year periods due to increased personnel and consulting to support the growth of the business and to a lesser extent, customer care efforts in connection with the commercial launch of international service. Sales and marketing expenses in the BA segment increased 14.5% and 15.6% for the three and six month periods ended June 30, 2015, respectively, over the prior year periods due to an increase in personnel expense to support the growth of the business and new product launches. Sales and marketing expenses in the CA-NA segment increased 6.8% and 11.9% for the three and six month periods ended June 30, 2015, respectively, over the prior year period due to an increase in personnel expense to support the growth of the business and marketing related activities.

We expect our sales and marketing expenses to increase in future periods as we increase advertising and promotional initiatives for new product offerings, commence our service on aircraft operated by new airline partners both in CA-NA and CA-ROW, and expand programs to retain and support our existing users. In addition, the commission component of sales and marketing expenses at BA will fluctuate with its equipment revenue. We expect consolidated sales and marketing expenses to remain relatively flat as a percentage of consolidated revenue in the near-term as we launch new airline partnerships but to decrease as a percentage of consolidated revenue in the long-term.

General and Administrative Expenses:

General and administrative expenses increased 29.2% and 33.2% to \$25.6 million and \$49.8 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$19.9 million and \$37.4 million, respectively, for the prior year periods due to increases in all three segments. Consolidated general and administrative expenses as a percentage of total consolidated revenue increased to 21.2% and 21.1% for the three and six month periods ended June 30, 2015, respectively, from 19.9% and 19.2%, respectively, for the prior year periods.

The increase in the CA-NA segment’s general and administrative expenses of 40.1% and 41.8% for the three and six month periods ended June 30, 2015, respectively, over the prior year periods was due primarily to an increase in personnel related expenses (including bonus and share-based compensation expense, both of which are included in general and administrative expenses for all of CA-NA’s employees), an increase in rent expense as we leased new office facilities (including the impact of overlapping leases in the current year), an increase in contract labor and an increase in legal fees.

The increase in the BA segment’s general and administrative expenses of 7.6% and 12.9% for the three and six month periods ended June 30, 2015, respectively, over the prior year periods was due primarily to an increase in personnel related expenses (including share-based compensation expense, which is included in general and administrative expense for all of BA’s employees) to manage the growth of the business offset in part by a decrease in rent expense as prior year had overlapping leases for a larger portion of the year as compared with the current year.

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The increase in the CA-ROW segment's general and administrative expenses of 2.4% and 15.7% for the three and six month periods ended June 30, 2015, respectively, over the prior year periods was due primarily to an increase in rent, which resulted from a ramp up in CA-ROW activities as we continued our international expansion.

We expect our general and administrative expenses to increase in future periods as we expand our workforce to support the growth of our business both domestically and internationally. However, we expect general and administrative expenses to decrease as a percentage of consolidated revenue.

Segment Profit (Loss):

CA-NA's segment profit increased 74.4% and 70.3% to \$11.2 million and \$20.9 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$6.4 million and \$12.3 million, respectively, for the prior year periods. The increase in CA-NA's segment profit for the three and six month periods ended June 30, 2015 was due to increases in service revenue partially offset by increases in operating expenses, as discussed above.

BA's segment profit increased 13.2% and 7.5% to \$17.5 million and \$34.3 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$15.5 million and \$32.0 million, respectively, for the prior year periods. The increase in BA's segment profit for the three and six month periods ended June 30, 2015 was due to increases in service revenue, partially offset by increases in operating expenses and a decrease in equipment revenue, as discussed above.

CA-ROW's segment loss decreased 4.3% to \$18.0 million for the three month period ended June 30, 2015, as compared with \$18.8 million for the prior year period due to an increase in service revenue and a decrease in cost of service revenue partially offset by an increase in the remaining operating expenses, as discussed above. CA-ROW's segment loss increased 1.6% to \$36.3 million for the six month period ended June 30, 2015 as compared with \$35.7 million for the prior year period due primarily to increases in operating expenses, partially offset by an increase in service revenue, as discussed above.

Depreciation and Amortization:

Depreciation and amortization expense increased 39.9% and 29.5% to \$20.8 million and \$39.6 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$14.9 million and \$30.6 million for the prior year periods. The increase in depreciation and amortization expense was due to the increase in the number of aircraft outfitted with our airborne equipment by our CA-ROW and CA-NA segments, as well as leasehold improvements and furniture and fixtures associated with our new office facilities.

We expect our depreciation and amortization expense to increase in future periods as we install our equipment on additional aircraft, install more expensive satellite-based equipment on aircraft (primarily to service the CA-ROW segment) and further expand our ground and satellite networks.

Other (Income) Expense:

Other (income) expense and percent change for the three and six month periods ended June 30, 2015 and 2014 were as follows (*in thousands, except for percent change*):

	For the Three Months Ended June 30,		% Change
	2015	2014	2015 over 2014
Interest income	\$ (11)	\$ (9)	22.2%
Interest expense	15,801	7,381	114.1%
Other (income) expense	(8)	23	na
Total	<u>\$ 15,782</u>	<u>\$ 7,395</u>	<u>113.4%</u>

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	For the Six Months Ended June 30,		% Change 2015 over 2014
	2015	2014	
Interest income	\$ (16)	\$ (24)	(33.3%)
Interest expense	25,896	14,629	77.0%
Other (income) expense	(90)	63	na
Total	<u>\$25,790</u>	<u>\$14,668</u>	<u>75.8%</u>

Other expense was \$15.8 million and \$25.8 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$7.4 million and \$14.7 million, respectively, for the prior year periods. The increase in interest expense during the three and six month periods ended June 30, 2015 versus the prior year periods was due to higher average debt levels outstanding during the current year as compared with the prior year as a result of the amendment to the Senior Term Facility entered into on July 30, 2014 and the issuance of Convertible Notes in March 2015.

We expect our interest expense to increase in 2015 due to higher average debt outstanding in 2015 as compared to 2014 as a result of the amendment to the Senior Term Facility entered into on July 30, 2014 and the impact of issuance of the Convertible Notes issued in March 2015. See Note 8, "Long-Term Debt and Other Liabilities," in our unaudited condensed consolidated financial statements for additional information. Interest expense will also increase due to amortization of additional deferred financing costs.

Income Taxes:

The effective income tax rate for the three and six month periods ended June 30, 2015 was (1.7%) and (1.6%), respectively, as compared with (2.1%) and (1.9%), respectively, for the prior year periods. Income tax expense recorded in each period was similar, with differences in pre-tax income causing the change in the effective tax rate. The difference between our effective tax rates and the U.S. federal statutory rate of 35% for the three and six month periods ended June 30, 2015 and 2014 was primarily due to the recording of a valuation allowance against our net deferred tax assets which is excluded from taxable income (loss).

We expect our income tax provision to increase in future periods to the extent we become profitable.

Non-GAAP Measures

In our discussion below, we discuss certain non-GAAP financial measurements, including Adjusted EBITDA, Adjusted Net Loss Per Share and Cash CAPEX as defined below. Management uses Adjusted EBITDA and Cash CAPEX for business planning purposes, including managing our business against internally projected results of operations and measuring our performance and liquidity. Management prepares Adjusted Net Loss Per Share for investors, securities analysts and other users of our financial statements for use in evaluating our performance under our current capital structure. These supplemental performance measures also provide another basis for comparing period to period results by excluding potential differences caused by non-operational and unusual or non-recurring items. These supplemental performance measurements may vary from and may not be comparable to similarly titled measures by other companies. Adjusted EBITDA, Adjusted Net Loss Per Share and Cash CAPEX are not recognized measurements under accounting principles generally accepted in the United States, or GAAP, and when analyzing our performance or liquidity, as applicable, investors should (i) evaluate each adjustment in our reconciliation to net loss attributable to common stock, and the explanatory footnotes regarding those adjustments, (ii) use Adjusted EBITDA and Adjusted Net Loss Per Share in addition to, and not as an alternative to, net loss attributable to common stock as a measure of operating results, and (iii) use Cash CAPEX in addition to, and not as an alternative to, consolidated capital expenditures when evaluating our liquidity.

Definition and Reconciliation of Non-GAAP Measures

EBITDA represents net income (loss) attributable to common stock before income taxes, interest income, interest expense, depreciation expense and amortization of other intangible assets.

Adjusted EBITDA represents EBITDA adjusted for (i) stock-based compensation expense and (ii) amortization of deferred airborne lease incentives. Our management believes that the use of Adjusted EBITDA eliminates items that, management believes, have less bearing on our operating performance, thereby highlighting trends in our core business which may not otherwise be apparent. It also provides an assessment of controllable expenses, which are indicators management uses to determine whether current spending decisions need to be adjusted in order to meet financial goals and achieve optimal financial performance.

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We believe the exclusion of stock-based compensation expense from Adjusted EBITDA is appropriate given the significant variation in expense that can result from using the Black-Scholes model to determine the fair value of such compensation. The fair value of our stock options are determined using the Black-Scholes model varies based on fluctuations in the assumptions used in this model, including inputs that are not necessarily directly related to the performance of our business, such as the expected volatility, the risk-free interest rate and the expected life of the options. Therefore, we believe the exclusion of this cost provides a clearer view of the operating performance of our business. Further, stock option grants made at a certain price and point in time do not necessarily reflect how our business is performing at any particular time. While we believe that investors should have information about any dilutive effect of outstanding options and the cost of that compensation, we also believe that stockholders should have the ability to consider our performance using a non-GAAP financial measure that excludes these costs and that management uses to evaluate our business.

We believe the exclusion of the amortization of deferred airborne lease incentives from Adjusted EBITDA is useful as it allows an investor to view operating performance across time periods in a manner consistent with how management measures segment profit and loss (see Note 14, “Business Segments and Major Customers” for a description of segment profit (loss) in our unaudited condensed consolidated financial statements). Management evaluates segment profit and loss in this manner, excluding the amortization of deferred airborne lease incentives, because such presentation reflects operating decisions and activities from the current period, without regard to the prior period decision or the form of connectivity agreements. See “—Key Components of Consolidated Statements of Operations—Cost of Service Revenue—Commercial Aviation North America and Rest of World” in our 2014 10-K for a discussion of the accounting treatment of deferred airborne lease incentives.

We also present Adjusted EBITDA as a supplemental performance measure because we believe that this measure provides investors, securities analysts and other users of our financial statements with important supplemental information with which to evaluate our performance and to enable them to assess our performance on the same basis as management.

Adjusted Net Loss Per Share represents net loss attributable to common stock per share—basic and diluted, adjusted to reflect the number of shares of common stock outstanding as of June 30, 2015 under our current capital structure, after giving effect to the shares of our common stock effectively repurchased as part of the Forward Transactions entered into in connection with the issuance of the Convertible Notes. We present Adjusted Net Loss Per Share to provide investors, securities analysts and other users of our financial statements with important supplemental information with which to evaluate our performance considering our current capital structure and the shares outstanding after giving effect to the Forward Transactions.

Cash CAPEX represents capital expenditures net of airborne equipment proceeds received from the airlines and incentives paid to us by landlords under certain facilities leases. We believe Cash CAPEX provides a more representative indication of our liquidity requirements with respect to capital expenditures, as under certain agreements with our airline partners we are reimbursed for all or a substantial portion of the cost of our airborne equipment, thereby reducing our cash capital requirements.

Gogo Inc. and Subsidiaries
Reconciliation of GAAP to Non-GAAP Measures
(in thousands, except per share amounts)
(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Adjusted EBITDA:				
Net loss attributable to common stock (GAAP)	\$(24,772)	\$(18,662)	\$(44,864)	\$(35,528)
Interest expense	15,801	7,381	25,896	14,629
Interest income	(11)	(9)	(16)	(24)
Income tax provision	422	389	716	662
Depreciation and amortization	20,813	14,882	39,590	30,569
EBITDA	12,253	3,981	21,322	10,308
Stock-based compensation expense	3,214	2,214	6,299	3,818
Amortization of deferred airborne lease incentives	(4,671)	(3,091)	(8,597)	(5,688)
Adjusted EBITDA	<u>\$ 10,796</u>	<u>\$ 3,104</u>	<u>\$ 19,024</u>	<u>\$ 8,438</u>
Adjusted Net Loss Per Share:				
Net loss (GAAP)	<u>\$(24,772)</u>	<u>\$(18,662)</u>	<u>\$(44,864)</u>	<u>\$(35,528)</u>
Basic and diluted weighted average shares outstanding (GAAP)	78,478	85,085	80,770	85,040
Adjustment of shares to our current capital structure	—	(6,607)	—	(4,270)
Adjusted shares outstanding	<u>78,478</u>	<u>78,478</u>	<u>80,770</u>	<u>80,770</u>
Adjusted Net Loss Per Share – basic and diluted	<u>\$ (0.32)</u>	<u>\$ (0.24)</u>	<u>\$ (0.56)</u>	<u>\$ (0.44)</u>
Cash CAPEX:				
Consolidated capital expenditures (GAAP) ⁽¹⁾	\$(37,382)	\$(32,891)	\$(94,245)	\$(68,986)
Change in deferred airborne lease incentives ⁽²⁾	7,297	2,923	16,018	7,888
Amortization of deferred airborne lease incentives ⁽²⁾	4,616	3,040	8,491	5,530
Landlord incentives	2,668	—	14,904	—
Cash CAPEX	<u>\$(22,801)</u>	<u>\$(26,928)</u>	<u>\$(54,832)</u>	<u>\$(55,568)</u>

(1) See unaudited condensed consolidated statements of cash flows.

(2) Excludes deferred airborne lease incentives and related amortization associated with STCs for the three and six months ended June 30, 2015 and 2014 as STC costs are expensed as incurred as part of Engineering, Design and Development.

Material limitations of Non-GAAP measures

Although EBITDA, Adjusted EBITDA, Adjusted Net Loss Per Share and Cash CAPEX are measurements frequently used by investors and securities analysts in their evaluations of companies, EBITDA, Adjusted EBITDA, Adjusted Net Loss Per Share and Cash CAPEX each have limitations as an analytical tool, and you should not consider them in isolation or as a substitute for, or more meaningful than, amounts determined in accordance with GAAP.

Some of these limitations are:

- EBITDA and Adjusted EBITDA do not reflect interest income or expense;
- EBITDA and Adjusted EBITDA do not reflect cash requirements for our income taxes;
- EBITDA and Adjusted EBITDA do not reflect depreciation and amortization, which are significant and unavoidable operating costs given the level of capital expenditures needed to maintain our business;
- Adjusted EBITDA does not reflect non-cash components related to employee compensation;
- Cash CAPEX does not reflect the full extent of capital investments we have made in our operations; and
- other companies in our or related industries may calculate these measures differently from the way we do, limiting their usefulness as comparative measures.

Liquidity and Capital Resources

The following table presents a summary of our cash flow activity for the periods set forth below (*in thousands*):

	For the Six Months Ended June 30,	
	2015	2014
Net cash provided by operating activities	\$ 65,950	\$ 3,238
Net cash used in investing activities	(94,226)	(71,454)
Net cash provided by (used in) financing activities	209,040	(2,027)
Effect of foreign exchange rate changes on cash	117	64
Net increase (decrease) in cash and cash equivalents	180,881	(70,179)
Cash and cash equivalents at the beginning of period	211,236	266,342
Cash and cash equivalents at the end of period	\$392,117	\$196,163

We have historically financed our growth and cash needs primarily through the issuance of common stock, non-convertible debt, convertible debt, senior convertible preferred stock, term debt facilities and cash from operating activities. We continually evaluate our ongoing capital needs in light of increasing demand for our services, limitations on bandwidth capacity, evolving technologies in our industry and related strategic, operational and technological opportunities. We actively consider opportunities to raise additional capital in the public and private markets utilizing one or more of the types of capital raising transactions through which we have historically financed our growth and cash needs, as well as other means of capital raising not previously used by us.

Convertible Notes:

On March 3, 2015, we issued \$340.0 million aggregate principal amount of Convertible Notes in a private offering to qualified institutional buyers, pursuant to Rule 144A under the Securities Act of 1933, as amended. We granted an option to the initial purchasers to purchase up to an additional \$60.0 million aggregate principal amount of Convertible Notes to cover over-allotments, of which \$21.9 million was subsequently exercised during March 2015, resulting in a total issuance of \$361.9 million aggregate principal amount of Convertible Notes. We expect to use the net proceeds from the Convertible Notes, after giving effect of the Forward Transactions, for working capital and other general corporate purposes, including potential costs associated with developing and launching our next-generation technology solutions and the acquisition of additional spectrum should it become available. The Convertible Notes mature on March 1, 2020 unless earlier repurchased or converted into shares of our common stock under certain circumstances described below. Upon maturity, we have the option to settle our obligation through cash, shares of common stock, or a combination of cash and shares of common stock. We pay interest on the Convertible Notes semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2015.

The \$361.9 million of proceeds received from the issuance of the Convertible Notes were initially allocated between long-term debt (the liability component) at \$261.9 million, and additional paid-in-capital, (the equity component) at \$100.0 million, within the unaudited condensed consolidated balance sheet. The fair value of the liability component was measured using rates determined for similar debt instruments without a conversion feature. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability component from the aggregate face value of the Convertible Notes. If we or the note holders elect not to settle the debt through conversion, we must settle the Convertible Notes at face value. Therefore, the liability component will be accreted up to the face value of the Convertible Notes, which will result in additional non-cash interest expense being recognized within the unaudited condensed consolidated statements of operations through the Convertible Notes maturity date (see Note 9, "Interest Costs" for additional information). The effective interest rate on the Convertible Notes, including accretion of the notes to par and debt issuance cost amortization, was approximately 11.5% for the six month period ended June 30, 2015. The equity component will not be remeasured as long as it continues to meet the conditions for equity classification.

As of June 30, 2015, the outstanding principal on the Convertible Notes was \$361.9 million, the unamortized debt discount was \$95.5 million, and the net carrying amount of the liability component was \$266.5 million, which was recorded as long-term debt within the unaudited condensed consolidated balance sheet.

We incurred approximately \$10.4 million of issuance costs related to the issuance of the Convertible Notes. Of the \$10.4 million of issuance costs incurred, \$7.5 million and \$2.9 million were recorded to deferred financing costs

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and additional paid-in capital, respectively, in proportion to the allocation of the proceeds of the Convertible Notes. The \$7.5 million recorded as deferred financing costs on the unaudited condensed consolidated balance sheet is being amortized over the contractual term of the Convertible Notes using the effective interest method. Total amortization expense of the deferred financing costs was \$0.3 million and \$0.4 million for the three and six month periods ended June 30, 2015, respectively. As of June 30, 2015, the balance of unamortized deferred financing costs related to the Convertible Notes was \$7.1 million. See Note 9, "Interest Costs" for additional information.

The Convertible Notes had an initial conversion rate of 41.9274 common shares per \$1,000 principal amount of the Convertible Notes, which is equivalent to an initial conversion price of approximately \$23.85 per share of our common stock. Upon conversion, we currently expect to deliver cash up to the principal amount of the Convertible Notes then outstanding. With respect to any conversion value in excess of the principal amount, we currently expect to deliver shares of our common stock. We may elect to deliver cash in lieu of all or a portion of such shares. The shares of common stock subject to conversion are excluded from diluted earnings per share calculations under the if-converted method as their impact is anti-dilutive.

Holders may convert notes, at their option, in multiples of \$1,000 principal amount at any time prior to December 1, 2019, but only in the following circumstances:

- during any fiscal quarter beginning after the fiscal quarter ending June 30, 2015, if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the last 30 consecutive trading days of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the Convertible Notes on each applicable trading day;
- during the five business day period following any five consecutive trading day period in which the trading price for the Convertible Notes is less than 98% of the product of the last reported sale price of our common stock and the conversion rate for the Convertible Notes on each such trading day; or
- upon the occurrence of specified corporate events.

None of the above events allowing for conversion prior to December 1, 2019 occurred during the six month period ended June 30, 2015. Regardless of whether any of the foregoing circumstances occurs, holders may convert their Convertible Notes, in multiples of \$1,000 principal amount, at any time on or after December 1, 2019 until maturity.

In addition, if we undergo a fundamental change (as defined in the indenture governing the Convertible Notes), holders may, subject to certain conditions, require us to repurchase their Convertible Notes for cash at a price equal to 100% of the principal amount of the Convertible Notes to be purchased, plus any accrued and unpaid interest. In addition, if specific corporate events occur prior to the maturity date, we will increase the conversion rate for a holder who elects to convert their Convertible Notes in connection with such a corporate event in certain circumstances.

In connection with the issuance of the Convertible Notes, we paid approximately \$140 million to enter into the Forward Transactions with certain financial institutions (the "Forward Counterparties"), pursuant to which we purchased approximately 7.2 million shares of common stock for settlement on or around the March 1, 2020 maturity date for the Convertible Notes, subject to the ability of each Forward Counterparty to elect to settle all or a portion of its Forward Transactions early. As a result of the Forward Transactions, total shareholders' equity within our unaudited condensed consolidated balance sheet was reduced by approximately \$140 million. Approximately 7.2 million shares of common stock that will be effectively repurchased through the Forward Transactions are treated as retired shares for basic and diluted EPS purposes although they remain legally outstanding.

Senior Term Facility:

On July 30, 2014, Gogo Intermediate Holdings LLC, Gogo Business Aviation LLC, f/k/a Aircell Business Aviation Services LLC ("GBA"), and Gogo LLC, as borrowers (the "Borrowers"), entered into an Amendment and Restatement Agreement (the "Amendment") to the Credit Agreement dated as of June 21, 2012 and amended on April 4, 2013 (the "Amended Senior Term Facility") among the Borrowers, the lenders named therein, and Morgan Stanley Senior Funding, Inc., as Administrative Agent and Collateral Agent. We refer to the Amendment and the Amended Senior Term Facility collectively as the "Amended and Restated Senior Term Facility."

Prior to the Amendment, under the Amended Senior Term Facility we borrowed an aggregate principal amount of \$248.0 million (the "Tranche B-1 Loans"). Pursuant to the Amendment, we borrowed an aggregate additional

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principal amount of \$75.0 million (the “Tranche B-2 Loans” and, together with the Tranche B-1 Loans, the “Loans”). As of June 30, 2015 and December 31, 2014, we had \$305.0 million and \$309.2 million, respectively, outstanding under the Amended and Restated Senior Term Facility.

See Note 8, “Long-Term Debt and Other Liabilities” in our unaudited condensed consolidated financial statements for additional information.

Maturity; Prepayments

The maturity date of the Amended and Restated Senior Term Facility is March 21, 2018. Principal payments of \$1.7 million are due on the last day of each calendar quarter through December 31, 2017, with the remaining unpaid principal amount due and payable at maturity.

The credit agreement executed in connection with our Amended and Restated Senior Term Facility provides for mandatory prepayments and the ability to make optional prepayments. Based on historical and current expectations regarding cash flow generation, the credit agreement was structured to provide that any mandatory prepayments will be calculated based on the excess cash flows (as defined in the credit agreement) of GBA only. This calculation is made at the end of each fiscal year, with any required payments due no later than the 95th day following the end of the applicable fiscal year, and is based on GBA’s debt leverage ratio. A leverage ratio of 3.25x or higher will trigger a mandatory prepayment of 50% of excess cash flows for the year, a leverage ratio of 2.0x or higher but less than 3.25x will trigger a mandatory prepayment of 25% of excess cash flows for the year and a leverage ratio of less than 2.0x will not trigger any mandatory prepayment of excess cash flows. The amount of any required mandatory prepayments will be reduced by the amount of any optional prepayments made during the applicable fiscal year. In the event actual results or a change in estimates triggers the mandatory prepayment, such prepayment amount will be reclassified from non-current liabilities to current liabilities in our unaudited condensed consolidated balance sheet. We had no such mandatory prepayment classified as a current liability as of June 30, 2015.

We may voluntarily prepay the loans subject to conditions, prices and premiums as follows:

- (i) On and prior to December 21, 2015, we may prepay the loans at par plus (a) 3.0% of the principal amount of the loans prepaid and (b) a “make whole” premium based on a discounted present value of the interest and principal payments due on such prepaid loans through December 21, 2015;
- (ii) After December 21, 2015 but prior to December 21, 2016, we may prepay the loans at par plus 3.0% of the principal amount of loans prepaid;
- (iii) On and after December 21, 2016, we may prepay the loans at par.

Interest; Fees

The interest rates applicable to the Tranche B-1 Loans are based on a fluctuating rate of interest measured by reference, at GBA’s option, to either (i) a London inter-bank offered rate adjusted for statutory reserve requirements (“LIBOR”) (subject to a 1.50% floor) plus an applicable margin of 9.75% per annum, or (ii) an alternate base rate (“Base Rate”) (subject to a 2.50% floor) plus an applicable margin of 8.75% per annum. The interest rates applicable to the Tranche B-2 Loans are based on a fluctuating rate of interest measured by reference, at GBA’s option, to either (i) LIBOR (subject to a 1.00% floor) plus an applicable margin of 6.50% per annum, or (ii) a Base Rate (subject to a 2.00% floor) plus an applicable margin of 5.50% per annum. As of June 30, 2015, all loans were outstanding as one month LIBOR loans, and the interest rates on the Tranche B-1 Loans and the Tranche B-2 Loans were 11.25% and 7.50%, respectively. We pay customary fees in respect of the Amended and Restated Senior Term Facility.

We paid \$22.2 million of loan origination fees and financing costs related to the Amended and Restated Senior Term Facility, all but \$4.1 million of which has been accounted for as deferred financing costs. The \$4.1 million of fees that were not accounted for as deferred financing costs were fees not paid directly to the lenders in connection with the amendments in April 2013 and July 2014 and were expensed to interest expense. See Note 9, “Interest Costs,” in our unaudited condensed consolidated financial statements for additional details. Total amortization expense of the deferred financing costs was \$0.8 million and \$1.5 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$0.9 million and \$1.7 million, respectively, for the prior year periods. Amortization expense is included in interest expense in the unaudited condensed consolidated statements of operations. As of June 30, 2015 and December 31, 2014, the balance of unamortized deferred financing costs related to the Amended and Restated Senior Term Facility was \$9.8 million and \$11.3 million, respectively.

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Covenants

The Amended and Restated Senior Term Facility contains a number of covenants that, among other things, limit or restrict the ability of the borrowers and the guarantors to dispose of assets, incur or guarantee additional indebtedness, prepay certain subordinated indebtedness, modify certain terms of certain material agreements (including intercompany agreements), make dividends and other restricted payments, issue additional preferred stock, make investments (including a cap on investments in our international business during the term of the Amended and Restated Senior Term Facility), incur or maintain liens, make capital expenditures, engage in mergers and certain other fundamental changes, engage in certain transactions with affiliates, enter into sale-leaseback arrangements or enter into agreements restricting dividends or other distributions by subsidiaries to the borrowers or any of their subsidiaries.

Letters of Credit:

We maintain several letters of credit totaling \$7.9 million as of both June 30, 2015 and December 31, 2014. Certain of the letters of credit require us to maintain restricted cash accounts in a similar amount, and are issued for the benefit of the landlords at our existing office locations in Chicago, Illinois; Bensenville, Illinois; Itasca, Illinois; and Broomfield, Colorado.

Liquidity:

Although we can provide no assurances, we currently believe that cash and cash equivalents on hand as of June 30, 2015, together with our other sources of cash, should be sufficient to meet our working capital and capital expenditure requirements for at least the next twelve months, including installing our ATG-4 equipment on certain aircraft operated by our airline partners, costs related to international expansion, costs associated with launching and installing our 2Ku technology, potential costs associated with developing and launching other possible next-generation technology solutions and the acquisition of additional spectrum should it become available. Excluding the impact of the IPO, the Amended and Restated Senior Term Facility and the Convertible Notes, we have not generated positive cash flows on a consolidated basis, and our ability to do so will depend in large part on our ability to increase revenues in each of our three business segments. In addition, our ability to generate positive cash flows from operating activities and the timing of certain capital and other necessary expenditures are subject to numerous variables, such as costs related to international expansion and execution of our current technology roadmap, including 2Ku and potential next-generation technologies. We currently believe that cash on hand and, if necessary, additional equity financings or the incurrence of additional debt as permitted under the credit agreement governing our Amended and Restated Senior Term Facility, will be sufficient to meet our liquidity needs in the longer-term, including our continued international expansion. The credit agreement governing the Amended and Restated Senior Term Facility contains covenants that restrict the ability of Gogo Intermediate Holdings LLC, GBA and Gogo LLC to incur additional indebtedness generally, subject to certain enumerated exceptions, and to undertake certain equity financings through the issuance of certain types of preferred stock. As a result, we may be unable to finance growth of our business to the extent that our cash on hand and cash generated through operating activities prove insufficient and we are unable to raise additional financing through the issuance of common equity or through permitted sales of preferred equity or debt.

Cash flows provided by Operating Activities:

The following table presents a summary of our cash flows from operating activities for the periods set forth below (*in thousands*):

	For the Six Months Ended June 30,	
	2015	2014
Net loss	\$(44,864)	\$(35,528)
Non-cash charges and credits	53,839	36,984
Changes in operating assets and liabilities	56,975	1,782
Net cash provided by operating activities	<u>\$ 65,950</u>	<u>\$ 3,238</u>

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For the six month period ended June 30, 2015, cash provided by operating activities was \$66.0 million as compared with cash provided by operating activities of \$3.2 million for the prior year period. The principal contributors to the increase in operating cash flows were:

- A \$55.2 million increase in cash flows related to changes in operating assets and liabilities resulting from:
 - An increase in cash flows due to the following:
 - Changes in CA-NA and BA's deferred rent due to the commencement of the new facilities leases during 2014;
 - Changes in CA-NA's deferred revenue due to an increase in subscription based products, buy-before-you-fly user purchase options and equipment transactions associated with one of our airline partners as we have not yet met all the conditions to recognize revenue;
 - Changes in CA-NA's accounts receivable due to the collection of receivables in 2015 that built throughout 2014;
 - Changes in CA-NA, BA and CA-ROW's accrued liabilities primarily due to the timing of payments;
 - Changes in CA-NA and CA-ROW's deferred airborne lease incentives due to additional installations of our equipment in 2015; and
 - Changes in accrued interest due to the issuance of the Convertible Notes in March 2015.
 - Partial offsets to the above that result in decreases in cash flows from the following:
 - Changes in BA's inventory due to the building of inventory balances to support future growth;
 - Change in BA's accounts receivable due to an increase in receivables as a result of an increase in service revenues; and
 - Changes in CA-NA and BA's accounts payable due to the timing of payments.
- A \$7.5 million decrease in net loss adjusted for non-cash charges and credits that was due primarily to increases in the CA-NA and BA segments' service revenues partially offset by increased spending in all three segments, as noted above under "—Results of Operations."

We anticipate cash flows from changes in operating assets and liabilities to be positively impacted in 2015 by increases in deferred airborne lease incentives and incentives payable to us by landlords under certain facilities leases, which we estimate will range from \$65 million to \$85 million for the year ending December 31, 2015.

Cash flows used in Investing Activities:

Cash used in investing activities is primarily for capital expenditures related to airborne equipment, cell site construction, software development, and data center upgrades. See "—Capital Expenditures" below.

Cash flows provided by (used in) Financing Activities:

Cash provided by financing activities for the six month period ended June 30, 2015 was \$209.0 million primarily due to proceeds from the issuance of the Convertible Notes of \$361.9 million and proceeds from the exercise of stock options of \$3.7 million, partially offset by payments associated with the Forward Transactions of \$140.0 million, the payment of debt issuance costs for the Convertible Notes of \$10.4 million and payments on our debt facilities and capital leases of \$6.2 million.

Cash used in financing activities for the six month period ended June 30, 2014 of \$2.0 million was primarily due to payments under our debt facilities and capital leases partially offset by exercise of stock options.

Capital Expenditures

Our operations continue to require significant capital expenditures primarily for software development, equipment, and capacity expansion. Capital expenditures for the CA-NA and CA-ROW segments are associated with the installation and the supply of airborne equipment to our airline partners. Capital spending is also associated with the expansion of our ATG network and data centers and includes site acquisition, design, permitting, network equipment and construction costs. Capital expenditures related to data centers are for additional equipment such as servers and IP routers. We capitalize software development costs related to network technology solutions, the Gogo platform and new product/service offerings. We also capitalize costs related to the build out of our new office locations.

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Capital expenditures for the six month periods ended June 30, 2015 and 2014 were \$94.2 million and \$69.0 million, respectively. The increase in capital expenditures was due to the build out of our new office location in Chicago, IL and an increase in airborne equipment purchases for the CA-ROW and CA-NA segments, offset in part by a decrease in network spending in CA-NA and a decrease in capitalized software.

We anticipate an increase in capital spending in 2015 versus 2014 and estimate capital expenditures for the year ending December 31, 2015 will range from \$165 million to \$205 million as we increase the number of airborne equipment installations, execute our international expansion strategy, install our ATG-4 equipment on certain aircraft operated by our airline partners and build out our new office facilities. We expect our capital expenditures, net of deferred airborne lease incentives and landlord lease incentives as noted above, for the year ending December 31, 2015 to range from \$100 million to \$120 million. Our expected range of capital expenditures for the year ending December 31, 2015 does not account for any potential costs associated with the participation in any future auction for the licensing of additional spectrum or any related technology or service arrangements necessary to utilize such spectrum.

Contractual Commitments: We have agreements with airborne equipment vendors under which we have remaining commitments to purchase \$14.0 million in satellite based systems and development services as of June 30, 2015. Such commitments will become payable as we receive the equipment or are provided the development services.

We have agreements with vendors to provide us with transponder and teleport satellite services. These agreements vary in length and amount and commit us to purchase transponder and teleport satellite services totaling approximately \$17.7 million for the second half of 2015, \$33.6 million in 2016, \$31.8 million in 2017, \$15.3 million in 2018 and an amount less than \$0.1 million in 2019.

Leases and Cell Site Contracts: We have lease agreements relating to certain facilities and equipment, which are considered operating leases. Rent expense for such operating leases was \$3.4 million and \$7.7 million for the three and six month periods ended June 30, 2015, respectively, as compared with \$2.3 million and \$4.0 million, respectively, for the prior year periods. Additionally, we have operating leases with wireless service providers for tower space and base station capacity on a volume usage basis (“cell site leases”), some of which provide for minimum annual payments. Our cell site leases generally provide for an initial noncancelable term of up to five years with up to four five-year renewal options. Total cell site rental expense was \$2.3 million and \$4.6 million for the three and six month periods ended June 30, 2015, respectively, as compared to \$2.1 million and \$4.3 million, respectively, for the prior year periods.

The revenue share paid to our airline partners represents an operating lease payment and is deemed to be contingent rental payments, as the payments due to each airline are based on a percentage of our CA-NA and CA-ROW service revenue generated from that airline’s passengers, which is unknown until realized. As such, we cannot estimate the lease payments due to an airline at the commencement of our contract with such airline. Rental expense related to the arrangements with commercial airlines included in cost of service revenue is primarily comprised of these revenue share payments offset by the amortization of the deferred airborne lease incentive discussed above. Such rental expense totaled a net charge of \$10.5 million and \$20.9 million for the three and six month periods ended June 30, 2015, respectively, and \$9.9 million and \$19.8 million, respectively, for the comparable prior year periods. See Note 10, “Leases,” in our unaudited condensed consolidated financial statements for additional information.

One contract with one of our airline partners requires us to provide our airline partner with a cash rebate of \$1.8 million if our service is available on a specified number of aircraft in such airline partner’s fleet on the preceding December 31, in June of each year from 2015 through 2023. Based upon the number of aircraft in service on December 31, 2014, we were required to rebate \$1.8 million to this airline in June 2015. We intend to make the 2015 payment shortly.

Indemnifications and Guarantees: In accordance with Delaware law, we indemnify our officers and directors for certain events or occurrences while the officer or director is, or was, serving at our request in such capacity. The maximum potential amount of future payments we could be required to make under this indemnification is uncertain and may be unlimited, depending upon circumstances. However, our Directors’ and Officers’ insurance does provide coverage for certain of these losses.

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In the ordinary course of business we may occasionally enter into agreements pursuant to which we may be obligated to pay for the failure of performance of others, such as the use of corporate credit cards issued to employees. Based on historical experience, we believe that the risk of sustaining any material loss related to such guarantees is remote.

We have entered into a number of agreements, including our agreements with commercial airlines, pursuant to which we indemnify the other party for losses and expenses suffered or incurred in connection with any patent, copyright, or trademark infringement or misappropriation claim asserted by a third party with respect to our equipment or services. The maximum potential amount of future payments we could be required to make under these indemnification agreements is uncertain and is typically not limited by the terms of the agreements.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is currently confined to our cash and cash equivalents and our debt. We have not used derivative financial instruments for speculation or trading purposes. The primary objectives of our investment activities are to preserve our capital for the purpose of funding operations while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short-term investments through a variety of securities, including commercial paper, certificates of deposit, money market funds and corporate debt securities. Our cash and cash equivalents as of June 30, 2015 and December 31, 2014 included amounts in bank checking account and liquid certificates of deposit with short term maturities. We believe that a change in average interest rates would not adversely affect our interest income and results of operations by a material amount.

The risk inherent in our market risk sensitive instruments and positions is the potential loss arising from interest rates as discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on the overall economic activity, nor do they consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Interest: Our earnings are affected by changes in interest rates due to the impact those changes have on interest income generated from our cash and cash equivalents and interest expense on our long-term debt. Our cash and cash equivalents as of June 30, 2015 and December 31, 2014 included amounts in bank checking accounts and liquid certificates of deposit. We believe we have minimal interest rate risk; a 10% change in the average interest rate on our portfolio, would have reduced interest income and increased interest expense for the three and six month periods ended June 30, 2015 and 2014 by an immaterial amount.

Variable Rate Debt: The interest rates applicable to the Tranche B-1 Loans (as defined in Note 8, "Long-Term Debt and Other Liabilities," in our unaudited condensed consolidated financial statements) are based on a fluctuating rate of interest measured by reference, at GBA's option, to either (i) a London inter-bank offered rate adjusted for statutory reserve requirements ("LIBOR") (subject to a 1.50% floor) plus an applicable margin of 9.75% per annum, or (ii) an alternate base rate ("Base Rate") (subject to a 2.50% floor) plus an applicable margin of 8.75% per annum. The interest rates applicable to the Tranche B-2 Loans (as defined in Note 8, "Long-Term Debt and Other Liabilities," in our unaudited condensed consolidated financial statements) are based on a fluctuating rate of interest measured by reference, at GBA's option, to either (i) LIBOR (subject to a 1.00% floor) plus an applicable margin of 6.50% per annum, or (ii) a Base Rate (subject to a 2.00% floor) plus an applicable margin of 5.50% per annum. As of June 30, 2015, all loans were outstanding as three month LIBOR loans, and the interest rates on the Tranche B-1 Loans and the Tranche B-2 Loans were 11.25% and 7.50%, respectively. As of June 30, 2015, the LIBOR Rate was more than 100 basis points below the floor described above and as a result interest expense for the Amended and Restated Senior Term Facility will not change until both the LIBOR Rate and the applicable base rate exceeds the applicable floors.

Inflation: We do not believe that inflation has had a material effect on our results of operations. However, there can be no assurance that our business will not be affected by inflation in the future.

Seasonality: Our results of operations for any interim period are not necessarily indicative of those for any other interim period of for the entire year because the demand for air travel, including business travel, is subject to significant seasonal fluctuations. We generally expect overall passenger opportunity to be greater in the second and third quarters compared to the rest of the year due to an increase in leisure travel offset in part by a decrease in business travel during the summer months and holidays. We expect seasonality of the air transportation business to continue, which may affect our results of operations in any one period.

ITEM 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of June 30, 2015. Based upon this evaluation, our Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of June 30, 2015.

(b) Changes in Internal Control over Financial Reporting

There have been no changes to our internal control over financial reporting in connection with the evaluation required by Rules 13a-15(f) and 15d-15(f) under the Exchange Act during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

On February 25, 2014, Adam Berkson filed suit against us in the United States District Court for the Eastern District of New York, on behalf of putative classes of national purchasers and a subclass of New York purchasers of our connectivity service, alleging claims that we violated New York and other consumer protection laws, as well as an implied covenant of good faith and fair dealing, by misleading consumers about recurring charges for our service. The suit seeks unspecified damages. In July 2015, we and representatives of the putative classes entered into a non-binding memorandum of understanding with respect to a settlement and we are currently negotiating a definitive settlement agreement, which will be subject to court approval. Under the contemplated settlement, eligible class members would be entitled to receive agreed-upon amounts of complementary Gogo connectivity service and we would be responsible for claims administration costs and plaintiffs' legal fees. The estimated cost of the contemplated settlement is not material.

In addition to the matters discussed above, from time to time we may become involved in legal proceedings arising in the ordinary course of our business. We cannot predict with certainty the outcome of any litigation or the potential for future litigation. Regardless of the outcome of any particular litigation and the merits of any particular claim, litigation can have a material adverse impact on our company due to, among other reasons, any injunctive relief granted, which could inhibit our ability to operate our business, amounts paid as damages or in settlement of any such matter, diversion of management resources and defense costs.

ITEM 1A. Risk Factors

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the SEC on February 27, 2015.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

a) Sales of Unregistered Securities

None.

b) Use of Proceeds from Public Offering of Common Stock

On June 20, 2013, our registration statement on Form S-1 (File No. 333-178727) was declared effective by the Securities and Exchange Commission for our IPO, pursuant to which we sold an aggregate of 11,000,000 shares of our common stock at a price of \$17.00 per share. There has been no material change in the planned use of proceeds from our IPO as described in our prospectus filed with the Securities and Exchange Commission on June 24, 2013 pursuant to Rule 424(b). Upon the closing of the IPO, we invested the funds received in registered money market funds and U.S. treasury securities.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

None.

ITEM 5. Other Information

a) None.

b) None.

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ITEM 6. Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
10.1.45†	Amendment No. 3, dated as of April 1, 2015, to the Amended and Restated In-Flight Connectivity Services Agreement, between Delta Air Lines, Inc. and Gogo LLC (f/k/a Aircell LLC)
10.1.46†	Amendment No. 2, dated as of April 1, 2015, to the International In-Flight Connectivity Services Agreement, between Delta Air Lines, Inc. and Gogo LLC
10.1.47†	2Ku In-Flight Connectivity Services Agreement, dated as of April 1, 2015, between Delta Air Lines, Inc. and Gogo LLC
10.1.48†	Product Development and Manufacturing Agreement, dated as of November 13, 2012, between ThinKom Solutions, Inc. and Gogo LLC
10.1.49†	Product Development and Manufacturing Agreement Exhibit A, Revision 1, dated as of March 27, 2012, between ThinKom Solutions, Inc. and Gogo LLC
10.1.50†	Product Development and Manufacturing Agreement Exhibit A-2, dated as of September 12, 2013, between ThinKom Solutions, Inc. and Gogo LLC
10.1.51†	Product Development and Manufacturing Agreement Exhibit A-2, Revision 1, dated as of June 10, 2014, between ThinKom Solutions, Inc. and Gogo LLC
10.1.52†	Amendment No. 1 to the Product Development and Manufacturing Agreement, dated as of June 10, 2014, between ThinKom Solutions, Inc. and Gogo LLC
10.1.53†	Amendment No. 2 to the Product Development and Manufacturing Agreement, dated as of January 31, 2015, between ThinKom Solutions, Inc. and Gogo LLC
10.1.54†	Amendment No. 3 to the Product Development and Manufacturing Agreement, dated as of May 12, 2015, between ThinKom Solutions, Inc. and Gogo LLC
10.2.10#	Amendment No. 2 to the Employment Agreement between Gogo LLC (f/k/a Aircell LLC) and Anand Chari, effective April 1, 2015
10.2.11#	Amendment No. 2 to the Employment Agreement between Gogo LLC (f/k/a Aircell LLC) and John Wade, effective April 1, 2015
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 *	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 *	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

† Certain provisions of this exhibit have been omitted and separately filed with the Securities and Exchange Commission pursuant to a request for confidential treatment.

* This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

Indicates management contract or compensatory plan or arrangement

SIGNATURES

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

Gogo Inc.

Date: August 6, 2015

/s/ Michael Small

Michael Small
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Norman Smagley

Norman Smagley
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

**AMENDMENT NO. 3 TO
IN FLIGHT CONNECTIVITY SERVICES AGREEMENT**

This Amendment No. 3 (“Amendment”) to the Amended and Restated In Flight Connectivity Services Agreement is made as of April 1, 2015 (“Amendment Date”), by and between Delta Air Lines, Inc. (“Delta”) and Gogo LLC, f/k/a Aircell LLC (“Gogo”). Capitalized terms used herein that are not otherwise defined shall have the meanings given to such terms in the Restated Agreement.

