

JETBLUE AIRWAYS CORP

Form DEF 14A

April 14, 2011

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

JETBLUE AIRWAYS CORPORATION
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-

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JETBLUE AIRWAYS CORPORATION
118-29 Queens Boulevard
Forest Hills, New York 11375

April 14, 2011

To our Stockholders:

It is our pleasure to invite you to attend our 2011 annual meeting of stockholders. The meeting will be held at our corporate headquarters located at 118-29 Queens Boulevard, Forest Hills, New York, on Thursday, May 26, 2011, beginning at 10:00 a.m. (Eastern Time). The following notice of annual meeting of stockholders outlines the business to be conducted at the meeting.

This year we are furnishing proxy materials to stockholders via the Internet, in keeping with our business model of efficiency. This delivery method also allows us to conserve natural resources and reduce the cost of delivery while also meeting our obligations to you, our Stockholders, to provide information relevant to your continued investment in JetBlue. On April 14, 2011, we mailed a notice of internet availability of proxy materials containing instructions on how to access our proxy materials and vote via the Internet. The notice of Internet availability of proxy materials also provides information on how stockholders may obtain paper copies of our proxy materials if they so choose.

We encourage you to review these materials and vote your shares. You may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card. If you attend the annual meeting, you may vote your shares in person even if you previously voted your proxy. Please vote as soon as possible to ensure that your shares will be represented and counted at the annual meeting.

Very truly yours,

Dave Barger
President, Chief Executive Officer and Director

On behalf of the Board of Directors of JetBlue Airways Corporation

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JETBLUE AIRWAYS CORPORATION
118-29 Queens Boulevard
Forest Hills, New York 11375

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held on May 26, 2011

Date of Meeting: May 26, 2011

Time: 10:00 a.m. (Eastern Time)

Place: 118-29 Queens Boulevard, Forest Hills, New York

Items of Business: We are holding the 2011 annual meeting of stockholders for the following purposes:

To elect ten directors nominated by the Board of Directors to serve until the 2012 annual meeting of stockholders;

To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;

To approve the 2011 Incentive Compensation Plan;

To approve the 2011 Crewmember Stock Purchase Plan;

To approve an advisory resolution on executive compensation;

To conduct an advisory vote on the frequency of future advisory votes on executive compensation; and

To transact such other business as may properly come before the annual meeting or any adjournment thereof.

The proxy statement describes these items in more detail. As of the date of this notice, we have not received notice of any other matters that may be properly presented at the annual meeting.

Record Date: March 31, 2011

Voting: **YOUR VOTE IS VERY IMPORTANT.** Whether or not you plan to attend the annual meeting of stockholders, we urge you to vote and submit your proxy in order to ensure the presence of a quorum. You have three options for submitting your vote before the 2011 annual meeting: Internet, toll-free telephone or mail. If you are a beneficial owner whose shares are held of record by a broker, your broker has discretionary voting authority to vote your shares on the ratification of our independent registered public accounting firm, even if the broker does not receive voting instructions from you. However, your broker does not have discretionary authority to vote on the election of directors, on the advisory votes or on the plan proposals without instructions from you, in which case a broker non-vote will occur and your shares will not be voted on these matters.

**Date These Proxy
Materials Are First
Being Made
Available on the
Internet:**

On or about April 14, 2011

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IF YOU PLAN TO ATTEND

Please note that space limitations make it necessary to limit attendance to stockholders and one guest. Admission to the annual meeting will be on a first-come, first-served basis. Registration will begin at 9:00 a.m. Either an admission ticket or proof of ownership of JetBlue stock, as well as a form of government-issued photo identification, such as a driver's license or passport, must be presented in order to be admitted to the annual meeting. If you are a stockholder of record, your admission ticket is attached to your proxy card. Stockholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting their stock ownership as of the record date. Cameras, recording devices and other electronic devices will not be permitted at the annual meeting.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 26, 2011

The notice of annual meeting, the proxy statement and our fiscal 2010 annual report to stockholders are available on our website at <http://investor.jetblue.com>. Additionally, in accordance with Securities and Exchange Commission (SEC) rules, you may access our proxy materials at www.proxyvote.com.