WHEREAS, Delta and Gogo are parties to the Amended and Restated In Flight Connectivity Services Agreement dated as of April 7, 2011 (as amended by Amendment No. 1 thereto dated September 30, 2011 and Amendment No. 2 thereto dated February 25, 2014, the “Restated Agreement”), under which Gogo installs its ABS Equipment and provides its Connectivity Services on board Delta’s Domestic fleet;

WHEREAS, Delta and Gogo, having negotiated that certain 2Ku In-Flight Connectivity Services Agreement, dated as of the Amendment Date, desire to amend the Restated Agreement to make certain conforming changes and other changes upon which the parties have agreed;

NOW, THEREFORE, in consideration of the foregoing premises and the covenants contained herein, Delta and Gogo agree to amend the Restated Agreement as follows:

1. Article 1 is hereby amended by adding the following definitions:

“**2Ku Agreement**” means the 2Ku In-Flight Connectivity Services Agreement, dated as of April 1, 2015, between Delta and Gogo.”

“**2Ku System**” has the meaning ascribed thereto in the 2Ku Agreement.”

“**Amendment No. 3 Effective Date**” means April 1, 2015.”

“**Data Usage Addendum**” means the Data Usage Addendum attached hereto as Attachment 1.”

2. Section 5.3.4 is amended by deleting the third sentence thereof and replacing it with the following: [***]

3. Section 7.3 shall be deleted in its entirety and replaced with the heading “[**Intentionally Deleted**]”.

4. Section 7.5.5 shall be deleted in its entirety and replaced with the following:

“7.5.5 Data Usage. Commencing on the Amendment No. 3 Effective Date, the fees to be paid by Delta to Gogo for Delta Data Usage (including any free allocations available therefor), will be determined in accordance with the Data Usage Addendum.”

5. Section 9.1 is hereby amended by adding the following as an additional final sentence: [***]

6. Section 9.4 is hereby amended by deleting the sentence under the table in its entirety and replacing it with the following:

[***]

7. Section 9.6 is hereby amended by deleting the proviso at the end of the last sentence.

8. Section 9.7.1 is hereby amended by deleting the second sentence thereof in its entirety and replacing it with the following:

“Payment by Delta for any Services shall be made net forty-five (45) days from the date of issuance of Gogo’s invoice therefor, which date shall be noted thereon.”

9. Section 11.1 is hereby amended by deleting the phrase “ten (10)” in two places and replacing it with the phrase “thirteen (13)”.

10. Section 11.2.4 is hereby amended by deleting it in its entirety and replacing it with the following:

With respect to each Equipment Type in the Mainline Fleet, if at any time during the Term (A) an in-flight connectivity services provider other than Gogo offers a connectivity service, (B) which provides a [***], (C) such that Delta reasonably believes [***], (D) such competitive system is installed and operational on more than [***] commercial aircraft or is otherwise [***], and (E) Delta has completed sourcing processes with respect to the competitive offering at least as rigorous as those undertaken by Delta in evaluating Gogo such that Delta can validate the

technology, functionality and feasibility of the competitive offering and provide objective system performance and functionality criteria to Gogo for its use in determining whether it wishes to submit a proposal as contemplated below, then Delta may elect to terminate this Agreement with respect to such Equipment Type by providing at least [***] advance written notice to Gogo. Gogo will have the opportunity to submit a proposal, which proposal will include, without limitation, proposed terms regarding pricing, system functionality and implementation dates, and Delta will in good faith consider such proposal. If Delta reasonably determines that Gogo's proposal is at least as favorable as the competitor's offering with respect to system functionality, user experience and system performance and Delta and Gogo can reach agreement as to pricing, implementation dates and other key terms, this Agreement will be amended to incorporate such additional or replacement offering or functionality and the agreed upon terms. If (i) Gogo declines or fails to submit a proposal to Delta at least [***] prior to the effective date of termination, (ii) Delta reasonably determines that Gogo's proposal is not as favorable as the competitor's offering with respect to system functionality, user experience and system performance, or (iii) Delta and Gogo cannot reach agreement as to pricing, implementation dates and other key terms, this Agreement will terminate as to such Equipment Type per Delta's termination notice. Neither party shall be liable to the other party for any damages arising out of a termination pursuant to this paragraph.

11. The following is added as a new Section 18.19:

“18.19 Transfer of Retrofit A/C to 2Ku Agreement.

18.19.1 Any Retrofit A/C shall cease to be a Retrofit A/C under this Agreement, at such time as it is delivered by Delta to Gogo for installation of the 2Ku System under the 2Ku Agreement (each such A/C, a “Transferred A/C”).

18.19.2 As of the conversion of Retrofit A/C to Transferred A/C, except as set forth in Section 18.19.3 below, the parties' liability with respect to such A/C shall be the same as such parties' liability with respect to all Retrofit A/C in the event of the expiration of the Agreement, and Section 18.11 (Survival) shall apply accordingly to the Transferred A/C.

18.19.3 Notwithstanding anything to the contrary: (a) Transferred A/C and all other A/C delivered by Delta to Gogo for installation of the 2Ku

System under the 2Ku Agreement shall constitute Retrofit A/C for the purpose of determining Delta's fulfillment of any Delta commitments or obligations with respect to converting or maintaining any particular number of Retrofit A/C hereunder, and (b) Delta shall not be liable to Gogo for any damages arising out of the removal of Retrofit A/C from this Agreement for the purpose of converting such A/C to Transferred A/C."

12. The addendum attached to this Amendment No. 3 as Exhibit A is added to the Restated Agreement as Attachment 1 thereto.

This Amendment No. 3 contains the entire understanding among the parties, and supersedes any prior written or oral agreement between them, respecting the subject matter hereof. This Amendment shall be governed by the same laws and in the same manner as the Restated Agreement. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Amendment Date.

DELTA AIR LINES, INC.

/s/ Richard H. Anderson

By: Richard H. Anderson

Its: Chief Executive Officer

Date: May 5, 2015

GOGO LLC

/s/ Michael J. Small

By: Michael J. Small

Its: President and Chief Executive Officer

Date: April 27, 2015

ATTACHMENT 1

DATA USAGE ADDENDUM

1. Definitions. In addition to those terms defined in the body of this Agreement, the definitions below shall apply to the following terms:

“**2Ku Agreement**” shall mean the 2Ku In-Flight Connectivity Services Agreement, dated April 1, 2015, between Gogo LLC (“Gogo”) and Delta Air Lines, Inc. (“Delta”).

“**Authenticated Passenger Usage**” means, [***].

“**Connectivity Services**” means, depending on the IFC Agreement governing the applicable aircraft: Connectivity Services, as defined in the Domestic Agreement and the International Agreement, and 2Ku Connectivity Services, as defined in the 2Ku Agreement.

“**Delta Connectivity Services**” means Connectivity Services provided by Gogo to Delta for purposes of transmitting (i) Delta Data Usage (as defined in the applicable IFC Agreement), (ii) any data used by Delta for operational or crew usage or for providing complementary connectivity service (other than access to Whitelisted Sites) to passengers, and (iii) any other data used by Delta for any purpose pursuant to one or more IFC Agreements.

“**Domestic A/C**” shall have the meaning ascribed thereto in the 2Ku Agreement.

“**Domestic Agreement**” shall mean the Amended and Restated In-Flight Connectivity Services Agreement, dated April 7, 2011, between the parties, as amended.

“**Higher Priority Transmissions**” shall mean transmissions which take precedence in delivery or require additional security as compared to the internet connectivity services provided to passengers purchasing Connectivity Services.

“**IFC Agreements**” means, collectively, the Domestic Agreement, International Agreement and 2Ku Agreement. For purposes of clarity, the term includes any Statements of Work issued thereunder.

“**International A/C**” shall have the meaning ascribed thereto in the 2Ku Agreement.

“**International Agreement**” shall mean the International In-Flight Connectivity Services Agreement, dated August 1, 2013, between the parties, as amended.

“**Machine to Machine Transmissions**” shall mean transmissions of data that (i) originate or terminate on the aircraft (excluding any personal or portable electronic devices, whether or not attached to the aircraft) and (ii) do not involve any human intervention.

“**Technology Type**” means each of Gogo’s ATG, ATG-4, Ku, 2Ku and 14 GHz NextGen ATG technologies; provided that 2Ku on Domestic A/C and 2Ku on International A/C shall be considered two separate technology types for purposes of this Data Usage Addendum.

2. Existing Agreements; Amendments. In various contracts and amendments, Gogo permitted Delta to use network/data capacity for a variety of operational uses or have the opportunity to use and purchase the services for discounted rates. In doing so, the parties previously agreed to certain arrangements, as follows:

<u>Item</u>	<u>Allocation Name</u>	<u>Contract or Amendment</u>	<u>Section</u>	<u>Tech</u>	<u>Allocation</u>	<u>Overage Rate</u>
1	POS allocation	Operational Applications	4.3	Both	[***]	[***]
2	Domestic Portal allocation	Domestic Portal Amendment	7.5.5 (as amended)	ATG	[***]	[***]
3	International Portal allocation	International	7.5.4	Ku	[***]	[***]
4	International Operational Usage fees	International	9.6	Ku	[***]	[***]
5	International Portal Credit	International	7.5.4	Ku	[***]	[***]
6	Connectivity Services Certificates	Domestic	7.3	ATG	[***]	[***]
7	Connectivity Services Certificates	International	7.3	Ku	[***]	[***]

The parties have amended the Domestic Agreement, the International Agreement and the Operational Applications SOW to, inter alia, replace the above-described allocations, overage rates and arrangements with those set forth in this Data Usage Addendum.

3. [***]

4. [***]

	<u>Fleet (as determined pursuant to the applicable Agreement)</u>	<u>Technology Type</u>	<u>Rate</u>
Domestic		[***]	[***]
Domestic		[***]	[***]
Domestic		[***]	[***]
International		[***]	[***]
International		[***]	[***]

Following is an example calculation of the Blended Rate for Excess Usage: [***]

5. [***]

6. [***]

Confidential and Proprietary

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

**AMENDMENT NO. 2 TO
INTERNATIONAL IN-FLIGHT CONNECTIVITY SERVICES AGREEMENT**

This Amendment No. 2 (“Amendment”) to the International In-Flight Connectivity Services Agreement is made as of April 1, 2015 (“Amendment Date”), by and between Delta Air Lines, Inc. (“Delta”) and Gogo LLC (“Gogo”). Capitalized terms used herein that are not otherwise defined shall have the meanings given to such terms in the Original Agreement.

WHEREAS, Delta and Gogo are parties to the International In-Flight Connectivity Services Agreement dated as of March 20, 2013 (as amended by Amendment No. 1 thereto dated February 25, 2014, the “Original Agreement”), under which Gogo installs its Equipment and provides its Connectivity Services on board Delta’s international fleet;

WHEREAS, Delta and Gogo, having negotiated that certain 2Ku In-Flight Connectivity Services Agreement, dated as of the Amendment Date, desire to amend the Original Agreement to make certain conforming changes and other changes upon which the parties have agreed;

NOW, THEREFORE, in consideration of the foregoing premises and the covenants contained herein, Delta and Gogo agree to amend the Original Agreement as follows:

1. Article 1 is hereby amended by adding the following definitions:

“**2Ku Agreement**” means the 2Ku In-Flight Connectivity Services Agreement, dated as of April 1, 2015, between Delta and Gogo.”

“**2Ku System**” has the meaning ascribed thereto in the 2Ku Agreement.”

“**Amendment No. 2 Effective Date**” means April 1, 2015.”

“**Data Usage Addendum**” means the Data Usage Addendum attached hereto as Attachment 1.”

2. Section 5.3.4 is amended by deleting the third sentence thereof and replacing it with the following: [***].
3. Section 7.3 shall be deleted in its entirety and replaced with the heading “[**Intentionally Deleted**]”.
4. Section 7.5.4 shall be deleted in its entirety and replaced with the following:

“7.5.4 **Data Usage.** Commencing on the Amendment No. 2 Effective Date, the fees to be paid by Delta to Gogo for Delta Data Usage (including any free allocations available therefor), will be determined in accordance with the Data Usage Addendum.”
5. Section 9.1 is hereby amended by deleting the phrase [***].
6. Section 9.2 shall be deleted in its entirety and replaced with the heading “[**Intentionally Deleted**]”.
7. Section 9.6 is hereby amended by deleting it in its entirety and replacing it with the following:

“Commencing on the Amendment No. 2 Effective Date, the fees to be paid by Delta to Gogo for data used in connection with operational uses [***] will be determined in accordance with the Data Usage Addendum.”
8. Section 9.8.1 is hereby amended by deleting the second sentence thereof in its entirety and replacing it with the following:

“Payment by Delta for the Monthly Service Fee, Per Diem Rate (if applicable) and any Services shall be made net forty-five (45) days from the date of issuance of Gogo’s invoice therefor.”
9. Section 9.8.2 is hereby amended by deleting the phrase “and Volume Credit (if any)” from the second sentence.
10. Section 11.1 is hereby amended by deleting the phrase “ten (10)” and replacing it with the phrase “thirteen (13)”.

11. Section 11.2.3 is hereby amended by deleting it in its entirety and replacing it with the following:

With respect to each Fleet Type, if at any time during the Term (A) an in-flight connectivity services provider other than Gogo offers a connectivity service, (B) which provides a [***], (C) such that Delta reasonably believes [***], (D) such competitive system is installed and operational on more than [***] commercial aircraft or is otherwise [***], and (E) Delta has completed sourcing processes with respect to the competitive offering at least as rigorous as those undertaken by Delta in evaluating Gogo such that Delta can validate the technology, functionality and feasibility of the competitive offering and provide objective system performance and functionality criteria to Gogo for its use in determining whether it wishes to submit a proposal as contemplated below, then Delta may elect to terminate this Agreement with respect to such Equipment Type by providing at least [***] advance written notice to Gogo. Gogo will have the opportunity to submit a proposal, which proposal will include, without limitation, proposed terms regarding pricing, system functionality and implementation dates, and Delta will in good faith consider such proposal. If Delta reasonably determines that Gogo's proposal is at least as favorable as the competitor's offering with respect to system functionality, user experience and system performance and Delta and Gogo can reach agreement as to pricing, implementation dates and other key terms, this Agreement will be amended to incorporate such additional or replacement offering or functionality and the agreed upon terms. If (i) Gogo declines or fails to submit a proposal to Delta at least [***] prior to the effective date of termination, (ii) Delta reasonably determines that Gogo's proposal is not as favorable as the competitor's offering with respect to system functionality, user experience and system performance, or (iii) Delta and Gogo cannot reach agreement as to pricing, implementation dates and other key terms, this Agreement will terminate as to such Fleet Type per Delta's termination notice. Neither party shall be liable to the other party for any damages arising out of a termination pursuant to this paragraph.

12. The following is added as a new Section 18.19:

“18.19 Transfer of Retrofit A/C to 2Ku Agreement.

18.19.1 Any Retrofit A/C shall cease to be a Retrofit A/C under this Agreement, at such time as it is delivered by Delta to Gogo for installation of the 2Ku System under the 2Ku Agreement (each such A/C, a “Transferred A/C”).

18.19.2 As of the conversion of Retrofit A/C to Transferred A/C, except as set forth in Section 18.19.3 below, the parties' liability with respect to such A/C shall be the same as such parties' liability with respect to all Retrofit A/C in the event of the expiration of the Agreement, and Section 18.11 (Survival) shall apply accordingly to the Transferred A/C.

18.19.3 Notwithstanding anything to the contrary: (a) Transferred A/C and all other A/C delivered by Delta to Gogo for installation of the 2Ku System under the 2Ku Agreement shall constitute Retrofit A/C for the purpose of determining Delta's fulfillment of any Delta commitments or obligations with respect to converting or maintaining any particular number of Retrofit A/C hereunder, including with respect to determining whether the True-Up Trigger has occurred, and (b) Delta shall not be liable to Gogo for any damages arising out of the removal of Retrofit A/C from this Agreement for the purpose of converting such A/C to Transferred A/C."

13. The Data Usage Addendum attached to this Amendment as Exhibit A is added to the Original Agreement as Attachment 1 thereto.

This Amendment No. 2 contains the entire understanding among the parties, and supersedes any prior written or oral agreement between them, respecting the subject matter hereof. This Amendment shall be governed by the same laws and in the same manner as the Original Agreement. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the Amendment Date.

DELTA AIR LINES, INC.

/s/ Richard H. Anderson

By: Richard H. Anderson

Its: Chief Executive Officer

Date: May 5, 2015

GOGO LLC

/s/ Michael J. Small

By: Michael J. Small

Its: President and Chief Executive Officer

Date: April 27, 2015

Exhibit A

ATTACHMENT 1

DATA USAGE ADDENDUM

1. Definitions. In addition to those terms defined in the body of this Agreement, the definitions below shall apply to the following terms:

“2Ku Agreement” shall mean the 2Ku In-Flight Connectivity Services Agreement, dated April 1, 2015, between Gogo LLC (“Gogo”) and Delta Air Lines, Inc. (“Delta”).

“Authenticated Passenger Usage” means, [***].

“Connectivity Services” means, depending on the IFC Agreement governing the applicable aircraft: Connectivity Services, as defined in the Domestic Agreement and the International Agreement, and 2Ku Connectivity Services, as defined in the 2Ku Agreement.

“Delta Connectivity Services” means Connectivity Services provided by Gogo to Delta for purposes of transmitting (i) Delta Data Usage (as defined in the applicable IFC Agreement), (ii) any data used by Delta for operational or crew usage or for providing complementary connectivity service (other than access to Whitelisted Sites) to passengers, and (iii) any other data used by Delta for any purpose pursuant to one or more IFC Agreements.

“Domestic A/C” shall have the meaning ascribed thereto in the 2Ku Agreement.

“Domestic Agreement” shall mean the Amended and Restated In-Flight Connectivity Services Agreement, dated April 7, 2011, between the parties, as amended.

“Higher Priority Transmissions” shall mean transmissions which take precedence in delivery or require additional security as compared to the internet connectivity services provided to passengers purchasing Connectivity Services.

“IFC Agreements” means, collectively, the Domestic Agreement, International Agreement and 2Ku Agreement. For purposes of clarity, the term includes any Statements of Work issued thereunder.

“International A/C” shall have the meaning ascribed thereto in the 2Ku Agreement.

“International Agreement” shall mean the International In-Flight Connectivity Services Agreement, dated August 1, 2013, between the parties, as amended

“**Machine to Machine Transmissions**” shall mean transmissions of data that (i) originate or terminate on the aircraft (excluding any personal or portable electronic devices, whether or not attached to the aircraft) and (ii) do not involve any human intervention.

“**Technology Type**” means each of Gogo’s ATG, ATG-4, Ku, 2Ku and 14 GHz NextGen ATG technologies; provided that 2Ku on Domestic A/C and 2Ku on International A/C shall be considered two separate technology types for purposes of this Data Usage Addendum.

2. **Existing Agreements; Amendments.** In various contracts and amendments, Gogo permitted Delta to use network/data capacity for a variety of operational uses or have the opportunity to use and purchase the services for discounted rates. In doing so, the parties previously agreed to certain arrangements, as follows:

<u>Item</u>	<u>Allocation Name</u>	<u>Contract or Amendment</u>	<u>Section</u>	<u>Tech</u>	<u>Allocation</u>	<u>Overage Rate</u>
1	POS allocation	Operational Applications	4.3	Both	[***]	[***]
2	Domestic Portal allocation	Domestic Portal Amendment	7.5.5 (as amended)	ATG	[***]	[***]
3	International Portal allocation	International	7.5.4	Ku	[***]	[***]
4	International Operational Usage fees	International	9.6	Ku	[***]	[***]
5	International Portal Credit	International	7.5.4	Ku	[***]	[***]
6	Connectivity Services Certificates	Domestic	7.3	ATG	[***]	[***]
7	Connectivity Services Certificates	International	7.3	Ku	[***]	[***]

The parties have amended the Domestic Agreement, the International Agreement and the Operational Applications SOW to, inter alia, replace the above-described allocations, overage rates and arrangements with those set forth in this Data Usage Addendum.

3. [***]

4. [***]

Fleet (as determined pursuant to the applicable Agreement)

Technology Type

Rate

Domestic	[***]	[***]
Domestic	[***]	[***]
Domestic	[***]	[***]
International	[***]	[***]
International	[***]	[***]

Following is an example calculation of the Blended Rate for Excess Usage: [***].

5. [***]

6. [***]

Confidential and Proprietary

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

2Ku In-Flight Connectivity Services Agreement

between

Delta Air Lines, Inc.

and

Gogo LLC

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This 2Ku In-Flight Connectivity Services Agreement (including the Exhibits hereto, the “**Agreement**”) is made effective as of April 1, 2015 (the “**Effective Date**”), between Delta Air Lines, Inc., a Delaware corporation with its principal place of business at 1030 Delta Boulevard, Atlanta, GA 30354-1989 (“**Delta**”), and Gogo LLC, a Delaware limited liability company with offices located at 1250 N. Arlington Heights Road, Suite 500, Itasca IL 60143 (“**Gogo**”).

WHEREAS, the parties desire to formally set forth herein the terms and conditions for the installation of certain equipment and provision of services related to Gogo’s 2Ku Connectivity Services (as defined below).

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises herein set forth, the parties hereby agree as follows:

1. **DEFINITIONS**

In addition to those terms defined in the body of this Agreement, the definitions below shall apply to the following terms:

- 1.1 “**2Ku Connectivity Services**” means WiFi Services provided by Gogo through its 2Ku System, and any other Services that the parties agree to be 2Ku Connectivity Services.
- 1.2 “**A/C**” means (i) commercial passenger aircraft owned or leased by Delta or any of its Affiliates and (ii) Regional Jet A/C.
- 1.3 “**Affiliate**” means any individual, corporation, partnership, association, or business that, directly or indirectly through intermediaries, controls, is controlled by or is under common control with a party. Control shall exist whenever the relevant entity holds an ownership, voting or similar interest (including any right or option to obtain such an interest) representing at least 50% of the total interests then outstanding of the other entity.
- 1.4 “**Antenna Location Project**” means [***].
- 1.5 “**Baseline Revenue**” means [***].
- 1.6 “**Base Retail Price**” means [***].
- 1.7 “**Certification**” means such certification as is required by the FAA to fly commercial aircraft Installed with the Equipment and Software to provide the 2Ku Connectivity Services, including without limitation STCs and PMA.
- 1.8 “**Components**” means all materials, parts and components included in the Equipment.
- 1.9 “**Connection Carrier**” means each of the regional airline operators that operate regional jet aircraft pursuant to a Regional Jet Contract.
- 1.10 “**Connectivity Revenue**” means [***].
- 1.11 “**Current Country**” means those countries over which Installed A/C fly en-route on Current Routes.
- 1.12 “**Current Routes**” means the anticipated flight routes provided by Delta to Gogo as of the Effective Date and shown on Exhibit C-2.
- 1.13 “**Data Usage Agreement**” means the Data Usage Agreement, dated as of the Effective Date, between Gogo and Delta.

- 1.14 “**Deinstallation**” means removal of the Equipment from an A/C and restoration of the A/C to its condition prior to installation of the Equipment, ordinary wear and tear excepted, and, if requested by Delta, shall include removing all cables and ancillary materials related to the Equipment.
- 1.15 “**Delta Portal**” means the combination of the web pages and graphical user interface, excluding the Gogo Access Section, which shall be developed by Delta and function as a point of access for Users on and after the Portal Transition Date.
- 1.16 “**Delta Technology**” means the Delta Portal (excluding the Gogo Access Section), Delta’s proprietary business and technical information concerning A/C and Delta’s operations, and any derivatives thereof.
- 1.17 “**Domestic A/C**” means A/C of the Fleet Types identified as Domestic in Exhibit C-1 and any other Fleet Type added to this Agreement the A/C in which fly more than 50% of their aggregate flight minutes in any given year between airports within the United States.
- 1.18 “**Domestic Agreement**” means the Amended and Restated In-Flight Connectivity Services Agreement, dated as of April 7, 2011, between Gogo and Delta, as amended from time to time.
- 1.19 “**Equipment**” means the equipment and Software described in this Agreement and set forth in Exhibit A (together with accompanying Documentation (per Section 3.4.1), materials and supplies necessary for the operation thereof) purchased by Delta that must be installed on the A/C for the provision of the 2Ku Connectivity Services.
- 1.20 “**Excess Revenue**” means [***].
- 1.21 “**Excusable Delay**” has the meaning set forth in Section 17.1.
- 1.22 “**Extended Warranty Fee**” has the meaning set forth in Section 10.3.
- 1.23 “**FAA**” means the United States Federal Aviation Administration and any successor agency.
- 1.24 “**FCC**” means the United States Federal Communications Commission and any successor agency.
- 1.25 “**Fleet Type**” means each of the aircraft manufacturer/model types listed in Exhibit C-1, and any other aircraft manufacturer/model type added to this Agreement during the Term.
- 1.26 “**Flight Segment**” means the single portion of flight by an A/C between takeoff and landing.
- 1.27 “**Gogo Access Section**” means, with respect to the Delta Portal, (i) the location on the Splash Page that describes, and through which Users access, the 2Ku Connectivity Services and any associated Sponsorships or other promotional activities, (ii) the web page(s) through which Users purchase 2Ku Connectivity Services, (iii) if a Sponsorship or other promotion related to 2Ku Connectivity Services is in effect, the page to which Users are directed immediately following the purchase of 2Ku Connectivity Services, and (iv) any other Portal webpages accessed by Users following links from the location described in clause (i) of this definition or the web pages described in clauses (ii) and (iii) of this definition, as well as any associated graphical user interfaces, all to be developed by Gogo.

- 1.28 “**Gogo Portal**” means the combination of the web pages and graphical user interface, which shall be developed by Gogo and function as a point of access for Users prior to the Portal Transition Date.
- 1.29 “**Gogo Technology**” means the Gogo Portal, Gogo Access Section, Gogo’s proprietary business and technical information concerning the Equipment, Software and 2Ku Connectivity Services, and the process used in the manufacture of Equipment, and any derivatives thereof.
- 1.30 “**Initial 2Ku Fleet**” means the A/C listed on Exhibit C-1.
- 1.31 “**Installable Additional 2Ku A/C**” has the meaning set forth in Section 2.3.
- 1.32 “**Installation Credit**” has the meaning set forth in Section 5.2.1.4.
- 1.33 “**Installation Formation**” has the meaning set forth in Section 5.2.1.3.
- 1.34 “**Installation Reimbursement**” has the meaning set forth in Section 5.2.1.4.
- 1.35 “**Installation Schedule**” has the meaning set forth in Section 2.2.
- 1.36 “**Installation Test Plan**” has the meaning set forth in Section 3.6.
- 1.37 “**Installed A/C**” means one or more A/C equipped with the Equipment and enabled for 2Ku Connectivity Services pursuant to this Agreement.
- 1.38 “**International A/C**” means an A/C that is not a Domestic A/C.
- 1.39 “**International Agreement**” means the International In-Flight Connectivity Services Agreement, dated as of March 20, 2013, between Gogo and Delta, as amended.
- 1.40 “**Launch**” means two (2) weeks following receipt of PMA for the Equipment associated with the first Prototype A/C under this Agreement.
- 1.41 “**Liquidated Damages**” means, collectively, the following forms of liquidated damages which may be assessed against Gogo if Gogo fails to meet certain obligations under this Agreement: [***].
- 1.42 “**Load Factor**” means the number of seats occupied by passengers on an Installed A/C during a particular flight divided by the total number of available passenger seats on the Installed A/C, to be reported to Gogo by flight number, city-pair Flight Segments and date.
- 1.43 “**NextGen ATG**” means WiFi Services provided through next generation air-to-ground technology, as further described in Exhibit I.
- 1.44 “**PMA**” means Part Manufacturer Approval provided by the FAA.
- 1.45 “**Portal**” means the Delta Portal and/or the Gogo Portal as the context requires.
- 1.46 “**Portal Revenue**” means [***].
- 1.47 “**Portal SOW**” means that certain Statement of Work Delta Portal entered into as of February 9, 2015, between the parties pursuant to the International Agreement.

- 1.48 “**Program**” means the design, integration, installation, Certification, and on-going maintenance and support associated with Revenue Launch and the provision of the 2Ku Connectivity Services on board the Installed A/C.
- 1.49 “**Production A/C**” means each Installed A/C that is not a Prototype A/C.
- 1.50 “**Prototype A/C**” means the first A/C of each Fleet Type on which the Equipment is installed.
- 1.51 “**Prototype Credit**” has the meaning set forth in Section 5.2.2.
- 1.52 “**Regional Jet A/C**” means regional jet A/C contracted by Delta with one or more Connection Carriers pursuant to a Regional Jet Contract.
- 1.53 “**Regional Jet Contract**” means the agreement between Delta and a Connection Carrier pursuant to which such carrier operates one or more regional jet A/C as a “Delta Connection” carrier for Delta, regardless of whether such regional jet A/C are owned by Delta, the Connection Carrier or a third party.
- 1.54 “**Regulatory Approvals**” means any regulatory approvals or permits of any national, federal, state, local or international governmental agency or authority (including without limitation any required Certifications and any amendments or supplements thereto, any other FAA approvals or licensing requirements, any FCC approvals or licensing requirements, any requirements of applicable experimental licenses or permits (or renewals thereof) and applicable tariffs, if any, when issued) that are required for installation, operation, maintenance, modification or Deinstallation of the Equipment and performance of the Services.
- 1.55 “**Regulatory Damages**” has the meaning set forth in Section 5.7.
- 1.56 “**Removal**” or “**A/C Removal**” means the sale, lease return, transfer or other similar removal of an Installed A/C from Delta’s operating fleet, and specifically excludes any break from service for seasonal or temporary purposes or for storage, maintenance, repair or overhaul.
- 1.57 “**Revenue Launch**” means the date on which Gogo first charges Users fees in connection with their use of 2Ku Connectivity Services on an Installed A/C.
- 1.58 “**Service Levels**” means the Service Levels set forth in Exhibit B.
- 1.59 “**Services**” means the 2Ku Connectivity Services and any other services to be provided by Gogo pursuant to this Agreement, including without limitation, services pertaining to maintenance, support, engineering, installation and Deinstallation of the Equipment, and training in connection thereto.
- 1.60 “**Shipset**” or “**shipset**” means all Equipment and Software required to implement and activate the 2Ku System on one Installed A/C, as such Equipment and Software are listed in Exhibit A.
- 1.61 “**Software**” means any operating or application software contained within the Equipment as listed in Exhibit A, any other software provided by Gogo to Delta under this Agreement, and any enhancements, modifications, updates, upgrades, fixes, workarounds, releases or other changes thereto provided or to be provided by Gogo under this Agreement. The term “Software” shall include its Documentation.

- 1.62 “**SOW**” means a written document, signed by the parties, that describes services to be performed by Gogo under this Agreement and contains other terms and conditions agreed by the parties with respect to the services described therein.
- 1.63 “**Specifications**” has the meaning set forth in Section 3.3.
- 1.64 “**Splash Page**” means the first web page of the Portal that a User will see when the User connects to the 2Ku Connectivity Services on an Installed A/C, which will be branded with Gogo Marks and Delta Marks as agreed.
- 1.65 “**Sponsorship**” means an arrangement in which a third party pays a negotiated amount to Delta or Gogo, as applicable, and in consideration of such payment Gogo offers free or discounted Connectivity Service to passengers on one or more Installed A/C and advertises such service as being sponsored by the third party.
- 1.66 “**Sponsorship Revenue**” means the amount paid by a third party to Delta or Gogo (after deducting commissions paid to third parties), as applicable, in connection with a Sponsorship.
- 1.67 “**STC**” has the meaning set forth in Section 2.3.
- 1.68 “**2Ku System**” means the group of independent but interrelated software and hardware (including A/C interfaces) that are networked together to provide the 2Ku Connectivity Services to Users on board the Installed A/C and includes satellite and ground equipment and software operated by Gogo or its suppliers, all as described in Exhibit F.
- 1.69 “**Take Rate**” means, for each Flight Segment, the result obtained by [***].
- 1.70 “**Trigger Date**” means, for a Fleet Type [***].
- 1.71 “**User**” means an individual passenger who uses a personal electronic device to access the 2Ku Connectivity Services on an Installed A/C.
- 1.72 “**Warranty Period**” has the meaning set forth in Section 10.3.
- 1.73 “**Whitelisted Site**” means any data at any URL or IP address that can be accessed by Users (a) from the Portal, (b) through any Delta intranet that requires entry of a Delta-issued password or (c) from any Delta consumer-facing mobile app (but specifically excluding, in each case, any OpApps, as such term is defined in the Statement of Work entered into between the parties dated August 1, 2013 pursuant to the Domestic Agreement, at no charge and without authentication of such User in the purchase path for WiFi Services).
- 1.74 “**WiFi Services**” has the meaning set forth in Section 5.3.1.

2. OVERVIEW OF RELATIONSHIP

- 2.1 **Scope.** This Agreement is for the purchase and sale of the Equipment and Software and Gogo’s performance of the Services, which includes Gogo’s provision of the 2Ku Connectivity Services to Users on board Installed A/C. This Agreement includes the following Exhibits and Addendum, which are incorporated by reference herein:

Exhibit A — Equipment

Exhibit B — Service Level Agreement

Exhibit C-1 — Initial 2Ku Fleet/Installation Schedule

Exhibit C-2 — Current Routes

Exhibit D — Specifications for A/C

Exhibit E — Air Worthiness Agreement

Exhibit F — 2Ku System Definition Document

Exhibit G — Trademarks

Exhibit H – Maintenance Services

Exhibit I– NextGen ATG Description and Development Milestones

Exhibit J – IPTV Description

Exhibit K – Form of Press Release

Addendum 1 - Data Usage Addendum

- 2.2 **Initial 2Ku Fleet.** Subject to the terms and conditions herein, Delta intends to have Equipment installed on at least [***] (the “Committed A/C”). Subject to the terms and conditions herein, Gogo intends to sell to Delta and Delta intends to purchase from Gogo such number of shipsets of the Equipment as are required to install the Equipment on all Committed A/C as well as any other A/C on which Delta elects as of the Effective Date to have the Equipment installed (such A/C, together with the Committed A/C, being referred to herein as the “**Initial 2Ku Fleet**”).
- 2.3 **Additional Fleet Types and Installable Additional 2Ku A/C.** At Delta’s request, the parties will work together to develop an installation schedule and agree upon such other technical requirements as are necessary to deliver and install the Equipment on Fleet Types of A/C that are not part of the Initial 2Ku Fleet (“**Additional Fleet Types**”), with such timing and technical details to be set forth in one or more agreed upon amendments to this Agreement. Such amendment will reflect, *inter alia*, whether the A/C in such Additional Fleet Type(s) are Domestic A/C or International A/C. Gogo will be responsible for all Equipment and related paperwork as required to convert A/C of Additional Fleet Types into Installed A/C, and will use commercially reasonable efforts to complete a Supplemental Type Certificate (“**STC**”) for the applicable A/C as expeditiously as possible after notification by Delta of its intent to add Additional Fleet Types. Upon Delta’s election, Gogo shall perform the Services set forth in this Agreement with respect to Additional Fleet Type A/C pursuant to the terms of this Agreement except as set forth above.
- In addition, upon Delta’s election, Gogo shall perform the Services set forth in this Agreement with respect to additional A/C that are not a part of, but are of the same Fleet Types as those in, the Initial 2Ku Fleet (the “**Existing Fleet Type A/C**”; together with the Additional Fleet Type A/C, the “**Installable Additional 2Ku A/C**”) pursuant to the terms of this Agreement. The tail numbers of such Existing Fleet Type A/C will be added to this Agreement by amendment.
- 2.4 [***]
- 2.5 **Time Frame for Prototype Installation.** Reference is made to the installation schedules for each Fleet Type in the Initial 2Ku Fleet set forth in Exhibit C-1 (as amended from time to time and as qualified by the conditions that are a part of the

schedule, the “**Installation Schedule**”). If Gogo fails for any reason other than Excusable Delay (excluding solely for this purpose actions or inactions of the FAA, the FCC or other regulators (“Regulator Delays”) that delay Certification or Gogo’s ability to obtain Regulatory Approvals) to meet any of the [***] milestones set forth in Exhibit C-1 for the [***] or any of the [***] milestones set forth in Exhibit C-1 for [***] in the 2Ku Initial Fleet, in each case in accordance with the applicable Installation Schedule (each, a “**Failure**”), then Gogo will pay Delta, as liquidated damages for each such Failure, [***] per day of delay, up to a maximum of [***] per Failure for the [***] and [***] per Failure for [***]. The foregoing liquidated damages and Delta’s right to terminate as set forth in Section 11.2.8 shall be Delta’s sole and exclusive remedy for any Failure to the extent such Failure is the result of Regulator Delays. For purposes of clarification, and without otherwise modifying the definition of Excusable Delay, the parties agree that if Delta fails to respond to Gogo’s reasonable request for approval or input related to the Antenna Location Project within seven days of the request, each of the [***] milestone dates for [***] shall be extended on a day for day basis.

2.6 [***].

2.6.1

2.7 **Delta Options.**

2.7.1 **NextGen ATG.** Gogo is in the process of developing NextGen ATG. Gogo has provided to Delta certain milestones that reflect Gogo’s current assessment of the schedule upon which it will develop and implement NextGen ATG and such milestones are set forth in Exhibit I. [***]

2.7.2 **Conversion of Business Model.** If requested by Delta, the parties shall meet and discuss in good faith an amendment of this Agreement from the “retail model” contemplated by this Agreement to an “airline directed model” under which, in general terms, Gogo will provide services that enable Users to access 2Ku Connectivity Services on a wholesale pricing basis to Delta (which shall be subject to Section 9.10), but the merchandising and pricing of the 2Ku Connectivity Services to Users will be provided and determined by Delta.

2.7.3 **IPTV.** All Delta aircraft equipped with wifi connectivity services (including those equipped under the Domestic Agreement and International Agreement) have the capability to receive and broadcast internet protocol television, as further described in Exhibit J (“IPTV”). [***]

3. **EQUIPMENT**

3.1 **Equipment for Installation on A/C.** Gogo agrees to sell and deliver to Delta, and Delta agrees to purchase and accept from Gogo under this Agreement, the number of shipsets of the Equipment as required by and in accordance with the terms of this Agreement (including any replacement shipsets that may be required by Delta) at a price of [***] per shipset, excluding Taxes (as defined below). This shipset price shall remain fixed and valid for: (a) all Equipment orders placed by Delta prior to [***], for installation on aircraft that are or are scheduled to become Domestic A/C prior to [***]; (b) all Equipment orders placed by Delta after [***] but prior to [***] for installation on aircraft that are or are scheduled to become Domestic A/C after [***] but before [***], and (c) all Equipment orders placed by Delta prior to [***], for installation on aircraft that are or are scheduled to become International A/C prior to [***]; and (d) all Equipment orders placed by Delta after the applicable dates set forth in the immediately preceding subparts (a), (b) and (c) in shipset quantities up to [***] of the then-current aggregate number of Equipment shipsets that have been

purchased for each Fleet Type. Where Equipment shipset pricing is not fixed as set forth above, Gogo will sell such Equipment shipsets to Delta at Gogo's cost and without markup. If Delta elects to add Airbus A350 Fleet Type as an Additional Fleet Type under this Agreement (the "**A350 Fleet Type**"), Gogo will provide Delta with a [***]. Gogo shall make each shipset of Equipment operational, in accordance with the Specifications and the Certification, on each A/C on which it is to be installed. After the Effective Date, Equipment may be added or deleted by amendment of appropriate Exhibits hereto.

Gogo will use commercially reasonable efforts to have shipsets available on dock for installation on the Initial 2Ku Fleet according to the applicable Installation Schedule. If Gogo fails for any reason other than Excusable Delay to have the Equipment shipset for the appropriate Fleet Type available on dock for installation in accordance with the Installation Schedule for any A/C that is part of the Initial 2Ku Fleet, then [***].

3.2 [***]

3.3 **Specifications.** The Equipment and Software will be built and maintained to meet the functional, performance, operational, compatibility and other specifications and technical requirements described in the applicable Documentation (which includes the 2Ku System Definition Document attached hereto as Exhibit F) and in the Equipment Specifications set forth in Exhibit D, which may be revised from time to time by mutual agreement as required to obtain Certification or to provide the 2Ku Connectivity Services in accordance with the terms of this Agreement (the "**Specifications**"). Notwithstanding anything to the contrary contained herein, in the event that Gogo requests Delta's approval of revised Specifications in order to obtain Certification, Delta's approval will not be unreasonably withheld. The power requirements and weight for each Line Replaceable Unit ("**LRU**") as delivered shall not exceed the amounts set forth in Exhibit D, and the total weight of all Components, including the LRUs, may not exceed by more than [***] in the aggregate the "Total" weight listed in Exhibit D or such other limits for the LRUs and other components as agreed upon by the parties in the event Delta or Gogo requests 2Ku System modifications. The Equipment shall function as an integral component of the 2Ku System in accordance with the Specifications.

3.4 **Documentation and Software.**

3.4.1 **2Ku Connectivity Services Documentation.** Gogo shall provide documents, operating, maintenance and user manuals, training materials, product descriptions, guides, drawings, Specifications and other information (the "**Documentation**") that are referenced by Delta's FAA approved maintenance program or Delta otherwise reasonably requests or requires.

3.4.2 **2Ku System Definition Document.** A high-level description of the 2Ku System is set forth in Exhibit F.

3.4.3 **License and Restrictions.** During the Term and subject to the terms of this Agreement, Delta shall have the non-exclusive, royalty-free right to use the Software as embedded in the Equipment, and use and duplicate the Documentation, solely as necessary to test, install, maintain and use the Equipment on the Installed A/C in connection with the 2Ku Connectivity Services. Except as set forth above or with Gogo's prior written consent, Delta shall not modify, alter or reproduce the Software, Documentation or similar items provided by Gogo to Delta, nor remove, alter, cover or obfuscate any copyright notices or other proprietary rights notices included therein, nor reverse engineer, decompile or disassemble the Software.

- 3.4.4 **Third Party Documentation.** As soon as practical following the Effective Date, Gogo shall request all necessary technical documentation from the manufacturer and/or designer of components of the Installed A/C with which the Equipment and Software will interface, including but not limited to, aircraft wiring data (“**Third Party Documentation**”). Gogo shall enter into such confidentiality agreements as are reasonably required by such manufacturer and/or designer in order to obtain such documentation. In the event that Gogo is not successful in obtaining the Third Party Documentation and such event may adversely impact the Program schedule, Gogo shall promptly notify Delta and Delta will provide reasonable assistance to Gogo in obtaining such documentation at no cost to Gogo if possible. If despite such efforts payment is required for the Third Party Documentation, such costs will be borne by Gogo.
- 3.4.5 **No Other License.** The terms of this Agreement shall govern the use of the Software and Documentation and any other terms or conditions of any license agreements delivered in or with the Equipment shall be void and of no effect.
- 3.5 **Certification.** [***]
- 3.6 **Installation Test Plan.** An installation test plan (the “**Installation Test Plan**”) will be developed by Gogo and provided to Delta for approval, which approval will not be unreasonably withheld. Gogo shall deliver the Installation Test Plan to Delta not later than thirty (30) days prior to the first scheduled installation of the Equipment on the A/C.
- 3.7 **Deinstallation.** [***]
- 3.8 **Purchase Orders for Equipment.** Delta will place purchase orders (“**Purchase Orders**”) with Gogo via confirmed facsimile or electronic transmission for the Equipment specifying (a) the quantity of units of each shipset and/or Component ordered; (b) the per unit price for each shipset and/or Component; (c) requested delivery dates; (d) point of delivery (“**Designated Destination**”); (e) the A/C on which the Equipment will be installed; (f) any special requirements relating to the order; and (g) a Purchase Order number and date. In the event a Purchase Order contains additional or different terms and conditions than those set forth herein, the terms and conditions of this Agreement shall control, notwithstanding a statement to the contrary therein. All Purchase Orders for Equipment and/or Software shall reference and are governed by the terms of this Agreement.
- 3.8.1 **Order Acceptance.** Within [***] business days after Gogo’s receipt of a Purchase Order for Equipment, Gogo will acknowledge receipt and either (a) accept it by (i) signing the Purchase Order in the space provided thereon and returning it to Delta via return mail or confirmed facsimile, or (ii) (in the case of e-mail transmissions) by sending an electronic acknowledgement of acceptance or (b) reject the Purchase Order in writing, providing reasons for such rejection, via the same methods permitted for acceptance. Gogo will accept all Purchase Orders that specify delivery dates consistent with the applicable Lead Time for the Equipment ordered as set forth in Exhibit A.
- 3.8.2 **Lead Times.** Lead Times for the Equipment are as set forth in Exhibit A, which Lead Times may be revised by mutual agreement of the parties from time to time or for an Excusable Delay.
- 3.8.3 **Cancellation Charges.** If Delta cancels a Purchase Order, in whole or in part, there will be no cancellation charges imposed by Gogo if Delta provides written notice of cancellation at least [***] prior to the scheduled

delivery date. For canceled Purchase Orders as to which Delta fails to provide such timely notice, (i) Gogo will use commercially reasonable efforts to dispose of the Components acquired by Gogo to fulfill the cancelled portion of such Purchase Order (the “**Excess Components**”) in a manner that mitigates liability for such Excess Components to the extent reasonably possible and (ii) if, within [***] after the date of cancellation, despite such efforts, Gogo is unable to dispose of the Excess Components, Delta will reimburse Gogo for (A) the actual costs paid by Gogo for the remaining Excess Components and (B) any restocking fees or similar charges actually charged by suppliers for return of Excess Components. Delta shall own and retain title to any Excess Components for which it has paid Gogo in accordance with the immediately preceding clause (A).

3.9 **Packing, Shipping and Delivery of Equipment**

3.9.1 **Packing and Marking**. Gogo shall affix to each shipset some marking that displays the model number, serial number (if applicable) and date of final assembly thereof. With each shipment, Gogo will include a packing list indicating the Equipment contained in such shipment by serial number and listing the date of shipment, and (a) the quantity of units of each shipset and/or Component; (b) the per unit price for each shipset and/or Component; (c) requested delivery dates; (d) Designated Destination; (e) the A/C on which the Equipment will be installed; (f) any special requirements relating to the order; and (g) a Purchase Order number and date. Each shipset shall include part numbers for the Components within such shipset. Equipment that is not serial number tracked shall be designated, on the packing list, by description and quantity.

3.9.2 **Shipping**. All shipments will be packaged in accordance with current ATA Specification 300 Category III and made pursuant to Delta’s Routing Guide, which can currently be found at www.delta.com/ship. Title and risk of loss shall pass from Gogo to Delta when Gogo delivers the shipment to the shipping carrier. Delta shall be responsible for (and shall provide Gogo with proof of) insurance coverage on the Shipsets shipped, and shall pay freight costs (which shall be included on the invoice) associated with shipping the shipsets to the Designated Destination.

3.10 **Inspection and Acceptance of Equipment**

3.10.1 **Inspection and Acceptance**. Upon receipt of the Equipment at the Designated Destination, Delta shall visually inspect the Equipment to ensure receipt of all Components in a physically undamaged condition. Delta shall notify Gogo of any discrepancies therein within thirty (30) days following receipt thereof (the “**Return Period**”). Unless Delta notifies Gogo of a discrepancy within such period, Delta’s acceptance of any Equipment and/or Software shall be deemed to have been made upon receipt. Nothing herein shall, however, be construed to limit the warranty provisions of this Agreement.

3.10.2 **Remedies**. Gogo shall accept for return any Equipment that Delta reasonably determines to be defective during the Return Period. Unless otherwise agreed, Delta agrees to ship any defective Equipment to Gogo, at Gogo’s sole risk and expense, in accordance with a mutually agreed upon process. For returned Equipment, Delta shall include on the outside packaging a return materials authorization (“**RMA**”) number to be obtained by Delta from Gogo. Gogo will issue Delta the RMA number within five (5) business days of the receipt of such request from Delta. Gogo will, at its option and cost, promptly repair the nonconformities or replace the nonconforming Equipment as expeditiously as possible.

4. **DESIGN CHANGES**

4.1 **Mandatory Changes.** In the event Gogo must change the Specifications to help correct a safety or reliability problem, to obtain or maintain Certification, or to ensure conformance with any applicable law or regulation (“**Mandatory Change**”), Gogo will immediately submit a Design Change Form to Delta identifying the consequences of implementing such Mandatory Change, including (i) proposed changes to the Equipment and/or Software; and (ii) the amount of time required to implement such change. Upon Delta’s approval, which will not be unreasonably withheld or delayed, Gogo will at its expense promptly make the agreed upon change and complete all other requisite work as appropriate in all Equipment. The applicable Specifications shall be construed as incorporating the Mandatory Change.

4.2 [***]

4.3 **Improvements.** Gogo may from time to time upgrade or improve the 2Ku System to employ new technology or to otherwise enhance the functionality and/or reliability of the 2Ku Connectivity Services and the User’s experience. In the event that Gogo offers to any general commercial airline 2Ku Connectivity Services on flights that have any material services not part of the 2Ku Connectivity Services then available on Delta’s flights or materially enhanced functionality or reliability as compared to the 2Ku Connectivity Services then available on Delta’s flights, and Delta requests such service, functionality or reliability, within a reasonable period of time Gogo will upgrade or replace the Equipment on the Installed A/C at a mutually agreed upon cost to Delta, [***], such that the 2Ku System provided hereunder includes such additional service, functionality or reliability.

5. **SERVICES**

5.1 **Gogo to Provide.** Gogo shall provide the Services described in this Section under the terms and conditions of this Agreement. Gogo agrees to furnish all labor, supervision, tools, equipment, parts and materials required to perform the Services. Gogo shall perform the Services in a good and workmanlike manner, with due professional care, in accordance with the schedules and other performance metrics and criteria set forth herein and in any SOW hereunder.

5.2 **Equipment-Related Services.**

5.2.1 **Installation.** [***]

5.2.1.1 **Initial 2Ku Fleet.**

Promptly after Delta’s notice to Gogo that Gogo is to perform installation services, the parties shall work together in good faith to determine the installation site, delivery date, delivery location, and installation start and end dates (collectively, the “**Installation Details**”) for each tail number of the Initial 2Ku Fleet, provided that the Installation Details shall be consistent with the Installation Schedule and this Section 5.2.1.1. [***] Once the Installation Details are completed, they shall become a part of the Installation Schedule.

5.2.1.2 **Additional Fleet Types.** For any Additional Fleet Types, the parties will mutually agree upon the Installation Details. If requested by Delta, Gogo will provide, for the Additional Fleet Types, the installation, training and support services set forth in this Agreement for the Initial 2Ku Fleet.

5.2.1.3 **Completion.** Installation of Equipment for each A/C shall be deemed to be complete at such time as appropriate entries have been made by authorized Gogo and Delta personnel in the maintenance log book for such A/C certifying that the Equipment has passed the Installation Test Plan and the installation was made in accordance with all Regulatory Approvals. Compliance with the Installation Test Plan shall not be deemed a waiver of any warranty or other rights provided for in this Agreement.

In the event that Gogo fails to complete any installation of Equipment on any Production A/C within [***], upon Delta's request, Gogo or its contractor will, if technically feasible and if permissible under all applicable laws, rules, regulations, Certifications and orders of regulatory agencies, "close up" its installation work and resume installation at a subsequent time in order to prevent the A/C from being out of service. Thereafter, Delta will use commercially reasonable efforts to make the "closed up" A/C available for completion of installation at a mutually agreed upon time.

5.2.1.4 **Installation Credit.** [***]

5.2.2 **Prototype Installations Performed by Gogo.** Gogo and Delta will coordinate to arrange a mutually convenient date that each Prototype A/C will be taken out of service and made available to Gogo for installation and Certification activity (the "**Out of Service Date**"), taking into account the overall installation program, and such factors as A/C availability from Delta and engineering and installation crew availability from Gogo, among other factors. [***] Commencing on the Out of Service Date, Gogo shall properly install the Equipment on the Prototype A/C in accordance with all the requirements of the Agreement and obtain all required Certifications and Regulatory Approvals necessary so that the Prototype A/C may be returned to revenue service ("**Return to Service**") within [***] of the Out of Service Date or, if mutually agreed by the parties, in accordance with another schedule. The schedule shall be extended on account of work that Delta needs to accomplish on the Prototype A/C while Gogo performs its required installation and certification activity, if and only to the extent that the work Delta needs to accomplish will delay or interfere with Gogo's activities. The schedule is also subject to extension on a day for day basis due to any Excusable Delays. Gogo will pay Delta liquidated damages of \$[***] per day, up to an aggregate maximum amount equal to the amount to be paid by Delta (including through use of any credits) for the Equipment installed on the applicable Prototype A/C, for each day that Return to Service is delayed beyond [***] (or any mutually agreed schedule other than [***]) after the Out of Service Date (the "**Prototype Credit**"). The parties agree that it is difficult or impossible to determine the damages that Delta will suffer in the event of such a delay, and that the Prototype Credits are not a penalty but a fair and reasonable estimate of the damages that would result from such delay.

5.2.3 **Ongoing Maintenance, Training and Support.** [***]

5.2.4 **Certification.** [***]

2Ku Connectivity Services.

- 5.3.1 **Description.** A 2Ku System Definition Document (“SDD”) that defines the functionality of the 2Ku Connectivity Services, as well as the Equipment and Software within the 2Ku System, is incorporated into this Agreement as Exhibit F. At Revenue Launch, Gogo will offer in-flight wireless Internet connectivity for Users using laptop computers and personal electronic devices (“PEDs”) with Wi-Fi capability, using the 2Ku System (the “WiFi Services”). The WiFi Services will permit the User to, among other things, access email, instant messaging, text messaging, access to virtual private networks and Internet browsing.
- 5.3.2 **IFE and Passenger Voice Communication.** Gogo acknowledges that Delta has or may have IFE systems from other providers installed on the Installed A/C, and Delta agrees that the location of such equipment will not prevent installation of the Equipment on such A/C in accordance with the Specifications. If the normal operation of the Equipment is substantially affected by IFE equipment subsequently installed by a third party, Delta and Gogo will work together in good faith to ensure that the third party resolves any conflicts. The parties agree that passenger voice services are not provided by Gogo under this Agreement. If either party requests the provision of passenger voice services as a part of this Agreement, the parties agree to discuss in good faith appropriate terms and conditions.
- 5.3.3 **Service Levels.** Gogo will provide the Equipment and 2Ku Connectivity Services in accordance with the Service Levels.
- 5.3.4 **User Fees.** [***].
- 5.3.5 **PCI Compliance.** Gogo shall comply with and shall have a program to assure Gogo’s continued compliance with, or enter into an agreement with a third party provider of payment processing services that ensures compliance with, the Payment Card Industry Data Security Standards (“PCI DSS”) published by the PCI Security Standards Council, as the PCI DSS may be amended, supplemented, or replaced from time to time, and as applicable to the transactions processed via the 2Ku Connectivity Services. Gogo shall report in writing to Delta, at a minimum annually, proof of such compliance with the PCI DSS. If Gogo becomes aware that Gogo or its service provider is not, or will not likely be, in compliance with PCI DSS for any reason, Gogo will promptly report in writing to Delta the non-compliance or likely non-compliance.

5.4

VOIP and Other Prohibited Applications. Within five (5) business days following any date on which Gogo becomes aware that Users are using Voice over Internet Protocol, Internet telephony or similar services (“VOIP”) through the 2Ku Connectivity Services on Installed A/C, provided it is feasible to do so on a commercially reasonable basis and does not materially deteriorate the User experience or Service Levels, Gogo will at its expense either revise the 2Ku System to block the method for such VOIP use of which Gogo is aware, or develop and present to Delta a plan and timetable for blocking such VOIP use as expeditiously as is possible. In the event that Delta requests that Gogo block other applications or websites, to the extent it is technically feasible and does not materially deteriorate the User experience or Service Levels, Gogo will, within a reasonable period following such request, develop and present to Delta a plan and timetable for blocking such applications and/or websites as well as an estimate of associated costs. Delta will reimburse Gogo for the reasonable expense of developing such a plan. Notwithstanding anything to the contrary contained herein, (i) Gogo shall not be required to block any application (including VOIP) or website if Gogo reasonably believes that such blocking could

cause Gogo to violate the Communications Act of 1934, any rule or regulation promulgated by the FCC or any other law, rule or regulation applicable to Gogo or its business; and (ii) Delta shall be solely responsible for determining what applications (other than VOIP) and/or websites are to be blocked.

5.5 **Data.** Data in the 2Ku System, in the Gogo Access Section (not including the Delta Portal) and in the Gogo Portal will not be collected, transported, stored or delivered using any Delta hardware, software, equipment or other devices, and Delta will not have access to or control over the data. As between the parties, Gogo shall be solely responsible for the proper collection, processing, storage, transport, use and delivery of all data input into the 2Ku System (other than parts of the Delta Portal) and the Gogo Portal by Users, internet service providers or other third parties; and Delta shall be solely responsible for the proper collection, processing, storage, transport, use and delivery of all data input into the Delta Portal, but not the other parts of the 2Ku System, by Users, internet service providers or other third parties.

5.6 **Compliance with Laws and Certification.**

5.6.1 With respect to its obligations under this Agreement, Gogo shall comply, and shall cause the 2Ku Connectivity Services to comply with, all applicable U.S. laws and regulations, including without limitation privacy laws and CALEA (Communications Assistance for Law Enforcement Act), and shall obtain the Regulatory Approvals. Delta will cooperate with Gogo, at no charge other than out-of-pocket expenses, in all manner reasonably necessary for Gogo to perform its obligations under the preceding sentence. Delta will also provide Gogo, at no charge, with access to the Installed A/C and such assistance as Gogo reasonably requests to obtain and maintain Certification of the Equipment and 2Ku Connectivity Services, provided such access shall not unreasonably interfere with Delta's operations.

5.6.2 In addition, Gogo shall be responsible for compliance of the 2Ku Connectivity Services with all applicable non-U.S. laws and regulations, and shall obtain any approvals that are required in other countries or regions, to enable the provision of 2Ku Connectivity Services on Installed A/C operating in such countries or regions ("**Non-U.S. Compliance Requirements**"). Notwithstanding anything to the contrary contained herein, Gogo shall not be in breach of this section 5.6.2 solely as a result of (i) its failure to obtain approvals for providing 2Ku Connectivity Services on the ground in any country or region unless such approval has been granted to another aeronautical Ku provider with respect to service on a U.S. based airline and such approval has been in effect for at least 9 months or (ii) its failure to obtain local approvals for providing 2Ku Connectivity Services on the ground in any country as a result of Gogo's refusal to violate applicable laws, rules and regulations.

5.7 [Intentionally Deleted.]

5.8 **Coverage.** [***]

5.9 **Statements of Work.** For any other Services not described herein that Gogo is to perform pursuant to this Agreement, the parties will enter into an SOW. No SOW will be effective unless and until signed by both parties. Gogo agrees to provide Services requested by Delta so long as such Services are of the type provided by Gogo to other customers and agrees to use good faith efforts to negotiate and enter into SOWs with respect to such requested Services. All labor rates set forth in SOWs shall be subject to Section 9.10 of this Agreement.

6. DELTA OBLIGATIONS

- 6.1 **Fleet Availability.** Delta agrees to make A/C available to Gogo at Delta facilities at such times consistent with Delta's maintenance programs and network requirements as Gogo reasonably requests for purposes of Deinstallation, testing, maintenance, and obtaining and maintaining Certification of the Equipment and 2Ku Connectivity Services. Delta agrees to make the Initial 2Ku Fleet available for installation of the Equipment, and testing and Certification of the Equipment and 2Ku Connectivity Services, in accordance with the Installation Schedule. If Delta does not provide to Gogo notice at least [***] prior to a failure by Delta to provide A/C in accordance with the Installation Schedule, not due to an Excusable Delay, then Delta shall pay to Gogo, as Gogo's sole and exclusive remedy for such failure, an amount equal to Gogo's actual documented costs, not to exceed \$[***] per failure, for Gogo's installation crew that was idled as a result of Delta's failure. If an Installed A/C survey is desired by Gogo, Gogo will provide Delta with at least fourteen (14) days prior notice of its desire to perform such aircraft survey. If fourteen (14) days prior notice is not practical under the circumstances, Delta will use commercially reasonable efforts to accommodate Gogo.
- 6.2 **Compliance with Laws and Certification.** With respect to its obligations under this Agreement, Delta shall comply, and shall cause the Delta Portal to comply, with all applicable U.S. laws, rules and regulations, including without limitation privacy laws and CALEA (Communications Assistance for Law Enforcement Act) and all applicable non-U.S. laws. Gogo will cooperate with Delta, at no charge other than out-of-pocket expenses, in all manner reasonably necessary for Delta to perform its obligations under the preceding sentence.
- 6.3 **Engineering.** Delta will make engineering resources reasonably available to Gogo on an agreed-upon schedule to assist with technical A/C and cabin surveys and provide information on existing A/C systems and design-for-maintenance knowledge.
- 6.4 **2Ku Connectivity Services Availability.** Delta agrees to have the Equipment turned on and available at all times (except when turned off by the flight crew as required by the Documentation or for other safety or regulatory reasons) for all passengers on board Installed A/C on all commercial flights for which the 2Ku Connectivity Services are available; [***].
- 6.5 **Information Sharing.** Delta will provide Gogo with information regarding its Load Factor no less frequently than monthly, as well as such additional information as Gogo reasonably requests and Delta can reasonably provide (subject to third party confidentiality obligations) to improve passenger use of the 2Ku Connectivity Services and revenue generation.

7. JOINT MARKETING AND PORTAL

- 7.1 **Initiatives.** The parties will cooperate in developing and implementing joint and separate initiatives to market, promote and advertise the 2Ku Connectivity Services. Neither party will undertake any material promotion without obtaining the written approval of the other party (the term "promotion" for this purpose includes, without limitation, offering 2Ku Connectivity Services for free or at discounted test or promotional rates).
- 7.2 **Publicity.** No later than February 25, 2015, the parties agree to make a public announcement in the form attached hereto as Exhibit K. Except as set forth above, neither party will, without the other party's prior written consent in each instance, (a) use in advertising, publicity or marketing communications of any kind the name or other trademarks of the other party or any of its Affiliates, or any employee of either, or (b) represent, directly or indirectly, that any product or service provided by a party has been approved or endorsed by the other party or any of its Affiliates.

- 7.3 **Promotions.** In addition to general promotion of the 2Ku Connectivity Services, Gogo and Delta will work together to develop promotional plans targeted at Delta's premium passengers and other targeted groups. [***].
- 7.4 **Portal.**
- 7.4.1 [Reserved].
- 7.4.2 **Delta Portal.** The parties agree and acknowledge that unless and until Delta elects to revert to the Gogo Portal as permitted by Section 1 of Exhibit A to the Portal SOW, the Delta Portal shall be in effect throughout the Term. [***]
- 7.4.3 **Advertising.**
- (a) Each party will use commercially reasonable efforts to support the sale of online advertising that will appear on the Delta Portal. Specifically, (i) Gogo and Delta will continue to sell advertising for the Portal and (ii) Delta's design for the Delta Portal will include IAB standard advertising units (the "Ad Units") in mutually-agreed upon locations that will be determined once the Delta Portal design is established.
- (b) [***]
- (c) [***]
- 7.4.4 **Terms of Use and Privacy.** Gogo shall be responsible for the Terms of Use and Privacy Policy for the 2Ku Connectivity Services and with respect to the Gogo Portal. Delta shall be responsible for the Terms of Use and Privacy Policy with respect to the Delta Portal. Each party shall promptly provide the other with copies of any legal notices delivered to it that may result in liability to the other party.
- [***]
- [***]

- 7.5 **Whitelisted Sites.** [***]

8. **PROJECT ADMINISTRATION**

- 8.1 **Program Managers.** Gogo and Delta will each provide a dedicated program manager and such other human resources, including resources onsite at certain locations at certain times, as may reasonably be required to achieve the Program plan and schedule.
- 8.2 **Meetings.** The parties agree to participate in regular meetings with the appropriate personnel. Unless otherwise mutually agreed, Program reviews will be held every month during the installation of the Equipment.
- 8.3 **Cooperation.** The parties shall cooperate with one another in connection with the Program, including, without limitation, by each providing the other with reasonable and timely access to appropriate and accurate data (without independent verification thereof), information and personnel. Each party shall be responsible for, and shall use reasonable commercial efforts to remedy, its own failure in such regard.

- 8.4 **Program Reports.** The parties will provide Program reports (“Reports”) to one another on a regular basis to keep one another informed of the status of the Program and the Services in a timely manner. The parties will mutually agree upon the information to be included in, and format of, the Reports.
- 8.5 **Employees and Subcontractors of Gogo**
- 8.5.1 Gogo may utilize the services of subcontractors in the provision of the Equipment or performance of the Services. Gogo’s engagement of subcontractors will not relieve Gogo of its responsibility and obligation under this Agreement to perform fully in accordance with its terms.
- 8.5.2 Gogo shall provide the names and job responsibilities of all applicable individuals providing installation support or other Services on Delta’s aircraft or premises, whether employees, subcontractors or employees of subcontractors. Notwithstanding anything in this Agreement to the contrary, all personnel providing any of the Services under this Agreement on behalf of Gogo, whether employees, subcontractors or employees of subcontractors, shall comply with Delta’s technical operations policies and procedures, a copy of the relevant portions of which Delta shall provide to Gogo in advance and from time to time as updated.
- 8.5.3 Gogo shall pay, and hereby accepts full and exclusive liability for the payment of, any and all contributions and taxes for and on account of unemployment compensation, disability insurance, old age pension, or annuities, and all similar payments or contributions now or hereafter imposed by any Federal, state, or local governmental authority, with respect to or measured by wages, salaries, or other compensation paid by Gogo to persons employed or retained by Gogo or its contractors; and Gogo further agrees to indemnify and save Delta and its Affiliates harmless from and against any and all such liability or claims.
- 8.5.4 All Services shall be furnished by Gogo as an independent contractor. Subject to Sections 8.5.5 and 8.5.6, Gogo shall determine how to staff the Services under this Agreement. Under no circumstance shall any Gogo personnel utilized by Gogo to perform the Services be deemed employees of Delta. Delta and Gogo are not joint employers for any purpose under this Agreement.
- 8.5.5 If any of the individuals whose names have been provided to Delta under Section 8.5.2 of this Agreement appears on the Transportation Security Administration Watchlist, Gogo shall, upon written notice of Delta, promptly remove the individual from performing Services on the A/C.
- 8.5.6 All individuals providing installation/Deinstallation support or other Services on Delta’s aircraft or premises shall comply with the airworthiness requirements set forth in Exhibit E, which may be updated by Delta from time to time upon providing written notice to Gogo. If any such individual is unacceptable to Delta for any lawful, commercially-reasonable reason, Delta shall notify Gogo in writing and Gogo shall promptly remove the named individual from performing such work or Services. Gogo shall, if requested by Delta, promptly provide a replacement with equal or better qualifications and skills to continue such work or Services at no increase in cost to Delta, within an agreed upon time.
- 8.6 **Work on Delta’s Premises; Safety; Security.** To the extent that any Services are performed on Delta’s premises, Gogo shall conduct the Services in such a manner that the work does not unreasonably interfere with the operation of other Delta

business conducted on the premises. Gogo shall confine all equipment, apparatus, materials and operations to limits reasonably indicated by the proper representative of Delta, and Gogo shall not unnecessarily encumber the premises with materials. Gogo shall strictly comply with all of Delta's work and safety rules, as communicated to Gogo by Delta from time to time, and as the same may be updated and amended by Delta from time to time and communicated to Gogo. By requiring compliance therewith, Delta does not assume, abrogate, or undertake to discharge any duty or responsibility of Gogo to its employees and its subcontractors' employees or other person. Gogo is solely responsible for ensuring that its employees, its subcontractors, and their subcontractors and employees will perform all Services in a safe manner and in accordance with all applicable safety laws and regulations, including without limitation the FAA's substance abuse policies. Gogo and all individuals performing Services on Gogo's behalf, whether employees, subcontractors or employees of subcontractors, shall fully comply, at Gogo's expense, with any applicable security rules or procedures of any airport or authorities or governmental authorities, including the acquisition and display of any required badges, other credentials or security clearances.

8.7 [***]

9. FEES

9.1 **Revenue Share for 2Ku Connectivity Services.** Gogo will pay Delta [***] of Connectivity Revenue (the "**Delta Connectivity Revenue Share**").

9.2 **[Intentionally Deleted.]**

9.3 **Sponsorships.** For any Sponsorship conducted on one or more Installed A/C, Baseline Revenue will be allocated [***].

9.4 **Portal Revenue.** During any period in which the Gogo Portal is in effect, Portal Revenue will be allocated [***].

9.5 **Usage Fee.** All Delta data usage will be governed by the Data Usage Agreement.

9.6 **[Intentionally Deleted.]**

9.7 **Extended Warranty Fee.** If Delta elects to extend the Warranty Period for any one or more Installed A/C pursuant to Section 10.3 below, Delta will pay Gogo the applicable Extended Warranty Fee for such Installed A/C.

9.8 **Invoices and Payment.** All amounts shall be payable in U.S. Dollars.

9.8.1 **By Delta.** Payment by Delta for Equipment shall be made net forty-five (45) days from the date of issuance of Gogo's invoice therefor, which issuance shall not precede shipment of the Equipment. Payment by Delta for the Extended Warranty Fee, Per Diem Rate (if applicable), liquidated damages and equipment price adjustments pursuant to Section 2.6 (if applicable) and any Services shall be made net forty-five (45) days from the date of issuance of Gogo's invoice therefor. Gogo's share of Portal Revenue and Sponsorship Revenue collected by Delta will be calculated on a calendar quarter basis and paid to Gogo within forty-five (45) days of the end of the calendar quarter in which Delta collected such revenue. In the event that Delta in good faith disputes any invoiced amount(s), then within forty-five (45) days following issuance of the invoice, Delta will notify Gogo in writing of the disputed amount(s) and submit payment for all undisputed amounts in accordance with this Section 9.8.1, and Delta's nonpayment of such disputed amounts pending resolution will not constitute a breach by Delta of

this Agreement. The unpaid disputed amount(s) will be resolved by mutual negotiations of the parties. Invoices to Delta hereunder shall be sent by Gogo using Delta's electronic invoicing system.

9.8.2 **By Gogo.** All amounts payable to Delta shall be paid via credit or by wire transfer or electronic payment through the Automated Clearing House to Delta's depository bank at the following address:

Invoices to Gogo should be sent by Delta to the following address:

Gogo LLC
Attn: Accounts Receivable
1250 N. Arlington Heights Road, Suite 500
Itasca, IL 60143

9.9 **Taxes.**

9.9.1 "Tax" or, collectively, "Taxes," means any and all sales, use, excise, value added and other similar taxes levied or imposed by any Federal, state, local or foreign taxing authority, together with all interest, penalties and additions imposed with respect to such amounts.

9.9.2 Gogo shall be responsible for, and hereby accepts full and exclusive liability for the payment of, Taxes arising out of or in connection with the performance of this Agreement; provided, however, that Delta shall pay, and hereby accepts full and exclusive liability for the payment of, Taxes levied, imposed or assessed in connection with the Extended Warranty Fee and Taxes levied, imposed or assessed in connection with the delivery, ownership, transfer, use, possession or return of the Equipment.

9.9.3 In connection with the performance of this Agreement, each party shall pay, and hereby accepts full and exclusive liability for the payment of, its own Taxes levied, imposed or assessed on its gross receipts, income, profits, capital or net worth.

9.9.4 If a claim is made against either party for Taxes with respect to which other party is liable for a payment hereunder, the party receiving such claim shall promptly notify the other party of such claim; provided however, that failure to give notice will not relieve the other party of its obligations hereunder, unless and except to the extent that (i) such failure increases the amount for which the other party would have been liable in the absence of such failure, or (ii) such failure results in the imposition of, or an increase in the amount of, any penalty or interest which is the subject of such claim. The other party may, in good faith, with due diligence and at its expense, contest the validity, applicability, or amount of such Taxes. Unless otherwise permitted by law or by agreement of the parties, the party against whom the claim was made will coordinate such contest, and such party shall make good faith efforts to contest such claim in cooperation with the other party and in accordance with the other party's reasonable requests and directions. If either party receives any refund of a Tax for which the other party has provided payment hereunder, that party shall promptly, but in any event within thirty (30) days of receipt of such refund, remit such refund to the other party, together with any interest refunded on such amount.

9.10 [***]

Audit.

9.11.1

By Delta. Gogo shall keep full and accurate records in connection with providing the Equipment, Software and Services and any revenue sharing obligations, and shall make each such record available for audit by an auditor selected by Delta in accordance with this Section 9.11.1 for a period of [***] from the date on which the record is created; provided, however, such auditor shall not be entitled to access any information that Gogo may not disclose pursuant to confidentiality obligations to any third party. Any such audit may be conducted no more than once per year (other than audits of Gogo's compliance with Section 9.10) upon reasonable advance written notice and in a manner that minimizes disruption of Gogo's business, at Delta's expense by a leading public accounting firm appointed by Delta and approved by Gogo, such approval not to be unreasonably delayed or withheld. Any such auditor shall agree, in a writing reasonably satisfactory to Gogo, to maintain the confidentiality of all information disclosed pursuant to such audit. Notwithstanding anything to the contrary contained herein, with respect to Gogo's compliance with Section 9.10, Delta may cause an audit to be conducted if, once Gogo provides certification affirming Gogo's compliance with Section 9.10, Delta has reason to doubt the accuracy of such certification (in which case the expenses will be borne by Delta if the audit confirms Gogo's compliance and by Gogo if Gogo is found not to be in compliance). With respect to any audit of Section 9.10, the auditor shall, subject to appropriate confidentiality agreements, have access to information regarding Gogo's arrangements with other airlines but the report delivered by such auditor to Delta shall be drafted in a way that preserves the anonymity of other Gogo airline partners.

9.11.2

By Gogo. Delta shall keep full and accurate records related to installation and repair of all Equipment by Delta, the Take Rate and any revenue sharing obligations, and shall make each such record available for audit by an auditor selected by Gogo in accordance with this Section 9.11.2 for a period of [***] from the date on which the record is created; provided, however, such auditor shall not be entitled to access any information that Gogo may not disclose pursuant to confidentiality obligations to any third party. Any such audit may be conducted no more than once per year upon reasonable advance written notice and in a manner that minimizes disruption of Delta's business, at Gogo's expense by a leading public accounting firm appointed by Gogo and approved by Delta, such approval not to be unreasonably delayed or withheld. Any such auditor shall agree, in a writing reasonably satisfactory to Delta, to maintain the confidentiality of all information disclosed pursuant to such audit.

10. WARRANTY

10.1

General Representations and Warranties.

10.1.1

Each party hereby represents and warrants to the other party the following:

10.1.1.1 Such party is duly organized and validly existing and has the power and authority to execute and deliver, and to perform its obligations under, this Agreement.

10.1.1.2 Such party's execution and delivery of this Agreement and performance of its obligations hereunder have been and remain duly authorized by all necessary action, do not require any approval or consent of equityholders (or if such approval is required, such approval has been

obtained), do not require the approval or consent of any court or governmental agency or authority other than as specifically provided herein, and do not contravene any provision of its certificate of incorporation or by-laws (or equivalent documents) or any law, regulation or contractual restriction binding on or affecting it or its property except as expressly set forth herein.

10.1.1.3 This Agreement is such party's legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

10.1.2 Gogo hereby represents and warrants to Delta the following:

10.1.2.1 All Equipment and Software provided hereunder will be new unless otherwise specified, be free from all liens or encumbrances granted or created by Gogo, be free from defects in materials, design and workmanship, be designed for use in the A/C environment and be fit for its intended purpose, including architecture, selection of materials, engineering and process of manufacture.

10.1.2.2 At all times during the Term, the 2Ku System and Gogo Portal will comply with all applicable laws, rules and regulations, including without limitation, all FAA orders or regulations and those of any other United States or international regulatory agency or body having jurisdiction over the 2Ku System and Portal.

10.1.2.3 Gogo will be responsible for obtaining and maintaining all Regulatory Approvals required to operate the 2Ku System and the Gogo Portal and perform the Services during the Term.

10.1.2.4 At all times during the Term, the Services will be performed in a professional and workman-like manner consistent with industry standards, and the personnel used to provide the Services are properly licensed and qualified and have the skill, experience and knowledge necessary to carry out the tasks allocated to them.

10.1.3 Delta hereby represents and warrants to Gogo the following:

10.1.3.1 At all times during the Term, the Delta Portal will comply with all applicable laws, rules and regulations, including without limitation, all FAA orders or regulations and those of any other United States or international regulatory agency or body having jurisdiction over the Portal.

10.1.3.2 Delta will be responsible for obtaining and maintaining all Regulatory Approvals required to operate the Delta Portal during the Term.

10.2 **Product Warranties**. Gogo warrants that:

10.2.1 At all times during the Term, all Equipment and Software provided hereunder will be free from material defects in material, workmanship and design.

10.2.2 During the Warranty Period, the Equipment and Software provided hereunder will operate in accordance with the Specifications.

- 10.3 **Warranty Period.** Delta shall have the right to perform Extended Warranty Touch Labor itself or through the use of third parties, in accordance with Delta's component maintenance manual, provided that such Delta component maintenance manual is materially consistent with Gogo's maintenance manual. Notwithstanding any requirements in Gogo's maintenance manual, Delta shall have the right procure replacement components and parts from a third party with the exception of the components and parts set forth in Exhibit A. [***]
- 10.4 **Conditions.** As soon as practicable after learning of any loss or damage of the Equipment and subject to Delta's damage reporting procedures (a copy of which procedures has been provided to Gogo prior to execution of this Agreement), Delta will provide Gogo full details thereof. The warranties set forth in Section 10.2 shall not apply to the extent the Equipment or Software has been subjected to misuse, neglect or accident, or has been modified or tampered with by any party other than Gogo, its service providers, or (if and to the extent authorized by Gogo) Delta.
- 10.5 **Remedies.** In the event of a breach of Section 10.2, Gogo will remove and repair or replace and reinstall the defective Equipment as soon as reasonably possible so that the 2Ku Connectivity Services meet the Service Levels. Provided the defective Equipment was not damaged by a party other than Gogo or its service providers, Gogo shall pay all costs associated with the return, repair or replacement and re-installation thereof. This Section 10.5 sets forth Gogo's sole obligations, and Delta's sole and exclusive remedies, for any breach of the warranties set forth in Section 10.2.
- 10.6 **Disclaimer.** EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY MAKES ANY WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE, OR NONINFRINGEMENT WITH REGARD TO ANY EQUIPMENT, SERVICE OR MATERIALS PROVIDED UNDER THIS AGREEMENT.

11. TERM AND TERMINATION

- 11.1 **Term.** The term of this Agreement shall begin on the Effective Date and shall continue until the earlier of (a) the tenth anniversary of the first Trigger Date and (b) February 28, 2027, unless sooner terminated in accordance with its terms (the "Term").
- 11.2 **Termination for Cause.**
- 11.2.1 Either party may elect to terminate this Agreement if:
- 11.2.2 The other party materially breaches its obligations under this Agreement and, if the breach is curable, fails to cure such breach within sixty (60) days following receipt of notice of such breach; or
- 11.2.3 The other party files a voluntary petition in bankruptcy, is adjudicated as bankrupt or insolvent, files any petition or answer seeking any reorganization, composition, readjustment, liquidation or similar relief for itself under any present or future statute, law or regulation, seeks, consents to or acquiesces in the appointment of any trustee, receiver or liquidator for itself, makes any general assignment for the benefit of creditors, admits in writing its inability to pay its debts generally as they become due, ceases doing business or ceases providing services necessary for operation of the 2Ku System or the Equipment; or

- 11.2.4 If a petition is filed against the other party seeking any reorganization, composition, readjustment, liquidation or similar relief for such party under any present or future statute, law or regulation, which petition remains undismissed or unstayed for an aggregate of thirty (30) days (whether or not consecutive), or if any trustee, receiver or liquidator of either party is appointed, which appointment remains unvacated or unstayed for an aggregate of thirty (30) days (whether or not consecutive); or
- 11.2.5 Any representation or warranty made by either party in Section 10 is incorrect at the time given in any material respect.
- 11.2.6 With respect to each Fleet Type, at any time after the first anniversary of the applicable Trigger Date for such Fleet Type, Delta may elect to terminate this Agreement with respect to such Fleet Type by providing [***] advance written notice to Gogo if the average monthly Take Rate for all Flight Segments on such Fleet Type for any twelve (12) months preceding such notice is less than [***]. Gogo will provide Delta with the number of passengers accessing the 2Ku Connectivity Services on each Flight Segment. During the first year after the Trigger Date for each Fleet Type, Gogo will provide such information to Delta on a weekly basis, and thereafter on a monthly basis. Neither party shall be liable to the other party for any damages arising out of a termination pursuant to this paragraph.
- 11.2.7 With respect to each Fleet Type, if at any time during the Term (A) an in-flight connectivity services provider other than Gogo offers a connectivity service, (B) which provides [***], (C) such that Delta reasonably believes [***], (D) such competitive system is installed and operational on more than [***] commercial aircraft or is otherwise [***], and (E) Delta has completed sourcing processes with respect to the competitive offering at least as rigorous as those undertaken by Delta in evaluating Gogo such that Delta can validate the technology, functionality and feasibility of the competitive offering and provide objective system performance and functionality criteria to Gogo for its use in determining whether it wishes to submit a proposal as contemplated below, then Delta may elect to terminate this Agreement with respect to such Fleet Type by providing at least [***] advance written notice to Gogo. Gogo will have the opportunity to submit a proposal, which proposal will include, without limitation, proposed terms regarding pricing, system functionality and implementation dates, and Delta will in good faith consider such proposal. If Delta reasonably determines that Gogo's proposal is at least as favorable as the competitor's offering with respect to system functionality, user experience and system performance and Delta and Gogo can reach agreement as to pricing, implementation dates and other key terms, this Agreement will be amended to incorporate such additional or replacement offering or functionality and the agreed upon terms. If (i) Gogo declines or fails to submit a proposal to Delta at least [***] prior to the effective date of termination, (ii) Delta reasonably determines that Gogo's proposal is not as favorable as the competitor's offering with respect to system functionality, user experience and system performance, or (iii) Delta and Gogo cannot reach agreement as to pricing, implementation dates and other key terms, this Agreement will terminate as to such Fleet Type per Delta's termination notice. Neither party shall be liable to the other party for any damages arising out of a termination pursuant to this paragraph.
- 11.2.8 If any Failure (as defined in Section 2.5) extends beyond [***], Delta shall have the right to terminate this Agreement with respect to the affected Fleet Type.

- 11.3 **Early Termination by Delta.** Delta may terminate this Agreement in whole but not in part, without cause, at any time following the fifth anniversary of the first Trigger Date. Upon such termination, Delta will pay to Gogo, as Gogo's sole and exclusive remedy for termination under this Section, an amount calculated as follows (the "**Early Termination Fee**"): [***] of the Lost Revenue for the first [***] period between the effective date of termination and the date that is [***] from the first Trigger Date, plus [***] of the Lost Revenue for each subsequent [***] period (if any) until the date that is [***] from the first Trigger Date, minus Any amounts paid by Delta for Delta Funded STCs that were not recovered by Delta pursuant to Section 5.2.4. provided that the amount payable by Delta shall be prorated for any partial twelve (12) month period. The "**Lost Revenue**" shall equal [***] for the [***] immediately preceding the effective date of termination pursuant to this Section 11.3. For example, if the first Trigger Date occurs on February 1, 2014 and Delta elects to terminate the Agreement pursuant to this Section 11.3 on [***]: Lost Revenue would be equal to the sum of [***]. The Early Termination Fee would be equal to [***].
- 11.4 **Effects of Termination.** Upon termination or expiration of this Agreement (in whole or in part) for any reason:
- 11.4.1 Except as expressly set forth to the contrary, any amounts owed to Gogo or Delta under this Agreement before such termination or expiration (with respect to the affected Fleet Type if a termination in part) will be immediately due and payable; and
- 11.4.2 Except as otherwise provided herein with respect to particular warranties or licenses, all warranties and licenses set forth herein shall remain in full force and effect, subject to the terms and conditions set forth herein, and shall survive the termination or expiration of this Agreement for any reason.
- 11.5 **Termination Assistance.** Effective upon any expiration or termination of this Agreement other than termination by Gogo pursuant to Section 11.2.1, Gogo shall, in a commercially reasonable manner and subject to Delta's ongoing compliance with the terms and conditions of this Agreement, continue to provide the 2Ku Connectivity Services for such period of time as Delta reasonably requests (the "**Termination Assistance Period**") and provide to Delta and any successor connectivity provider identified by Delta all reasonably requested non-confidential information and assistance to wind down the Program and remove the Equipment from the Installed A/C in a manner that provides the least reasonably possible adverse effect on Delta. [***].
- 11.6 **Remedies.** Unless otherwise specifically set forth to the contrary herein, rights of termination are without prejudice to any remedies available to the parties under this Agreement for breach, at law or in equity; provided that any termination of this Agreement by Delta as set forth in Section 11.2.8 shall relieve Gogo of any obligation to pay any Liquidated Damages under this Agreement.

12. INTELLECTUAL PROPERTY RIGHTS

- 12.1 **Ownership.** Delta acknowledges and agrees that, as between the parties, Gogo is the owner of all right and title in and to the Gogo Technology and that all intellectual property rights, including copyrights, trade secrets and patent rights, embodied in the Specifications and the Equipment and Software shall be exclusively vested in Gogo. Gogo acknowledges and agrees that, as between the parties, Delta is the owner of all right and title in and to the Delta Technology.
- 12.2 **Rights in Marks.** Gogo acknowledges that the marks shown as Delta marks on Exhibit G hereto (the “**Delta Marks**”) are the property of Delta as owner or licensee, and that only such marks may be used by Gogo in marketing and promoting the 2Ku Connectivity Services, and that upon expiration or termination of this Agreement, Gogo will immediately cease use of such marks; provided that Delta may revoke the right of Gogo to use any Delta Mark upon termination of Delta’s property rights therein. Delta acknowledges that the marks shown as Gogo marks on Exhibit G hereto are the property of Gogo and the only marks owned by Gogo that may be used by Delta in marketing and promoting the 2Ku Connectivity Services (the “**Gogo Marks**”), and that upon expiration or termination of this Agreement, Delta will immediately cease use of such marks. Except as expressly set forth in this Agreement, no right, property, license, permission or interest of any kind in or to the marks owned by either party is or is intended to be given or transferred to or acquired by the other party by the execution, performance or non-performance of this Agreement or any part hereof. Each party agrees that it shall in no way contest or deny the validity of, or the right or title of the other party in or to its, marks, and shall not encourage or assist others, directly or indirectly, to do so, during the Term of this Agreement and thereafter. Neither party will take actions that are adverse to the other party’s ownership rights in or to its marks, nor shall either party intentionally utilize the other party’s marks in any manner that would diminish their value or harm the reputation of the other party. Neither party shall use or register any domain name that is identical to or confusingly similar to any of the other party’s marks.
- 12.3 **Use of the Delta Marks.** Before any reproduction, display, distribution or other use of the Delta Marks or any other reference to Delta, Delta’s Affiliates, or the products or services of Delta or its Affiliates, Gogo shall submit to Delta a sample of the proposed use and obtain Delta’s prior written approval, which Delta may withhold in its sole discretion. Without limiting the generality of the foregoing, Delta shall be entitled to disapprove any use of the Delta Marks which, in the reasonable opinion of Delta, might (i) subject Delta or its Affiliates to unfavorable regulatory action, violate any law, infringe upon the rights of third parties, or subject Delta or its Affiliates to liability for any reason; or (ii) adversely affect Delta’s or its Affiliates’ public image, reputation, or goodwill.
- 12.4 **Protective Measures for the Marks.** Delta may require the placement of appropriate and reasonable trademark, service mark or copyright notices within or on the Portal as may be necessary or prudent to protect Delta’s right, title and interest in and to the Delta Marks. All uses of the Delta Marks shall inure to the benefit of Delta as owner, all uses of the Gogo Marks shall inure to the benefit of Gogo as owner, and the use of the Delta Marks in conjunction with the Gogo Marks shall not create a unitary or composite mark. Upon expiration or termination of this Agreement for any reason, neither party shall thereafter use any expression in connection with any business in which it may thereafter be engaged which, in the reasonable judgment of the other party, so nearly resembles the other party’s Marks as may be likely to lead to confusion or uncertainty on the part of the public.