By Order of the Board of Directors,

James G. Hnat
Executive Vice President, General Counsel and
Corporate Secretary

April 14, 2011
Forest Hills, New York

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To assist you in reviewing JetBlue's 2010 performance, we would like to call your attention to key elements of our proxy statement. The following description is only a summary. For more complete information about these topics, please review the Company's Annual Report on Form 10-K and this proxy statement.

FINANCIAL PERFORMANCE

JetBlue achieved strong financial results in 2010 against a backdrop of significant weather events and a challenging economic and industry environment. Our executive compensation decisions in 2010 were greatly influenced by our strong operating results during this challenging environment:

	Fiscal 2010	Fiscal 2009	Change (%)
	(\$ in millions, except per share amounts)		
Pretax income	161	104	56.1%
Net income	97	61	59.9%
Earnings per diluted share	0.31	0.21	47.6%
Stock price as of fiscal year end(1)	\$ 6.61	\$ 5.45	21.3%

(1) Represents the closing market price of our common stock on December 31, 2010 and December 31, 2009, respectively.

We achieved record operating revenue of \$3.78 billion in 2010. We also achieved several non-financial milestones. For the sixth consecutive year we were recognized by J.D. Power and Associates as having the highest customer satisfaction among low cost airlines in North America. We successfully transitioned our customer service system to Sabre, a significant undertaking that will result in a more robust platform for our commercial endeavors, better customer service and more efficient operations in the future. We also managed the several month-long closure of a significant runway at our home base of operations, John F. Kennedy International Airport.

COMPENSATION HIGHLIGHTS

This strong performance is reflected in the compensation that our senior executives earned in 2010, as described in the Compensation Discussion and Analysis section in this proxy statement.

The Board reported that they awarded Dave Barger, our President and Chief Executive Officer, incentive compensation for 2010 which was commensurate with business results, including an annual incentive award of \$300,000 and a long-term incentive award valued at \$750,000. Consistent with our executive compensation philosophy and commitment to pay for performance principles, the majority of our Chief Executive Officer's total direct compensation of \$1.2 million for 2010 was incentive-based and at risk.

The compensation of our other senior executive officers further reflects both our strong 2010 performance and our compensation philosophy:

Named Executive Officer	2010 Base Salary	2010 Annual Incentive Award	2010 Long Term Incentive Award Value	2010 Total Direct Compensation
Edward Barnes	\$ 400,000	\$ 200,000	\$ 350,000	\$ 950,000
Robin Hayes	\$ 400,000	\$ 200,000	\$ 350,000	\$ 950,000
James Hnat	\$ 400,000	\$ 200,000	\$ 350,000	\$ 950,000
Robert Maruster	\$ 400,000	\$ 200,000	\$ 350,000	\$ 950,000

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ELECTION OF DIRECTORS (Proposal 1)

You will find important information about the qualifications and experience of each of the director nominees that you are being asked to elect. The Corporate Governance and Nominating Committee performs an annual assessment to evaluate whether our directors have the skills and experience to effectively oversee the Company. We believe all of our directors have proven leadership qualities, sound judgment, integrity and a commitment to the success of our Company.

PROPOSALS TO APPROVE COMPENSATION PLANS (Proposals 3 and 4)

You are also being asked to approve our JetBlue Airways Corporation 2011 Incentive Compensation Plan, which will replace our expiring Amended and Restated 2002 Stock Incentive Plan, as set forth in **Proposal 3**. This plan has been updated and modernized to reflect current governance best practices, such as a double trigger for change in control and other items, highlighted on page 26-27.

Finally, you are being asked to approve our JetBlue Airways Corporation 2011 Crewmember Stock Purchase Plan, as set forth in **Proposal 4**. The 2011 Crewmember Stock Purchase Plan will replace our expiring Amended and Restated 2002 Crewmember Stock Purchase Plan.

ADVISORY VOTES ON EXECUTIVE COMPENSATION (Proposals 5 and 6)

Our stockholders now have the opportunity to cast a non-binding, advisory vote on our executive compensation program, as set forth in **Proposal 5, also referred to as say on pay**. In evaluating this say on pay proposal, we recommend that you review our Compensation Discussion and Analysis, which explains how and why the Compensation Committee of our Board arrived at its executive compensation actions and decisions for 2010.