13. CONFIDENTIALITY

- 13.1 **Confidential Information.** Each party (for the purposes of this Article, a “**Receiver**”) shall maintain in strict confidence, and agrees not to disclose to any third party, except as necessary for the performance of this Agreement when authorized by the other party (for the purposes of this Article, a “**Discloser**”) in writing, Confidential Information that the Receiver receives from the Discloser or its Affiliates. Notwithstanding the foregoing, Gogo may share the contents of this Agreement with investment bankers and prospective investors who have, prior to any disclosure, agreed in writing to confidentiality restrictions that are not less onerous than those that apply to Gogo under this Agreement, and Delta may disclose such Confidential Information as is reasonable or necessary for installation, operation, maintenance and Deinstallation of the Equipment to third parties who have, prior to any disclosure, agreed in writing to confidentiality restrictions that are not less onerous than those that apply to Delta under this Agreement. “**Confidential Information**” means: (A) the terms and conditions of this Agreement; (B) all information regarding identifiable individuals, including without limitation customers or employees, which information has been collected by or on behalf of the Discloser or its Affiliates (“**PII**” or “**Personally Identifying Information**”); (C) all information that is provided by either party to the other party’s employees to perform Services for Delta pursuant to this Agreement or obtained by the other party’s employees during the provision of Services; and (D) all non-public information of the Discloser or its Affiliates that (i) is of a confidential or proprietary nature, (ii) relates to the subject matter of this Agreement and (iii) a reasonable person would or should understand to be confidential.
- 13.2 **Exclusions.** Confidential Information does not include information: that is, or subsequently may become, within the knowledge of the public generally through no fault of the Receiver; that the Receiver can show was previously known to it as a matter of record at the time of receipt; that the Receiver may subsequently obtain lawfully from a third party who has lawfully obtained the information free of any confidentiality obligations; or that the Receiver may subsequently develop as a matter of record, independently of disclosure by the Discloser.
- 13.3 **Duration of Obligation.** The confidentiality obligation with respect to Confidential Information received by either party shall remain in effect until three (3) years from the termination or expiration of this Agreement, including any renewals or extensions thereof. The confidentiality obligation with respect to Confidential Information consisting of PII shall remain in effect in effect for a period of ten (10) years from the date of receipt of the PII. Upon the expiration or termination of this Agreement for any reason, Receiver shall immediately return to Discloser or destroy all Confidential Information in Receiver’s possession or control, as Discloser directs.
- 13.4 **Court Order and Regulatory Filings.** Notwithstanding the restrictions in this Article, the Receiver may disclose Confidential Information to the extent required by an order of any court, a governmental regulatory agency (in a securities or other filing) or other governmental authority having jurisdiction or by operation of law, but in any such event only after the Receiver has notified the Discloser (if such notification is permitted under the order) and Discloser has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.
- 13.5 **Ownership.** Except as otherwise expressly provided in this Agreement, as between Discloser and Receiver, Discloser shall own all right title and interest in and to its Confidential Information.
- 13.6 **Additional Provisions regarding PII.** In addition to the other obligations in this Article 13, the parties shall abide by the provisions of this Section 13.6 concerning PII. For the purposes of these provisions: the terms “process,” “processing” or “processed” in relation to PII include, without limitation, collection, recording, organization, storage, amendment, retrieval, consultation, manipulation, and erasure.
- 13.6.1 General: Discloser has entrusted Receiver with PII. Receiver agrees to use reasonable measures to prevent the unauthorized processing, capture, transmission and use of PII which Discloser may disclose to Receiver during the course of Discloser’s relationship with Receiver.

- 13.6.2 Processing and Use of PII: Receiver shall process and use PII solely in accordance with the provisions of this Agreement. Receiver shall not process or use PII for any purpose not specifically set forth in this Agreement without Discloser's express prior written consent. At any time, Discloser may make inquiries to Receiver about PII transferred by Discloser and stored by Receiver, and Receiver agrees to provide to Discloser copies of such PII as maintained by Receiver within a reasonable time and to perform corrections or deletions of, or additions to, PII as reasonably requested by Discloser.
- 13.6.3 Discloser's Inspection Rights: Discloser shall have the right upon reasonable prior notice of at least ten (10) business days to verify Receiver's compliance with the terms and conditions of this Agreement, or to appoint a third party under covenants of confidentiality to verify the same on Discloser's behalf. Receiver shall grant Discloser's agents supervised, unimpeded access to the extent necessary to accomplish the inspection and review of all data processing facilities, data files and other documentation used by Receiver for processing and utilizing PII in relation to this Agreement. Receiver agrees to provide reasonable assistance to Discloser in facilitating this inspection function.
- 13.6.4 Transmission of Confidential Information or PII to Third Parties: Receiver may not transfer Confidential Information or PII to any third party without Discloser's prior written consent, and then only upon such third party's execution of an agreement containing covenants for the protection of Confidential Information or PII no less stringent than those contained in this Agreement.
- 13.7 **Data Protection and Security.** Receiver shall implement, at a minimum, the data protection measures and observe the minimum standards for the security of PII and Confidential Information as set forth below:
- 13.7.1 Access of Persons: Receiver agrees to use reasonable measures to prevent unauthorized persons from gaining access to Confidential Information or the data processing equipment or media where PII is stored or processed. Receiver agrees to provide its employees and agents access to Confidential Information or PII on a need-to-know basis only and agrees to cause any persons, including, without limitation, third-party vendors, having authorized access to such information to be bound by obligations of confidentiality, non-use and non-disclosure no less stringent than those imposed upon Receiver by this Agreement.
- 13.7.2 Data Media: Receiver agrees to use reasonable measures to prevent the unauthorized reading, copying, alteration or removal of the data media used by Receiver and containing Confidential Information or PII.
- 13.7.3 Data Retention: Receiver shall not retain Confidential Information or PII any longer than is reasonably necessary to accomplish the intended purposes for which Confidential Information or PII was transferred as set forth in this Agreement. Upon the earlier expiration or termination of this Agreement or

the written request of Discloser, Receiver shall delete and/or destroy all Confidential Information or PII in Receiver's possession, including any copies thereof, and shall deliver a written statement to Discloser within thirty (30) days of Discloser's request confirming that Receiver has done so.

- 13.7.4 Data Memory: Receiver agrees to use reasonable measures to prevent unauthorized data input into memory and the unauthorized reading, alteration or deletion of Confidential Information or PII.
- 13.7.5 Personnel: Upon request, Receiver shall provide Discloser with a list of Receiver's employees entrusted with processing the Confidential Information or PII transferred by Receiver, together with a description of their access rights.
- 13.7.6 Transmission: Receiver agrees to use reasonable measures to prevent Confidential Information or PII from being read, copied, altered or deleted by unauthorized parties during the transmission thereof or during the transport of the data media on which Confidential Information or PII is stored.
- 13.7.7 Breach Notification: Receiver will report security breaches (data or network) to the Discloser in a prompt and timely manner and assist the Discloser's investigation of such breach.

- 13.8 **Other Obligations.** The obligations set forth in this Section 13 are in addition to, and not in lieu of, any fiduciary duties or obligations of confidentiality or nondisclosure that the parties may have to each other under the common law, laws providing for the protection of trade secrets, or other statutory law.

14. INDEMNITY

- 14.1 **Indemnity by Gogo.** Gogo will defend, indemnify and hold harmless Delta, its Affiliates, and each of their respective directors, officers, employees, and agents (collectively herein the "**Delta Indemnified Parties**"), against and from all claims, suits, judgments, losses, damages, fines, penalties, liabilities or costs (including reasonable attorneys' fees, interest and expenses) resulting from any claim, suit or demand by any third party, including but not limited to injuries or deaths of persons, loss of or damage to real or personal property, and liability or obligations under or with respect to any violation of federal, state or local laws, regulations, rules, codes and ordinances, arising out of (a) any act or omission by Gogo (or anyone for whose acts Gogo may be liable) in connection with Gogo's performance or nonperformance under this Agreement, (b) the installation, operation, use or Deinstallation of the Equipment, the Software or the Services (including without limitation the collection, processing, storage, transport, use and delivery of data), (c) any claim that the Equipment, the Software, Gogo Technology or the Services infringes or misappropriates any patent, copyright, trade secret or other proprietary right, or (d) any failure by Gogo or parties for which it is responsible under this Agreement to comply with laws and certifications as set forth in Section 5.6 (each of (a), (b), (c) and (d), a "**Gogo Claim**"). This Section shall not be construed to negate, abridge or otherwise reduce any other right to indemnity which would otherwise exist in favor of any Delta Indemnified Party, or any other obligation of Gogo, its officers, directors, employees, agents or contractors to indemnify a Delta Indemnified Party. Gogo's obligations under this Section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits paid or payable by Gogo under Workers' Compensation Acts, disability benefits acts or other employee benefit laws or regulations. The indemnification obligations of this Section shall survive termination or expiration of this Agreement.

- 14.2 **Exclusions to Indemnity by Gogo.** Notwithstanding anything herein to the contrary, Gogo's indemnity obligation shall not apply to the extent Gogo Claims are caused by (i) the Delta Technology or any designs, specifications or modifications originating with, or performed by, Delta, or its contractors, including without limitation any Delta Affiliate, (ii) the combination of the Equipment or Software with other equipment or software not supplied, authorized or specified by Gogo, or otherwise contemplated by this Agreement, (iii) misuse of the Equipment or 2Ku Connectivity Services by Delta or its contractors, (iv) the gross negligence, recklessness, illegal act, misrepresentation or malicious or willful misconduct of Delta or any of its officers, directors, agents, representatives, employees or contractors, including without limitation any Delta Affiliate, or (v) any circumstance requiring indemnification by Delta under Section 14.3.
- 14.3 **Indemnity by Delta.** Delta will defend, indemnify and hold harmless Gogo, its Affiliates, and each of their directors, officers, employees and agents (collectively, the "**Gogo Indemnified Parties**," together with the Delta Indemnified Parties, the "**Indemnified Parties**") against and from all suits, judgments, losses, damages, fines, penalties, liabilities or costs (including reasonable attorneys' fees and expenses) resulting from any claim, suit or demand by any third party, including but not limited to injuries or deaths of persons or loss of or damage to real or personal property, arising out of (i) any injury to or death of an individual resulting from Delta's operation of the 2Ku System on an Installed A/C in a manner inconsistent with or in violation of the applicable specifications and operational requirements set forth in the Documentation
- 14.4 while such Installed A/C was on the ground; or (ii) Delta's negligence in performing installation, Deinstallation and/or maintenance of the Equipment (provided, however, that the indemnification described in clause (i) and clause (ii) shall not extend to any claim, suit or demand arising out of Gogo's failure to implement, maintain and operate the 2Ku System in accordance with agreed-upon specifications); (iii) Gogo's implementation and operation, at Delta's request, of a system that filters and/or blocks objectionable content (other than VOIP); (iv) any claim that the Delta Technology infringes or misappropriates any patent, copyright, trade secret or other proprietary right; or (v) any failure by Delta or parties for which it is responsible under this Agreement to comply with laws and certifications as set forth in Section 6.2 (each of (i) through (v), a "**Delta Claim**").
- 14.5 **Exclusions to Indemnity by Delta.** Notwithstanding anything herein to the contrary, Delta's indemnity obligation shall not apply to the extent Delta Claims are caused by (i) the combination of the Delta Technology with other equipment or software supplied, authorized or specified by Gogo or its contractors, (ii) misuse of the Delta Technology by Gogo or its contractors, (iii) the gross negligence, recklessness, illegal act, misrepresentation or malicious or willful misconduct of Gogo or any of its officers, directors, agents, representatives, employees or contractors, including without limitation any Gogo Affiliate or (iv) any circumstance requiring indemnification by Gogo under Section 14.1.
- 14.6 **Procedures.** In the event a claim is made or suit is brought that is covered by the indemnity obligations in Section 14.1 or 14.3, the Indemnified Party shall give the party with the indemnity obligation (the "**Indemnitor**") notice thereof promptly after becoming aware thereof. The Indemnitor shall assume all responsibility for such claim or suit, and the Indemnified Party shall provide reasonable assistance and cooperation during the defense of such claim or suit or compromise or settlement thereof. The Indemnitor shall reimburse the Indemnified Party its reasonable out-of-pocket expenses incurred in providing such assistance. Notwithstanding the foregoing, the Indemnified Party's consent shall be obtained in the event any compromise or settlement under this Article 14: (a) includes a finding or admission of any violation of any law by the Indemnified Party or any violation of the rights of any

person by the Indemnified Party; (b) has an effect on any claim held by or against the Indemnified Party; or (c) requires the payment of any money or the taking of any action by the Indemnified Party. The Indemnified Party shall have the right, but not the duty, at its own expense, to participate in the defense and/or compromise or settlement of such claim or suit with counsel of its own choosing without relieving the Indemnitor of any obligations hereunder.

14.7

Remedies.

14.7.1 If any infringement or misappropriation action falls within the indemnification provided by Gogo to a Delta Indemnified Party in Section 14.1, and (a) Gogo is enjoined or threatened to be enjoined, either temporarily or permanently, from selling, manufacturing or delivering to a Delta Indemnified Party the Equipment, Gogo Technology, Software or Services, or (b) a Delta Indemnified Party is enjoined or threatened to be enjoined, either temporarily or permanently, from operating the Equipment, Gogo Technology or Software or providing the Services, or (c) a Delta Indemnified Party or Gogo is adjudged, in any final order of a court of competent jurisdiction from which no appeal is available, to have infringed upon or misappropriated any patent, copyright, trade secret or other proprietary right in the use of the Equipment, Gogo Technology, Software or Services, then Gogo shall, at its expense either (d) obtain for the Delta Indemnified Party the right to continue using such Equipment, Gogo Technology, Software or Services in a manner substantially similar to the manner allowed under this Agreement; or (e) replace or modify such Equipment, Gogo Technology, Software or Services so that it does not infringe upon or misappropriate such proprietary right without materially impairing its usefulness or performance and is free to be delivered to and used by the Delta Indemnified Party. If Gogo is unable, despite its best commercial efforts, to obtain for the Delta Indemnified Party either option (d) or (e), this Agreement shall immediately terminate and Gogo shall perform Deinstallation on all Installed A/C as set forth in Section 3.7, without limiting the Delta Indemnified Party's rights or Gogo's liability under Section 14.1 above. THIS ARTICLE 14 SETS FORTH THE ENTIRE OBLIGATION AND LIABILITY OF GOGO TO DELTA INDEMNIFIED PARTIES FOR INFRINGEMENT OF ANY INTELLECTUAL PROPERTY RIGHTS RELATED TO THE EQUIPMENT, GOGO PORTAL, SOFTWARE AND SERVICES PROVIDED UNDER THIS AGREEMENT.

14.7.2 If any infringement or misappropriation action falls within the indemnification provided by Delta to a Gogo Indemnified Party in Section 14.3, and (a) Delta is enjoined or threatened to be enjoined, either temporarily or permanently, from selling, manufacturing or delivering to a Gogo Indemnified Party the Delta Technology, or (b) a Gogo Indemnified Party is enjoined or threatened to be enjoined, either temporarily or permanently, from operating the Delta Technology, or (c) a Gogo Indemnified Party or Delta is adjudged, in any final order of a court of competent jurisdiction from which no appeal is available, to have infringed upon or misappropriated any patent, copyright, trade secret or other proprietary right in the use of the Delta Technology, then Delta shall, at its expense either (d) obtain for the Gogo Indemnified Party the right to continue using the Delta Technology in a manner substantially similar to the manner allowed under this Agreement; or (e) replace or modify the Delta Technology so that it does not infringe upon or misappropriate such proprietary right without materially impairing its usefulness or performance and is free to be delivered to and used by the Gogo Indemnified Party. If Delta is unable, despite its best commercial efforts, to obtain for the Gogo Indemnified Party either option (d) or (e), this Agreement shall immediately terminate without limiting the Gogo Indemnified Party's rights or Delta's liability under Section 14.3 above.

15. INSURANCE

- 15.1 **Delta Requirements.** Delta agrees to keep in full force and effect and maintain at its sole cost and expense the following policies of insurance with the specified minimum limits of liability during the term of this Agreement:
- 15.1.1 **Comprehensive Aviation Liability Insurance,** including personal injury, products and completed operations, war risk and allied perils and contractual liability in an amount not less than [***] combined single limit per occurrence (and in the aggregate with respects to products), which insurance may be provided by a combination of primary and umbrella coverages, covering all liability arising out of any bodily injury (including death of any person) and any damage to (including destruction of) property.
- 15.2 **Gogo Requirements.** Gogo agrees to keep in full force and effect and maintain at its sole cost and expense the following policies of insurance with the specified minimum limits of liability during the Term of this Agreement:
- 15.2.1 **Comprehensive Aviation Liability Insurance,** including bodily injury, products and completed operations, war risk and allied perils and contractual liability in an amount not less than [***] combined single limit per occurrence (and in the aggregate with respects to products), which insurance may be provided by a combination of primary and umbrella coverages, covering all liability arising out of any bodily injury (including death of any person) and any damage to (including destruction of) property.
- 15.2.2 **Commercial General Liability Insurance,** including coverage for Contractual Liability assumed under this Agreement, Premises-Operations, Completed Operations—Products, and Independent Contractors providing coverage for bodily injury, personal injury and property damage with combined single limits of not less than [***] per occurrence.
- 15.2.3 **Commercial Automobile Liability Insurance** providing coverage for bodily injury and property damage with combined single limits of not less than [***] per occurrence, and [***] per occurrence if Gogo employees or contractors will drive a vehicle on airport property.
- 15.2.4 **Professional Liability** (also known as Errors and Omissions Liability) Insurance covering acts, errors and omissions arising out of Gogo’s operations or Services that includes coverage as follows:
- 15.2.4.1 Coverage for software and operations development work, implementation, testing, training and maintenance of software and systems, including coverage for copyright and trademark protection.
- 15.2.4.2 Coverage for: (i) web and application hosting services including coverage for copyright and trademark protections and (ii) network risk coverage for damages related to security breaches and unauthorized access including privacy damages, data destruction and misappropriation of data.

- 15.2.4.3 Professional Liability (Errors and Omissions Liability) Insurance policies shall have a limit of liability of no less than [***] per occurrence and in the aggregate and with a retroactive date no later than the commencement of the provision of the Services.
- 15.2.4.4 Gogo further agrees that Professional Liability/Errors and Omissions Insurance will be maintained for two years following the expiration or termination of this Agreement. Any incidents, accidents, claims or potential claims of which Supplier has knowledge shall be communicated to Delta within fifteen (15) days of such knowledge.
- 15.2.5 **Comprehensive Crime Insurance**, including Employee Dishonesty and Computer Fraud Insurance, covering losses arising out of or in connection with any fraudulent or dishonest acts committed by Gogo employees, acting alone or with others, in an amount not less than [***] per occurrence.
- 15.2.6 **Workers' Compensation and Employer's Liability Insurance** in full compliance with the applicable laws of the state and/or country in which the work is to be performed or the country of hire (whichever is applicable). Each such policy shall be endorsed to include an alternate employer endorsement and a waiver of subrogation in favor of Delta.
- 15.2.6.1 The limits of liability of Workers' Compensation Insurance shall be not less than the limits required by applicable law.
- 15.2.6.2 The limits of liability of Employer's Liability Insurance with minimum limits of [***] per employee by accident, [***] per employee by disease, [***] policy limit by disease (or, if higher, the policy limits required by applicable law).
- 15.3 **Approved Companies**. All such insurance shall be procured with reputable insurance companies and in such form as is usual and customary to such party's business.
- 15.4 **Endorsements**. With respect to the liability insurance policies in Sections 15.1.1, 15.2.1 and 15.2.2, each party shall name the other party and their respective officers, directors and employees (and, with respect to Delta, each of its Affiliates) as additional insureds for any and all liability arising at any time in connection with Section 14 of this Agreement. All policies of insurance shall provide that each will not be canceled or materially altered except after thirty (30) days advance written notice to the other party. All insurance required under this Section 15 shall be primary insurance and any other valid insurance existing for the other party's benefit shall be excess of such primary insurance. Each party shall obtain such endorsements to its policy or policies of insurance as are necessary to cause the policy or policies to comply with the requirements stated herein.
- 15.5 **Certificates**. Each party shall provide the other with certificates of insurance evidencing compliance with this Section 15 (including evidence of renewal of insurance) signed by authorized representatives of the respective carriers for each year that this Agreement is in effect. Each certificate of insurance shall provide that the issuing company shall not cancel, reduce, or otherwise materially alter the insurance afforded under the above policies unless notice of such cancellation, reduction or material alteration has been provided at least thirty (30) days in advance to the other party.
- 15.6 **No implied Limitation**. The obligation to provide the insurance specified herein shall not limit in any way any obligation or liability of either party provided elsewhere

in this Agreement. The rights of each party to insurance coverage under policies issued to or for the benefit of one or more of them are independent of this Agreement shall not be limited by this Agreement.

- 15.7 **Risk of Loss.** Each party shall be responsible for risk of loss of, and damage to, any Equipment or Software in its possession or under its control. Each party shall promptly notify the other of any damage (except normal wear and tear), destruction, loss, theft, or governmental taking of any item of Equipment, Software or other materials in the possession or under the control of such party, whether or not insured against by such party, whether partial or complete, which is caused by any act, omission, fault or neglect of such party (“**Event of Loss**”). Such party shall be responsible for the cost of any necessary repair or replacement of such Equipment or Software due to an Event of Loss. In the event of an Event of Loss caused by Delta, such repair or replacement shall not be considered part of Gogo’s maintenance obligations, but Gogo shall coordinate and oversee repair or replacement performed by a third party on an expense pass through basis or by Gogo at agreed-upon prices, which prices shall not exceed the amount of the pass through expenses that would have been incurred if the repair or replacement had been performed by a third party.

16. LIMITATION OF LIABILITY

- 16.1 **Consequential Damages.** NEITHER PARTY WILL BE LIABLE FOR, AND EACH PARTY WAIVES AND RELEASES ANY CLAIMS AGAINST THE OTHER PARTY FOR, ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST REVENUES, LOST PROFIT, OR LOSS OF PROSPECTIVE ECONOMIC ADVANTAGE, RESULTING FROM PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT.
- 16.2 **Limitation.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT FOR ANY AMOUNT THAT, IN THE AGGREGATE, EXCEEDS THE [***].
- 16.3 **Exclusions.** Sections 16.1 and 16.2 shall not apply with respect to (a) claims of third parties for bodily injury (including loss of life) or damage to property to the extent caused by the negligence or willful misconduct of either party; (b) claims arising out of a breach of confidentiality; (c) a party’s obligations under Section 14 (Indemnity) of this Agreement; or (d) claims or losses arising out of willful misconduct of either party.
- 16.4 **Equitable Relief.** The limitations of liability set forth herein are not intended in any way to restrict either party’s right to seek injunctive or other equitable relief.

17. EXCUSABLE DELAYS

- 17.1 **Definition.** Either party shall be excused from performance of its obligations hereunder, and shall not be liable to the other party for any direct, indirect, special, incidental, consequential or punitive damages suffered or incurred by the other party arising out of a total or partial failure to perform hereunder or delay in such performance, to the extent resulting directly from any event or occurrence beyond the reasonable control of the delayed party and unforeseeable as of the Effective Date (collectively, “**Excusable Delay**”), including, without limitation, (i) acts of God, (ii) wars or acts of a public enemy, (iii) acts, failures to act or delays of the Governments of any state or political subdivision or any department or regulatory agency thereof or entity created thereby, including, without limitation, national aviation authorities, (iv) quotas or embargoes, (v) acts of sabotage, (vi) fires, floods or other natural catastrophes, or (vii) strikes, lockouts or other labor stoppages, slowdowns or disputes; provided, however, that such delay is not occasioned by the fault or

negligence of the delayed party. Any Excusable Delay shall last only as long as the event remains beyond the control of the delayed party and only to the extent that it is the direct cause of the delay. [***].

- 17.2 **Recourse.** The delayed party shall notify the other party within a reasonable time after it discovers an Excusable Delay has occurred, in writing, specifying the cause of the delay and, to the extent known, estimating the duration of the delay. No delay shall be excused unless such written notice shall have been given as required by this Section. If the Excusable Delay lasts in excess of sixty (60) days, the non-delayed party shall have the right to terminate this Agreement. Neither party shall be liable to the other party for any damages arising out of a termination pursuant to this paragraph.

18. GENERAL

- 18.1 **Independent Contractors.** Nothing contained in this Agreement shall be construed to constitute Gogo as a partner, employee or agent of Delta, nor shall either party have the authority to bind the other in any respect, it being intended that each shall remain responsible for its own actions. Gogo is retained only for the purposes and to the extent set forth in this Agreement. Gogo is an independent contractor of Delta, and personnel used or supplied by Gogo in performance of this Agreement shall be and remain employees or agents of Gogo and under no circumstances shall be considered employees or agents of Delta. Gogo shall have the sole responsibility for supervision and control of its personnel.
- 18.2 **Use of Subcontractors/Affiliates.** Nothing in this Agreement shall create any contractual relationship between Delta and any Gogo subcontractor, and no subcontract shall relieve Gogo of its obligations hereunder should the subcontractor fail to perform in accordance with the provisions of this Agreement. Delta shall have no obligation to pay or to see to the payment of any money to any subcontractor. Each party shall be solely responsible for the acts and omissions of its subcontractors and Affiliates. Any breach by a subcontractor or Affiliate of any terms or conditions of this Agreement shall be deemed a breach by the party engaging such subcontractor or whose Affiliate breached.
- 18.3 **Notice.** Any notice, demand or document that either party is required or otherwise desires to give or deliver to or make upon the other party hereunder shall be in writing and shall be (a) personally delivered, (b) deposited in the Mail, registered or certified, return receipt requested, with postage prepaid, (c) sent by overnight courier, or (d) sent by facsimile with confirmation of receipt by the addressee, addressed as follows:

If for Delta:	Delta Air Lines, Inc. Director - Technical Operations, Supply Chain Management 1775 Aviation Boulevard Atlanta, Georgia 30354-3743 Fax: 404-677-6079
---------------	---

With a copy to:	General Counsel Delta Air Lines, Inc. 1020 Delta Boulevard Atlanta, Georgia 30354-1989 Fax: 404-715-7882
-----------------	--

If to Gogo:

Attn: General Counsel
Gogo LLC
1250 N. Arlington Heights Road, Suite 500
Itasca, IL 60143
Fax: (630) 647-1755

or to such other address as either party shall designate for itself by notice given to the other party as aforesaid. Any such notice, demand or document shall be deemed to be effective upon receipt of the same by the party to whom the same is addressed.

- 18.4 **Assignment**. This Agreement shall inure to the benefit of and be binding upon each of the parties and their respective successors and assigns, but neither the rights nor the duties of either party under this Agreement may be voluntarily or involuntarily assigned or delegated, in whole or part, without the prior written consent of the other party, such consent not to be unreasonably withheld. Notwithstanding the foregoing, either party may assign this Agreement in connection with a merger, consolidation, or similar transaction, or a sale or other disposition of all or substantially all of its assets. Either party may assign this Agreement to an Affiliate (provided that either Delta or Gogo, as applicable, guarantees performance of the Affiliate). Any attempted assignment or transfer in violation of the foregoing will be void.
- 18.5 **Governing Law**. This Agreement shall be governed by and construed according to the internal laws of the State of New York, without giving effect to its conflicts of law principles.
- 18.6 **Savings Clause**. If any provision of this Agreement is declared unlawful or unenforceable as a result of final administrative, legislative or judicial action, this Agreement shall be deemed to be amended to conform with the requirements of such action and all other provisions hereof shall remain in full force and effect.
- 18.7 **Waiver**. No failure or delay by either party in requiring strict performance of any provision of this Agreement, no previous waiver or forbearance of any provision of this Agreement by either party and no course of dealing between the parties shall in any way be construed as a waiver or continuing waiver of any provision of this Agreement.
- 18.8 **Final Agreement**. This Agreement constitutes and represents the final agreement between the parties and supersedes all prior or contemporaneous agreements and understandings of the parties as to the subject matter hereof, including without limitation the parties' Letter of Intent giving rise hereto. For the avoidance of doubt, this Agreement does not supersede the Domestic Agreement or the International Agreement. There are no oral agreements between the parties. This Agreement may be amended in whole or in part only in a writing signed by both parties.
- 18.9 **Captions**. The Section headings herein are for convenience of reference only and are not intended to define or aid interpretation of the text hereof.
- 18.10 **Counterparts**. This Agreement may be executed in counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument, and if so executed in counterparts will be enforceable and effective upon the exchange of executed counterparts.
- 18.11 **Survival**. Notwithstanding anything herein to the contrary, any Sections or portions of any Sections of this Agreement (including the Exhibits hereto) that by their express terms survive, or by their nature should survive, expiration or termination of this Agreement shall survive such expiration or termination.

- 18.12 **Air Travel.** Gogo agrees that its personnel performing Services under this Agreement and any SOW will make every reasonable effort to use Delta Air Lines for air travel associated with such performance.
- 18.13 **No Third-Party Beneficiaries.** The provisions of this Agreement are enforceable solely by the parties to this Agreement. No other person shall have the right to enforce any provision of this Agreement or compel any party to this Agreement to perform any Service or comply with the terms of this Agreement.
- 18.14 **Interpretation.** (a) When a reference is made in this Agreement to a Section, such reference shall be to a Section of this Agreement unless otherwise clearly indicated to the contrary. (b) As used throughout this Agreement and all attachments, amendments and Exhibits annexed hereto, the word “including” shall be interpreted to mean “including, without limitation” or “including, but not limited to”. (c) The words “hereof”, “herein” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement, and article, section, paragraph, exhibit and schedule references are to the articles, sections, paragraphs, exhibits and schedules of this Agreement unless otherwise specified. (d) The plural of any defined term shall have a meaning correlative to such defined term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. (e) This Agreement has been reviewed and negotiated by both parties and shall be deemed to have been drafted by both parties; accordingly, no rule of interpretation against the drafting party are applicable to this Agreement.
- 18.15 **Supplier Performance.** Gogo will participate in Delta’s Supplier Performance Program, which monitors, evaluates and scores suppliers in accordance with quantifiable objectives. Should any part of such program conflict with the terms of this Agreement, this Agreement shall prevail.
- 18.16 **Doing Business with Delta.** In performing the Services, Gogo shall comply with the principles of business ethics and conduct required of suppliers and set forth in the booklet available on-line at <http://images.delta.com.edgesuite.net/delta/pdfs/doingbiz.pdf>.
- 18.17 **Equal Opportunity.** Gogo shall not discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age or any other unlawful criterion and shall comply with all applicable laws against discrimination and all applicable rules, regulations and orders issued thereunder or in implementation thereof. The Equal Opportunity Clauses set forth in 41 C.F.R., sections 60-1.4 (a), 60-250.5 (a) and 60-741.5 (a) are incorporated herein by this reference.
- 18.18 **Supplier Diversity.** Delta and Gogo are committed to enhancing business opportunities for small, minority, and women-owned business enterprises (SBE/M/WBE) as suppliers and subcontractors. Gogo and Delta shall use reasonable commercial efforts to include and utilize SBE/M/WBE supplier firms, as long as they are competitive on price, quality, service and provide the best overall value for goods and services provided under this Agreement. Gogo shall complete and submit to Delta a Supplier Diversity Quarterly Utilization Report, in such format as Delta may reasonably specify, by the first day of the second month following each calendar quarter.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

GOGO LLC

By: /s/ Michael J. Small

Name: Michael J. Small

Title: Chief Executive Officer

Date: 4/27/15

DELTA AIR LINES, INC.

By: /s/ Richard H. Anderson

Name: Richard H. Anderson

Title: Chief Executive Officer

Date: 5/5/15

EXHIBIT B

SERVICE LEVEL AGREEMENT

This Service Level Agreement (this “SLA”) is Exhibit B to the Agreement. Its purpose is to describe the service level, customer support and problem resolution metrics for Gogo’s broadband in-flight connectivity services. Capitalized terms not defined herein shall have the same meaning as set forth in the Agreement.

1. Definitions:

- 1.1. 2Ku System: As defined in Section 1.68 of the Agreement.
- 1.2. GOGO Network: The ground based components and satellite components of the 2Ku System, excluding the Gogo Avionics.
- 1.3. GOGO Avionics: The aircraft based components of the 2Ku System, including but not limited to airborne network components, wireless access points, antennae and associated wiring and software.

2. SLA Administration:

- 2.1. System Monitoring and Reporting: Gogo shall provide to Delta reports, on a monthly basis, on the metrics referenced in this SLA, including availability, data rate and latency performance. The reports shall be adequate for Delta to determine Gogo’s performance against such metrics. The format shall be mutually agreed upon.
- 2.2. Gogo will meet with Delta quarterly to review performance against the SLA and to resolve issues.
- 2.3. Gogo shall maintain an SLA report audit trail (including detailed performance reports) and shall make this data available within 72 hours of Delta’s request. At any point during the Term, the audit trail report shall include data for the preceding three (3) years or, if shorter, the period from the Effective Date to the date of the report.
- 2.4. The parties agree to discuss in good faith any necessary adjustments to the SLA terms due to new requirements or unforeseen 2Ku System or customer issues.

3. GOGO Network Operation:

- 3.1. Gogo shall operate the GOGO Network on a 24 hours per day, 7 days per week and 365 days per year basis.
- 3.2. Gogo will provide a dedicated Gogo maintenance support resource to support 2Ku System operation.

3.3. Gogo Network Outage Notifications:

3.3.1. Planned Outages:

The following table sets forth occurrence limits for planned Gogo Network outage events. Gogo agrees that planned Gogo Network outage events will not exceed the applicable limits set forth below.

<u>Event Type</u>	<u>Example</u>	<u>Limit</u>
Non-customer impacting or scheduled maintenance window activities*	Configuration change	[***]
Customer impacting (localized)	System upgrade	[***]
Customer impacting (System-wide)	Data center Upgrade	[***]
Planned emergency maintenance	Loss of redundancy	[***]

* “Scheduled maintenance window activities” means those activities that have virtually no customer impact as they are scheduled at times when there are few aircraft flying and passengers on such aircraft are unlikely to be using the 2Ku System.

Gogo will send notification of each outage event, except for those due to planned emergency maintenance, to Delta at least [***] in advance of the event. Gogo will send notification of each planned emergency maintenance outage event to Delta as soon as the planned emergency maintenance is scheduled, and such notice will identify the outage event as a “Planned Emergency Maintenance Activity.” “Planned emergency maintenance” means maintenance activity that Gogo needs to perform quickly in order to avoid adverse customer impact, and is generally due to a loss of redundancy that is not yet impacting customers.

3.3.2. Unplanned Outages:

Gogo will send notification of each unplanned Gogo Network outage event to Delta within [***] of Gogo’s confirmation of the outage. Such notifications will be sent to a centralized distribution list as designated by Delta.

3.3.3. Post Mortem Reporting:

If requested by Delta, Gogo will provide a post-mortem analysis report on each Gogo Network outage that affected the 2Ku Connectivity Services. Each such report will detail the root-cause of the outage, as well as any corrective actions taken by Gogo in response to the outage.

4. **GOGO System Performance:**

4.1. Service Availability [***]

4.2. Exclusions from Availability

4.2.1 For any Installed A/C for which the 2Ku Connectivity Services are unavailable due to an Equipment failure, Downtime associated with such failure during transit to a Gogo-designated repair facility is capped at [***].

4.2.2 Once such Installed A/C reaches the Gogo designated repair facility the calculation of Downtime resumes.

4.2.3 Downtime caused by Delta’s failure to perform its obligations under the Agreement with respect to a necessary service bulletin or required maintenance shall be subtracted from both the Installed A/C Flight Time and the Downtime calculations.

4.2.4 Downtime caused by Delta-caused damage to the Equipment shall be subtracted from both the Installed A/C Flight Time and the Downtime calculations.

4.2.5 System performance metrics may not apply to specific promotions if mutually agreed upon by the parties.

4.2.6 Downtime caused by Excusable Delay shall be subtracted from both the Installed A/C Flight Time and the Downtime calculations.

4.2.7 Downtime caused by satellite outages, the occurrence of which shall be verified by Gogo to Delta’s reasonable satisfaction, that are beyond Gogo’s control shall be subtracted from both the Installed A/C Flight Time and the Downtime calculations.

4.3. System Performance — Latency:

Gogo is responsible at all times to ensure that the 2Ku Connectivity Services maintain the uplink and downlink speeds to support the Latency described below. Gogo monitors 2Ku System Latency and anticipates future potential bottlenecks and builds a supporting network as necessary to maintain consistent levels of customer experience.

[***]

4.4 System Performance – Data Rate: [***]

5. **Content Filtering:**

5.1. Delta may submit reasonable changes to the “blocked content lists” at any time. Gogo shall implement such changes within 48 hours of Delta’s request assuming such changes are within the scope of the content filtering system developed by Gogo.

6. **Support to System Users:**

6.1. Gogo will provide Installed A/C passengers with 24 hours per day, 7 days per week and 365 days per year access to Gogo’s customer service agents. All passenger issues will be resolved per the schedule below:

<u>Call Type</u>	<u>Resolution</u>
Chat	[***]
E-Mails	[***]
Calls	[***]

6.2. Gogo will provide 24 hours per day, 7 days per week and 365 days per year technical help desk support. Without limiting Gogo’s obligations set forth above, Gogo will resolve 2Ku System performance or technical problems per the schedule below:

<u>Fault Criticality</u>	<u>Examples</u>	<u>Initial Response</u>	<u>Maximum Time To:</u>		<u>Close</u>
			<u>Resolve</u>		
<i>Critical</i>	[***]	[***]	[***]		[***]
<i>Major</i>	[***]	[***]	[***]		[***]
	[***]	[***]	[***]		[***]
<i>Minor</i>	[***]	[***]	[***]		[***]

The term “**Resolved**” means the fault has been identified, the nature of the fault is understood, and the 2Ku Connectivity Service has been restored to an acceptable level. The term “**Closed**” means the problem as well as the underlying cause(s) of the problem have been identified and corrective measures have been taken to permanently eliminate the problem.

As an example, a resolution to a problem might be the installation of a temporary (emergency) software patch. While this fixes the problem temporarily, the problem is not considered closed until the formal, documented patch has been obtained from the vendor, installed, tested, and confirmed to solve the issue with no other deleterious side effects

7. Contacting Operations Response Services for Technical Issues

- **Toll-Free: 1-866-WiFi-NOC (1-866-943-4662)**

8. Management Escalation

Management escalation is the process of elevating a critical problem to appropriate levels of management to aid in its resolution. If at any time Delta believes that a problem is not being addressed in a timely and effective manner, the issue may be brought to the attention of the Manager of Operations Response Services. If escalating the issue to this level does not bring a satisfactory response it may be further escalated to the Director of Technical Operations Support.

The table below lists the management contacts to use for escalations. Escalations should occur when the response, resolution, or close times shown in the table in Section 6.2 are not met, and/or the delivered results are otherwise unsatisfactory. For clarity, the management escalation process described in this Section 8 shall not limit any remedies otherwise available to Delta pursuant to the Agreement.

<u>Escalation Level</u>	<u>Gogo Contact</u>	<u>Contact Information</u>
<i>1st Escalation</i>	<i>Network Operations Center Manager</i>	[***]
<i>2nd Escalation</i>	<i>Director of Field Services</i>	[***]
<i>2nd Escalation Alternate</i>	<i>VP, Network Operations</i>	[***]

EXHIBIT C-1

INSTALLATION SCHEDULE
SCHEDULE FOR PROTOTYPE

[**]

INSTALLATION SCHEDULE

Delta shall have the right to modify the following installation schedule by providing notice to Gogo at least [***] prior to the date of event to be modified.

[***]

Domestic A/C Fleet Types:

[***]

International A/C Fleet Types:

[***]

EXHIBIT C-2

CURRENT ROUTES

[***]

EXHIBIT D

EQUIPMENT SPECIFICATIONS

[***]

** Estimated weight. Actual weight will be defined prior to CDR.

The 2Ku System includes the following configurable settings:

[***]

The 2Ku System will be configured to provide the following minimum settings for each Installed A/C:

[***]

[***]

EXHIBIT E

AIR WORTHINESS AGREEMENT



For the Maintenance Agreement between DELTA AIR LINES and GOGO

Quality Approval for DELTA AIR LINES

Bob Gleason

Director Quality Control Chief Inspector

Quality Approval for GOGO

Director Aviat

Production Approval for DELTA AIR LINES

Lee Gossett

Vice President Line Maintenance Director of
Maintenance

Production Approval for GOGO

Tim L. Vaster

Director Airline Operations

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1 INTRODUCTION

1.1 Purpose

- 1.1.1 This Airworthiness Agreement (hereinafter referred to as the “**AWA**”) describes the interface between GOGO (hereinafter referred to as GOGO) and DELTA AIR LINES (herein after referred to as DELTA AIR LINES). Compliance with the processes and/or detailed hybrid processes described or referenced herein ensures the accomplishment of regulatory and airworthiness functions during the maintenance of aeronautical products as established by the Maintenance General Terms Agreement (hereinafter referred to as the “**Contract**”).
 - 1.1.1.1 The AWA clarifies DELTA AIR LINES’ Technical Operations Polices & Procedures (TOPP) I GOGO Policies and Procedures and Standard Operating Procedures and authorizes deviations and exceptions to DELTA AIR LINES’ TOPP I GOGO policies and procedures to perform maintenance on DELTA AIR LINES’ aircraft as determined by the Contract.
- 1.1.2 With respect to regulatory or compliance matters related to applicable FAA Regulations (CFR), any discrepancy between such CFR and this AWA will be resolved in favor of the CFR.
- 1.1.3 With respect to commercial issues, any discrepancy between the Contract and this AWA will be resolved as previously agreed to in the Contract.
- 1.1.4 Any change to the Contract requires a review of this AWA to ensure the continued effectiveness of the regulatory and airworthiness functions.
 - 1.1.4.1 The scale of the review process will depend upon the size and complexity of the Contract alterations.

1.2 Amendments

- 1.2.1 DELTA AIR LINES’ Chief Inspector is responsible for the initial drafting, revision, and distribution of this AWA and for obtaining the necessary approvals.
- 1.2.2 GOGO’s Director Aviation Quality (or designee) will supply any proposed variations to this AWA in writing to DELTA AIR LINES for review and approval.
- 1.2.3 DELTA AIR LINES will supply any proposed variations to this AWA in writing to GOGO for review and approval.
 - 1.2.3.1 Proposed changes to the AWA received in writing shall be jointly reviewed and approved by DELTA AIR LINES and GOGO. Changes (variations) which add, delete or alter the intent of the subject matter will constitute a major change, which will require a new revision of this agreement to be issued.
 - 1.2.3.1.1 Once approved via email by the signing authorities, major changes to this agreement will be identified by a revision bar located on the left hand margin of the page, adjacent to the respective change.
 - 1.2.3.2 Minor changes to this agreement will be made from time-to-time without needing the approval of the signing authorities.

- 1.2.3.2.1 Minor changes are those changes which do not alter the intent of the subject matter (such as, clarifications, typographical error correction or punctuation).
- 1.2.3.2.2 Revision bars will not be incorporated for minor changes.

1.3 Distribution

- 1.3.1 There will be two original documents published and signed by the appropriate signing personnel.
 - 1.3.1.1 DELTA AIR LINES' Chief Inspector will hold the original signed copy of this AWA and distribute it so that it is accessible to the necessary personnel for the duration of the Contract.
 - 1.3.1.2 GOGO Director Aviation Quality will hold the GOGO original signed copy of this AWA and distribute it within the GOGO organization.
 - 1.3.1.3 A revision to the AWA, 'once approved', will be posted as an advisory notice with a link to the revised agreement, by DELTA AIR LINES' Technical Communications department SOP MRO AWA PROCEDURES.

2 ORGANIZATION AND MANAGEMENT RESPONSIBILITIES

2.1 General

- 2.1.1 DELTA AIR LINES will provide on-site qualified maintenance representative(s) (Duty Manager/Foreman or Lead Mech) which will liaise with GOGO staff and provide guidance on DELTA AIR LINES systems (MMs, CMMs, EO's, etc.) as necessary.
- 2.1.2 In accordance with Regulation 14 CFR 121.379 DELTA AIR LINES has authority to make arrangements with other persons to perform maintenance services. GOGO is authorized to oversee the installation on the In-Flight Wi-Fi system and related equipment on DELTA AIR LINES aircraft.

The following DELTA AIR LINES and GOGO positions will be responsible to ensure the compliance of the items, within their purview, identified in their respective manual and this Agreement.
- 2.1.3 As defined by TOPP 00-40-17 the Delta Program Manager will be the General Manager Fleet Programs (or designee).

2.2 Delta Air Lines Contact Personnel

<u>Title</u>	<u>Name</u>	<u>Phone</u>	<u>Email</u>
Director - Quality Control, Chief Inspector	[***]	[***]	[***]
Vice President - Line Maintenance, DOM	[***]	[***]	[***]
Vice President - Engineering, Quality, & Planning	[***]	[***]	[***]
Director - Base Maintenance	[***]	[***]	[***]
General Manager - Quality Assurance	[***]	[***]	[***]
General Manager - Compliance System Records	[***]	[***]	[***]
General Manager - Aircraft Engineering	[***]	[***]	[***]
General Manager - Safety	[***]	[***]	[***]
General Manager - Supplier Ops	[***]	[***]	[***]
General Manager - Fleet Programs	[***]	[***]	[***]
Manager - Quality Control	[***]	[***]	[***]

<u>Title</u>	<u>Name</u>	<u>Phone</u>	<u>Email</u>
Manager - IFE Reliability	[***]	[***]	[***]
Manager - Technical Procedures	[***]	[***]	[***]
Manager - Regulatory Compliance	[***]	[***]	[***]
Manager - QA Supplier Surveillance	[***]	[***]	[***]
Manager - TechOps Training	[***]	[***]	[***]
Manager - Safety, Line Maintenance	[***]	[***]	[***]
Manager - Tooling and Material Sales	[***]	[***]	[***]
Program Manager - Safety, Security & Environmental	[***]	[***]	[***]
Project Manager - Fleet Projects	[***]	[***]	[***]
Program Manager - JFE Maintenance	[***]	[***]	[***]

2.3 GOGO Contact Personnel

<u>Title</u>	<u>Name</u>	<u>Phone</u>	<u>Email</u>
Director - Airline Operations	[***]	[***]	[***]
Director - Aviation Quality	[***]	[***]	[***]
Director - Aircraft Engineering & Certification	[***]	[***]	[***]
Director - Manufacture & Supply Chain Operation	[***]	[***]	[***]
Manager - Airplane Installation Operations	[***]	[***]	[***]
Manager - Cabin Systems Engineering	[***]	[***]	[***]
Manager - Airline Maintenance Operations - Delta	[***]	[***]	[***]
Delta RJ Program Manager	[***]	[***]	[***]
Manager - Supply Chain	[***]	[***]	[***]
Manager - Training	[***]	[***]	[***]

3 HANDLING OF QUALITY AND NON-COMPLIANCE ISSUES

3.1 Quality

- 3.1.1 Non-compliance issues are problems identified in evaluations that reflect a lack of adherence to applicable standards, process descriptions, or procedures. The status of non-compliance issues provides an indication of quality trends.
- 3.1.2 [***].

3.2 Non-Compliance Issues

- 3.2.1 All DELTA AIR LINES' identified non-compliance issues shall be submitted in writing via a Corrective Action Request (CAR) to GOGO's Director Aviation Quality (or designee) who will initiate the investigation and corrective action process.
- 3.2.2 GOGO identified non-compliance issues shall be submitted in writing via Corrective Action (reference GOGO's RSM/QM) to DELTA AIR LINES' Manager, EQA who will coordinate their correction as required.

3.3 Quality/Reliability Issues

- 3.3.1 All DELTA AIR LINES' identified issues, which relate to the airworthiness or quality of the product, will be handled by EQA as follows:
- 3.3.2 DELTA AIR LINES' EQA will notify GOGO's Director Aviation Quality (or designee) and coordinate the Desk-Top CAR process. GOGO's Director, QA will respond to the CAR and submit for review and acceptance concerning the issues identified in the CAR report.
- 3.3.3 GOGO is responsible for the actions (i.e. Quality, Safety, and Compliance) of their subcontractors while working DELTA AIR LINES aircraft and will ensure any corrective action is driven down to the subcontractor level as necessary.

3.4 GOGO's Investigation Process

- 3.4.1 All investigations conducted by GOGO will follow the GOGO investigation via Corrective Action process.
- 3.4.2 DELTA AIR LINES will have access to all GOGO investigations pertaining to DELTA AIR LINES' aircraft and or components. Events which will cause an investigation are:
 - 3.4.2.1 Any damage to the aircraft, any person seriously injured, and any maintenance activity which results in a disruption of work which may affect the aircraft ready time.
 - 3.4.2.2 Any regulatory issues reported by DELTA AIR LINES after release to service, such as work not being accomplished as per Instructions for Continued Airworthiness (ICA) or missing signatory requirements.
- 3.4.3 All incidents shall be immediately communicated to DELTA AIR LINES' Maintenance Lead Mechanic or higher and will enter into STARS per TOPP 00-40-18.
- 3.4.4 All results of an investigation will be communicated to the DELTA AIR LINES General Manager Safety and Manager EQA along with the GOGO Director Aviation Quality (or designee).
 - 3.4.4.1 DELTA AIR LINES General Manager Safety will coordinate investigation with GOGO and agree on final corrective action. (Only results of aircraft damage)

4 DEVIATIONS FROM DELTA AIR LINES/ GOGO POLICIES, PROCESSES, OR STANDARDS

4.1 General

- 4.1.1 Any conflict between the DELTA AIR LINES' TOPP and the GOGO's Policies and Procedures, will be superseded by the DELTA AIR LINES TOPP, unless this agreement references the conflicting issues, then this AWA will take precedence.

5 TRAINING, QUALIFICATIONS, AND CERTIFICATION

5.1 Training

- 5.1.1 DELTA AIR LINES' General Manager (or designee) of Training, in conjunction with GOGO's Director Training (or designee), will identify the minimum training requirements necessary to support the Contract and are detailed in ANNEX B.
- 5.1.2 GOGO employees receive the training outlined in Section 6 ANNEX B and ANNEX K prior to assignment of work. GOGO's Director of Training maintains training records for all GOGO employees. GOGO's Director Aircraft Operations (or designee) will be responsible to monitor all personnel to ensure required training and qualifications remain current. GOGO's Director of Training will schedule required training with Delta's General Manager of Training.

- 5.1.3 DELTA AIR LINES will provide training to GOGO's personnel and/or assigned sub-contractors which cover the DELTA AIR LINES Maintenance System Processes, and any DELTA AIR LINES' specific aircraft systems required to perform the work outlined in the contract. These systems are also listed in ANNEX B and ANNEX K. GOGO's Director of Training maintains training records.
- 5.1.4 DELTA AIR LINES reserves the right to verify GOGO personnel and/or assigned sub-contractors qualifications; GOGO shall provide proof of qualifications upon request by DELTA AIR LINES.
- 5.1.5 Requests for GOGO training records or personnel qualifications are submitted to GOGO's Director of Training.
- 5.1.6 An overview of AWA will become part of required training. Once the AWA is finalized, GOGO's Director of Training, in conjunction with Delta's General Manager of Training, will develop, schedule, and track the AWA Overview course.

5.2 Qualifications

- 5.2.1 DELTA AIR LINES, in conjunction with GOGO, will identify the minimum qualification requirements necessary for personnel to support the Contract as detailed in ANNEX C.
- 5.2.2 The affected GOGO Director Aircraft Operations (or designee) will ensure the necessary qualified personnel are in place prior to commencement of work.
- 5.2.3 GOGO will ensure that all qualified personnel are aware of their qualifications and limitations.

5.3 Certification of Documents

- 5.3.1 DELTA AIR LINES, in conjunction with GOGO, will identify the certification requirements necessary to support the contract and are detailed in ANNEX C.
- 5.3.2 All maintenance signatures and certifications shall be carried out according to TOPP 50-00-10, sec V unless differences are detailed in ANNEX C.
- 5.3.3 DELTA AIR LINES recognizes the equivalency of GOGO's personnel qualifications to sign DELTA AIR LINES' documents, detailed in ANNEX C.

6 SAFETY, SECURITY, ENVIRONMENTAL

6.1 General Safety

- 6.1.1 General safety applicable to all GOGO employees, consultants or vendors working within the confines of DELTA AIR LINES. (Ref TOPP 00-40-17) This includes all Line Mtc and Hangar Mtc. GOGO's Director of Training maintains GOGO's Safety Training Curriculum. GOGO must provide for a Safety Program to the DELTA AIR LINES Manager Safety, Security, Environmental (SSE) for review. After a review of the program, any comments shall be returned to GOGO who shall have the opportunity for responding to and updating the program, if necessary. The GOGO Safety Program must be approved and on file with the DELTA AIR LINES Manager SSE.

- 6.1.2 The GOGO Safety Program must include (pertaining to the type of work being done), but not be limited to:
 - 6.1.2.1 Safety Training
 - 6.1.2.1.1 The DELTA AIR LINES General Manager Fleet Programs (or designee) will ensure all applicable GOGO employees have received and have properly documented receipt of the CONTRACTORS SAFETY CBT prior to receiving a contractor badge and/or beginning any work.
 - 6.1.2.2 Emergency Response (Ref TOPP 00-40-20). GOGO Employees must:
 - 6.1.2.2.1 Familiarize them with the DELTA AIR LINES Emergency Response Program.
 - 6.1.2.2.2 Be familiar with evacuation routes in areas in which they are working.
 - 6.1.2.2.3 Be familiar with severe weather assembly areas for which they are working.
 - 6.1.2.2.4 Familiarize themselves with the location and use of emergency equipment in the areas for which they are working.
 - 6.1.2.2.5 Be prepared to take appropriate action to warn people of an emergency.
 - 6.1.2.2.6 Be prepared to report emergencies to the appropriate entity.
 - 6.1.2.2.7 GOGO's Director of Training will coordinate the receipt and distribution of Delta's Emergency Flip Charts.
- 6.1.3 GOGO employees shall abide by Technical Operations safety policies and procedures and work practices necessary to safely perform his or her job.

6.2 Environmental

- 6.2.1 GOGO and/or assigned sub-contractors must provide any and all Material Safety Data Sheets (SDS) to the DELTA AIR LINES Manager SSE prior to any chemicals brought on site (including aircraft, line and hangars). If said chemicals are not currently on DELTA AIR LINES' workplace chemical list, a Chemical Review Committee (CRC) Form must be submitted to your Divisional Environmental Manager for the chemical approval process. The chemical MUST be approved prior to chemicals being brought on site. DELTA AIR LINES' workplace chemical list can be accessed on DELTA AIR LINES' Corporate Safety & Compliance/BSD, TOPP. Once the chemical is listed on the workplace chemical list an SDS is accessible on the internet at the 3E website: 3E Company Portal DELTA AIR LINES' entire environmental policies and procedures can be found in the Environmental Programs Manual (EPM). GOGO's Director of Training will coordinate the receipt, delivery, and tracking of Delta's Contractor's Safety CBT.

6.3 Security (Ref TechOps Security Manual (TSM))

- 6.3.1 GOGO employees working in ATL TechOps exclusive area (EA) must have: a Delta TOC Contractor ID badge and an ATL SIDA badge to have unescorted access authorization to the TOC (EA). The Delta TOC contractor badge allows unescorted access to the Technical Operations center. The ATL SIDA badge allows unescorted access to the AOA and TOC RAMP area adjacent to the hangar doors as indicated by the red markings 15' beyond the hangar doors. Driving on the ramp is only

approved by having the D designator on the ATL SIDA badge. Likewise, the E designator is required for any escorting on the AOA and TOC RAMP areas (The AOA SIDA rules will apply). Badges must be displayed on their outermost garment above the waist.

6.3.1.1 All visitors will be escorted at all times by a properly identified DELTA AIR LINES employee. Failure to comply with the identification and/or escort procedures may result in fines issued to DELTA AIR LINES, and/or individual. Furthermore, failure to comply with identification and escorting procedures may result in termination of contract. Piggy backing through Technical Operations access control turnstiles or SIDA area is strictly prohibited. No visitor, at any time, can perform maintenance of any type unless properly badged as stated in 6.3.1.

6.3.2 All Line Mtc. station requirements: A GOGO company ID and local SIDA badge per city requirements. Badges must be displayed on their outermost garment.

6.3.3 GOGO employees, consultants, vendors and or assigned sub-contractors shall not wear official airline uniforms while working within the confines of DELTA AIR LINES (This includes all Line MTC and Hangar MTC).

7 DOCUMENTATION AND DATA CONTROL PROVISIONS

7.1 General

7.1.1 DELTA AIR LINES' Chief Inspector (or designee) and GOGO's Director Aviation Quality (or designee) shall be responsible for determining which GOGO and DELTA AIR LINES documents are required. These requirements will be defined in ANNEX E.

7.1.2 DELTA AIR LINES is responsible to provide the work requirements and the necessary documents (i.e. ERAs, Logbook, OMI, LMOS etc.) and supporting recording forms to GOGO.

7.1.3 Any GOGO forms or tags accepted by DELTA AIR LINES will be listed in ANNEX F.

7.2 Publications and Maintenance Data

7.2.1 DELTA AIR LINES and GOGO are responsible for ensuring that the correct revision status of required publications and maintenance data are communicated. See ANNEX A and ANNEX E.

7.2.2 DELTA AIR LINES is responsible for distributing approved publications and maintenance data as required to production staff at designated locations prior to the commencement of work on a DELTA AIR LINES product.

7.2.3 All publications and maintenance data received by GOGO from DELTA AIR LINES will be processed as detailed in ANNEX E.

7.3 Engineering Data Approval

7.3.1 DELTA AIR LINES remains responsible for the configuration of its aircraft.

7.3.2 Any required engineering approvals will be processed through the DELTA AIR LINES' Engineering department. The process is defined in ANNEX H.

7.4 Configuration Control of Individual Aircraft

7.4.1 All part and components installed on DELTA AIR LINES aircraft will comply with DELTA AIR LINES' configuration control documents (i.e. PC's, EA's, drawings, etc.) Ref TOPP 60-00-60 for additional information on the configuration control process.

7.5 DELTA AIR LINES' Supplied Documents Change Requests

7.5.1 All technical documents or publication errors found by GOGO and/or assigned sub-contractors will be given to the GOGO's Director Aviation Quality (or designee) who will report discrepancy to the on-site Maintenance Lead Mechanic (or designee) who will follow TOPP.

8 TECHNICAL RECORDS PROVISIONS

8.1 General

- 8.1.1 DELTA AIR LINES, in conjunction with GOGO, shall be responsible for establishing Technical Records which are industry accepted and related to the Contract, as required meeting regulatory requirements.
- 8.1.2 All maintenance performed on a DELTA AIR LINES aircraft must be documented.
- 8.1.3 GOGO and/or assigned sub-contractors will handle Technical Records as specified in DELTA AIR LINES TOPP or as specified in ANNEX E.

9 MATERIAL CONTROL PROVISIONS

9.1 General

9.1.1 Unless specified in ANNEX A of this agreement, the handling of aircraft materials and components will be as detailed in the DELTA AIR LINES TOPP.

9.2 Material Substitutions and Equivalencies

9.2.1 No substitutions can be used for any Airworthiness Directive (AD) item.

9.3 Vendor Authorization

- 9.3.1 All purchasing of new OEM parts I materials for the Contract will be in accordance with the DELTA AIR LINES approved supplier list, within the guidelines stipulated in TOPP.
 - 9.3.1.1 A new part is defined as those parts that are purchased directly from the OEM.
- 9.3.2 All surplus parts and or material must be procured from a DELTA AIR LINES' approved supplier, (Reference TOPP 60-10-05). All parts or material purchased must meet the receiving requirements for traceability (Reference TOPP 60-20-01).
 - 9.3.2.1 DELTA AIR LINES defines surplus as any part, new or used, which is purchased from any source other than the OEM. Standard hardware may be purchased from a distributor authorized by the OEM.
- 9.3.3 GOGO will utilize DELTA AIR LINES' approved repair suppliers list. All parts or material purchased must meet the receiving requirements for traceability (Reference TOPP 60-20-01).
 - 9.3.3.1 In the event a current Approved Repair Supplier is not able to meet the required turn time, DELTA AIR LINES and GOGO shall jointly seek and approve another Repair Supplier (Ref TOPP 20-60-12).

- 9.3.4 DELTA AIR LINES approved Repair Supplier I Maintenance Provider list can be accessed via the 121 Air Carrier MPL hyperlink found in TOPP 40-50-12. The hyperlink connects to a reference copy that is updated on a bimonthly basis by DELTA AIR LINES EQA. SAP should be consulted for live approval status. DELTA AIR LINES Manager EQA or designee can be contacted to confirm a Maintenance Providers' approval status.
- 9.3.5 Kits purchased by GOGO for installation by a Certificated Repair Station subcontractor: The subcontractor contracted to perform the work, will be responsible for performing the receiving inspection functions and control of units for installation on Delta aircraft. Receiving inspections will be performed in accordance with the Certificated Repair Station's FAA accepted procedures.
- 9.3.6 (Reference ANNEX A for exceptions, deviations or clarifications to these processes.)

10 TOOLING PROVISIONS

10.1 General

- 10.1.1 GOGO shall be responsible for establishing the requirements for tooling as related to the Contract and advising DELTA AIR LINES of deficiencies.
- 10.1.2 DELTA AIR LINES will furnish all required aircraft maintenance tooling specified by a DELTA AIR LINES unique tool number. GOGO is responsible for providing all OEM and common tooling.
- 10.1.3 No substitutions or deviations allowed when working Airworthiness Directive (AD) items, unless approved per ANNEX J.
- 10.1.4 GOGO personnel process for checking out DELTA AIR LINES' tools;
 - 10.1.4.1 Only specific GOGO personnel with designated bar codes will be allowed to check out tools from DELTA AIR LINES' tool rooms.
 - 10.1.4.2 All tools must be returned at the end of each shift or tools must be signed over to GOGO designated personnel at the tool room.
 - 10.1.4.3 All tools must be in the same condition as when they were borrowed. Tools not returned or damaged may be subject to purchasing by GOGO. The purchase of these tools will be handled by the DELTA AIR LINES Project Manager for GOGO. The DELTA AIR LINES Project Manager will be responsible for billing GOGO for any tooling not returned or damaged.

10.2 Calibrated Tooling

- 10.2.1 All DELTA AIR LINES PMET tooling will continue to be monitored by the DELTA AIR LINES tool rooms. The DELTA AIR LINES' PMET tooling will be sent to calibration on or before the expiration date by the DELTA AIR LINES' tool rooms.
- 10.2.2 Before any calibrated tooling (other than DELTA AIR LINES provided tooling) is used, GOGO and/or assigned subcontractors calibration program is subject to acceptance and audit by DELTA AIR LINES' EQA.

10.2.3 Each job requiring a calibrated tool must have the tool number documented on the work document.

10.2.4 Personal calibrated tools are not authorized for use on DELTA AIR LINES' aircraft.

11 SUBCONTRACTORS

11.1 General

11.1.1 All subcontractors shall comply with all elements of this AWA.

11.1.2 All subcontractors, CPR 145 Repair Stations or Contract Maintenance organizations, must be accepted by EQA prior to use.

11.1.2.1 CPR 145 Repair Stations must provide a copy of their complete Ops Spec and FAA Certification.

11.1.2.2 Contract Maintenance Organizations must provide proof of active participation in a DOT anti-drug and alcohol misuse prevention program.

11.2 Requirements

11.2.1 GOGO shall select a Maintenance vendor that:

11.2.1.1 Can provide airport access for their technicians at the maintenance sites.

11.2.1.2 Can maintain a maintenance records and parts tracking system that meets the FAA, GOGO and DELTA AIR LINES requirements.

11.2.1.3 Can successfully complete all initial and recurrent training required by the FAA, GOGO and DELTA AIR LINES.

ANNEX A

Deviations from DELTA AIR LINES I GOGO Processes

(And/or Clarifications to same)

1 AIR WORTHINESS DIRECTIVES (AD)

- 1.1. All AD items must be worked as written without deviation or substitution. Any deviation or substitution that must be used must be first approved as an AMoC by the FAA ACO via an alternate method of compliance (AMoC) approval. ALL AMoC requests must be submitted to DELTA AIR LINES' MRO Engineering for submittal to the FAA or to the DELTA AIR LINES Engineering contact person for GOGO, who will then coordinate with DELTA AIR LINES' MRO Engineering department for disposition or coordination.

2 REQUIRED INSPECTION ITEMS (RII)

- 2.1. Routine task cards
 - 2.1.1. DELTA AIR LINES will supply all routine task cards called Aircraft Maintenance Document System (AMDS) cards. These AMDS work-cards may have the letters RII marked in the Keyword Box. Anytime a RII exists on an AMDS, each inspection block step in the event is considered to be RII and must be inspected and signed by a DELTA AIR LINES RII Authorized Inspector per TOPP 40-30-05 and entered into SCEPTRE.
- 2.2. Non-routine task cards
 - 2.2.1. DELTA AIR LINES will supply all non-routine task cards. An RII item non-routine task card will be identified and processed as per section 2.2.1.
 - 2.2.2. Any non-routine generated during an RII JIC maintenance event must be identified as an RII non-routine in accordance with TOPP 40-30-05, and is to be worked as an RII maintenance event.

3 100% BUY BACK OR CRITICAL SYSTEMS

- 3.1. The terms 100% Buy Back, Second Set of Eyes, and Critical System Check are synonyms between DELTA AIR LINES and GOGO. Both of these inspections or checks require a second set of eyes to ensure the work was accomplished. It is the responsibility of the operator to determine such items. GOGO will follow the DELTA AIR LINES criteria; reference TOPP 30-20-43 for the list of Second Set of Eyes requirements.
- 3.2. Refer to ANNEX C to determine who is qualified to sign for 100% Buy Back or Second Set of Eyes

4 RETURN TO SERVICE

- 4.1. Aircraft Return to Service
 - 4.1.1. A maintenance release entry will be made in the DELTA AIR LINES Log Book by an authorized agent of GOGO.

5 AIRWORTHINESS RELEASE

- 5.1.1. The Airworthiness Release in the DELTA AIR LINES Log Book will be signed by a SCEPTRE authorized DELTA AIR LINES Maintenance Representative. The DELTA

6 AMDS CARD AND NON-ROUTINE CARD

- 6.1. The AMDS card will be completed as per TOPP 50-20-10 and NON-ROUTINE CARD as per TOPP 50-30-05
 - 6.1.1. Signature requirements for DELTA AIR LINES AMDS card and NON-ROUTINE CARD will follow DELTA AIR LINES TOPP 50-00-10.
 - 6.1.1.1. A GOGO authorized/qualified mechanic must sign by using first initial last name and their Unique Contractor ID/six-digit PPR number.

7 ACCESS TO AIRCRAFT AREAS AND SYSTEMS

- 7.1. Flight Compartment Management
 - 7.1.1. A GOGO certificated subcontractor is authorized to activate any of the following aircraft systems; IFE and aircraft ground power. A GOGO subcontractor must contact an authorized DELTA AIR LINES maintenance representative for activation of the APU.
- 7.2. Aircraft, access panels, plates, doors etc.
 - 7.2.1. DELTA AIR LINES maintenance representative must provide GOGO access to the aircraft as necessary to accomplish maintenance.
- 7.3. DELTA AIR LINES and GOGO Representatives must coordinate the security of the aircraft at all times in accordance with local requirements.
 - 7.3.1. Aircraft must not be left unsecured (open or doors closed with steps 4 ft from fuselage) and unattended.
 - 7.3.2. A DELTA AIR LINES maintenance representative must secure the aircraft prior to GOGO representatives leaving the aircraft unattended.
 - 7.3.3. GOGO representatives must coordinate with other contractors to ensure aircraft is not left unsecured and unattended. GOGO representatives are not responsible for activities of other DELTA AIR LINES contractors.
- 7.4. All maintenance events must be documented.

8 COMMUNICATION OF DELTA AIR LINES TECHNICAL OPERATIONS BULLETINS AND ADVISORY NOTICES

- 8.1. The DELTA AIR LINES maintenance representative is responsible for providing GOGO's Manager Aircraft Maintenance Control (or designee) any Bulletin/Aircraft Maintenance Alert (AMA) that pertains to TOPP and or the production operation.
- 8.2. GOGO Manager Aircraft Maintenance Control (or designee) will disseminate the DELTA AIR LINES Bulletin/AMA to GOGO's supervisory personnel who will disseminate the information. GOGO will be responsible to track and ensure that all required personnel have complied with this requirement and the information is being administered.

9 SUSPECTED UNAPPROVED PART (SUP)

9.1. GOGO is responsible to identify SUPs. GOGO will report the SUP in accordance with procedures in the RSM & QM. Anytime an SUP is generated which is related to DELTA AIR LINES, it will be reported to the Manager Regulatory Compliance who will follow TOPP 60-00-20 for reporting the SUP.

10 AUDIT OF AIRCRAFT PACKAGE

10.1. N/A

11 FAA ACCESS TO COMPUTER SYSTEMS

11.1. N/A

12 IDENTIFICATION OF DELTA AIR LINES AIRCRAFT

12.1. All DELTA AIR LINES aircraft will be identified by the DELTA AIR LINES' nose gear door number/top of vertical stabilizer number and not the registration number.

13 MATERIALS CONTROL

13.1. All PMA parts installed on DELTA AIR LINES' products must be approved by DELTA AIR LINES engineering department.

NOTE: DELTA AIR LINES' IPCs and CMMs reflect all DELTA AIR LINES' approved PMA parts.

13.2. Scrap and Beyond Economical Repair (BER) products

13.2.1. Coordinate all BER parts with the Maintenance representative.

14 DAMAGE TO AIRCRAFT OR COMPONENTS

14.1. GOGO Damage

14.1.1. Any damage done to the aircraft or DELTA AIR LINES component in the course of GOGO and/or assigned sub-contractors maintenance must be reported to a DELTA AIR LINES maintenance representative. All maintenance labor and material cost will be the responsibility of GOGO.

14.2. Existing Damage

14.2.1. Any pre-existing aircraft or component damage noted by GOGO and/or assigned sub-contractors during maintenance within their scope must be reported to a DELTA AIR LINES maintenance representative. All maintenance labor and material cost will be the responsibility of DELTA AIR LINES.

15 SAFETY, SECURITY & ENVIRONMENTAL POLICIES AND PROCEDURES

15.1. Reference section 6 of this AWA.

16 ENGINEERING REPAIR INSTRUCTIONS

16.1. Reference ANNEX H.

17 SERVICE DIFICULTY REPORTING (SDR)

- 17.1. In the event GOGO discovers a defect or un-airworthy condition which requires an SDR while performing maintenance on our aircraft, they will alert a DELTA AIR LINES Lead Mechanic, who will follow DELTA AIR LINES TOPP 80-30-10.

PERSONNEL TRAINING REQUIREMENTS

1 TRAIN THE TRAINER PROGRAM

- 1.1. DELTA AIR LINES has authorized GOGO qualified instructors to conduct training on behalf of DELTA AIR LINES. All training will be conducted to Delta Air Lines standards, with training materials developed by GOGO specifically for Delta Air Lines.
- 1.2. The list of GOGO personnel deemed qualified by DELTA AIR LINES to conduct training on their behalf is kept by DELTA AIR LINES' Tech Ops Training department. GOGO's Director of Training will provide the list Delta Air Lines' Tech Ops Training Department.

2 LIST OF GOGO TRAINING REVIEWED AND ACCEPTED BY DELTA AIR LINES AS EQUIVALENT

- 2.1. GOGO EWIS Skills ACCEPTED training course -EWIS GOGO; Delta Air lines course TEWISACPTN.

3 TRAINING RECORD REQUIREMENTS AND HANDLING

- 3.1. Formal Training
 - 3.1.1. All formal, classroom training conducted by an instructor will be recorded on a DELTA AIR LINES' Contract Maintenance Student LMS form. A copy will be provided by the DELTA AIR LINES' Training department to GOGO and used for DELTA AIR LINES conducted courses.
 - 3.1.2. GOGO will provide copies of the employee's Record of Employee Qualifications and Certificates of Training as required.
 - 3.1.3. A copy of the form, record, and certificate will be e-mailed or sent to:
 - DELTA AIR LINES;
 - General Manager Tech Ops Training
 - 980 Virginia Avenue
 - Dept. 486
 - Atlanta, GA 30354
 - 3.1.3.1. When e-mailed, use: TOTraining.DELTA AIR LINES@delta.com
- 3.2. Computer Based Training (CBT)
 - 3.2.1. All CBT is captured in the DELTA AIR LINES Learning Management System (LMS).
- 3.3. The table below details training for GOGO and/or assigned sub-contractor's personnel. The training defined is to attain the required knowledge to perform tasks related to their skills on DELTA AIR LINES' products. All training will not result in a qualification but may result in an authorization to perform task related to an individual skill. The training below may or may not be required for a specific task to be completed.

<u>Training</u>	<u>Method</u>	<u>Time and recurrence requirement</u>	<u>Students</u>	<u>DELTA LMS Training Code</u>
ETOPS Basic	Computer Based Training	1 hr, recurrent every 2 years	Assigned personnel as applicable	[FARAL107R
Policy & Procedures (P&P)	Instructor	18 hrs	Assigned personnel	[GENLM233N

<u>Training</u>	<u>Method</u>	<u>Time and recurrence requirement</u>	<u>Students</u>	<u>DELTA LMS Training Code</u>
SFAR 88 - Fuel Tank Safety Training	Computer Based Training	1 hr	Assigned personnel	[FUELSAFIR
Fall Protection for TechOps - PAL	Computer Based Training	1 hr	Assigned personnel	[SAFAL117N
Electrostatic Discharge - BSD	Computer Based Training	1 hr	Assigned personnel	[GENAL141N
Aircraft Emergency Evacuation System Maintenance - EES	Computer Based Training	1 hr	Assigned personnel	[GEN25101N
EWIS Awareness CBT	Computer Based Training	1 hr	Assigned personnel	rrGEN24108N
EWIS Skills Accepted Training - EWIS GOGO	Instructor	1 hr	Assigned personnel	rrEWISACPTN
Contractor Safety and Security	Computer Based Training	1.5 hr	Assigned personnel	rrPALLCTA4N

4 GOGO TRAINING MATRIX

4.1. The Matrix below will identify the required GOGO and/or assigned sub-contractors training and/or qualification in conjunction with the DELTA AIR LINES training which will result in DELTA AIR LINES' authorization. (Reference ANNEX C for licensing requirements)

<p>GOGO approved sub- contractor Personnel Un-certificated)</p> <p>(FAA certificated A&P, A, and Repairman)</p>	<p>DELTA AIR LINES and GOGO Training DELTA AIR LINES training - P&P, SFAR 88, FAL, ESD, EES, EWIS Awareness CBT, [EWIS Skills Accepted Training and ETOPS Basic ****</p> <p>DELTA AIR LINES training - P&P SPAR 88, PAL, ESD, EES, EWIS Awareness CBT, [EWIS Skills Accepted Training and ETOPS Basic ****</p>	<p>DELTA AIR LINES Authorized Personnel DELTA AIR LINES Authorized to perform work and short sign for work.</p> <p>DELTA AIR LINES Authorized to perform work and sign for work accomplished.</p>
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**** NOTE: Required for work on ETOPS aircraft

5 INSPECTOR TRAINING MATRIX

5.1. N/A

Personnel Licensing Requirements & Authorization Standards

1 GENERAL

1.1. No person is to be authorized to perform or certify work on any DELTA AIR LINES products for which he/she does not hold those privileges within the GOGO and/or assigned sub-contractor's organization.

2 DESCRIPTIONS OF FAA CERTIFICATIONS

- 2.1. 2.1.The following is a list of FAA Certifications used at GOGO and/or assigned sub-contractors:
 - 2.1.1. FAA Airframe/Powerplant (A & P)
 - 2.1.2. FAA Airframe (A)
 - 2.1.3. FAA Repairmen Certificates:
 - 2.1.3.1. Radio/Instrument

3 SIGNING AUTHORITY MATRIX

3.1. The matrix below is a table to demonstrate who, with what training, is authorized to sign AMDS and Non-Routine Job Cards

<u>When</u>	<u>Then</u>
A job card is considered to be a basic	A Non-Certificated employee may short sign for work accomplished, a Certificated Technician will sign the maintenance block. A Lead Certified Technician not short signing or signing the maintenance block will sign the Inspection block.
A job card that is classified as critical task	A Certificated Technician will sign the maintenance block. A Lead Certified Technician not short signing or signing the maintenance block will sign the Inspection block.
A job card is classified as Required Inspection Item (Ref TOPP 40-30-)	A Certificated Technician will sign the maintenance block. A Delta Air Lines authorized RII Quality Control personnel will sign the Inspection block.

Documentation List and equivalent Terminologies

[***]

ANNEX E

Documentation and Data Control Provisions

1 AIRCRAFT MAINTENANCE MANUALS

- 1.1. All aircraft related documents (e.g. AMM, CMM, IPC, TOPP, etc) required to maintain DELTA AIR LINES' aircraft, relating to the Contract, will be provided on-line via Online Technical Information System (OTIS) by DELTA AIR LINES to GOGO.

2 MAINTENANCE DATA REVISION CONTROL

- 2.1. GOGO and/or assigned sub-contractors will monitor the revision status of all DELTA AIR LINES' and GOGO technical documents. DELTA AIR LINES' documents are distributed electronically on the Technical Operation Home Page (TORP) and/or OTIS; the version viewed on the TORP/OTIS is the latest revision.
- 2.2. DELTA AIR LINES and GOGO agree to ensure the revision status of all documentation is current.

3 WORK PACKAGE HANDLING (AIRCRAFT MAINTENANCE DOCUMENTATION SYSTEM CARDS (AMDS), ACTION AUTHORIZATION (AA), AND ANY OTHER ROUTINE TASK CARDS)

- 3.1. *N/A*

SPECIAL TOOLING REQUIREMENTS

1 TOOLING SUBSTITUTION PROCESS

- 1.1. No deviations or substitutions allowed when working AD items except as provided in ANNEX J.
- 1.2. When a DELTA AIR LINES authorized work document specifies a DELTA AIR LINES unique tool, then reference the DELTA AIR LINES authorized work document (Ref TOPP 30-10-05) for an OEM tool. If the DELTA AIR LINES authorized work document specifies an OEM tool, GOGO may use the OEM tool to accomplish the task.
- 1.3. When the authorized work document specifies a DELTA AIR LINES unique tool and the DELTA AIR LINES authorized work document lists tool specifications including Mil Specs (ref TOPP 70-00-15), then GOGO may use any tool which meets or exceeds the tool specifications listed in the authorized work document to accomplish the task. Documentation supporting this equivalency must be kept on file.
- 1.4. When the authorized work document specifies a DELTA AIR LINES unique tool and the DELTA AIR LINES authorized work document only identifies a task (e.g. remove bushing) but does not specify an OEM tool and does not list tool specifications, then GOGO may use any OEM, Industry standard or GOGO approved method (best maintenance practice) for accomplishing the task.
- 1.5. When the authorized work document specifies a DELTA AIR LINES unique tool and the DELTA AIR LINES authorized work document was revised to change a maintenance procedure (DELTA AIR LINES alternate procedure) and there is no OEM tool to accomplish the revised procedure, DELTA AIR LINES will support the tooling to accomplish the task, until GOGO obtains the tooling.
- 1.6. When the authorized work document specifies an OEM tool, then GOGO will use the OEM specified tool or GOGO Quality Control will approve tooling equivalency as described in GOGO's RS & QM. Documentation supporting this equivalency must be kept on file.

2 CALIBRATED TOOL LOAN I LEASE I PURCHASE PROCEDURE

- 2.1. DELTA AIR LINES has calibrated tools that are tracked in DELTA AIR LINES' Precision Measuring Equipment and Test (PMET) system. The DELTA AIR LINES PMET tools may be loaned, leased, or purchased by GOGO to perform maintenance on DELTA AIR LINES' aircraft. However; an AWA process must be implemented for this to occur.

ENGINEERING DATA APPROVAL

1 REPAIR

1.1. All maintenance will be performed by GOGO's subcontractors and will be in accordance with the following manuals. Any deviations to the instructions in these manuals will be evaluated and approved using the applicable data documents and in compliance with the applicable sections of DELTA AIR LINES' TOPP by DELTA Engineering.

- D12444-09107 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, B757-200
- D12444-09111 FAA Cert Doc, Aircraft Maintenance Manual (AMM) Supplement, ABS, MD88
- D12444-09118 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, MD90
- D12444-09106 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, B737-800
- D12444-09101 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, B767-300
- D12444-09306 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, B737-700
- D12444-15107 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, B757-200
- D12444-15207 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, B757-300
- D12444-15102 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, A319
- D12444-15115 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, A320
- D12444-15109 FAA Cert Doc, Aircraft Maintenance Manual Supplement, ABS System, DC9-50

ANNEX I

ACRONYMS I TERMINOLOGY I DEFINITIONS

AA - Action Authorization
AD - Airworthiness Directive
AMA - Aircraft Maintenance Alert
AMDS - Aircraft Maintenance Documentation System
AMM - Aircraft Maintenance Manual
AMoC - Alternate Method of Compliance
AWA - Airworthiness Agreement
AWR - Airworthiness Release
BER - Beyond Economical Repair
CAR - Corrective Action Request
CBT - Computer Based Training
CFR - Code of Federal Regulations
ERA or ER/A - Engineering Repair/Authorization
GEM - Graphically Enhanced Maintenance
GEN FAM - General Familiarization
GMM - General Maintenance Manual
ICA - Instructions Continued Airworthiness
LMS - Learning Management System
LLP - Life Limited Parts
MCC - Maintenance Control Center
MP&S - Maintenance Planning and Scheduling
MPE - Material & Process Equivalents
MIRS - Maintenance Information Retrieval System
OEM - Original Equipment Manufacturer
OMI - Outstanding Maintenance Item
OTIS - Online Technical Information System
P&P - Core Policy & Procedures training
PASS - Preserve All Serviceable Spares
PMET - Precision Measuring Equipment & Tooling
RFTS - Request for Technical Services
RSM - Repair Station Quality Manual
SCEPTRE - System Computerized for Economical Performance Tracking, Recording & Evaluation
SOP - Standard Operating Procedure
SUP - Suspected Un-approved Parts
TOPP - Technical Operations Policy & Procedures

AIRWORTHINESS DIRECTIVES (AD)

1 AD DEVIATIONS AND/OR SUBSTITUTIONS

1.1. The following is the process that will be used by GOGO when it is necessary to deviate from AD work instructions.

1.1.1. No deviations or substitutions are allowed when working with an AD item unless.

1.1.1.1. The deviation or substitution has been approved as an Alternate Method of Compliance (AMoC) from the FAA Aircraft Certification Office.

1.1.1.2. All deviations or substitutions determined to require an AMoC must have valid Engineering substantiation and must be submitted to DELTA AIR LINES' Engineering contact person for GOGO who will then coordinate with DELTA AIR LINES' AD/Regulatory Programs department for disposition or coordination.

SYSTEM DEFINITION DOCUMENT

1. Scope.

The 2Ku System Description Document shall provide a high level overview of the system functions for the airborne and terrestrial systems. If more detail is needed, please refer to the Applicable Documents section of the document. The goal of the document is to inform a technical audience of primary functions and their relative locations within the system.

2. Applicable Documents.

The following documents form a part of this specification to the extent specified herein. Unless a specific issue or revision is listed, the referenced documents shall be of that issue or revision in effect on the date of this specification. In the event of a conflict between the documents referenced and the contents of this specification, the contents of this specification shall apply.

3. Government Documents.

None

4. Federal Aviation Regulations (FAR's)

CFR Title 14, Part 23	FAA Airworthiness Standards, Normal, Utility, Acrobatic and Commuter Category Airplanes
CFR Title 14, Part 25	FAA Code of Federal Regulations Aeronautics and Space Airworthiness Standards: Transport Category Airplanes Paragraph 25.853 through amendment 25-83 Paragraph 25.869 through amendment 25-72
FAA AC 25-16	Advisory Circular, Electrical Fault and Fire Prevention and Protection

5. Non-Government Documents.

6. Standards.

Table 1 IEEE, RFC and 3GPP2 Standard Reference.

Reference	Standard	Description
A	IEEE 802.1D-2004	IEEE Standard for Local and metropolitan area networks Media Access Control (MAC) Bridges
B	IEEE 802.1Q-2005	IEEE Standard for Local and metropolitan area networks Virtual Bridged Local Area Networks
C	IEEE 802.3-2005	Part 3:Carrier sense multiple access with collision detection (CSMA/CD) access method and physical layer specifications.
D	IEEE 802.11b	
E	IEEE 802.11g	
F	IEEE 802.11a	
G	IEEE 802.11n	

H	IEEE 802.11d	Regulatory domain
I	IEEE 802.11e	802.11 QoS
J	IEEE 802.11i	802.11 Security
K	ARINC-429 Part1-17	Mark 33 Digital Information Transfer System, Aeronautical Radio Inc.
L	ARINC 600-15	Air Transport Avionics Equipment Interfaces, Aeronautical Radio Inc.
M	RFC 791	Internet Protocol; September 1981
N	RFC 1034, 1034	DNS
O	RFC 1155	Structure and Identification of Management Information for TCP/IP; May 1990
P	RFC 1157	A Simple Network Management Protocol (SNMP); May 1990
Q		
R	RFC 1213	MIB for Network Management of TCP/IP (MIB-II); March 1991
S	RFC 1305	NTPv3
T	RFC 1541, 1542	DHCP/Bootp
U	RFC 1631, 2663	NAT/NAPT
V	RFC 2068, 2263	SNMPv2, SNMPv3
W	RFC 2131	Dynamic Host Configuration Protocol; March 1997
X	RFC 2136	Dynamic DNS
Y	RFC 2460	Internet Protocol, Version 6 (IPv6); December 1998
Z	RFC 2464	Transmission of IPv6 Packets over Ethernet Networks; December 1998
AA	RFC 2474, 2475, 2597, 3140, 3246	DiffServ, DSCP and PHB RFC.
AB	RFC 2460, 2464	Radius
AC	RFC 4251	SSH
AD	cdma2000 Evaluation Methodology	http://www.3gpp2.org/Public_html/specs/C.R1002-0_v1.0_041221.pdf

7. Radio Technical Commission for Aeronautics.

RTCA/DO-160G Environmental Conditions & Test Procedures for Airborne Equipment

8. Acronyms, Conventions and Glossary.

AAA	Authentication, Authorization, and Accounting
AC	Advisory Circular
ACPU-2	ABS Control Processor Unit 2nd Generation
ANSI	American National Standards Institute
ARINC	Aeronautical Radio Inc.
BTS	Base Transceiver Station
BUC	Block Up Converter
CALEA	Communications Assistance for Law Enforcement Act
CFR	Code of Federal Regulations
CLI	Command Line Interface
CSMA/CD	Carrier sense multiple access with collision detection
DHCP	Dynamic Host Configuration Protocol
ESD	Electrostatic Discharge
FAA	Federal Aviation Administration
FAR	Federal Aviation Regulations
FMU	Fuselage Mounted Unit
GB	Giga Byte
GHz	Giga Hertz

HALT	Highly Accelerated Life Testing
HTTP	Hyper Text Transfer Protocol
HPA	High Power Amplifier
Hz	Hertz
IEEE	Institute of Electrical and Electronics Engineers
IPC	The Institute for Interconnecting and Packaging Electronic Circuits
IPv4	Internet Protocol version 4
IPv6	Internet Protocol version 6
KANDU	Ku-band Aircraft Networking Data Unit
KRFU	Ku-band Radio Frequency Unit
Ku	Band is primarily used for satellite communications (12-18 Ghz)
LED	Light Emitting Diode
LRU	Line Replaceable Unit
MAC	Media Access Control
ModMan	Modem and Manager
MS	Media Server
LAN	Local Area Network
MCU	Modular Concept Unit
MIB	Management Information Base
MIL	Military
MTBF	Mean Time Between Failures
NOC	Network Operations Center
NWAP	802.11n Cabin Wireless Access Point
OAE	Outside Antenna Equipment
PPP	Point to Point Protocol
PSD	Power Spectral Density
QoS	Quality of Service
RFC	Request For Comment
RH	Relative Humidity
RMS	Root Mean Squared
RTCA	Radio Technical Commission for Aeronautics
SNMP	Simple Network Management Protocol
SSPA	Solid State high Power Amplifier
TBD	To Be Determined
TFTP	Trivial File Transfer Protocol
USB	Universal Serial Bus
VAC	Volts Alternating Current
VDC	Volts Direct Current
VGA	Video Graphics Array
VICTS	Variable Inclination Continuous Transverse Stub (antenna)
VLAN	Virtual LAN
WAP	Wireless Access Point

System Design

Network Architecture

The Gogo 2Ku Satellite Broadband Service network architecture is shown in Figure 1. Logically, the network is comprised of an outer-network and an inner-network. The outer-network is made up of the air subsystem and the ground subsystem. The inner-network is made up of the Geosynchronous Ku satellite network that interconnects the air subsystem and the ground subsystem.