We are also asking our shareholders to cast a non-binding, advisory vote on the frequency of future say on pay votes every one, two, or three years, as set forth in **Proposal 6, also referred to as say on frequency**. We believe that an advisory vote **every 1 year** will allow our stockholders to provide us their valuable input in the timeliest manner, which is consistent with our practice of engaging in frequent dialogue with our stockholders on corporate governance matters

Additional information about our corporate governance policies is also contained in the proxy statement.

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JETBLUE AIRWAYS CORPORATION

**118-29 Queens Boulevard
Forest Hills, New York 11375**

**PROXY STATEMENT
2011 ANNUAL MEETING OF STOCKHOLDERS**

We are making this proxy statement available to you on or about April 14, 2011 in connection with the solicitation of proxies by our Board of Directors for the JetBlue Airways Corporation 2011 annual meeting of stockholders. At JetBlue and in this proxy statement, we refer to our employees as crewmembers. Also in this proxy statement, we sometimes refer to JetBlue as the Company, we or us, and to the 2011 annual meeting of stockholders as the annual meeting. When we refer to the Company's fiscal year, we mean the annual period ending on December 31 of the stated year. Information in this proxy statement for 2010 generally refers to our 2010 fiscal year, which was from January 1 through December 31, 2010.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the record date?

The record date for the annual meeting is March 31, 2011. On the record date, there were 295,829,916 shares of our common stock outstanding and there were no outstanding shares of any other class of stock.

Who is entitled to vote?

Only stockholders of record at the close of business on March 31, 2011 will be entitled to vote at the 2011 annual meeting of stockholders and any adjournments thereof. Holders of shares of common stock as of the record date are entitled to cast one vote per share on all matters.

How do I vote?

Registered holders may vote:

By Internet: go to www.proxyvote.com;

By toll-free telephone: call 1-800-690-6903; or

By mail (if you received a paper copy of the proxy materials by mail): mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope.

If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.

How will my shares be voted at the annual meeting?

Proxies will be voted as instructed by the stockholder or stockholders granting the proxy. Unless contrary instructions are specified, if the proxy is completed and submitted (and not revoked) prior to the annual meeting, the shares of JetBlue common stock represented by the proxy will be voted:

FOR the election of each of the ten director candidates nominated by the Board of Directors;

FOR the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011;

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FOR approval of the 2011 Incentive Compensation Plan;

FOR approval of the 2011 Crewmember Stock Purchase Plan;

FOR approval of the advisory resolution on executive compensation;

to conduct future advisory votes on executive compensation **EVERY 1 YEAR**; and

in accordance with the best judgment of the named proxies on any other matters properly brought before the annual meeting.

What can I do if I change my mind after I vote?

Any proxy may be revoked at any time prior to its exercise at the 2011 annual meeting of stockholders. A stockholder who delivers an executed proxy pursuant to this solicitation may revoke it at any time before it is exercised by (i) executing and delivering a later-dated proxy card to our corporate secretary prior to the annual meeting; (ii) delivering written notice of revocation of the proxy to our corporate secretary prior to the annual meeting; (iii) voting again by telephone or over the Internet prior to 11:59 p.m., Eastern Time, on May 25, 2011; or (iv) attending and voting in person at the annual meeting. Attendance at the annual meeting, in and of itself, will not constitute a revocation of a proxy. If you hold your shares through a broker, bank, or other nominee, you may revoke any prior voting instructions by contacting that firm or by voting in person via legal proxy at the annual meeting.

What is a quorum?

The presence of the holders of stock representing a majority of the voting power of all shares of stock issued and outstanding and entitled to vote at the annual meeting, in person or represented by proxy, is necessary to constitute a quorum. Abstentions and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum.

What are the voting requirements to elect directors and to approve each of the proposals?

If a quorum is present, a nominee for election to a position on the Board of Directors will be elected by a plurality of the votes cast at the meeting, which means that eleven nominees receiving the highest number of **FOR** votes will be elected directors; however, a director who receives more withheld votes than for votes is required to submit his or her resignation to the Board and the Board may either accept the resignation or disclose its reasons for not doing so in a report filed with the SEC within 90 days of the certification of election results. If a quorum is present, ratification of our independent registered public accounting firm, approval of the advisory resolution on executive compensation, approval of the frequency of future advisory votes on executive compensation, approval of the 2011 Stock Incentive Plan, approval of the 2011 Crewmember Stock Purchase Plan, and any other matters that properly come before the meeting, require that the votes cast in favor of such actions exceed the votes cast against such actions. For Proposals 2-6, abstentions have the same effect as negative votes. Broker non-votes (shares held by brokers that do not have discretionary authority to vote on a matter and have not received voting instructions from their clients) have no effect.

What is a broker non-vote?

If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. This is called a broker non-vote. In these cases, the broker can

register your shares as being present at the annual meeting for purposes of determining the presence of a quorum but will not be able to vote on those matters for which specific authorization is required. If you are a beneficial owner whose shares are held of record by a broker, your broker has discretionary voting authority to vote your shares on the ratification of our independent registered public accounting firm, even if the broker does not receive

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voting instructions from you. However, your broker does not have discretionary authority to vote on any other matter without instructions from you, in which case a broker non-vote will occur and your shares will not be voted on these matters. Please vote your proxy so your vote can be counted.

How do I vote my 401(k) plan shares?

If you are a stockholder through participation in the JetBlue 401(k) Retirement Plan, the proxy also serves as voting instructions to the plan trustees. The plan trustees will cause allocated shares held under the plan, for which the trustees have not received direction, to be present at the meeting for purposes of determining a quorum but not voted in respect of any matter to come before the annual meeting.

How do foreign owners vote?

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our Amended and Restated Certificate of Incorporation and our amended consolidated Fifth Amended and Restated Bylaws (the *Bylaws*) restrict foreign ownership of shares of our common stock. The restrictions imposed by federal law currently require that no more than 25% of our voting stock be owned or controlled, directly or indirectly, by persons who are not United States citizens. Our Bylaws provide that no shares of our common stock may be voted by or at the direction of non-U.S. citizens unless such shares are registered on a separate stock record, which we refer to as the foreign stock record. Our Bylaws further provide that no shares of our common stock will be registered on the foreign stock record if the amount so registered would exceed the foreign ownership restrictions imposed by federal law. Any holder of JetBlue common stock who is not a United States citizen and has not registered its shares on the foreign stock record maintained by us will not be permitted to vote its shares at the annual meeting. The enclosed proxy card contains a certification that by signing the proxy card or voting by telephone or electronically, the stockholder certifies that such stockholder is a United States citizen as that term is defined in the Federal Aviation Act or that the shares represented by the proxy card have been registered on our foreign stock record. As of the March 31, 2011 record date for the annual meeting, shares representing less than 25% of our total outstanding voting stock are registered on the foreign stock record.

Under Section 40102(a)(15) of the Federal Aviation Act, the term *citizen of the United States* is defined as: (i) an individual who is a citizen of the United States, (ii) a partnership each of whose partners is an individual who is a citizen of the United States, or (iii) a corporation or association organized under the laws of the United States or a state, the District of Columbia or a territory or possession of the United States of which the president and at least two-thirds of the Board of Directors and other managing officers are citizens of the United States, and in which at least 75% of the voting interest is owned or controlled by persons that are citizens of the United States.

Who pays for soliciting the proxies?

We pay the cost of soliciting the proxies. In addition, our directors, officers and associates may, without additional compensation, also solicit proxies by mail, telephone, personal contact, facsimile or through similar methods. We will, upon request, reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation material to the beneficial owners of our stock.

Will the annual meeting be webcast?

Yes. Our annual meeting will be broadcast live on the Internet. To listen to the audio broadcast, log on to <http://investor.jetblue.com> at 10:00 a.m. (Eastern Time) on May 26, 2011. The audio broadcast will be archived on that website for at least 120 days.

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What is householding and how does it affect me?

The SEC has adopted rules that permit companies and intermediaries such as brokers to satisfy delivery requirements for proxy statements with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as householding, potentially provides extra convenience for stockholders and cost savings for companies. We and some brokers household proxy materials, delivering a single proxy statement or annual report to multiple stockholders sharing an address, unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker or us that they or we will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate proxy statement or annual report, please notify us by sending a written request to Investor Relations, JetBlue Airways Corporation, 118-29 Queens Boulevard, Forest Hills, New York 11375 or by calling us at (718) 709-3084. You may also notify us to request delivery of a single copy of our annual report or proxy statement if you currently share an address with another stockholder and are receiving multiple copies of our annual report or proxy statement.