[Image Deleted]

Gogo 2Ku Satellite Broadband Service System

[***]

Network Overview

[***]

Aircraft Architecture Overview

[***]

Flight and Cabin Crew Telephony

[***]

Flight Deck 2Ku Ground Mute Button and Cabin Master Switch

[***]

[***]

System Structural View

Figure 6 Gogo Aircraft System Components provides a view of the air subsystem, interconnection of the main components, their locations, etc.

[Deleted]

Gogo Aircraft System Components
(components/distances are not to scale; figure provides sample locations only)

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EXHIBIT G

TRADEMARKS

Delta Marks

Mark Name	Jurisdiction	Status	Registration No	Registration Date
SKYTEAM & DEVICE	United States	Registered	2684264	04-Feb-2003
DELTA	United States	Registered	0654915	19-Nov-1957
WIDGET LOGO	United States	Registered	0704103	06-Sep-1960
SKYMILES	United States	Registered	1968255	16-Apr-1996
FREED WIDGET	United States	Pending	77182424	16-May-2007

Gogo Marks



EXHIBIT H-1

MAINTENANCE SERVICES – FOR WARRANTY PERIODS THAT INCLUDE GOGO EXTENDED WARRANTY TOUCH LABOR

During the Warranty Period and any extension of the Warranty Period in which Delta elects to utilize Extended Warranty Touch Labor pursuant to Section 10.3, Gogo will provide turnkey support and maintenance services which shall include spares, repair of Equipment, line and base maintenance services (touch labor) and logistics.

Gogo Responsibilities:

- (1) Gogo or its designated sub-contractor approved in advance by Delta shall perform the maintenance services to the A/C in accordance with Delta's airworthiness requirements.
- (2) Services will be performed by licensed/qualified aircraft mechanics under an FAA 145 repair station license. Maintenance activities will be performed in accordance with applicable regulatory requirements and appropriate officially released documentation (ex: ESO, AMM, etc.) from Delta.
- (3) Gogo shall keep full and complete records of all maintenance services carried out hereunder, which records (including but not limited to ECO accomplishments) shall be provided to Delta within two (2) business days or as required by regulating authorities and open for examination and inspection by Delta and its authorized representatives during normal business hours.
- (4) All Gogo or sub-contractor technicians shall complete training from Gogo prior to being assigned to work on Delta A/C. Gogo will provide Delta with the training syllabus for their third party sub-contractors.
- (5) Gogo will notify Delta at least [***] before any change in Gogo's line maintenance labor supplier unless such change is requested by Delta as contemplated below. Upon Delta's request, Gogo shall promptly replace any line maintenance labor supplier that has materially or repeatedly breached the Gogo/sub-contractor obligations set forth in this Exhibit H-1 or elsewhere in the Agreement (as they relate to Maintenance Services). Gogo to provide Delta with a transition plan whenever there is a change in Gogo's sub-contractor who supports Delta A/C.
- (6) Gogo will provide an electronic copy of its maintenance manuals used to perform 2Ku Connectivity Services maintenance on Delta aircraft. Gogo will coordinate with the appropriate Delta group(s) to ensure revisions and updates are added and maintained in a timely manner.

Delta Responsibilities:

- (1) Make A/C available for maintenance services as required, in a timely manner as operationally practical, all in accordance with the Agreement.
- (2) Delta shall provide to Gogo electronic access to all Delta specific and customized technical manuals and documents to include but not limited to Aircraft Maintenance Manual (AMM), Illustrated Parts Catalog (IPC) and Wiring Diagram Manual (WDM), which are essential for Gogo or its designated sub-contractor to provide the maintenance services.
- (3) Delta shall provide at least [***] notice to Gogo if Delta requests a change in Gogo's line maintenance labor supplier for Delta's convenience or without cause (as opposed to due to such supplier's material or repeated breaches).
- (4) Provide at least [***] notice prior to the end of any Warranty Period of Delta's election to extend the Warranty Period.

Touch Labor:

- (1) External Equipment (e.g. Antennas, Radome, etc.) – Delta, at its sole discretion, shall decide the party (Delta or Gogo) responsible for actual replacement of external Equipment on the A/C.
- (2) Delta, at its sole discretion, shall decide the party (Delta or Gogo) responsible to repair or replace any wiring on the aircraft.

Maintenance Locations and Gogo's Maintenance Control Center ("MCC"):

- (1) Gogo will have a technical representative (which may be a Gogo employee or a subcontractor) on call in each of the maintenance bases established to support the Domestic Agreement.
- (2) Gogo will provide [***]support at each such maintenance base. Delta should contact Gogo's MCC Technical Support line (1-866-WiFi-Fly) with any maintenance-related requests or issues, and Gogo will coordinate with its employees and/or third-party providers at the stations as needed.
- (3) The parties will keep one another reasonably informed in the event that there is a procedural change, or a change in the location, associated with the maintenance of the Equipment.
- (4) MCC will track aircraft deferrals through closure.

Spares and Repair:

- (1) All spares shall be from a Delta-approved source and shall have the appropriate FAA 8130-3 or EASA Form 1.
- (2) Spares will be owned and provisioned by Gogo, provided to a third party maintenance provider and available for use on Delta A/C.
- (3) Gogo will provide visibility into spares provisioning.
- (4) Gogo will be responsible for delivering and maintaining spares in working condition and repositioning of spares between the different stations.
- (5) All spares will be covered during the Warranty Period.
- (6) Any Gogo Service Bulletins to be released will be released in accordance with the guidelines as outlined by Gogo's GMM Chapter 15. Gogo Service Bulletins shall be delivered to Delta Engineering Library or as otherwise directed by Delta Aircraft Engineering.

Gogo will provide the following reports periodically to Delta:

- (1) Reports on spares provisioning (station-by-station quantity, historical stocking levels, turn-over, etc.) will be made available to Delta.
- (2) [***].

EXHIBIT H-2

MAINTENANCE SERVICES –
FOR WARRANTY PERIODS THAT DO NOT INCLUDE GOGO EXTENDED WARRANTY TOUCH LABOR

During any Warranty Period extension under which Delta elects to provide Extended Warranty Touch Labor pursuant to Section 10.3, Gogo will provide the support and maintenance services set forth below.

Gogo Responsibilities:

- (1) Gogo, or its designated subcontractor, shall perform the Equipment repair in accordance with airworthiness requirements and Original Equipment Manufacturer's Component Maintenance Manual (OEM's CMM) under a licensed and qualified FAA 145 repair station.
- (2) All spares shall have the appropriate FAA 8130-3.
- (3) Gogo shall be responsible for Equipment repairs, work scoping and tracking of Equipment through the repair cycle, except in the case of Equipment or Software that has been subject to misuse, loss, neglect, accident or improper installation by Delta or a Delta supplier other than Gogo and its suppliers.
- (4) Gogo shall keep full and complete records of all Gogo maintenance services carried out hereunder, as required by regulating authorities, which records shall be provided to Delta upon reasonable request, except that the FAA 8130-3 and tear down data shall be provided by Gogo to Delta in conjunction with the delivery of the part. Records shall be open for examination and inspection by Delta and its authorized representatives during normal business hours.
- (5) Within [***] of Delta's notification to Gogo that Delta will be performing Extended Warranty Touch Labor, Gogo will provide to Delta a list of the required spares to be delivered and the provisioning levels to be maintained, to be revised from time to time as mutually agreed by the parties.
- (6) Purchase price, if applicable, of the spares [***].
- (7) Gogo will provide the mutually agreed-upon initial spares to ATL or other locations as the parties agree upon receipt of a purchase order [***]. Gogo will ship spare parts to ATL or other location as the parties agree within [***] of receipt of the applicable repair order (RO).
- (8) Beginning prior to cutover to Delta's performance of Extended Warranty Touch Labor and continuing for the remainder of the term of the Agreement, Gogo will provide to Delta, [***]. If Delta requests access to additional information for such purposes, Gogo shall promptly provide the same; provided that if such information is in Gogo's possession at the time of request, [***], and if such information is not in Gogo's possession at that time, then such information will be collected and provided by Gogo to Delta pursuant to an SOW entered into pursuant to the terms of the Agreement.
- (9) Gogo will provide [***]support to each maintenance base established to support the Domestic Agreement. Delta should contact Gogo's MCC Technical Support line (1-866-WiFi-Fly) with any maintenance-related requests or issues, and Gogo will coordinate with Delta at Delta's maintenance control center as needed.
- (10) Gogo will provide Delta with advance notice of any material procedural or location-related changes associated with Gogo's performance of its maintenance responsibilities under this Exhibit, provided that the foregoing does not permit Gogo to make changes that are not otherwise permissible under this Exhibit and the Agreement. The period of advance notice shall be reasonably adequate to allow Delta to make the necessary changes in its maintenance processes to accommodate Gogo's proposed changes.

Delta Responsibilities:

- (1) Delta will be responsible for Extended Warranty Touch Labor and shall be responsible for the secure storage, management, and handling of spares at each maintenance station, and the safe movement and positioning of spares between and among the maintenance locations.

- (2) Delta shall keep full and complete records of all Delta maintenance services carried out hereunder, as required by regulating authorities, which records (including but not limited to ECO accomplishments) shall be provided to Gogo upon reasonable request, except that serial numbers of removed rotatable parts and antennas shall be provided to Gogo upon removal. Records shall be open for examination and inspection by Gogo and its authorized representatives during normal business hours.
- (3) Core Software shall come pre-loaded on the spare LRUs. Prior to installation of any spare LRUs, Delta will assess whether any Software must be loaded, and in the event that Delta is required to load Software to the Equipment, Delta will use its own laptop, loaded with "Putty," which may be downloaded free from the internet.
- (4) Delta shall use its commercially reasonable best efforts to maintain the Equipment and System on each Retrofit A/C in good and working order. In the event that the Equipment or System ceases to function in good and working order (a "Malfunction"), Delta will attempt to repair the Malfunction at the first opportunity for the applicable Retrofit A/C to receive maintenance, but in no event more than [***] after the first to occur of (a) Delta receiving notice of the Malfunction from Gogo, or (b) Delta otherwise becoming aware of the Malfunction (the first to occur of (a) or (b) with respect to any Malfunction, a "Maintenance Notice"). If a Malfunction is not repaired [***] after Delta's receipt of the applicable Maintenance Notice, Gogo reserves the right, but shall not be obligated, to dispatch Gogo personnel or subcontractors to the maintenance location to troubleshoot and correct the Malfunction that Delta has failed to correct within the required time frame. If Delta fails to repair at least [***]% of any Malfunctions occurring in a calendar month within [***] hours following its receipt of the applicable Maintenance Notices (a "Repair Failure"), Delta will submit to Gogo and implement a remediation plan. If a Repair Failure occurs in any [***], the issue shall be escalated to the level of Senior Vice President or higher at Gogo and SVP of TechOps or higher at Delta. If following such escalation a Repair Failure occurs in any [***], and Delta fails to cure such failure within [***] following notice from Gogo, Gogo may reinstate Exhibit H, the foregoing maintenance exhibit, at which time this exhibit shall be of no further force and effect.
- (5) Delta will ensure that all the requirements for maintenance stations (required certification or authorizations) are met at all times. These include any regulatory certifications and any Delta requirements.
- (6) Delta shall report, no less than monthly, the Gogo spares inventory at, and movement between, the maintenance stations. Gogo shall have the right, upon reasonable written request, but in no event more than once per calendar year, to take a physical inventory of all spares in Delta's possession, such inventory to be performed during Delta's normal business hours in such a manner as to minimize any disruption on Delta's business.
- (7) In the event that Delta draws a spare from the spares pool to remedy an Equipment failure, Delta shall provide Gogo with written notice of the use of such spare from the spares pool in the form of an RO, for replenishing the spares pool in connection with such Equipment failure.
- (8) Delta shall return replaced Equipment to Gogo (except the parts that are expendable in nature) as soon as reasonably practicable, and in any event no later than [***] after removal. Delta will be responsible for the cost of shipping spares from the maintenance stations back to Gogo and bears the risk of loss or damage to Equipment in transit until received by Gogo.
- (9) Upon expiration or termination of the Agreement, Delta shall return all spares to Gogo.
- (10) Delta will keep Gogo reasonably apprised of material procedural or location-related changes associated with Delta's performance of its maintenance responsibilities under this Exhibit.
- (11) Spares will be owned and provisioned by Gogo and available for use on Delta aircraft. Title and risk of loss for spares shall transfer from Gogo to Delta when Delta pulls a spare from the spares pool for the purpose of installing such spare on an Installed A/C.

Gogo will provide the following reports periodically to Delta:

[***]

Exhibit I

NEXTGEN ATG DESCRIPTION AND DEVELOPMENT MILESTONES

DESCRIPTION

[***]

MILESTONES

<u>Milestone</u>	<u>Date</u>
Report and Order	[***]
Auction Date	[***]
Auction Award	[***]
Technical POC with test aircraft	[***]
First prototype installation on Delta aircraft	[***]

EXHIBIT J

IPTV DESCRIPTION

- [***]
- [***]
- [***]

FORM OF PRESS RELEASE

Delta to Upgrade In-flight Wi-Fi and Expand Coverage Areas for Customers

Satellite-based systems will replace air-to-ground systems on more than 250 aircraft serving long-haul domestic, Latin American and Caribbean routes

Delta supports Gogo's effort to develop faster air-to-ground Internet connections

ATLANTA, Feb. 25, 2015 – Delta Air Lines (NYSE: DAL) will upgrade the in-flight Wi-Fi service that customers experience with faster speeds and greater coverage. The upgrades will extend Wi-Fi access beyond the shores of the North America for Delta customers traveling between the U. S. and Latin America or the Caribbean. Gogo (NASDAQ:GOGO) will begin updating Delta's long-haul domestic aircraft currently operating on air-to-ground technology with satellite-based technology starting in 2016.

In addition, Delta will support Gogo's efforts to develop the industry's newest technology with Gogo's next generation air-to-ground service for its short-haul aircraft, which will feature faster connection at broadband speeds. Today's announcement is the latest step Delta is taking to improve the travel experience and continue leading the industry with innovative technology solutions for its customers.

"Global connectivity equals global productivity and business travelers want greater bandwidth, faster speeds and broader network coverage," said Tim Mapes, Senior Vice President - Marketing. "That's exactly what they will get when they fly Delta."

Satellite-based 2Ku upgrades

More than 250 of Delta's aircraft on long-haul domestic, Latin American and Caribbean routes will have access to Wi-Fi when they fly over water or outside existing air-to-ground service areas with the upgrades to 2Ku. The satellite-based system will be installed on:

- 757-300 aircraft
- 757-200 aircraft
- 737-900ER aircraft
- 737-800 aircraft
- A319 aircraft

2Ku service will also be offered on Delta's Airbus A321 aircraft when they enter the Delta's fleet beginning in 2016.

Air-to-ground technology improvements

Short-haul domestic aircraft in Delta's fleet with air-to-ground systems will be upgraded with Gogo's next generation air-to-ground technology as it becomes available. Delta's 717-200, MD-88 and MD-90 aircraft are slated to get the system and will also offer significantly upgraded speeds.

International Wi-Fi

Delta has completed installation of Ku-band satellite Wi-Fi on more than one-third of its international fleet and will be 85 percent complete by the end of 2015. In mid-2016, its entire international fleet, including all of its Boeing 777, 767, 747, Airbus A330 and transoceanic Boeing 757 aircraft operating on long-haul routes will offer Wi-Fi. The addition of in-flight Internet on nearly 150 aircraft will expand the number of Delta's aircraft equipped with Wi-Fi to approximately 1,000 to offer customers the most global Wi-Fi access of any carrier. 2Ku service will be offered on Airbus A330-900Neo and A350-900 aircraft when they enter the Delta fleet.

Delta Studio

Customers can access free and paid streaming entertainment options through Delta Studio on any of Delta's Wi-Fi-equipped domestic flights using their own portable electronic devices. With expanded connectivity options, Delta Studio will be available on Caribbean and Latin American routes operated by domestic aircraft. Delta Studio was introduced in 2014 and features a new customer portal with improved navigation for accessing entertainment options. Customers in First Class and Economy Comfort receive complimentary access to premium content while customers in the Economy have access to a wide selection of complimentary entertainment.

Delta already operates the world's largest Wi-Fi-equipped fleet, with more than 3,500 Internet connected flights daily, including its entire fleet of 620 domestic mainline aircraft. More than 940 Delta aircraft, including all Delta Connection two-class regional jets and more than 35 percent of its international fleet are equipped with in-flight Wi-Fi service offering more than 370,000 customers per day access while in the air.

Delta Air Lines serves more than 170 million customers each year. Delta has ranked No.1 in the Business Travel News Annual Airline survey for four consecutive years, a first for any airline. Additionally, Delta was named to FORTUNE magazine's top 50 World's Most Admired Companies in addition to being named the most admired airline for the fourth time in five years. With an industry-leading global network, Delta and the Delta Connection carriers offer service to 326 destinations in 59 countries on six continents. Headquartered in Atlanta, Delta employs nearly 80,000 employees worldwide and operates a mainline fleet of more than 700 aircraft. The airline is a founding member of the SkyTeam global alliance and participates in the industry's leading trans-Atlantic joint venture with Air France-KLM and Alitalia as well as a newly formed joint venture with Virgin Atlantic. Including its worldwide alliance partners, Delta offers customers more than 15,000 daily flights, with key hubs and markets including Amsterdam, Atlanta, Boston, Detroit, Los Angeles, Minneapolis/St. Paul, New York-JFK, New York-LaGuardia, Paris-Charles de Gaulle, Salt Lake City, Seattle and Tokyo-Narita. Delta has invested billions of dollars in airport facilities, global products, services and technology to enhance the customer experience in the air and on the ground. Additional information is available on delta.com, Twitter [@Delta](https://twitter.com/Delta), Google.com/+Delta, Facebook.com/delta and Delta's blog takingoff.delta.com.

ADDENDUM 1

DATA USAGE ADDENDUM

1. **Definitions.** In addition to those terms defined in the body of this Agreement, the definitions below shall apply to the following terms:

“**2Ku Agreement**” shall mean the 2Ku In-Flight Connectivity Services Agreement, dated April 1, 2015, between Gogo LLC (“Gogo”) and Delta Air Lines, Inc. (“Delta”).

“**Authenticated Passenger Usage**” means, [***].

“**Connectivity Services**” means, depending on the IFC Agreement governing the applicable aircraft: Connectivity Services, as defined in the Domestic Agreement and the International Agreement, and 2Ku Connectivity Services, as defined in the 2Ku Agreement.

“**Delta Connectivity Services**” means Connectivity Services provided by Gogo to Delta for purposes of transmitting (i) Delta Data Usage (as defined in the applicable IFC Agreement), (ii) any data used by Delta for operational or crew usage or for providing complementary connectivity service (other than access to Whitelisted Sites) to passengers, and (iii) any other data used by Delta for any purpose pursuant to one or more IFC Agreements.

“**Domestic A/C**” shall have the meaning ascribed thereto in the 2Ku Agreement.

“**Domestic Agreement**” shall mean the Amended and Restated In-Flight Connectivity Services Agreement, dated April 7, 2011, between the parties, as amended.

“**Higher Priority Transmissions**” shall mean transmissions which take precedence in delivery or require additional security as compared to the internet connectivity services provided to passengers purchasing Connectivity Services.

“**IFC Agreements**” means, collectively, the Domestic Agreement, International Agreement and 2Ku Agreement. For purposes of clarity, the term includes any Statements of Work issued thereunder.

“**International A/C**” shall have the meaning ascribed thereto in the 2Ku Agreement.

“**International Agreement**” shall mean the International In-Flight Connectivity Services Agreement, dated August 1, 2013, between the parties, as amended.

“**Machine to Machine Transmissions**” shall mean transmissions of data that (i) originate or terminate on the aircraft (excluding any personal or portable electronic devices, whether or not attached to the aircraft) and (ii) do not involve any human intervention.

“**Technology Type**” means each of Gogo’s ATG, ATG-4, Ku, 2Ku and 14 GHz NextGen ATG technologies; provided that 2Ku on Domestic A/C and 2Ku on International A/C shall be considered two separate technology types for purposes of this Data Usage Addendum.

2. **Existing Agreements; Amendments.** In various contracts and amendments, Gogo permitted Delta to use network/data capacity for a variety of operational uses or have the opportunity to use and purchase the services for discounted rates. In doing so, the parties previously agreed to certain arrangements, as follows:

<u>Item</u>	<u>Allocation Name</u>	<u>Contract or Amendment</u>	<u>Section</u>	<u>Tech</u>	<u>Allocation</u>	<u>Overage Rate</u>
1	POS allocation	Operational Applications	4.3	[***]	[***]	[***]
2	Domestic Portal allocation	Domestic Portal Amendment	7.5.5 (as amended)	[***]	[***]	[***]
3	International Portal allocation	International	7.5.4	[***]	[***]	[***]
4	International Operational Usage fees	International	9.6	[***]	[***]	[***]
5	International Portal Credit	International	7.5.4	[***]	[***]	[***]
6	Connectivity Services Certificates	Domestic	7.3	[***]	[***]	[***]
7	Connectivity Services Certificates	International	7.3	[***]	[***]	[***]

The parties have amended the Domestic Agreement, the International Agreement and the Operational Applications SOW to, *inter alia*, replace the above-described allocations, overage rates and arrangements with those set forth in this Data Usage Addendum.

3. [***]

4. **Connectivity Services Rates** [***]. [***]

<u>Fleet (as determined pursuant to the applicable Agreement)</u>	<u>Technology Type</u>	<u>Rate</u>
Domestic	[***]	[***]
Domestic	[***]	[***]
Domestic	[***]	[***]
International	[***]	[***]
International	[***]	[***]

Following is an example calculation of the Blended Rate for Excess Usage: [***]

5. [***]

6. [***]

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

Product Development and Manufacturing Agreement
ThinKom 30" VICTS Ku Rx ("K4") Antenna System

This **PRODUCT DEVELOPMENT AND MANUFACTURING AGREEMENT** (this "**Agreement**") dated November 13, 2012 is between Gogo LLC, a Delaware limited liability corporation, with a principal place of business located at 1250 N. Arlington Heights Road, Suite 500, Itasca, IL 60143, ("**Gogo**") and ThinKom Solutions, Inc., a California Corporation, with a principal place of business located at 20000 Mariner Ave., Suite 500, Torrance, CA, 90503. ("**ThinKom**"). Gogo and ThinKom may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

It is agreed as follows:

1. **Services.** Under the terms of this Agreement, Gogo retains ThinKom to develop, manufacture, complete successful testing of, and deliver to Gogo the product set forth in Exhibit A (the "**Product**"), and any other Deliverables agreed to by the Parties in accordance with Gogo's specifications and requirements. The term "**Deliverables**" means any and all documents, designs, computer programs, computer systems, hardware, data, computer documentation, and other tangible materials authored or prepared by ThinKom and delivered to Gogo pursuant to this Agreement, including any ThinKom Technology incorporated therein.
2. **Development, Manufacture and Acceptance.** ThinKom will develop, manufacture and deliver the Product and Deliverables described in Exhibit A according to the schedule described in Exhibit A. Gogo will have up to thirty (30) business days to examine each of the foregoing and determine if it conforms to the applicable specifications and requirements. If the Products and Deliverables meet the requirements, Gogo will signify acceptance of the Products and Deliverables in writing to ThinKom ("**Acceptance**"). Gogo's acceptance of any Product or Deliverable will not release ThinKom from its warranty obligations under this Agreement, including any of its Exhibits. If any Product or Deliverable does not meet the requirements in Gogo's opinion, Gogo will indicate rejection of the foregoing, and provide ThinKom with a written list of errors. Within ten (10) days of receiving a rejection, ThinKom will identify the cause of the problem and define a plan to correct such errors so that the Product and Deliverable conforms to the applicable requirements. Upon correction of the errors, ThinKom will re-deliver the corrected items to Gogo, at ThinKom's expense, which corrected items will be subject to the Acceptance procedure described in this Section. However, if errors still exist after three (3) attempts at correction by ThinKom and ThinKom is not able to provide reasonable corrections, Gogo may terminate this agreement by providing notice to ThinKom with Gogo's description of the remaining errors.
3. **Changes.** After consultation with ThinKom, Gogo may request changes to the Products or Deliverables at any time prior to Acceptance. Requests for changes will be submitted in writing. For any changes, which ThinKom determines, are material (defined as any change that would increase the cost or time of the development cycle either individually or cumulatively taking changes in to account), ThinKom will submit cost and schedule impact to Gogo for review and concurrence. Upon agreement by ThinKom and Gogo, Gogo and ThinKom will sign the revised Exhibit A or specification. If ThinKom and Gogo do not agree to the impact of any change within ten (10) business days of Gogo submitting a requested change and ThinKom submitting the given schedule and cost impact, Gogo may terminate this Agreement by notice to ThinKom.

4. **Support.** ThinKom will provide Product warranty support under the terms and conditions described in Exhibit B: Support Terms.

5. **Warranty.** [***]

After the warranty period stated herein has expired, some manufacturer and/or licensor's warranties may still be in effect, and Gogo shall look solely to such manufacturer and/or licensor for warranty repair.

ThinKom warrants that neither the Product nor Deliverables contains or will contain any disabling procedures (as defined in the next sentence). "Disabling procedures" means any code or instructions that is capable of accessing, modifying, disabling, interfering with or otherwise harming the Product, Deliverables, any connected system, or any information resident on such a system, except in a manner that is intended for the functionality of the Product and fully disclosed in the documentation of the Deliverables. For example, "disabling procedures" includes any virus or other malicious code, software lock, time bomb or trap door. Immediately upon discovery of any disabling procedures that may be included in the Product or Deliverables, ThinKom will notify Gogo, and will take any action necessary to identify and eradicate such disabling procedures, and to carry out any recovery necessary to remedy the impacts of such disabling procedures, at ThinKom's expense.

THIS IS THE ONLY WARRANTY GIVEN BY THINKKOM. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXCLUDED, EXCEPT ANY WARRANTIES, WHICH CANNOT BY LAW BE EXCLUDED.

6. **Price and Payment.** Gogo will pay ThinKom the fees, in accordance with the schedule, set forth in Exhibit A. Gogo will pay for Product and Deliverables at the prices set forth in Exhibit A. Payments will be in U.S. dollars. Payments will be due NET 30 days from invoice date, unless otherwise agreed by the Parties in writing.

7. **Ownership.** This section describes the ownership of the work product developed pursuant to this agreement, and all intellectual property rights related thereto, including copyrights, trademarks, trade secrets, patents, moral rights, contract and licensing rights, and rights to enforce all of the foregoing ("**Proprietary Rights**").

7.1 "**Technology**" means any and all technical information (including ideas, techniques, designs, inventions, know-how, processes, algorithms and specifications). "**Gogo Technology**" means the Technology provided by Gogo to ThinKom pursuant to this Agreement. "**ThinKom Technology**" means the Technology that was in ThinKom's possession or in development prior to receipt of any Gogo Technology under this Agreement, and that ThinKom uses in performing its services under this Agreement. "**Project Technology**" means the Technology, which is conceived, made, reduced to practice, or learned by ThinKom, or jointly, in the course of work performed under this Agreement. The Project Technology does not include the ThinKom Technology or the Gogo Technology or Technology derived from either ThinKom Technology or Gogo Technology. Should Gogo identify any technology that Gogo claims is Project Technology, Gogo shall promptly notify ThinKom in writing of the specific Project Technology. ThinKom shall have 30 days to give written notice to Gogo if ThinKom does not agree that noted technology should be deemed Project Technology. If ThinKom disagrees and Gogo and ThinKom are not able to come to a resolution within 60 days of ThinKom's written notice of disagreement to Gogo, the parties shall resolve the disagreement per the arbitration clause outlined in the Escrow Agreement, Paragraph 7.

7.2 Gogo warrants that it owns, or has the right to use in accordance with this Agreement, all Gogo Technology. ThinKom warrants that it owns, or has the right to use in accordance with this Agreement, all ThinKom Technology (including the right to grant the license described in the next section with respect to any ThinKom Technology that is owned by a third party).

- 7.3** The Gogo Technology and the Project Technology is the exclusive property of Gogo. ThinKom will promptly disclose to Gogo in writing all Project Technology. ThinKom irrevocably assigns to Gogo all right, title and interest worldwide in and to the Project Technology and all proprietary rights related thereto, and acknowledges that the fees received under this Agreement include good and valuable consideration for such assignment. ThinKom retains no rights to use the Project Technology, and agrees not to challenge the validity of Gogo's ownership therein. Gogo owns all right, title, and interest in Technology developed by or for Gogo independent of this Agreement (including improvements thereto).
- 7.4** ThinKom agrees to not supply or disclose any Gogo Technology or any Project Technology to any third party pursuant to Sections 9 and 10. Gogo agrees not to disclose any ThinKom Technology to any third party, other than such information about the ThinKom Technology, as set forth in Section 8 or that is required to install and operate Products by Gogo or its customers.
- 7.5** The ThinKom Technology is the exclusive property of ThinKom. Gogo has no rights to use ThinKom technology except pursuant to the license granted in Section 8 of this Agreement. ThinKom owns all right, title, and interest in Technology developed by or for ThinKom independent of this Agreement (including improvements thereto).
- 7.6** Upon request, ThinKom will assist Gogo in every proper way to obtain and enforce Proprietary Rights relating to the Project Technology in all countries. ThinKom will execute such documents and perform such other acts as Gogo may reasonably request to that end. ThinKom's obligation to assist will continue beyond the termination of this Agreement, but Gogo will reasonably compensate ThinKom for such assistance. If Gogo is unable after reasonable effort to secure ThinKom's signature on any document described in the preceding sentence, ThinKom hereby irrevocably designates and appoints Gogo and its officers as ThinKom's attorney in fact, which appointment is coupled with an interest, to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this subsection with the same effect as if executed by ThinKom. ThinKom hereby quitclaims to Gogo any and all claims that ThinKom now has or may hereafter have for infringement of any proprietary rights assigned to Gogo under this section.

8. Licenses. Each party grants to the other a limited license to use certain Technology as described in this section.

- 8.1** With respect to any ThinKom Technology that is incorporated in or required in connection with the use of any Product or Deliverable under this Agreement, ThinKom hereby grants to Gogo a perpetual, non-exclusive, royalty-free, irrevocable, worldwide license, with full rights of assignment and sublicense, to use, perform, copy, display, reproduce, market, sell, and distribute such ThinKom Technology as a component of the Product. Notwithstanding the foregoing, Gogo's rights to perform, copy or reproduce such ThinKom Technology shall be only in the event Gogo exercises its rights pursuant to the terms of Section 8.2 below.
- 8.2** After Gogo's acceptance of the initial 10 Black Label Shipsets, should ThinKom cease to be a going concern or discontinues or is unable or unwilling to manufacture or produce the Product, then with respect to any ThinKom Technology that is incorporated in or required in connection with the use of any Product or Deliverable under this Agreement, Gogo has the full right and authority pursuant to the grant of the license set forth in Section 8.1, to, for the Commercial and Business Aviation Sectors, use, perform, copy, display, reproduce, market, sell, and distribute such ThinKom Technology as a component of the Product by all means now known or later developed, to modify the Product and Deliverables, and to manufacture or have the Product and Deliverables manufactured.
- 8.3** With respect to any Gogo Technology that is incorporated in or required in connection with the manufacture of the Product, during the term and subject to the provisions of this Agreement, Gogo grants to ThinKom a royalty-free, worldwide, non-exclusive license, with full rights of assignment to permitted assignees of ThinKom's other rights under this Agreement, to use such Gogo Technology to manufacture or have manufactured the Product or Deliverables solely for Gogo.

9. **Exclusivity.** ThinKom agrees to supply the shipset set out in Exhibit A exclusively to Gogo for the term of this Agreement, subject to the terms and conditions of Exhibit A.
10. **Noncompetition.** [***]
11. **Purchase Orders.** Other Gogo affiliate companies may place a purchase order under this Agreement by executing the applicable transaction documents. All terms and conditions within this Agreement shall govern any such purchase orders with the exception of shipping, delivery, and invoicing address, which will be identified within the text of the applicable transaction documents.
12. **Escrow Documentation.** The parties will implement escrow as described in this section.
- 12.1 The Parties will execute an escrow agreement as part of the execution of this Agreement in substantially the form attached as Exhibit C (the “Escrow Agreement”) with Escrow Associates, Inc. (or another escrow agreement on terms reasonably acceptable to both parties with a third party escrow agent in the U.S. reasonably acceptable to both parties). Upon completion of development and Gogo’s acceptance of the initial 10 Black Label Shipset Units, ThinKom will make the Initial Deposit as defined in 1(a) of the Escrow Agreement. ThinKom will deposit updates, replacements and duplicate Deposits as described in paragraph 1(b) of the Escrow Agreement.
- 12.2 The occurrence of any of the events described in paragraph 6 of the Escrow Agreement will trigger release of the Deposit held in escrow.
- 12.3 All fees for establishing the Escrow Agreement and maintaining Gogo, as a beneficiary thereof will be paid by Gogo.
- If the Deposit is released to Gogo pursuant to the Escrow Agreement, Gogo will not become the owner of the Deposit, but Gogo will have a perpetual, non-exclusive, irrevocable, worldwide license, to use, copy, display, and reproduce Technology based on the Deposit to manufacture or have manufactured the Product based on the Deposit. Gogo shall have the right to inspect and review the contents of the Deposit, upon notice to the third party escrow agent and ThinKom, for the sole purpose of verifying the accuracy and completeness of the Deposit. ThinKom shall have the right to be present at the time of inspection, and Gogo agrees that in conjunction with such verification and inspection, it shall not copy or retain any reviewed information of the Deposit without the consent of ThinKom.
13. **Confidentiality.** The terms of this Agreement are Confidential Information under the January 3, 2008 Mutual Nondisclosure Agreement between ThinKom and Gogo (the “Confidentiality Agreement”). The Confidentiality Agreement is incorporated herein and will continue to govern Confidential Information exchanged during the term of this Agreement. If there is any conflict between the provisions of the Confidentiality Agreement and this Agreement, this Agreement will govern. Those provisions of the Confidentiality Agreement that are stated to survive termination, will survive termination of this Agreement. This execution of this Agreement will extend the term of the Confidentiality Agreement so that it does not expire until the Termination of this Agreement. The

parties agree that the existence of the relationship under this Agreement is considered Confidential Information and neither party shall issue a press release or any information to any third party concerning the relationship with out the prior written consent of the other party.

- 14. General Indemnity.** ThinKom shall indemnify, defend and hold harmless Gogo and its respective representatives, from and against the entirety of any and all claims, liabilities, losses, damages, judgments, and expenses (including attorney's fees) incident thereto and incident to establishing the right to indemnification (collectively "Losses") for loss to property or injury to or death of any person not a Party to this Agreement, arising out of or in connection with the design, manufacture, and support of Products and Deliverables. Gogo shall indemnify, defend and hold harmless ThinKom and its respective representatives, from and against the entirety of any and all claims, liabilities, losses, damages, judgments, and expenses (including attorney's fees) incident thereto and incident to establishing the right to indemnification (collectively "Losses") for loss to property or injury to or death of any person not a Party to this Agreement, arising out of Gogo's performance of its obligations under this Agreement.
- 15. Intellectual Property Indemnity.** ThinKom hereby indemnifies, defends, and holds Gogo harmless against all loss, liability or expense (including reasonable attorney and witness fees and expenses) arising out of any claim brought by a third party that any Product, Deliverable, or Product software infringes upon, misappropriates, or otherwise violates any intellectual property rights owned or controlled by a third party. In the event that a Product, Deliverable, or Product software is held or is believed by ThinKom to infringe, misappropriate, or otherwise violate any intellectual property rights owned or controlled by a third party, ThinKom will have the option, at its expense, to (a) modify the Product, Deliverable, or Product software to be non-infringing, (b) obtain for Gogo the right to continue using and selling the Product, Deliverable, or Product software, or (c) substitute a non-infringing product of equivalent form, fit, function, weight and quality. The indemnity under this section is subject to the conditions that ThinKom is notified of the claim and given the opportunity to control the defense and settlement.
- 16. Authorization.** ThinKom has provided Gogo with an English language version of ThinKom's agreement(s) with its employees and representatives regarding confidential information and ownership of inventions. ThinKom represents and warrants that every employee or representative who works on the Project Technology or who has access to Gogo's Confidential Information will first have signed an agreement with ThinKom in the form approved by Gogo. ThinKom will obtain and maintain all governmental approvals necessary to develop and supply the Products to Gogo, and to perform its other obligations under this Agreement. If this Agreement, or any technology transfer, license or assignment authorized by this Agreement, is required to be filed with, registered with, or approved by any governmental authorities of ThinKom's jurisdiction, ThinKom will (a) promptly inform Gogo of such requirements, (b) comply with such requirements at ThinKom's expense, and (c) provide copies of such registrations or approvals to Gogo upon request. ThinKom will immediately advise Gogo of any legal notices, claims or demands served on ThinKom, which might affect Gogo. Prior to signing and throughout the term of this Agreement, ThinKom will notify Gogo of any law of ThinKom's jurisdiction that conflicts with any provision of this Agreement. Gogo may terminate this Agreement immediately upon notice to ThinKom if (1) ThinKom breaches its obligations under this section, or (2) any relevant authority requires an amendment to this Agreement which is not acceptable to Gogo as a condition to approval or registration of this Agreement.
- 17. Termination.**
- 17.1** This Agreement will continue in effect for [***] years from the date of Product Acceptance, and thereafter will automatically renew from year to year unless terminated upon notice at least 90 days prior to the renewal date. Either party may terminate this Agreement immediately upon notice to the other:
- (a) if the other party materially breaches any of its obligations under this Agreement and the breach is not cured within 30 days after notice thereof and the parties are unable to mutually agree to a reasonable acceptable recovery plan within the 30 day period; or
 - (b) if the other party files insolvency proceedings, or files an answer not seeking dismissal of an insolvency proceeding, or is adjudged insolvent; if substantially all assets of the other party are transferred to an assignee for the benefit of creditors, a receiver or a trustee; if the other party loses any governmental authorization necessary to fulfill its obligations under this Agreement; or if the other party ceases to carry on business.

- 17.2 Upon termination of this Agreement prior to delivery to Gogo of the initial ten (10) Black Label Shipset units described in Section 3 (b) of Exhibit A, ThinKom will promptly deliver to Gogo all Gogo property in the possession of ThinKom, and all work accomplished by ThinKom or in process, and documentation relating to the Product, Deliverable, or Product software, existing at the time of termination, and Gogo will promptly make payment to ThinKom as set forth in Section 5 of Exhibit A.
- 17.3 The Parties have considered the investment required to perform this Agreement and possible losses in the event of termination, and agree that the rights of termination provided in this Agreement are absolute.
18. **Limitation of Liability.** EXCEPT FOR EACH PARTY'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR CONSEQUENTIAL DAMAGES ARISING FROM TERMINATION OF THIS AGREEMENT (WHETHER BASED ON LOSS OF INVESTMENT, GOOD WILL, PROSPECTIVE PROFITS OR OTHERWISE). The preceding sentence does not limit either Party's liability for breach of this Agreement.
19. **Quantity Terms.** Gogo is not obligated to procure any minimum quantity of Products, Deliverables, or services under this Agreement to obtain the pricing for Products set forth in this Agreement except when ordering, Gogo will need to comply with the minimum purchase order quantity specified in Exhibit A. Gogo will purchase a quantity of Products as stated on purchase orders made under this Agreement. Actual quantities will be indicated on a purchase order. Pricing set out in this Agreement or the Exhibits will apply regardless of actual quantities ordered under this Agreement.
20. **Taxes.** ThinKom is responsible for, and indemnifies Gogo against, any and all taxes (including without limitation any related penalties, interest, fees, etc. associated therewith) arising out of or in connection with ThinKom's business operations to produce or procure the Products and services to be sold to Gogo under this Agreement. In no event will ThinKom attempt to bill or invoice Gogo for any taxes described in this Section. Gogo represents that it is purchasing the Products for resale purposes only and Gogo shall provide a valid resale exemption certificate to ThinKom with respect to any sales and/or use taxes.
21. **Title and Risk of Loss.** Title and all risk of loss or damage to all Products and Deliverables to be delivered under this Agreement will remain with ThinKom until such Products or Deliverables are shipped FOB ThinKom's facility (INCOTERMS 2010) per Gogo's instructions. Processing of claims relating to loss of or damage to Products or Deliverables will be managed by the Party responsible for risk of loss or damage to such Products or Deliverables at the time the claim arises.
22. **Delivery Schedules.** The required delivery schedule for Products and Deliverables will be indicated on the purchase orders issued by Gogo. Gogo will make commercially reasonable effort to place purchase orders honoring ThinKom's lead-time, however, if the purchase order delivery dates fall inside of the ThinKom lead-time, ThinKom will use commercially reasonable efforts to meet the date on the purchase order for those Products and Deliverables scheduled inside lead-time. ThinKom

will not be in breach of its obligation to deliver Products and Deliverables per the schedule in the purchase orders (when that Product or Deliverable is scheduled inside the lead-time), provided that ThinKom has exercised commercially reasonable efforts to meet such date. For avoidance of doubt, all other deliveries in the purchase orders (that fall outside lead-time) will be delivered in accordance with the terms of this Agreement.

23. Insurance. In support of ThinKom's obligations under this Agreement, ThinKom shall maintain, during the term of this Agreement, at its own expense, the following insurance: (a) Statutory workers compensation insurance and employer's liability in an amount no less than \$1,000,000 per occurrence; (b) General liability insurance with bodily injury and property damage limits of \$5,000,000 per occurrence (in any combination of primary or umbrella coverage) (Such insurance shall include products liability, contractual liability and completed operations coverage.); and (c) Excess liability insurance in the umbrella form with a combined single limit of \$5,000,000.

24. Records; Audit. ThinKom will provide Gogo with quarterly financial statements at a reasonable level of detail along with reviewed financial statements for the year ended December 31, 2012 and audited financial statements for the fiscal years thereafter.

25. Force Majeure.

(a) Neither party shall be in default on account of, and neither party assumes any liability or responsibility for, consequences arising out of the interruption of its performance under this Agreement by epidemics, fire, flood, unusually severe weather or any other extraordinary natural disturbances, acts of God or of the public enemy, acts of the United States Government, Seller's government or a foreign government in its sovereign capacity, any civil commotion, riot, insurrection or hostilities, whether or not declared war, conditions that may adversely affect the safety of such party's personnel and/or equipment, restrictions due to quarantines, blockades, embargoes, unavailability of materials, severe and unforeseeable market shortages, or any other causes beyond the reasonable control of such party, that arise without the fault or negligence of such party, and that result in delay of performance hereunder. Any such delay resulting from such events shall be deemed excusable and shall be referred to herein as an "event of force majeure." The party whose performance will be delayed by such events shall use its best efforts to notify the other within three (3) days after the occurrence of such an event of force majeure, and the cessation thereof.

(b) With respect to delays in performance of ThinKom's subcontractors or suppliers, such delays shall be deemed excusable delays with respect to ThinKom only if such subcontractor's performance is prevented by a cause set forth in (a) above, or other causes beyond the reasonable control of, and that arise without fault or negligence on the part of, such subcontractor or supplier, and when ThinKom could not have obtained the supplies or services from other sources in sufficient time to prevent interruption of its performance of this Subcontract.