Is there a list of stockholders entitled to vote at the annual meeting?

The names of stockholders entitled to vote at the annual meeting will be available at the annual meeting and for ten days prior to the meeting for any purpose germane to the meeting, between the hours of 9:00 a.m. and 4:30 p.m. (Eastern Time), at our principal executive offices at 118-29 Queens Boulevard, Forest Hills, New York 11375, by contacting our General Counsel, James Hnat.

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There are currently eleven members of our Board of Directors and, assuming the election of all nominees, immediately following the annual meeting our Board of Directors will consist of ten directors. Each member's term will expire at the annual meeting. As discussed in greater detail below, the Board is recommending that you reelect nine of the current members for an additional one year term and elect one new member for an initial one year term at the annual meeting. As disclosed in our Form 8-K filed with the SEC on February 16, 2011, Robert Clanin and Christoph Franz have decided to not stand for reelection at the annual meeting.

Based on the recommendation of the Corporate Governance and Nominating Committee, the Board of Directors has nominated David Barger, Peter Boneparth, David Checketts, Stephan Gemkow, Virginia Gambale, Stanley McChrystal, Joel Peterson, Ann Rhoades and Frank Sica, each a current director of the Company, and one new director nominee, Jens Bischof, to be elected as a director of the Company. If elected, each of the nominees will serve until the next annual meeting of stockholders to be held in 2012, or until such time as their respective successors have been duly elected and qualified or until his or her earlier death or disability.

The Board believes that each of the nominees will be available and able to serve as a director. If a nominee is unable or unwilling to serve as a director if elected, the shares of common stock represented by all valid proxies will be voted at the annual meeting for the election of such substitute as the Board may recommend. The Board may reduce the number of directors to eliminate the vacancy or the Board may fill the vacancy at a later date after selecting an appropriate nominee. The affirmative vote of a plurality of the shares present and voting is required to elect a director, which means that the eleven nominees receiving the highest numbers of votes cast at the annual meeting by the holders of shares of our common stock will be elected as directors; however, a director who receives more withheld votes than for votes is required to submit his or her resignation to the Board and the Board may either accept the resignation or disclose its reasons for not doing so in a report filed with the SEC within 90 days of the certification of election results.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR EACH NOMINEE**Nominees for Director**

Name	Age	Position(s) with the Company	Director Since
David Barger	53	President, Chief Executive Officer and Director	2001
Jens Bischof	45	Director	(1)
Peter Boneparth	51	Director	2008
David Checketts	55	Director	2000
Virginia Gambale	51	Director	2006
Stephan Gemkow	51	Director	2008
Stanley McChrystal	56	Director	2010
Joel Peterson	63	Chairman of the Board	1999
Ann Rhoades	66	Director	2001
Frank Sica	60	Vice Chairman of the Board	1998

(1) Mr. Bischof is a new director-nominee.

Director Qualifications and Biographical Information

Our Board is composed of a diverse group of leaders in their respective fields. Many of the current directors have leadership experience at major domestic and international companies with operations inside and outside the United States, as well as experience on other companies' boards, which provides

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an understanding of different business processes, challenges and strategies. Other directors have experience at academic institutions, which brings unique perspectives to the Board. Further, each of the Company's directors has other specific qualifications that make them valuable members of our Board, such as financial literacy, talent and brand management, customer service experience and crewmember relations, as well as other experience that provides insight into issues faced by us.

The Board periodically reviews diversity of viewpoints, background, experience, accomplishments, education and skills when evaluating nominees. The Board believes this diversity is demonstrated in the range of experiences, attributes and skills of the current members of the Board. The Board believes that such diversity is important because it provides varied perspectives, which promotes active and constructive discussion among Board members and between the Board and management, resulting in more effective oversight of management's formulation and implementation of strategic initiatives. The Board believes that directors should contribute positively to the existing chemistry and collaborative culture among the Board members. The Board also believes that its members should possess a commitment to the success of the Company, proven leadership qualities, sound judgment and a willingness to engage in constructive debate. While we have no formal policy on director diversity, the Corporate Governance and Nominating Committee seeks directors who have these qualities to achieve an ultimate goal of a well-rounded Board that functions well as a team, something which is critically important to the Company. In determining whether an incumbent director should stand for reelection, the Corporate Governance and Nominating Committee considers the above factors, as well as that director's personal and professional integrity, attendance, preparedness, participation and candor, the individual's satisfaction of the criteria for the nomination of directors set forth in our Corporate Governance Guidelines and other relevant factors as determined by the Board. Periodically, the Corporate Governance and Nominating Committee reviews the Company's short- and long-term business plans to gauge what additional current and future skills and experience may be required of the Company's Board and any future Board candidates. The Corporate Governance and Nominating Committee seeks to use the results of the assessment process as it identifies and recruits potential director candidates.

Mr. Barger is our President and Chief Executive Officer. He has served as our Chief Executive Officer since May 2007 and our President since June 2009. He previously served as our President from August 1998 until September 2007, and as our Chief Operating Officer from August 1998 until March 2007. Mr. Barger is a member of the team that founded JetBlue. Mr. Barger is currently serving as the Chair of the FAA's NextGen Advisory Committee for a two year term that expires in 2012. Mr. Barger is on the Executive Committee and the Board of Governors of the Flight Safety Foundation, as well as with Pencil, a non-profit organization devoted to improving public education in New York City. He is a past president of the Wings Club, a New York based aviation group. Mr. Barger is also a co-Chair of generationON, an organization dedicated to helping young people get involved in their communities. Mr. Barger does not presently serve on other U.S. public company boards and has not served on another U.S. public company board within the past five years. As a senior airline executive, Mr. Barger's qualifications and experience include airline operational experience, knowledge of the competitive landscape, talent management, general airline industry knowledge and crewmember relations experience.

Mr. Bischof is a Member of the Lufthansa German Airlines Board as of April 2011. His area of responsibility within the Board is Sales, Revenue Management and International Operations. Mr. Bischof has been with Deutsche Lufthansa AG since 1990. He worked in various positions in cargo operations and in corporate procurement before he was appointed Vice President, Corporate Procurement and Supply Management in 2000. In 2005 and 2006 he led the post-merger integration of SWISS Intl. Airlines into the Lufthansa Group. As of September 2006 through March, 2011 he served as Vice President, The Americas and was responsible for all commercial activities of Deutsche Lufthansa AG in North and South America. Mr. Bischof is being nominated to our Board of Directors in connection with Deutsche Lufthansa AG's purchase of approximately 19% of our common stock in 2008. Deutsche Lufthansa AG nominated Mr. Bischof for the appointment following Dr. Franz's notice of

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resignation. As a senior airline executive, Mr. Bischof's qualifications and experience include sales, marketing, revenue management, airline operations, cargo operations, procurement as well as general airline industry knowledge.

Mr. Boneparth has been a Senior Advisor of Irving Capital Partners, a private equity group, since February 2009. He served as president and CEO of the Jones Apparel Group from 2002 to 2007. Mr. Boneparth is a director of Kohl's Corporation. Within the past five years, Mr. Boneparth also served as a director of Jones Apparel Group Inc. As a senior retail executive, Mr. Boneparth's qualifications and experience include finance and investment experience, talent management, international business experience, knowledge of brand enhancement and customer service, oversight of risk management and crewmember relations.

Mr. Checketts has been an independent investor and Chairman of New York-based SCP Worldwide, an investment firm that focuses on sports, media and entertainment assets since 2001. From 1994 to 2001, Mr. Checketts was President and Chief Executive Officer of Madison Square Garden Corporation. From 1991 to 1994, Mr. Checketts was the President of the New York Knicks professional basketball team. From 1990 to 1991, he was Vice President of Development for the National Basketball Association. From 1984 to 1990, Mr. Checketts was President of the Utah Jazz professional basketball team. Within the past five years, Mr. Checketts also served as a director of McLeodUSA, Inc. and Citadel Broadcasting Corp. As an investor and Chairman of an investment firm, Mr. Checketts' qualifications and experience include business operations, finance and investment experience, knowledge of our competitive landscape, and experience with customer service, brand and talent management.