26. General.

26.1 The Parties are independent contractors. Neither party is an agent or partner of the other. Neither Party has the right to incur any obligation on behalf of the other. ThinKom will provide its own equipment, tools (including software development tools and design tools) and other materials, except as specifically described in Exhibit A. If any tools or equipment are provided by Gogo, or are manufactured or acquired for Gogo by ThinKom at additional cost, such tools or equipment will remain the exclusive property of Gogo. ThinKom waives any lien on such tools and equipment, and will return them to Gogo upon request in the same condition as received by ThinKom (ordinary wear excepted), regardless of any payments that may then be due from Gogo to ThinKom. ThinKom may subcontract its performance under this Agreement to third parties without the prior written consent of Gogo. ThinKom is responsible for qualification and quality control of subcontractors, and for all actions of subcontractors relating to this Agreement. ThinKom will enter into agreements with any

subcontractors (including contract manufacturers) requiring them to assign to ThinKom ownership of their work product and all proprietary rights therein, and to comply with nondisclosure terms at least as restrictive as those of the Confidentiality Agreement for any products which are developed exclusively for this project. ThinKom will provide Gogo with signed copies of its agreements with subcontractors described in the preceding sentence.

- 26.2** Both Parties will comply with all laws and regulations applicable to design, manufacture and sale of the Products and Deliverables. Gogo and ThinKom agree not to export, directly or indirectly, any U.S. source technical data acquired from the other party or any products utilizing such data, which export may be in violation of the United States export laws or regulations. Neither Party will directly or indirectly make any payment, or transfer anything of value, to any government official or employee, political party, political party official, candidate for political office, or other third party in violation of any foreign or domestic commercial bribery, anti-kickback or similar law or regulation.
- 26.3** Notices under this Agreement will be in writing in the English language, and will be effective when received by courier delivery to the address set forth in the preamble (as may be changed from time to time by notice). Refusal to accept delivery will be deemed receipt. Notices to Gogo will be directed to "Attn: General Counsel".
- 26.4** ThinKom may not assign this Agreement, including by a sale or transfer of all or substantially all of its assets, without Gogo's prior written consent, which shall be at Gogo's sole discretion. Any attempt to assign this Agreement in violation of this section will be void.
- 26.5** This Agreement will be construed and the obligations of the parties will be determined in accordance with the substantive laws of the state of New York, USA (without reference to conflict of laws principles). No provision of this Agreement may be waived or modified except (a) as specifically stated herein, or (b) in writing signed by both ThinKom and Gogo. This Agreement (including the Exhibits) is the entire agreement between the Parties as to its subject matter, and supersedes any other negotiations between the Parties. Any additional terms in an order form, acceptance form or other communication pursuant to this Agreement, other than order quantity and shipping instructions are expressly excluded and will not modify the terms of this Agreement, unless specifically accepted by both parties in writing. This Agreement may be executed in counterparts, each of which will constitute an original. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions hereof will not be affected. The authority construing this Agreement may modify the affected provision to the minimum extent necessary to be valid and enforceable, or may strike the affected provision and enforce this Agreement as if that provision were not included. The provisions of Section 5 and Sections 7 through 23 will survive termination of this Agreement.
- 26.6** Each signer of this Agreement represents and warrants that he is duly authorized to sign this Agreement on behalf of the party for which he signs, and that this Agreement when executed is binding on the Party for which he signs.
- 26.7** The Parties acknowledge that if the U.S. government becomes a purchaser of Gogo's products of which the Products are a component, certain terms required by the U.S. government may need to be added to the Agreement. Both Parties agree to negotiate in good faith the inclusion of such terms to the extent they are reasonably necessary and either (a) do not materially change the obligations or commercial terms of the Agreement, or (b) are otherwise acceptable to both parties.

IN WITNESS WHEREOF, the parties have executed this Product Development and Manufacturing Agreement as of the date first written above.

ThinKom Solutions, Inc.

By: /s/ Mark J. Silk

Mark J. Silk
President

Gogo LLC

By: /s/ Norman Smagley

Norman Smagley
EVP & CFO

Confidential and Proprietary

9

Gogo LLC

EXHIBIT A

This Exhibit A as defined in the Product Development and Manufacturing Agreement (“**Agreement**”), dated as of November 13, 2012 between Gogo LLC (“**Gogo**”), and ThinKom Solutions, Inc. (“**ThinKom**”) is subject to and incorporates by reference the provisions of the Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

Described within this Exhibit A is the Product and Deliverables to be provided by ThinKom and related terms and conditions. To the extent there is any contradiction, inconsistency or ambiguity between the terms of this Exhibit A and the Agreement, this Exhibit A will govern.

1. **Product.** For the purposes of this Exhibit A, the Product comprises [***] shipset (the “**Shipset**”), Each Shipset includes the following line-replaceable units (LRUs): [***] (the “**Specifications**”).
2. **Statement of Work** Responsibilities for the development component of this Agreement shall be allocated as set forth below:
 - a. **Phase 1 – Product Design**
 - i. **ThinKom Responsibilities**
 1. Design Shipset (the “**Shipset**” or “**Shipsets**”) that complies with the requirements set out in Schedule 1 in their entirety.
 2. Provide finalized volume envelope requirements to Gogo of detail sufficient to allow final radome design.
 3. Provide antenna performance models to Gogo as required for Gogo’s network performance analyses.
 4. Incorporate optimizations based on Gogo’s feedback, as required.
 5. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
 6. Execute a preliminary design (PDR) review when appropriate design gates are reached.
 7. Execute a critical design review (CDR) when appropriate design gates are reached.
 - ii. **Gogo Responsibilities**
 1. Provide clarification of performance requirements as needed.
 2. Provide final design authorization subsequent to PDR and CDR as a trigger for moving to prototype phase.
 3. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.
 - b. **Phase 2 – Prototype, Production and Test**
 - i. **ThinKom Responsibilities**
 1. Manufacture and deliver ten (10) black label units of the design approved by Gogo in the CDR of Phase 1.
 2. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
 3. Provide performance measurements of black label units to Gogo.
 4. Demonstrate performance of physical prototypes to Gogo at Gogo’s request.

ii. **Gogo Responsibilities**

1. Gogo may, at its discretion, request testing of some or all components of the Product in Gogo's laboratory facilities during the initial product delivery phase.
2. Provide final design authorization subsequent to CDR as a trigger for moving to production phase.
3. STC for the entire system, of which the Product is a component.
4. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

3. **Pricing and Payment.**

- a. **Non-Recurring Engineering (NRE) Fees.** Gogo agrees to pay [***] in NRE Fees in total for the development of the Product and Deliverables. NRE fees are payable according to the installment schedule set forth in Section 5 below, and NET [***] days after Gogo's receipt of each corresponding invoice. ThinKom acknowledges receipt of payment from Gogo of [***] under the Letter of Intent of August 7, 2012, and such payment shall be applied and credited to Gogo's obligation with respect to the final and third payment of NRE Fees. ThinKom acknowledges payment from Gogo of [***] to be received on or about November 17, 2012 under the Letter of Intent of October 2, 2012, and that such payment shall be applied and credited to Gogo's obligation with respect to the initial NRE Payment.
- b. **Purchase Pricing.** ThinKom agrees to sell Product Shipset Units to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table 1).

TABLE 1 – Shipset Pricing

[***]

c. [***]

4. [***]

i. [***]

5. **Payment Schedule.** Subject to the above Sections 3a. and 3b, and upon execution of the Agreement and this Exhibit A by the Parties:

i. [***]

6. **Exclusivity.** [***]

7. **Minimum Order Size and Payment Schedule for Additional Orders.** Orders will be placed in minimum quantities of [***] Units for delivery over a period of no more than [***]. For any purchase order placed by Gogo under this Exhibit A, Gogo shall pay ThinKom: [***]. ThinKom agrees that this Agreement does not create any volume purchase obligations for Gogo and that Gogo is not required to purchase any Product Shipset Units hereunder.

8. **Delivery.** After final acceptance by Gogo of the first 10 Shipsets as outlined in Table 1, ThinKom agrees to deliver product ordered under the terms of this Agreement no longer than [***].

9. **Deposit Materials.**

Escrow materials shall be those specified in the Escrow Agreement.

10. [***]

11. **ThinKom Test Demonstration.** ThinKom agrees to: (i) deliver to Gogo a test plan for the [***] by [***] (the “Test Plan”), and (ii) successfully test the [***] at ThinKom’s facility in accordance with a Test Plan Accepted by Gogo. The Test Plan must include a detailed description of

- test cases,
- test procedures, and
- acceptance criteria for a successful test.

Each test case must include a demonstration of the following:

- Antenna pattern
- Pointing accuracy

Upon Gogo’s Acceptance of a Test Plan, ThinKom shall successfully test the [***] as soon as possible, but by no later than by [***] (the “Test Deadline”), unless failure to meet the Test Deadline is caused by Gogo or the need to obtain a necessary experimental license. In the event that ThinKom fails to successfully test the [***] in accordance with the Accepted Test Plan by the Test Deadline, and is not able to provide a recovery plan to successfully complete the testing within a reasonable amount of time, Gogo shall have the right to terminate the Agreement and request a refund of all amounts previously paid to ThinKom.

12. **Additional Terms.**

- Right to Complete.** Subject to the escrow agreement between the Parties, the terms of which shall supersede the terms of this Section in the event of a conflict, should any of the Shipsets delivered to Gogo not operate in accordance with the Specifications, or if ThinKom otherwise materially defaults in its performance under any purchase order, other than a default resulting or arising from Gogo’s actions or inaction, then, subject to ThinKom’s warranty obligations, and upon Gogo’s instruction, ThinKom shall release or notify the applicable escrow agent to release the Deposit Materials to Gogo to allow Gogo to complete any ordered Shipsets pursuant to a purchase order issued prior to the date of default. Gogo shall be entitled to make modifications to ThinKom’s Deposit Materials for completion of any Shipsets. For any Deposit Materials released to Gogo *via* escrow, Gogo agrees to hold such Deposit Materials as Confidential Information in accordance with the terms and conditions set forth in the Confidentiality Agreement. In the event of the foregoing, Gogo shall be responsible to ThinKom for the actual costs incurred by ThinKom associated with each Shipset through the date on which Gogo exercises its right to complete such Shipset under this Section, which amount will be payable to ThinKom upon the delivery of each such Shipset, or partial Shipset, to Gogo. In the event Gogo exercises its rights under this Section, ThinKom shall return any amounts pre-paid by Gogo to ThinKom in excess of the actual costs incurred by ThinKom.
- Use of Third Party Technology.** In cases where ThinKom licenses third party technology which is incorporated into the Shipsets, ThinKom will use its best efforts to enable Gogo and its customers to use such rights subject to Gogo or its customer agreeing to pay the same royalty fee or license to any third parties for use of their intellectual property integrated into the Shipsets that ThinKom was paying to such third party. Gogo shall pay the third party such applicable royalty/fee under terms and conditions that are at least as good as ThinKom’s.
- Radome.** ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo as required for the development of a suitable radome for the Product. ThinKom agrees to provide, at no additional cost, a commercially reasonable level of support as mutually agreed to by the parties upon acceptance of the Product by Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].

TABLE 3 – Milestones

[***]

Confidential and Proprietary

A-4

Gogo LLC

**Exhibit B to
Product Development and Manufacturing Agreement**

Warranty and Support Terms

This Exhibit B is part of the Product Development and Manufacturing Agreement dated September , 2012 between Gogo LLC and ThinKom Solutions (“ThinKom”) (the “Agreement”). This Exhibit B describes the terms of the Agreement relating to warranty and support of production units of the Product developed according to Exhibit A (“Product Units”).

1. Warranty support. The Product Units are warranted as described in Section 5 of the Agreement. Gogo will notify ThinKom in the case of any suspected defective units, and will arrange for the return of such units for disposition under an RMA number. Gogo will ship returned units at Gogo’s expense and risk. ThinKom will complete its warranty disposition and ship any repaired or replacement Product Unit no later than [***] business days after receipt of the returned unit. ThinKom will ship repaired or replacement units at ThinKom’s expense and risk, by the same shipment method Gogo used for the return. All Product Unit repairs will be performed using new (not reconditioned) components of equal or greater quality. Repaired or replaced Product Units will be tested prior to shipment in accordance with the procedures for new Product Units. Repaired or replaced Product Units will be warranted for the remainder of the original warranty period.

2. PROCEDURES FOR WARRANTY CLAIMS

ThinKom will have no duty to provide warranty service for any Product component unless Gogo complies with the following requirements:

- a. **Notification and Warranty Claim.** Promptly after Gogo concludes that a Product component has failed in a manner it believes is covered by this warranty, Gogo will notify ThinKom by submitting a written warranty claim (a “Warranty Claim”) as follows:
 - (i) **Online Form.** Gogo will populate the requested information into, and submit online, ThinKom’s online warranty claim form for the Product component at www.ThinKom.com/rma;
 - (ii) **Email.** Only if the online claim form discussed in provision (i) is not functioning, Gogo will email to ThinKom at warranty@thinkom.com a scanned image of the populated online warranty claim form; provided that if Customer does not have a copy or print-out of the form, it should call ThinKom at 310-371-5486 and request a copy of the form to populate, scan and email to ThinKom at the above email address; or
 - (iii) **Other.** Only if Gogo is unable to submit the warranty claim form as described in provisions (i) or (ii) above, it should call ThinKom at the number set forth in (ii) to discuss alternative submission methods.
- b. **Content of Warranty Claim.** Without limiting the obligation to submit any information pursuant to provision (a) above, each Warranty Claim should, to the extent applicable, set forth:
 - (i) The Product component number or other identifying information of the Product;
 - (ii) The serial number, if any, of the Product;
 - (iii) A reasonably detailed description of the nature of the failure; and
 - (iv) Contact information for Gogo contact to which ThinKom should send (A) communication regarding the Warranty Claim or (B) an estimate for repair or replacement of the Product component if the failure is not covered by this warranty (if non-warranty service is available).

- c. **Initial Screening of Warranty Claims.** If during the process of Warranty Claim submission, ThinKom becomes aware of a fact that would make the specific Product component failure subject to the Warranty Claim one that is not covered by this warranty, it may inform Gogo of such non-coverage at that time and provide Gogo a written estimate of the cost to repair or replace the Product component as non-warranty services (if available).
- d. **Issuance of RMA.** Following receipt of a Warranty Claim and assuming ThinKom has not informed Gogo that the respective failure is not covered by this warranty pursuant to provision (c) above, ThinKom shall promptly issue to Gogo a Return Materials Authorization (an “RMA”).
- e. **Shipment to ThinKom.** Upon receiving an RMA for the respective Product component, Gogo will ship the Product component to ThinKom at the address specified in the RMA for warranty evaluation and services, and will include therewith a copy of the RMA. Gogo may not ship a Product component to ThinKom without an associated RMA unless Gogo has been provided written exception from ThinKom. Gogo shipment must comply with Section 3 below.

3. WARRANTY SERVICE FOR WARRANTY CLAIM

- a. **Evaluation.** Upon receipt of Product component from Gogo for which ThinKom has issued an RMA, ThinKom will evaluate whether the failure of the Product component is one that is covered by this warranty. If the failure is not covered, ThinKom will inform Gogo of that fact in writing and will provide Gogo a written estimate of the cost to repair or replace the Product component as non-warranty services (if available).
- b. **Repair or replacement of covered Product.** For a Product component that has suffered a failure covered by this warranty, ThinKom will, without charge to Gogo (except as expressly set forth herein), either repair or replace such Product. ThinKom may decide in its sole discretion whether to repair or replace any such Product.
- c. **ThinKom shipment of Product Antenna System.** For failures covered by this warranty that ThinKom decides to repair, ThinKom will use commercially reasonable efforts to ship the repaired Product component to Gogo within [***] business days after receiving the respective Product component from Gogo (for which an RMA was issued). For failures covered by this warranty which ThinKom decides should be replaced, ThinKom will replace such Product component with a Product component in ThinKom’s inventory, or, if no Product component is available, place an order into its material requirements planning (“MRP”) system on behalf of Gogo for the soonest available production slot.
- d. **Customer Reports.** ThinKom will include with each unit that is repaired under warranty and shipped back to the Gogo a report describing the nature of the problem and the corrective action taken by ThinKom to resolve such problem.

4. SHIPPING

Gogo will bear all costs and risks of shipping any Product component to ThinKom under these warranty terms. Gogo will ship Products to ThinKom in shipping containers specified by ThinKom and in compliance with shipping instructions in the Product component repair manual and the RMA. ThinKom will bear all costs and risks of shipping repaired or replacement Products to Gogo or directly to Customer (but only for failures covered by this warranty).

5. OPERATION SUPPORT – under review

ThinKom will provide telephone operations support Monday through Friday, excluding U.S. federal holidays, between the hours of 8AM and 5PM Eastern Time. For assistance, Please call . The Point of Contact is .

EXHIBIT C

Three-Party Escrow Agreement

Among

Depositor, one Beneficiary and Escrow Associates, LLC

This three-party escrow agreement allows the software Beneficiary conditional access to the source code. The Beneficiary, Software Depositor and Escrow Associates, LLC all execute the agreement.

Escrow Associates, LLC encourages clients to modify the contracts as necessary to support their specific escrow requirements. Please contact us directly at (800) 813-3523 or info@escrowassociates.com.

Confidential and Proprietary

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Gogo LLC

Three-Party Escrow Agreement

This Technology Escrow Agreement (“Agreement”) among Escrow Associates, LLC (“Escrow Associates”), (“Beneficiary”) and (“Depositor”) is effective on this day of 201 (the “Effective Date”).

Recitals

Whereas, Depositor provides Products and Shipsets (as defined in the Purchase Agreement) to Beneficiary in the form of Products and Shipsets (the “Products”) pursuant to the Product Development and Manufacturing Agreement dated between the Depositor and Beneficiary (“Purchase Agreement”). The information about the Products and any other components Depositor provides which are related to manufacturing the Products identified on Exhibit B (as the same may be modified herein) are hereafter referred to collectively as the deposit materials (“Deposit Materials”).

Whereas, the purpose of this Agreement is to protect Depositor’s ownership and confidentiality of the Deposit Materials and to protect Beneficiary’s legitimate use of the Deposit Materials as defined by the Purchase Agreement. Further, this Agreement is intended to provide for certain circumstances under which Beneficiary shall be entitled to receive the Deposit Materials held in escrow by Escrow Associates to continue its legitimate use and support of the Software.

Whereas, Beneficiary and Depositor hereby designate and appoint Escrow Associates as the escrow agent under this Agreement. Escrow Associates hereby accepts such designation and appointment and agrees to carry out the duties of escrow agent pursuant to the terms and provisions of this Agreement. Escrow Associates is not a party to, and is not bound by, any agreement that might be evidenced by, or might arise out of, any prior or contemporaneous dealings between Depositor and Beneficiary other than as expressly set forth herein.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

1. Deposit Materials

- (a) Initial Deposit – Depositor shall submit the initial Deposit Materials to Escrow Associates within sixty (60) days of the Effective Date or sixty (60) days after development of the Deposit Materials is completed. Depositor shall complete and deliver with all Deposit Materials a form as shown herein as Exhibit B, which shall then become part of this Agreement. Escrow Associates shall notify Beneficiary within ten (10) business days of receipt of the initial Deposit Materials. Escrow Associates has no obligation with respect to the initial Deposit Materials for delivery, functionality, completeness, performance or initial quality.
- (b) Deposit Material Updates – Depositor shall submit updates to the initial Deposit Materials to Escrow Associates within sixty (60) days of any material modification, upgrade or new release of the Products. Depositor shall complete and deliver with all updates to the Deposit Materials an amended Exhibit B form, which shall additionally become part of this Agreement. Escrow Associates shall notify Beneficiary within ten (10) business days of receipt of updates to the Deposit Materials. Escrow Associates has no obligation with respect to the updates to the Deposit Materials for delivery, functionality, completeness, performance or initial quality.
- (c) Electronic Deposit – In the event Depositor elects to utilize electronic means to transfer the Deposit Materials to Escrow Associates, whether through a service provided by Escrow Associates or other means, Escrow Associates shall not be liable for transmissions that fail in

part or in whole, are lost, or are otherwise compromised during transmission. Furthermore, Escrow Associates shall not be liable for any subsequent services that may or may not be delivered as a result of a failed transfer. Escrow Associates shall not be liable to Depositor or Beneficiary for any encrypted update, or any part thereof, that is transmitted over the Internet to Escrow Associates' FTP Site but is not received in whole or in part, or for which no notification of receipt is given.

- (d) Duplication of Deposit Materials – Escrow Associates may duplicate the Deposit Materials only as necessary to comply with the terms of this Agreement. Escrow Associates at its sole discretion may retain a third party for the purpose of duplicating the Deposit Materials only as necessary to comply with the terms herein. All duplication expenses shall be borne by the party requesting duplication.
- (e) Deposit Material Verification – Escrow Associates may be retained by separate agreement or by alternative means, to conduct a test of the Deposit Materials to determine the completeness and accuracy of the Deposit Materials. Escrow Associates shall not be liable for any actions taken on the part of any third party with regards to the Deposit Materials.

2. Term

- (a) Term of Agreement – The term of this Agreement shall be for a period of one (1) year from the Effective Date. At the end of the initial and each subsequent term, this Agreement shall automatically renew for an additional one (1) year term unless terminated according to the terms herein.
- (b) Termination of Agreement – This Agreement may be terminated by written mutual consent of Depositor and Beneficiary or will terminate if one of the following has occurred:
 - i. The PDMA Agreement has been terminated or has expired, or
 - ii. All Deposit Materials have been released in accordance with the terms hereof.
- (c) Termination for Non-Payment – In the event that full payment of any or all fees due to Escrow Associates under this Agreement have not been received by Escrow Associates within thirty (30) days of the date payment is due, Escrow Associates will notify all parties hereto of the delinquent fees. If the delinquent fees are not received within thirty (30) days of the delinquency notification, Escrow Associates shall have the right to terminate this Agreement and destroy the Deposit Materials.
- (d) Return of Deposit Materials – Upon termination of this Agreement for any reason other than in the event all Deposit Materials have been released in accordance with the terms of Section 6 herein, Escrow Associates shall return the Deposit Materials to Depositor via commercial courier to the address of Depositor shown in this Agreement, provided that all fees due Escrow Associates are paid in full. If two (2) attempts to return Deposit Materials via commercial courier to Depositor fail or Depositor does not accept the Deposit Materials, Escrow Associates shall destroy the Deposit Materials.

3. Fees

- (a) Payment - Upon receipt of signed Agreement or initial Deposit Materials, whichever comes first, Escrow Associates will submit an initial invoice to Beneficiary for amount shown on Exhibit A attached hereto. If payment is not received, Escrow Associates shall have no obligation to perform its duties under this Agreement. Beneficiary agrees to pay to Escrow Associates all additional fees for services rendered related to this Agreement as shown on Exhibit A. The fee for any service that is not expressly covered in Exhibit A shall be

established by Escrow Associates upon request. All fees are due in advance of service and Escrow Associates may amend Exhibit A at any time upon sixty (60) days written notice to Beneficiary.

(b) Currency - All fees are in U.S. dollars and payment must be rendered in U.S. dollars unless otherwise agreed to in advance by Escrow Associates.

4. Indemnification - With the exception of gross negligence, willful misconduct or intentional misrepresentation on behalf of Escrow Associates, Beneficiary shall indemnify and hold harmless Escrow Associates and each of its directors, officers, agents, employees, members and stockholders ("Escrow Associates Indemnitees") absolutely and forever, from and against any and all claims, actions, damages, suits, liabilities, obligations, costs, fees, charges, and any other expenses whatsoever, including reasonable attorneys' fees and costs, that may be asserted against any Escrow Associates Indemnitee in connection with this Agreement or the performance of Escrow Associates or any Escrow Associates Indemnitee hereunder.

5. Depositor's Representations and Warranties

(a) The Deposit Materials as delivered to Escrow Associates are a copy of Depositor's proprietary information corresponding to that described in Exhibit B and are capable of being used to generate the Products. Depositor shall update the Deposit Materials as provided for in the Purchase Agreement and/or as provided for herein. The Deposit Materials shall contain all information necessary to enable a reasonably skilled person in the trade to understand, maintain and correct the Deposit Materials.

(b) Depositor owns the Deposit Materials and all intellectual property rights therein free and clear of any liens, security interests, or other encumbrances.

6. Release of Deposit Materials

(a) Release - The Deposit Materials, including any copies thereof, will be released to Beneficiary after the receipt of the written request for release only in the event that the release procedure set forth in Section 6 is followed and:

- i. Depositor notifies Escrow Associates in writing to effect such release; or
- ii. Beneficiary makes written request to Escrow Associates; and
 - a. Beneficiary asserts that Depositor has failed in a material respect under the Purchase Agreement; or
 - b. Beneficiary asserts that Depositor has ceased all business operations without a successor or assign; or
 - c. Beneficiary asserts that Depositor's business operations have suffered a material adverse effect; or
 - c. Beneficiary asserts that Depositor has filed for bankruptcy protection; or
 - d. Beneficiary includes a written statement that the Deposit Materials will be used in accordance with the terms of the Purchase Agreement; and
 - e. Beneficiary includes specific instructions for the delivery of the Deposit Materials.

- (b) Depositor Request for Release – If the provisions of Section 6(a)(i) are met, Escrow Associates will release the Deposit Materials to Beneficiary within ten (10) business days.
- (c) Beneficiary Request for Release – If the provisions of Section 6(a)(ii) are met, Escrow Associates will within ten (10) business days forward a complete copy of the request to Depositor. Depositor shall have thirty (30) days to make any and all objections to the release known to Escrow Associates in writing. If after thirty (30) days Escrow Associates has not received any written objection from Depositor, Escrow Associates shall release the Deposit Materials to Beneficiary as instructed by Beneficiary.
- (d) Depositor Objection to Release – Should Depositor object to the request for release by Beneficiary in writing, Escrow Associates shall notify Beneficiary in writing within ten (10) business days of Escrow Associates receipt of said objection and shall notify both parties that there is a dispute to be resolved pursuant to Section 7 (Arbitration) of this Agreement. Escrow Associates will continue to hold the Deposit Materials without release pending (i) joint instructions from Depositor and Beneficiary; (ii) dispute resolution according to Section 7 (Arbitration); or (iii) order from a court of competent jurisdiction.
- (e) Grant of License to Deposit Materials – As of the Effective Date, Depositor hereby grants to Beneficiary, a non-exclusive, worldwide, perpetual, paid in full license, to use or copy the Deposit Materials delivered by Escrow Associates under this Section, for the sole purpose of continuing the benefits afforded to Beneficiary under this Agreement.
- (f) Restrictions on Use – The following restrictions shall apply to Deposit Materials delivered to Beneficiary: (i) Beneficiary shall not copy the Deposit Materials other than as necessary, (ii) Beneficiary will keep the Deposit Materials in a secure, safe place when not in use, (iii) Beneficiary agrees to use the Deposit Materials under carefully controlled conditions in accordance with, and for the purposes of, this Agreement, and (iv) Beneficiary agrees to treat, handle, and store the Deposit Materials in the same manner and with the same care as it treats its most sensitive and valuable trade secrets, which shall, at a minimum, be a reasonable level of care.
7. Arbitration - Except as expressly provided for herein, any dispute or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled in Atlanta, Georgia by arbitration administered by the American Arbitration Association in accordance with its Commercial [or other] Arbitration Rules [including the Emergency Interim Relief Procedures], and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Beneficiary agrees to reimburse Escrow Associates for any and all costs incurred as a result of any Arbitration, including attorney's fees. The arbitrator(s) shall award attorneys' fees and costs to the prevailing party.
8. Confidentiality – Except as otherwise required to carry out its duties under this Agreement, Escrow Associates shall hold in strictest confidence and not permit any third party access to nor otherwise use, disclose, transfer or make available the Deposit Materials except as otherwise provided herein, unless consented to in writing by Depositor.
9. Limitation of Liability – Under no circumstance shall Escrow Associates be liable for any special, incidental, or consequential damages (including lost profits) arising out of this Agreement even if Escrow Associates has been apprised of the possibility of such damages. In performing any of its duties hereunder, Escrow Associates shall not incur any liability to any party for any damages, losses, or expenses, except for willful misconduct or gross negligence on the part of Escrow Associates, and it shall not incur any liability with respect to any action taken or omitted in reliance upon any written notice, request, waiver, consent, receipt or other document which Escrow Associates in reasonably good faith believes to be genuine.

10. **Notices** – Notices shall be sent via commercial overnight mail and deemed received on the following day. All notices under this Agreement shall be in writing and addressed and sent to the person(s) listed in the space provided below:

Depositor

Company: ThinKom Solutions, Inc.
Contact: Mark J. Silk Title: President
Address: 20000 Mariner Ave, Suite 500
City, State, Zip: Torrance, CA 90503
Telephone: 310-802-2696
Email: mark.silk@thinkom.com

Beneficiary

Company: _____ Title: _____ Contact: _____
Address: _____
City, State, Zip: _____
Telephone: _____ Fax: _____
Email: _____
Billing Contact: _____ Title: _____
Address: _____
City, State, Zip: _____
Telephone: _____ Fax: _____
Email: _____
Purchase Order (if applicable): _____

Escrow Associates, LLC

Attn: Contracts Administration
8302 Dunwoody Place, Suite 150
Atlanta, GA 30350 USA
Telephone: 800-813-3523
Fax: 770-518-2452
Email: info@escrowassociates.com

11. **Miscellaneous**

- (a) **Counterparts** – This Agreement may be executed in any number of multiple counterparts, each of which is to be deemed an original, and all of such counterparts together shall constitute one and the same instrument.
- (b) **Entire Agreement** – This Agreement supersedes all prior and contemporaneous letters, correspondences, discussions and agreements among the parties with respect to all matters contained herein, and it constitutes the sole and entire agreement among them with respect thereto.
- (c) **Limitation of Effect** – This Agreement pertains strictly to the escrow services provided for herein and does not modify, amend or affect any other contract or agreement of one or more of the parties. The terms and provisions of the Purchase Agreement, as the same may be physically modified by the terms and provisions hereof, shall continue in full force and effect and be binding upon and inure to the benefit of the parties hereto, their legal representatives, successors and assigns.

- (d) Modification – This Agreement shall not be altered or modified without the express written consent of all parties.
- (e) Bankruptcy Code – This Agreement shall be considered an agreement supplementary (together with any modification, supplement, or replacement thereof agreed to by the parties) to the Purchase Agreement pursuant to Title 11 United States Bankruptcy Code Section 365(n).
- (f) Survival of Terms – All obligations of the parties intended to survive the termination of this Agreement, including without limitation, are the provisions of Sections 2 (Term), 3 (Fees), 4 (Indemnification), 7 (Arbitration), 9 (Limitation of Liability), and 11 (Miscellaneous) which shall survive the termination of this Agreement for any reason.
- (g) Governing Law – This Agreement shall be governed by the laws of the state of Georgia.
- (h) Time of the Essence – Time is of the essence in this Agreement.
- (i) Successors and Assigns – This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties, provided, however, that Beneficiary shall have no right to assign any rights hereunder or with respect to the Deposit Materials except as permitted with respect to assignment of Beneficiary’s rights under the Purchase Agreement.

(Signatures are on following page. Remainder of the page intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Agreement by and through their duly authorized agents as of the Effective Date.

Depositor

Signature: _____

Name: Mark J. Silk

Title: President

Company: ThinKom Solutions, Inc.

Date: _____

Contract Negotiated by: Mark J. Silk

Negotiator Telephone: 310-802-2696

Beneficiary

Signature: _____

Name: _____

Title: _____

Company: _____

Date: _____

Contract Negotiated by: _____

Negotiator Telephone: _____

Escrow Associates, LLC

Signature: _____

Name: _____

Title: _____

Date: _____

Exhibit A
Schedule of Fees

(Initial Year / Renewal)

Three-Party Agreement & Deposit Evaluation Services

[***]

Three-Party escrow agreement includes, all protections and full client services. Also includes Escrow Associates' deposit tracking service and deposit evaluation services & reports.

- Three-Party agreement services +
- Deposit evaluation & reporting to test for presence of source code and documentation, includes virus scan, media test and file listings (up to 4 X / year)
- Deposit tracking services provides quarterly statements which will be emailed to Depositor with a copy to Beneficiary for every account

Three-Party Agreement

[***]

Three-Party escrow agreement includes:

- Contract review & agreement drafting assistance
- Customization & set-up of agreement
- Twelve updates to escrow deposit material
- FTP depositing services (up to 750 MB / Update)
- Online account management
- Notifications to all parties
- Deposit account w/ state of the art media vault storage

Optional - Full Technical Verification

Call / Quote

Per project fee. During Deposit Compilation, Escrow Associates will simulate a release of the escrow deposit by conducting the verification process necessary to convert deposited materials into executable form. Once a Deposit Compilation is successful, the End-User can be confident that the materials in escrow are sufficient and comprehensive.

Escrow Associates will verify the process necessary to convert deposited materials into executable form by following the necessary steps. Test includes:

- Construction of the build platform
- Validation of the build instructions by following steps through the compile process
 - Troubleshooting of problems encountered, review and correction of errors with Depositor
- Deposit Compilation Report to include:
 - Identification of any errors encountered and error logs, if appropriate
 - Escrow Associates' recommendations
- Production of executable form for End-User acceptance testing

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Gogo LLC

Exhibit B
Deposit Materials

Please complete Exhibit B form and enclose a copy with the Deposit Materials or contact us for details on electronic depositing.

Attn: Vault Manager
Escrow Associates, LLC
8302 Dunwoody Place, Suite 150
Atlanta, GA 30350 USA
info@escrowassociates.com
1-800-813-3523

Company Name: _____

Escrow Associates Account Number: _____

Product Name & Version: _____

Three-Party Agreement

New Deposit Account

Two-Party Agreement

Update to existing Deposit Account

Please list specific Beneficiaries under a Two-Party Agreement associated with this product/ update or check here to apply to all Beneficiaries:

Media Description:

Quantity	Type	Description / Label
_____	DVD/CDR	_____
_____	DAT/DDS Tape	_____
_____	Documentation	_____
_____	Other	_____

Deposit Prepared by:

Deposit Accepted by (*Escrow Associates*):

Signed: _____

Signed: _____

E-mail: _____

Name: _____

Date: _____

Date: _____

Confidential and Proprietary

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Gogo LLC

Credit Card/Wire Transfer Payment Form

CREDIT CARD PAYMENT INFORMATION

Please fill out all information below.

Company Name / Account Number:

Escrow Associates Invoice Number:

Card Type (Amex / Visa / etc.):

Transaction Amount:

Credit Card Number:

Expiration Date:

CVV Code:

Billing Name:

Billing Address:

Billing City State Zip:

Client Signature: _____

Title: _____

Print Name: _____

Date: _____

Please bill my card annually for these fees.

WIRE TRANSFER PAYMENT INFORMATION

Please contact Escrow Associates, LLC for ACH / Wire Transfer Information at:
1-800-813-3523 or accounts@escrowassociates.com

Please contact us directly with any questions! Thank you for your business!

Confidential and Proprietary

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Gogo LLC

EXHIBIT D

[Product Demo Requirements – TBD]

D-1

SCHEDULE 1

Product Specifications

[***]

Sch-1

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

Product Development and Manufacturing Agreement
ThinKom 30" VICTS Ku Rx ("K4") Antenna System

EXHIBIT A, Revision 1

This Exhibit A, as revised as of March 27, 2012 and as defined in the Product Development and Manufacturing Agreement ("**Agreement**"), dated as of November 14, 2012 between Gogo LLC ("**Gogo**"), and ThinKom Solutions, Inc. ("**ThinKom**") is subject to and incorporates by reference the provisions of the Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

Described within this Exhibit A, as amended, is the Product and Deliverables to be provided by ThinKom and related terms and conditions. To the extent there is any contradiction, inconsistency or ambiguity between the terms of this Exhibit A and the Agreement, this Exhibit A will govern.

This revision 1 to this Exhibit A incorporates the following changes in Product Specification, capabilities and scope:

[***]

1. **Product.** For the purposes of this Exhibit A, the Product comprises [***] (the "**Shipset**"), Each Shipset includes the following line-replaceable units (LRUs) numbers (i) through (iv): [***] (the "**Specifications**").
2. **Statement of Work** Responsibilities for the development component of this Agreement shall be allocated as set forth below:
 - a. **Phase 1 – Product Design**
 - i. **ThinKom Responsibilities**
 1. Design Shipset (the "Shipset" or "Shipsets") that complies with the requirements set out in Schedule 1 in their entirety.
 2. Provide finalized volume envelope requirements to Gogo of detail sufficient to allow final radome design.
 3. Provide antenna performance models to Gogo as required for Gogo's network performance analyses.
 4. Incorporate optimizations based on Gogo's feedback, as required.
 5. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.

6. Execute a preliminary design (PDR) review when appropriate design gates are reached.
7. Execute a critical design review (CDR) when appropriate design gates are reached.

ii. **Gogo Responsibilities**

1. Provide clarification of performance requirements as needed.
2. Provide final design authorization subsequent to PDR and CDR as a trigger for moving to prototype phase.
3. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

b. **Phase 2 – Prototype, Production and Test**

i. **ThinKom Responsibilities**

1. Manufacture and deliver ten (10) black label units of the design approved by Gogo in the CDR of Phase 1.
2. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
3. Provide performance measurements of black label units to Gogo.
4. Demonstrate performance of physical prototypes to Gogo at Gogo's request.

ii. **Gogo Responsibilities**

1. Gogo may, at its discretion, request testing of some or all components of the Product in Gogo's laboratory facilities during the initial product delivery phase.
2. Provide final design authorization subsequent to CDR as a trigger for moving to production phase.
3. STC for the entire system, of which the Product is a component.
4. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

3. **Pricing and Payment.**

- a. **Non-Recurring Engineering (NRE) Fees.** Gogo agrees to pay [***] in Initial NRE Fees plus [***] in Revision 1 NRE fees for the modifications per Revision 1 to this Exhibit A (for a total NRE fees of [***]) for the development of the Product and Deliverables. NRE fees are payable according to the installment schedule set forth in Section 4 below, and NET [***] days after Gogo's receipt of each corresponding invoice. ThinKom acknowledges receipt of payment from Gogo of [***] under the Letter of Intent of August 7, 2012, and such payment shall be applied and credited to Gogo's obligation with respect to the final and third payment of Initial NRE Fees. ThinKom acknowledges receipt of payment from Gogo of [***] under the Letter of Intent of October 2, 2012, and that such payment shall be

applied and credited to Gogo's obligation with respect to the first Initial NRE Payment. In addition, ThinKom acknowledges that it has received Milestone payments of [***] as set forth in Section 4 below.

- b. **Purchase Pricing.** ThinKom agrees to sell Product Shipset Units to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table I).

TABLE 1-Shipset Pricing

[***]

4. **Payment Schedule.** Subject to the above Sections 3a. and 3b, and upon execution of the Agreement and this Exhibit A by the Parties:
[***]
5. **Exclusivity.** [***].
6. **Minimum Order Size and Payment Schedule for Additional Orders.** Orders will be placed in minimum quantities of [***] Units for delivery over a period of no more than [***]. For any purchase order placed by Gogo under this Exhibit A, Gogo shall pay ThinKom: [***]. ThinKom agrees that this Agreement does not create any volume purchase obligations for Gogo and that Gogo is not required to purchase any Product Shipset Units hereunder.
7. **Delivery.** After final acceptance by Gogo of the first 10 Shipsets as outlined in Table 1, ThinKom agrees to deliver product ordered under the terms of this Agreement no longer than [***].
8. **Deposit Materials**
Escrow materials shall be those specified in the Escrow Agreement.
9. **AMSS License.** [***].
10. **ThinKom Test Demonstration.** ThinKom agrees to: (i) deliver to Gogo a test plan for the [***] (the "Test Plan"), and (ii) successfully test the [***] at ThinKom's facility in accordance with a Test Plan Accepted by Gogo. The Test Plan must include a detailed description of
- test cases,
 - test procedures, and
 - acceptance criteria for a successful test.

Each test case must include a demonstration of the following:

- Antenna pattern
- Pointing accuracy

Upon Gogo's Acceptance of a Test Plan, ThinKom shall successfully test the ThinKom K4 Ku Band Antenna as soon as possible, but by no later than by [***] (the "Test Deadline"), unless failure to meet the Test Deadline is caused by Gogo or the need to obtain a necessary experimental license. In the event that ThinKom fails to successfully test the [***] in accordance with the Accepted Test Plan by the Test Deadline, and is not able to provide a recovery plan to successfully complete the testing within a reasonable amount of time, Gogo shall have the right to terminate the Agreement and request a refund of all amounts previously paid to ThinKom.

11. **Additional Terms.**

- a. **Right to Complete.** Subject to the escrow agreement between the Parties, the terms of which shall supersede the terms of this Section in the event of a conflict, should any of the Shipsets delivered to Gogo not operate in accordance with the Specifications, or if ThinKom otherwise materially defaults in its performance under any purchase order, other than a default resulting or arising from Gogo's actions or inaction, then, subject to ThinKom's warranty obligations, and upon Gogo's instruction, ThinKom shall release or notify the applicable escrow agent to release the Deposit Materials to Gogo to allow Gogo to complete any ordered Shipsets pursuant to a purchase order issued prior to the date of default. Gogo shall be entitled to make modifications to ThinKom's Deposit Materials for completion of any Shipsets. For any Deposit Materials released to Gogo *via* escrow, Gogo agrees to hold such Deposit Materials as Confidential Information in accordance with the terms and conditions set forth in the Confidentiality Agreement. In the event of the foregoing, Gogo shall be responsible to ThinKom for the actual costs incurred by ThinKom associated with each Shipset through the date on which Gogo exercises its right to complete such Shipset under this Section, which amount will be payable to ThinKom upon the delivery of each such Shipset, or partial Shipset, to Gogo. In the event Gogo exercises its rights under this Section, ThinKom shall return any amounts pre-paid by Gogo to ThinKom in excess of the actual costs incurred by ThinKom.
- b. **Use of Third Party Technology.** In cases where ThinKom licenses third party technology which is incorporated into the Shipsets, ThinKom will use its best efforts to enable Gogo and its customers to use such rights subject to Gogo or its customer agreeing to pay the same royalty fee or license to any third parties for use of their intellectual property integrated into the Shipsets that ThinKom was paying to such third party. Gogo shall pay the third party such applicable royalty/fee under terms and conditions that are at least as good as ThinKom's.
- c. **Radome.** ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo as required for the development of a suitable radome for the Product. ThinKom agrees to provide, at no additional cost, a commercially reasonable level of support as mutually agreed to by the parties upon acceptance of the Product by Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].
- d. **Modem Terms.** The parties agree to and acknowledge that the terms of the Reseller Agreement between ThinKom and [***] will apply to the modem related aspects of this Agreement, Shipset and optional Slave Modem, including, but not limited to the following terms:
 - i. [***]
 - ii. Modem manufacturer, [***], may declare the current modem model 'obsolete' upon 90 days' notice. Should this happen, the parties agree to negotiate in good faith compensation for ThinKom's costs to incorporate a new modem into the Shipset and/or a 'buy ahead' program in which a given number of modems will be purchased in advance of the announced obsolescence.

- iii. Modem manufacturer, [***], may increase the cost of the current modem from time to time. The Parties agree that should [***] increase the cost of the modem, the cost of the Shipset and Slave Modem will be increased, dollar for dollar, to adjust for the increased cost of the modem.
- iv. Modem Manufacturer, [***], does not warranty the function of any third party software used on its modem, and therefore ThinKom does not give a warranty for this third party software to Gogo.

TABLE 3 – Milestones

[***]

* Delivery Dates and Milestone Dates may be extended based on the increased scope of adding the Modem and other Shipset modifications into ThinKom’s work scope. The parties agree to work in good faith to the currently scheduled dates, but the parties agree that should these dates be delayed a reasonable amount, this will not represent a breach of contract by ThinKom.

Agreed to and Approved as written above:

GoGo

/s/ Anand Chari
By: _____

EVP/COO
Title _____

4/22/13
Date _____

ThinKom

/s/ Mark Silk
By: _____

President
Title _____

3/27/13
Date _____

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

Product Development and Manufacturing Agreement
ThinKom 30” VICTS “2Ku” Earth Station Aboard Aircraft (ESAA)

EXHIBIT A-2

This Exhibit A-2, dated as of September 12, 2013 (the “Effective Date”) is entered into pursuant to the terms and conditions of the Product Development and Manufacturing Agreement (“**Agreement**”), dated as of November 14, 2012, as amended, by and between Gogo LLC (“**Gogo**”), and ThinKom Solutions, Inc. (“**ThinKom**”), and is subject to and incorporates by reference the provisions of the Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

Described within this Exhibit A-2, are the Products and Deliverables to be developed and provided by ThinKom to Gogo, and related terms and conditions. To the extent there is any contradiction, inconsistency or ambiguity between the terms of this Exhibit A-2 and the Agreement, this Exhibit A-2 will govern. The Deliverables and Products defined and set forth in this Exhibit A-2 are in addition to the Deliverables and Products described in Exhibit A, as amended. The Parties acknowledge that the technology and know-how obtained in development of products under Exhibit A may be used in part in the Development of the Deliverables and Products hereunder.

This Exhibit A-2 covers the Product Specification set forth in Schedule 1, attached hereto – Specifications, detailing the capabilities and scope, and Deliverables under this Exhibit A-2 generally are described as:

1. K4 System Line Replaceable Units (LRUs) developed and produced under the terms of Exhibit A, as amended

[***]

2. LRUs developed and produced under the terms of this Exhibit A-2

[***]

1. **Product.** For the purposes of this Exhibit A-2, the Product is [***] shipset, to be commercially designated “2Ku”, comprised of:

[***]

All the Product components under this Exhibit A-2 are described as the Shipset (the “**Shipset**”); Each Shipset includes Deliverables set forth above with the specifications set forth on Schedule 1 (the “**Specifications**”).

2. **Statement of Work.** Responsibilities for the development component of this Agreement shall be allocated as set forth below:
- a. **Phase 1 – Product Design**
 - i. **ThinKom Responsibilities**
 1. Design Shipset (the “Shipset” or “Shipsets”) that complies with the requirements set out in Schedule 1 in their entirety.
 2. Provide finalized volume envelope requirements to Gogo of detail sufficient to allow final radome design.
 3. Provide antenna performance models to Gogo as required for Gogo’s network performance analyses.
 4. Incorporate optimizations based on Gogo’s feedback, as required.
 5. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
 6. Execute a preliminary design (PDR) review when appropriate design gates are reached.
 7. Execute a critical design review (CDR) when appropriate design gates are reached.
 - ii. **Gogo Responsibilities**
 1. Provide clarification of performance requirements as needed.
 2. Provide final design authorization subsequent to PDR and CDR as a trigger for moving to prototype phase.
 3. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.
 - b. **Phase 2 - Prototype, Production and Test**
 - i. **ThinKom Responsibilities**
 1. Manufacture and deliver five (5) Black Label Product units of the design approved by Gogo no later than [***] (“Product Acceptance”).

2. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
3. Provide performance measurements of units to Gogo.
4. Demonstrate performance of physical prototypes to Gogo at Gogo's request.
5. Complete DO-160 certification at ThinKom's expense, of all LRUs prior to Product Acceptance by Gogo.
6. Demonstrate compliance with all applicable FCC and international (ETSI/ITU) standards prior to Product Acceptance.
7. ThinKom to Demonstrate ESAA Compliance with respect to the applicable standards using block-upconverter and radome LRUs as supplied by Gogo.
8. ThinKom to provide detailed plan describing how Tx aperture pointing will be maintained to the required accuracy at PDR, and demonstrate to Gogo prior to Product Acceptance.

ii. **Gogo Responsibilities**

1. Gogo may, at its discretion, request testing of some or all components of the Product in Gogo's laboratory facilities during the initial product delivery phase.
2. Provide final design authorization subsequent to CDR as a trigger for moving to production phase.
3. STC for the entire system, of which the Product is a component.
4. Good Faith efforts to obtain PMA and ESAA approval for the Product in a timely manner, as set forth herein.
5. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

3. **Pricing and Payment.**

- a. **Non-Recurring Engineering (NRE) Fees.** Gogo agrees to pay [***] in NRE Fees under the terms of this Exhibit. NRE fees are payable according to the installment schedule set forth in Section 4 below, and NET [***] after Gogo's receipt of each corresponding invoice.

- b. **Purchase Commitment.** Gogo agrees to place an order for five (5) black label Product units to be delivered on or before [***].
- c. **Shipset Purchase Pricing.** ThinKom agrees to sell Product units to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table 1).

TABLE 1 – Shipset Pricing

[***]

- d. **Spares Purchase Pricing.** ThinKom agrees to sell Product units to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table 2).

TABLE 2 – Spares Pricing

[***]

- 4. **Payment Schedule.** Subject to the above Sections 3a. and 3b, and upon execution of the Agreement and this Exhibit A-2 by the Parties:

[***]

If this Agreement is terminated by Gogo pursuant to its rights set forth in Sections 2, or 3, or the Agreement terminates pursuant to Section 17 of the Agreement, Gogo shall have no further obligations to make any further payments of NRE Fees due after such termination, except in the case of termination set forth in Section 3 or Section 17 (if Gogo is in breach or has taken action per 17.1.b), Gogo shall pay ThinKom[***]. Upon termination for any reason, [***].

- 5. **Exclusivity.** [***].

- 6. [***]

- a. [***] upon approval by Gogo of the Specification for the Product;
- b. [***] upon Gogo receiving the ESAA license for the Product.

This Advance Payment shall be credited back to Gogo at the time of Product shipment at the rate of [***] per Product unit for the first [***] Shipsets. Should Gogo not take delivery of at least [***]Shipsets of said Product, ThinKom shall be entitled to keep any amount of Advance Payment not credited back to Gogo against deliveries and ThinKom shall have no continuing obligation to Gogo in this regard and any Advance Payment balance shall become the property of ThinKom.

- 7. [***]

8. **ESAA/PMA Delay.** [***]
9. **Right of First Refusal - [***].** For a period of [***] from the Effective Date of this Exhibit A-2, ThinKom agrees to give Gogo a Right of First Refusal (RoFR) to purchase on an exclusive basis, any [***] that ThinKom may develop [***]. In the event ThinKom and Gogo enter into a separate development agreement for a [***] upon mutually acceptable terms (including an Exclusivity provision similar to the provision set forth in this Exhibit A-2), in such case this RoFR would not be applicable. [***].
10. **Right of First Refusal - [***].** For a period of [***] from the Effective Date of this Exhibit A-2, ThinKom agrees to give Gogo a Right of First Refusal (RoFR) to purchase on an exclusive basis, any [***] that ThinKom may develop, [***].
11. **Minimum Order Size and Payment Schedule for Additional Orders.** Orders will be placed in minimum quantities of [***] Units for delivery over a period of no more than [***] the 1st to the [***] unit and deliveries starting no later than six months from order placement (or sooner if mutually agreed between ThinKom and Gogo). [***]
12. **Delivery.** After final acceptance by Gogo of the first 25 Shipsets as outlined in Table 1, ThinKom agrees to begin delivering product ordered under the terms of this Agreement no longer [***].
13. **Deposit Materials.** Escrow materials shall be those specified in the Escrow Agreement.
14. **ESAA License.** [***]
15. **ThinKom Test Demonstration.** ThinKom agrees to: (i) deliver to Gogo a test plan for the Product by [***] (the “Test Plan”), and (ii) successfully test the Product at ThinKom’s facility in accordance with a Test Plan Accepted by Gogo. The Test Plan must include a detailed description of
 - test cases,
 - test procedures, and
 - acceptance criteria for a successful test.Each test case must include a demonstration of the following:
 - Antenna pattern
 - Pointing accuracyUpon Gogo’s Acceptance of a Test Plan, ThinKom shall successfully test the Product as soon as possible, but by no later than by [***] (the “Test Deadline”), unless failure to meet the Test Deadline is caused by Gogo or the need to obtain a necessary experimental license. In the event that ThinKom fails to successfully test the Product in accordance with the Accepted Test Plan by the Test Deadline, and is not able to provide a recovery

plan to successfully complete the testing within a reasonable amount of time, Gogo shall have the right to terminate the Agreement and request a refund of all amounts previously paid to ThinKom.

16. **Additional Terms.**

- a. **Right to Complete.** Subject to the escrow agreement between the Parties, the terms of which shall supersede the terms of this Section in the event of a conflict, should any of the Shipsets delivered to Gogo not operate in accordance with the Specifications, or if ThinKom otherwise materially defaults in its performance under any purchase order, other than a default resulting or arising from Gogo's actions or inaction, then, subject to ThinKom's warranty obligations, and upon Gogo's instruction, ThinKom shall release or notify the applicable escrow agent to release the Deposit Materials to Gogo to allow Gogo to complete any ordered Shipsets pursuant to a purchase order issued prior to the date of default. Gogo shall be entitled to make modifications to ThinKom's Deposit Materials for completion of any Shipsets. For any Deposit Materials released to Gogo *via* escrow, Gogo agrees to hold such Deposit Materials as Confidential Information in accordance with the terms and conditions set forth in the Confidentiality Agreement. In the event of the foregoing, Gogo shall be responsible to ThinKom for the actual costs incurred by ThinKom associated with each Shipset through the date on which Gogo exercises its right to complete such Shipset under this Section, which amount will be payable to ThinKom upon the delivery of each such Shipset, or partial Shipset, to Gogo. In the event Gogo exercises its rights under this Section, ThinKom shall return any amounts pre-paid by Gogo to ThinKom in excess of the actual costs incurred by ThinKom.
- b. **Use of Third Party Technology.** In cases where ThinKom licenses third party technology which is incorporated into the Shipsets, ThinKom shall enable Gogo and its customers to use such rights subject to Gogo or its customer agreeing to pay the same royalty fee or license to any third parties for use of their intellectual property integrated into the Shipsets that ThinKom was paying to such third party. Gogo shall pay the third party such applicable royalty/fee under terms and conditions that are at least as good as ThinKom's. ThinKom shall use its best efforts to identify any use of Third Party Technology in the Product Shipset and communicate the presence of any such Third Party Technology to Gogo on or before the PDR date defined in Schedule 2 ("Milestones") of this Exhibit. As detailed in Paragraph 16e, ThinKom believes the modem used in the MODMAN includes third party software and ThinKom does not warrant the function of this software.
- c. **Radome & Associated Equipment.** ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo as required for the development of a suitable radome and associated equipment (the "Radome") for the Product. ThinKom agrees to provide, at no additional cost, a commercially reasonable level of support as mutually agreed to by the parties upon acceptance of the Product by Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].

To the extent Gogo has not elected to exercise its rights in[***].

Gogo agrees to work in good faith once the Radome is fully developed to sell or license the Radome to ThinKom at a reasonable and mutually agreeable price in support of any military application opportunities which Gogo is not pursuing directly. Gogo shall make no warranty regarding the suitability of the Radome design for any purpose.

- d. **[***] & Associated Equipment.** ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo as required for the qualification of a suitable [***], and associated equipment for the Product. Subsequent to selection of a [***] deemed suitable by both parties, ThinKom agrees to integrate the [***] with the Product at ThinKom facilities, and certify that it is suitable for use with the Product.

ThinKom agrees to provide this support, at a commercially reasonable level as mutually agreed to by the parties, at no additional cost to Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].

- e. **Modem Terms.** The parties agree to and acknowledge that the terms of the Reseller Agreement between ThinKom and [***] will apply to the modem related aspects of this Agreement, Shipset and optional Slave Modem, including, but not limited to the following terms:

i. [***].

ii. Modem manufacturer, [***], may declare the current modem model 'obsolete' upon 90 days' notice. Should this happen, the parties agree to negotiate in good faith compensation for ThinKom's costs to incorporate a new modem into the Shipset and/or a 'buy ahead' program in which a given number of modems will be purchased in advance of the announced obsolescence.

iii. Modem manufacturer, [***], may increase the cost of the current modem from time to time. The Parties agree that should iDirect increase the cost of the modem, the cost of the Shipset and Slave Modem will be increased, dollar for dollar, to adjust for the increased cost of the modem.

iv. Modem Manufacturer, [***], does not warranty the function of any third party software used on its modem, and therefore ThinKom does not give a warranty for this third party software to Gogo.

- f. **End of Life.** ThinKom shall be aware of and proactively monitor all items and material used in the manufacture of Product Units for impending obsolescence

issues. ThinKom will provide immediate formal notification to Gogo as soon as a pending obsolescence issue or event is known to ThinKom, describing the obsolete item, reason for obsolescence, estimated date the item will no longer be available, and any proposed alternatives. Timely notification is imperative to allow sufficient time to identify alternates for the affected parts, and perform any necessary certifications, which may involve OEMs and airline regulatory agencies. ThinKom will use diligent efforts to minimize cost and operational impact, including the effects of interchangeability to Gogo and its customers. Gogo may desire to place additional orders for items purchased hereunder. ThinKom shall provide Gogo with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any LRU purchased under the Agreement.

IN WITNESS WHEREOF, the parties have executed this Exhibit A-2 to the Product Development and Manufacturing Agreement, as amended, as set forth above in the preamble.

ThinKom Solutions, Inc.

Gogo LLC

By: /s/ Mark J. Silk

By: /s/ Anand Chari

Mark J. Silk
President
October 25, 2013

Anand Chari
Executive Vice President
October 25, 2013

Confidential and Proprietary

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Gogo LLC

Schedule 1 - PDMA Exhibit A-2 - Specifications:

GoGo “2Ku” Specification List

[***]

Schedule 2 - Milestones

[***]

Confidential and Proprietary

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

Product Development and Manufacturing Agreement
ThinKom 30” VICTS “2Ku” Earth Station Aboard Aircraft (ESAA)

EXHIBIT A- 2, Revision 1

This Exhibit A-2, dated as of September 12, 2013 (the “Effective Date”) and revised as of June 10, 2014 is entered into pursuant to the terms and conditions of the Product Development and Manufacturing Agreement (“**Agreement**”), dated as of November 14, 2012, as amended, by and between Gogo LLC (“**Gogo**”), and ThinKom Solutions, Inc. (“**ThinKom**”), and is subject to and incorporates by reference the provisions of the Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

Described within this Exhibit A-2, as revised are the Products and Deliverables to be developed and provided by ThinKom to Gogo, and related terms and conditions. To the extent there is any contradiction, inconsistency or ambiguity between the terms of this Exhibit A-2 and the Agreement, this Exhibit A-2 will govern. The Deliverables and Products defined and set forth in this Exhibit A-2 are in addition to the Deliverables and Products described in Exhibit A, Revision 1. The Parties acknowledge that the technology and know-how obtained in development of products under Exhibit A may be used in part in the Development of the Deliverables and Products hereunder.

This Exhibit A-2 covers the Product Specification set forth in Schedule 1, attached hereto – Specifications, detailing the capabilities and scope, and Deliverables under this Exhibit A-2 generally are described as:

1. K4 System Line Replaceable Units (LRUs) developed and produced under the terms of Exhibit A, as amended
[***]
2. LRUs developed and produced under the terms of this Exhibit A-2
[***]

1. **Product.** For the purposes of this Exhibit A-2, the Product is ThinKom’s K4 plus Tx Antenna shipset, to be commercially designated “2Ku”, comprised of:
 - a. [***]

All the Product components under this Exhibit A-2 are described as the Shipset (the “**Shipset**”); Each Shipset includes Deliverables set forth above with the specifications set forth on Schedule 1 (the “**Specifications**”).

2. **Statement of Work** Responsibilities for the development component of this Agreement shall be allocated as set forth below:

a. **Phase 1 – Product Design**

i. **ThinKom Responsibilities**

1. Design Shipset (the “Shipset” or “Shipsets”) that complies with the requirements set out in Schedule 1 in their entirety.
2. Provide finalized volume envelope requirements to Gogo of detail sufficient to allow final radome design.
3. Provide antenna performance models to Gogo as required for Gogo’s network performance analyses.
4. Incorporate optimizations based on Gogo’s feedback, as required.
5. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
6. Execute a preliminary design (PDR) review when appropriate design gates are reached.
7. Execute a critical design review (CDR) when appropriate design gates are reached.

ii. **Gogo Responsibilities**

1. Provide clarification of performance requirements as needed.
2. Provide final design authorization subsequent to PDR and CDR as a trigger for moving to prototype phase.
3. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

b. **Phase 2 – Prototype, Production and Test**

i. **ThinKom Responsibilities**

1. Manufacture and deliver five (5) Black Label Product units of the design approved by Gogo no later than [***] (“Product Acceptance”).
2. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
3. Provide performance measurements of units to Gogo.
4. Demonstrate performance of physical prototypes to Gogo at Gogo’s request.
5. Complete DO-160 certification at ThinKom’s expense, of all LRUs prior to Product Acceptance by Gogo.
6. Demonstrate compliance with all applicable FCC and international (ETSI/ITU) standards prior to Product Acceptance.
7. ThinKom to Demonstrate ESAA Compliance with respect to the applicable standards using block-upconverter and radome LRUs as supplied by Gogo.
8. ThinKom to provide detailed plan describing how Tx aperture pointing will be maintained to the required accuracy at PDR, and demonstrate to Gogo prior to Product Acceptance.

ii. **Gogo Responsibilities**

1. Gogo may, at its discretion, request testing of some or all components of the Product in Gogo's laboratory facilities during the initial product delivery phase.
2. Provide final design authorization subsequent to CDR as a trigger for moving to production phase.
3. STC for the entire system, of which the Product is a component.
4. Good Faith efforts to obtain PMA and ESAA approval for the Product in a timely manner, as set forth herein.
5. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

3. **Pricing and Payment.**

- a. **Non-Recurring Engineering ("NRE") Fees.** Gogo agrees to pay [***] in NRE Fees under the terms of this Exhibit. NRE fees are payable according to the installment schedule set forth in Section 4 below, and NET [***] after Gogo's receipt of each corresponding invoice.
- b. **Purchase Commitment.** Gogo agree to place an order for five (5) black label Product units to be delivered on or before [***].
- c. **Shipset Purchase Pricing.** ThinKom agrees to sell Product units to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table 1).

TABLE 1 – Shipset Pricing

[***]

- d. **Spares Purchase Pricing.** ThinKom agrees to sell Product units to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table 2).

TABLE 2 – Spares Pricing

[***]

4. **Payment Schedule.** Subject to the above Sections 3a. and 3b, and upon execution of the Agreement and this Exhibit A-2 by the Parties:

i. [***]

If this Agreement is terminated by Gogo pursuant to its rights set forth in Sections 2, or 3, or the Agreement terminates pursuant to Section 17 of the Agreement, Gogo shall have no further obligations to make any further payments of NRE Fees due after such termination, except in the case of termination set forth in Section 3 or Section 17 (if Gogo is in breach or has taken action per 17.1.b), Gogo shall pay ThinKom [***]. Upon termination for any reason, [***].

5. **Exclusivity.**

- a. Scope. [***].
- b. [***].
- c. [***]
- d. [***].

[***]

6. [***]

7. **Additional Obligations.**

- a. [***]

8. *Intentionally deleted.*

9. **ESAA/PMA Delay.** [***].

10. **Right of First Refusal - [***].** For a period of [***] from the Effective Date of this Exhibit A-2, ThinKom agrees to give Gogo a Right of First Refusal (RoFR) to purchase on an exclusive basis, any [***] antenna system that ThinKom may develop for the [***]. In the event ThinKom and Gogo enter into a separate development agreement for a [***] antenna system upon mutually acceptable terms (including an Exclusivity provision similar to the provision set forth in this Exhibit A-2), in such case this RoFR would not be applicable.[***].

11. **Minimum Order Size and Payment Schedule for Additional Orders.** Orders will be placed in minimum quantities of [***] Units for delivery over a period of no more than six months from the 1st to the [***] unit and deliveries starting no later than [***] from order placement (or sooner if

mutually agreed between ThinKom and Gogo). For any purchase order placed by Gogo under this Exhibit A-2, Gogo shall pay ThinKom: [***]. ThinKom agrees that this Agreement does not create any volume purchase obligations for Gogo and that Gogo is not required to purchase any Product units hereunder.

12. **Delivery.** After final acceptance by Gogo of the first 25 Shipsets as outlined in Table I, ThinKom agrees to begin delivering product ordered under the terms of this Agreement no longer than [***].
13. **Deposit Materials.** Escrow materials shall be those specified in the Escrow Agreement.
14. **ESAA License.** [***].
15. **ThinKom Test Demonstration.** ThinKom agrees to: (i) deliver to Gogo a test plan for the Product by [***] (the “Test Plan”), and (ii) successfully test the Product at ThinKom’s facility in accordance with a Test Plan Accepted by Gogo. The Test Plan must include a detailed description of
 - test cases,
 - test procedures, and
 - acceptance criteria for a successful test.

Each test case must include a demonstration of the following:

- Antenna pattern
- Pointing accuracy

Upon Gogo’s Acceptance of a Test Plan, ThinKom shall successfully test the Product as soon as possible, but by no later than by [***](the “Test Deadline”), unless failure to meet the Test Deadline is caused by Gogo or the need to obtain a necessary experimental license. In the event that ThinKom fails to successfully test the Product in accordance with the Accepted Test Plan by the Test Deadline, and is not able to provide a recovery plan to successfully complete the testing within a reasonable amount of time, Gogo shall have the right to terminate the Agreement and request a refund of all amounts previously paid to ThinKom.

16. **Additional Terms.**

- a. **Right to Complete.** Subject to the escrow agreement between the Parties, the terms of which shall supersede the terms of this Section in the event of a conflict, should any of the Shipsets delivered to Gogo not operate in accordance with the Specifications, or if ThinKom otherwise materially defaults in its performance under any purchase order, other than a default resulting or arising from Gogo’s actions or inaction, then, subject to ThinKom’s warranty obligations, and upon Gogo’s instruction, ThinKom shall release or notify the applicable escrow agent to release the Deposit Materials to Gogo to allow Gogo to complete any ordered Shipsets pursuant to a purchase order issued prior to the date of default. Gogo shall be entitled to make modifications to ThinKom’s Deposit Materials for completion of any Shipsets. For any Deposit Materials released to Gogo *via* escrow, Gogo agrees to hold such Deposit Materials as Confidential Information in accordance with the terms and conditions set forth in the Confidentiality Agreement. In the event of the foregoing, Gogo shall be responsible to ThinKom for the actual costs incurred by ThinKom associated with each Shipset through the date on which Gogo exercises its right to complete such Shipset under this Section, which amount will be payable to ThinKom upon the delivery of each such Shipset, or partial Shipset, to Gogo. In the event Gogo exercises its rights under this Section, ThinKom shall return any amounts pre-paid by Gogo to ThinKom in excess of the actual costs incurred by ThinKom.

- b. **Use of Third Party Technology.** In cases where ThinKom licenses third party technology which is incorporated into the Shipsets, ThinKom shall enable Gogo and its customers to use such rights subject to Gogo or its customer agreeing to pay the same royalty fee or license to any third parties for use of their intellectual property integrated into the Shipsets that ThinKom was paying to such third party. Gogo shall pay the third party such applicable royalty/fee under terms and conditions that are at least as good as ThinKom's. ThinKom shall use its best efforts to identify any use of Third Party Technology in the Product Shipset and communicate the presence of any such Third Party Technology to Gogo on or before the PDR date defined in Schedule 2 ("Milestones") of this Exhibit. As detailed in Paragraph 16e, ThinKom believes the modem used in the MODMAN includes third party software and ThinKom does not warrant the function of this software.
- c. **Radome & Associated Equipment.** ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo as required for the development of a suitable radome and associated equipment (the "Radome") for the Product. ThinKom agrees to provide, at no additional cost, a commercially reasonable level of support as mutually agreed to by the parties upon acceptance of the Product by Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].
- Gogo agrees to work in good faith once the Radome is fully developed to sell or license the Radome to ThinKom at a reasonable and mutually agreeable price in support of any military application opportunities which Gogo is not pursuing directly. Gogo shall make no warranty regarding the suitability of the Radome design for any purpose.
- d. [***] **Associated Equipment.** ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo as required for the qualification of a suitable [***], and associated equipment for the Product. Subsequent to selection of a [***] deemed suitable by both parties ThinKom agrees to integrate the [***] with the Product at ThinKom facilities, and certify that it is suitable for use with the Product.
- ThinKom agrees to provide this support, at a commercially reasonable level as mutually agreed to by the parties, at no additional cost to Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].
- e. **Modem Terms.** The parties agree to and acknowledge that the terms of the Reseller Agreement between ThinKom and [***] will apply to the modem related aspects of this Agreement, Shipset and optional Slave Modem, including, but not limited to the following terms:
- i. [***].
 - ii. Modem manufacturer, [***], may declare the current modem model 'obsolete' upon 90 days notice. Should this happen the parties agree to negotiate in good faith compensation for ThinKom's costs to incorporate a new modem into the Shipset and/or a 'buy ahead' program in which a given number of modems will be purchased in advance of the announced obsolescence.
 - iii. Modem manufacturer, [***], may increase the cost of the current modem from time to time. The Parties agree that should [***] increase the cost of the modem, the cost of the Shipset and Slave Modem will be increased, dollar for dollar, to adjust for the increased cost of the modem.
 - iv. Modem Manufacturer, [***], does not warranty the function of any third party software used on its modem, and therefore ThinKom does not give a warranty for this third party software to Gogo.

- f. **End of Life.** ThinKom shall be aware of and proactively monitor all items and material used in the manufacture of Product Units for impending obsolescence issues. ThinKom will provide immediate formal notification to Gogo as soon as a pending obsolescence issue or event is known to ThinKom, describing the obsolete item, reason for obsolescence, estimated date the item will no longer be available, and any proposed alternatives. Timely notification is imperative to allow sufficient time to identify alternates for the affected parts, and perform any necessary certifications, which may involve OEMs and airline regulatory agencies. ThinKom will use diligent efforts to minimize cost and operational impact, including the effects of interchangeability to Gogo and its customers. Gogo may desire to place additional orders for items purchased hereunder. ThinKom shall provide Gogo with a “Last Time Buy Notice” at least twelve (12) months prior to any action to discontinue any LRU purchased under the Agreement.

IN WITNESS WHEREOF, the parties have executed this Exhibit A-2 to the Product Development and Manufacturing Agreement, as amended, as set forth above in the preamble.

ThinKom Solutions, Inc.

By: /s/ Mark J. Silk

Mark J. Silk
President
June 26, 2014

Confidential and Proprietary

Gogo LLC

By: /s/ Anand Chari

Anand Chari
Executive Vice President
June 26, 2014

Gogo LLC

GoGo “2Ku” Specification List

[***]

Confidential and Proprietary

Gogo LLC

TABLE 3 - Milestones

[***]

Confidential and Proprietary

Gogo LLC

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

**AMENDMENT NO. 1 TO THE PRODUCT DEVELOPMENT
AND MANUFACTURING AGREEMENT**

This amendment (“Amendment No. 1”) is the first amendment to the November 14, 2012 Product Development and Manufacturing Agreement (the “Agreement”) and related Exhibits between ThinKom Solutions, Inc. (“ThinKom”) and Gogo LLC (“Gogo”). This Amendment No. 1 is effective as of June 10, 2014. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, ThinKom and Gogo are Parties to the Agreement, Exhibit A, Revision 1, and Exhibit A-2, which provide for the development and manufacture of the 2Ku Product and its various component parts comprising a Shipset; and

WHEREAS, the Parties wish to amend provisions of the Agreement and the Exhibits to reflect the recent negotiations between the Parties;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows.

A. Section 9 (Exclusivity) of the Agreement is deleted in its entirety and replaced as follows:

9. **Exclusivity.** [***].

B. The following provisions are added to the end of Section 26 of the Agreement.

26.8 Within thirty (30) days after the last party has signed Amendment No. 1, [***] or the individual components of each Shipset, in accordance with the terms of Section 9 of the Agreement, as amended herein.

26.9 Within thirty (30) days after the last party has signed Amendment No. 1, Gogo shall issue a purchase order to ThinKom for seven (7) GTO Shipsets (the balance of ten (10) Shipsets required but not yet ordered under Exhibit A, Revision 1). At its option, Gogo may satisfy such obligation through the purchase (including paying the incremental difference in pricing) of seven (7) of 2Ku Shipsets in place of seven (7) GTO Shipsets. For the avoidance of doubt, should this obligation to purchase (7) GTO shipments be satisfied through the purchase of (7) 2Ku Shipsets, these (7) Shipsets will not be count towards satisfying the 2Ku Shipset order requirements specified elsewhere in this Amendment No. 1, nor towards the minimum order requirements for Gogo to maintain exclusivity, per Exhibit A-2, Revision 1.

- 26.10 Within thirty (30) days after Gogo has been informed in writing of the completion of the DO-160 certification of the GTO Shipset, Gogo shall issue a purchase order to ThinKom for fifteen (15) GTO Shipsets. At its option, Gogo may satisfy such obligation through the purchase (including paying the incremental difference in pricing) of fifteen (15) of 2Ku Shipsets in place of fifteen (15) GTO Shipsets. For the avoidance of doubt, should this obligation to purchase (15) GTO shipments be satisfied through the purchase of (15) 2Ku Shipsets, these (15) Shipsets will not be count towards satisfying the 2Ku Shipset order requirements specified elsewhere in this Amendment No. 1, nor towards the minimum order requirements for Gogo to maintain exclusivity, per Exhibit A-2, Revision 1.
- 26.11 The payments set forth in Amendment No. 1, and Exhibit A-2, Revision 1, are intended to be in addition to, and not in place of, the payments described in the Agreement and Exhibit A-1, Revision 1 prior to the execution of Amendment No. 1.
- 26.12 The Parties shall work in good faith to mutually agree upon performance characteristics of the 2Ku Product that are suitable for public disclosure.
- 26.13 ThinKom shall obtain Gogo's prior written consent, not to be unreasonably withheld, to release new public marketing materials (marketing materials for distribution to third parties that are not subject to any confidentiality obligations to ThinKom) or make changes to existing public marketing materials in connection with the 2Ku Product or its antennas or KANDU.

C. Section 3(b) of Exhibit A, Revision 1 is deleted in its entirety and replaced as follows:

- b. **Shipset Purchase Pricing.** ThinKom agrees to sell Shipsets to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table 1).

TABLE 1 – Shipset Pricing

[***]

D. Section 5 of Exhibit A, Revision 1 is deleted in its entirety and replaced as follows:

- 5. **Exclusivity.** [***].

E. Exhibit A-2 is deleted in its entirety and replaced with Exhibit A-2, Revision 1 as set forth in Attachment 1 to this Amendment.

The terms of the Product Development and Manufacturing Agreement, Exhibit A, Revision 1, and Exhibit A-2, Revision 1 are amended and modified by the terms and conditions of this Amendment No. 1, which shall supersede and prevail over any conflicting terms and conditions set forth in the Product Development and Manufacturing Agreement, or Exhibit A, Revision 1. Except as specifically set forth herein (or as set forth in any other written amendments which may

be entered into between the Parties), all of the terms and conditions of the Product Development and Manufacturing Agreement, and Exhibit A Revision 1 remain unmodified and in full force and effect. No waiver, modification, or addition to this Amendment No. 1, the Product Development and Manufacturing Agreement, Exhibit A, Revision 1, or Exhibit A-2, Revision 1 shall be valid unless in writing and signed by the parties hereto.

IN WITNESS WHEREOF the Parties hereto, by their duly authorized representatives, have executed this Amendment as of the date first set forth above.

GOGO LLC

By: /s/ Anand K. Chari

Name: Anand K. Chari

Title: EVP/CTO

Date: 6/26/14

THINKOM SOLUTIONS, INC.

By: /s/ Mark Silk

Name: Mark Silk

Title: President

Date: 6/25/14

Attachment 1 to Amendment No. 1

Product Development and Manufacturing Agreement
ThinKom 30" VICTS "2Ku" **Earth** Station Aboard Aircraft (ESAA)

Exhibit **A-2**, Revision 1

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

**AMENDMENT NO. 2 TO THE PRODUCT DEVELOPMENT
AND MANUFACTURING AGREEMENT**

This amendment (“Amendment No. 2”) is the second amendment to the November 14, 2012 Product Development and Manufacturing Agreement, as amended by the first amendment dated June 10, 2014 (collectively, the “Agreement”) and related Exhibits between ThinKom Solutions, Inc. (“ThinKom”) and Gogo LLC (“Gogo”). This Amendment No. 2 is effective as of **January 31, 2015**. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, ThinKom and Gogo are Parties to the Agreement, Exhibit A, Revision 1, and Exhibit A-2, Revision 1, as amended which provide for the development and manufacture of the K4 and 2Ku Products, respectively, and each of their various component parts comprising a K4 and a 2Ku Shipset; and

WHEREAS, the Parties wish to amend provisions of the Agreement and the Exhibits to reflect the recent negotiations between the Parties;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows.

- A. Exhibit A, Revision 1 of the Agreement is amended to add the following sentence at the end of Section 3c. (Advanced Payment):
[***]
- B. The paragraph under Section 6b. of Exhibit A-2, Revision 1 of the Agreement is amended to replace “[***]”.
- C. Section 7a.2) of Exhibit A-2, Revision 1 of the Agreement is amended to replace “[***]”.

The terms of the Product Development and Manufacturing Agreement, Exhibit A, Revision 1, and Exhibit A-2, Revision 1 are amended and modified by the terms and conditions of this Amendment No. 2, which shall supersede and prevail over any

conflicting terms and conditions set forth in the Product Development and Manufacturing Agreement, Exhibit A, Revision 1, or Exhibit A-2, Revision 1. Except as specifically set forth herein (or as set forth in any other written amendments which may be entered into between the Parties), all of the terms and conditions of the Product Development and Manufacturing Agreement, Exhibit A, Revision 1, and Exhibit A-2, Revision 1 remain unmodified and in full force and effect. No waiver, modification, or addition to this Amendment No. 2, the Product Development and Manufacturing Agreement, Exhibit A, Revision 1, or Exhibit A-2, Revision 1 shall be valid unless in writing and signed by the parties hereto.

IN WITNESS WHEREOF the Parties hereto, by their duly authorized representatives, have executed this Amendment as of the date first set forth above.

GOGO LLC

By: /s/ Sean Cordone

Name: Sean Cordone

Title: VP, Airborne Access

Date: 2/1/2015

THINKOM SOLUTIONS, INC.

By: /s/ Mark J. Silk

Name: Mark J. Silk

Title: President

Date: 1/30/15

THE USE OF THE FOLLOWING NOTATION IN THIS EXHIBIT INDICATES THAT THE CONFIDENTIAL PORTION HAS BEEN OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT AND THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION: [***]

AMENDMENT NO. 3 TO THE PRODUCT DEVELOPMENT
AND MANUFACTURING AGREEMENT

This amendment (“Amendment No. 3”) is the third amendment to the November 13, 2012 Product Development and Manufacturing Agreement (the “Agreement”) and related Exhibits between ThinKom Solutions, Inc. (“ThinKom”) and Gogo LLC (“Gogo”). This Amendment No. 3 is effective May 12, 2015. Capitalized terms used but not defined herein shall have the same meaning set forth in the Agreement.

WHEREAS, ThinKom and Gogo are Parties to the Agreement, Exhibit A, Revision 1, Exhibit A-2, and Exhibit A-2, Revision 1, which provide for the development and manufacture of the K4 and 2Ku Products, respectively, and each of their various component parts comprising a K4 and 2Ku Shipset; and

WHEREAS, the Parties wish to amend the provisions of the Agreement and the Exhibits to reflect the recent negotiation between the Parties;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreement contained herein, receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows. To the extent there is any contradiction, inconsistency or ambiguity between the terms of this Amendment No. 3 and the Agreement, Exhibits or previous amendments thereto, this Amendment No. 3 will govern.

- A. Gogo agrees to place a purchase order with ThinKom for a minimum of [***] Shipsets of the 2Ku Product units within 10 days of the execution of this Amendment No.3.
- B. Section 6 of Exhibit A, Revision 1 (Minimum Order Size and Payment Schedule for Additional Orders) is deleted in its entirety and replaced with the following:

For purposes of the quantities referenced in this paragraph, any units currently on order or previously delivered as of the date of this Amendment No.3 shall not be considered. For any purchase order placed under Exhibit A, Revision 1, Gogo shall pay ThinKom: [***]. ThinKom agrees that this Agreement does not create any volume purchase obligations for Gogo and that Gogo is not required to purchase any Product Shipset units hereunder, other than the order for a minimum of 100 2Ku Shipsets pursuant to Paragraph A above. Minimum order size shall remain at [***] units with deliveries spread over no more than [***].

- C. Section 11 of Exhibit A-2, Revision 1 (Minimum Order Size and Payment Schedule for Additional Orders) is deleted in its entirety and replaced with the following:

For purposes of the quantities referenced in this paragraph, any units currently on order or previously delivered as of the date of this PDMA Amendment No.3 shall not be considered. For any purchase order placed under Exhibit A-2, Revision 1, Gogo shall pay ThinKom: [***]. ThinKom agrees that this Agreement does not create any volume purchase obligations for Gogo and that Gogo is not required to purchase any Product Shipset units hereunder. Minimum order size shall remain at [***] units with deliveries spread over no more than six months.

- D. The following is added to the end of Section 22 (Delivery Schedule):

Following ThinKom’s acceptance of a purchase order, and the specified Product unit delivery dates therein or delivery dates as otherwise mutually agreed upon between the Parties, if ThinKom fails to

meet the agreed upon delivery dates for the Product(s), Gogo may in its sole option and discretion, claim a penalty for the delay in delivery of the Product unit(s) equal to [***] of the total value of the late Product unit(s), however, Gogo shall not assess any penalty on shipments made within 10 days of the scheduled date. In no event shall the late penalty exceed [***]. ThinKom shall apply such amount retroactively to the dates set forth in the applicable purchase order and issue a corresponding debit note on any payments made. Gogo and ThinKom agree to establish a monthly review process in which open purchase order due dates are reviewed, ThinKom will provide confirmation of its ability to meet the given dates or request schedule relief, and Gogo will, in good faith, accommodate reschedule requests if such schedule relief does not create an undue burden on Gogo or Gogo's customer(s).

- E. Table 1 of Exhibit A-2, Revision 1 and Table 1 of Exhibit A, Revision 1 are replaced with the following pricing table: (Note: although LRU pricing is provided separately, LRU units must be ordered in the same quantities [Product shipsets], otherwise, Spares Pricing from Table 2 of Exhibit A-2, Revision 1 shall apply for all LRU quantities which are outside of a shipset purchase). The "[***]" reflected below shall be for the first [***] Shipsets ordered, after which pricing shall be per the "[***]Pricing" outlined below:

[***]

- E. The Following provisions are added to the end of Section 26 of the Agreement.

- 26.14 Packaging of all Product units and all related components shall meet or exceed the guidelines established per the current version of ATA Specification 300: specification for packaging of airlines supplies. Corresponding barcode labels containing, at a minimum, part number and Product unit serial number shall be affixed to each corresponding Product unit and the exterior of the carton in which it is packaged. Corresponding packing slips containing corresponding barcode labels shall also be affixed to the exterior of shipping cartons as well.
- 26.15 ThinKom shall maintain at ThinKom's facility and Gogo shall maintain at ThinKom's facility or forward inventory locations for mutually agreed upon stock levels of Product for shipment to a location or locations as designated by Gogo within twenty-four (24) hours of Gogo's delivery of a purchase order for aircraft-on-ground Product and within forty-eight (48) hours of Gogo's delivery of a purchase order for non-aircraft-on-ground Product.
- 26.16 ThinKom will provide Gogo with individual Certificates of Compliance certifying Products adhere to their respective design specifications. ThinKom shall provide the Federal Aviation Administration (FAA) Authorized release certificate, FAA Form 8130-3, as appropriate, with each shipment of Product. In certain instances, where extensive investigation is required, ThinKom shall provide copies of all ThinKom Product inspection reports as reasonably requested by Gogo.
- 26.17 ThinKom shall make best efforts to become a Certified 14 CFR Part145 Repair Station on or before November 15, 2015 and shall maintain such certification for the Term of the Agreement.
- 26.18 ThinKom will provide Gogo with appropriate digital diagnostic tools and grant access to Gogo, via the internet, to ThinKom's maintenance page enabling Gogo to perform real-time system health check monitoring to actively assess the performance of individual systems, on individual aircraft, as it relates to the Product Units. ThinKom shall recommend hardware and test equipment for Gogo's use at its service centers as required for diagnostic analysis. Gogo shall decide whether or not to purchase such recommended equipment.
- 26.19 ThinKom shall provide a minimum of three (3) Product training classes in accordance with industry standards each calendar year at its location. ThinKom shall provide all necessary training materials and training topics covered will be as mutually agreed upon between the parties. Each party will bear the cost of their respective travel related expenses incurred as a result of such training classes.

- 26.20 ThinKom will provide technical support 24/7/365 by means of a telephone number and email address to be provided separately to Gogo and updated, in writing, as required.
- 26.21 Upon Gogo's request, ThinKom shall immediately dispatch qualified and experienced personnel to the location(s) specified by Gogo to assist with troubleshooting and repair of chronic or widespread performance issues with the Product, subject to availability and at labor and travel rates then currently in effect. However, for the period beginning with the first commercial installation and continuing for fourteen months thereafter, should ThinKom need to send personnel to a given location to assist with troubleshooting and repair of a performance issue and for which the investigation determines that the problem is caused by a defect which was caused by ThinKom with a ThinKom provided LRU, then ThinKom shall not be reimbursed for ThinKom's labor and travel expenses.
- 26.22 ThinKom will provide a tear down report within three business days of receipt of each Product Unit that is returned for repair whether under warranty or otherwise. Such report will describe the root cause, if applicable, of the problem and the corrective actions to be taken by ThinKom.

IN WITNESS WHEREOF the Parties hereto, by their duly authorized representatives, have executed this Amendment as of the date first set forth above.

GOGO LLC

By: /s/ Mark Malosh

Name: Mark Malosh

Title: SVP Operations

Date: 5/15/15

THINKOM SOLUTIONS, INC.

By: /s/ Mark J. Silk

Name: Mark J. Silk

Title: President

Date: 5/18/15

**AMENDMENT NUMBER TWO TO
EMPLOYMENT AGREEMENT**

This Amendment Number Two to Employment Agreement (the "Amendment") between Gogo LLC (f/k/a Aircell LLC) (the "Company") and Anand Chari (the "Executive") is dated as of April 1, 2015.

WHEREAS, the Company and Executive have entered into an Employment Agreement dated as of July 12, 2006 (as amended by Amendment Number One thereto dated as of December 22, 2008, the "Agreement"); and

WHEREAS, the Company and the Executive desire to amend the Agreement to revise certain provisions related to termination benefits and governing law.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and pursuant to Section 17 of the Agreement, the parties agree as follows:

1. Section 9(a) of the Agreement is hereby amended by deleting the phrase "nine (9) months" in clause (iii) of the first sentence thereof and replacing it with the phrase "one (1) year".
2. Section 13 of the Agreement is hereby amended by deleting the word "Colorado" in two places and replacing it with the word "Illinois".
3. Except as amended by this Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer and the Executive has executed this instrument as of this 16th day of April, 2015.

Gogo LLC:

By: /s/ Marguerite M. Elias
Marguerite M. Elias

Executive:

/s/ Anand Chari
Anand Chari

**AMENDMENT NUMBER TWO TO
EMPLOYMENT AGREEMENT**

This Amendment Number Two to Employment Agreement (the "Amendment") between Gogo LLC (f/k/a Aircell LLC) (the "Company") and John Wade (the "Executive") is dated as of April 1, 2015.

WHEREAS, the Company and Executive have entered into an Employment Agreement dated as of October 21, 2008 (as amended by Amendment Number One thereto dated as of December 23, 2008, the "Agreement"); and

WHEREAS, the Company and the Executive desire to amend the Agreement to revise certain provisions related to covenants-not-to-compete and termination benefits.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and pursuant to Section 17 of the Agreement, the parties agree as follows:

1. Section 5(a) of the Agreement is hereby amended by deleting the phrase "six (6) months" in the first sentence thereof and replacing it with the phrase "one (1) year".
2. Section 9(a) of the Agreement is hereby amended by deleting the phrase "six (6) months" in the first sentence thereof and replacing it with the phrase "one (1) year".
3. Except as amended by this Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed by its duly authorized officer and the Executive has executed this instrument as of this 14th day of April, 2015.

Gogo LLC:

By: /s/ Marguerite M. Elias
Marguerite M. Elias

Executive:

/s/ John Wade
John Wade

Gogo Inc.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Small, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gogo Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2015

/s/ Michael Small

Michael Small
President and Chief Executive Officer
(Principal Executive Officer)

Gogo Inc.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Norman Smagley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gogo Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2015

/s/ Norman Smagley

Norman Smagley
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Gogo Inc.

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Small, President and Chief Executive Officer of Gogo Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2015

/s/ Michael Small

Michael Small
President and Chief Executive Officer
(Principal Executive Officer)

Gogo Inc.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Norman Smagley, Executive Vice President and Chief Financial Officer of Gogo Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2015 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2015

/s/ Norman Smagley

Norman Smagley

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)