Ms. Gambale has been a Managing Partner of Azimuth Partners LLC, a strategic and advisory firm in the field of technology and data communications solutions, since 2003. Prior to starting Azimuth Partners, Ms. Gambale was a Partner at Deutsche Bank Capital and ABS Ventures from 1999 to 2003. Prior to that, she held the position of Chief Information Officer at Bankers Trust Alex. Brown and Merrill Lynch. Ms. Gambale serves as a director of Piper Jaffray Companies (term expected to end May 4, 2011). Within the past five years, Ms. Gambale also served as a director of Motive, Inc. As a former Chief Information Officer and a partner at a firm involved with technology and data communications, Ms. Gambale's qualifications and experience include the management of large scale, high transaction volume systems and technology infrastructure, as well as investing in innovative technologies and developing the ability to adapt and grow these technologies to significantly enhance the performance of operations, risk management and delivery of new products.

Mr. Gemkow is a member of the Deutsche Lufthansa AG Executive Board and its Chief Financial Officer, serving in that capacity since June 2006. Mr. Gemkow joined Deutsche Lufthansa AG in 1990, working initially in Corporate Organization and Strategic Corporate Development. He then moved on to work in various management capacities before serving as Area Sales Manager in Washington D.C. from 1994 to 1997. He subsequently took over as Head of Investor Relations, and in 2001 was appointed Senior Vice President Corporate Finance. In February 2004, Mr. Gemkow joined the Executive Board of Lufthansa Cargo AG, where he was responsible for Finance and Human Resources. He is a member of the Exchange Experts Commission advising the German Federal Ministry of Finance. Mr. Gemkow was appointed to our Board of Directors in connection with Deutsche Lufthansa AG's purchase of approximately 19% of our common stock in 2008. Deutsche Lufthansa AG nominated Mr. Gemkow for the appointment. Mr. Gemkow serves on the Board of GfK SE, a public company in Germany (term expected to end May 26, 2011). As the Chief Financial Officer of an international airline, Mr. Gemkow's experience and qualifications include finance and investment experience, airline operational experience, knowledge of the competitive landscape, experience with government and regulatory affairs, risk management, including commodities risk, customer service and brand enhancement, international experience and general airline industry knowledge.

General (Ret.) McChrystal is a 34-year U.S. Army veteran of multiple wars. Gen. McChrystal commanded the U.S. and NATO's security mission in Afghanistan, served as the director of the Joint

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Staff and was the Commander of Joint Special Operations Command, where he was responsible for the nation's deployed military counter terrorism efforts. Gen. McChrystal is a graduate of the United States Military Academy at West Point, the United States Naval Command and Staff College and was a military fellow at both the Council on Foreign Relations and the Kennedy School of Government at Harvard University. The General is currently teaching a seminar on leadership at the Jackson Institute for Global Affairs at Yale University and serves alongside his wife Annie on the Board of Directors for the Yellow Ribbon Fund, a non-profit organization committed to helping wounded veterans and their families. Mr. McChrystal is a director of Navistar International Corp. As a former senior military leader, Mr. McChrystal has experience in logistics, air traffic issues, talent management and experience with government and regulatory affairs.

Mr. Peterson is the founding partner of Peterson Partners, LLP, a private equity firm he founded in 1995. He is also the founding partner of Peterson Ventures, which manages a portfolio of small, early-stage investments. From 1973 to 1991, Mr. Peterson served in several positions at Trammell Crow Company, a commercial real estate service company, including Chief Executive Officer from 1988 to 1991 and Chief Financial Officer from 1977 to 1985. Mr. Peterson has taught at the Stanford Graduate School of Business since 1992 and serves as a director for the Center for Leadership Development and Research. Mr. Peterson is a director of Franklin Covey Co. As a private equity investor and former Chief Executive Officer and Chief Financial Officer of a commercial real estate service company, Mr. Peterson's qualifications and experience include knowledge of real estate, customer service, talent management and international experience.

Ms. Rhoades has served as the President of PeopleInk, Inc., a human resources consulting firm, since its inception in 1999. From 1999 through 2002, Ms. Rhoades served as our Executive Vice President, People. From 1995 to 1999, Ms. Rhoades was the Executive Vice President, Team Services for Promus Hotel/DoubleTree Hotels Corporation. From 1989 to 1995, Ms. Rhoades was the Vice President, People for Southwest Airlines. Ms. Rhoades is a director of P. F. Chang's China Bistro, Inc. Within the past five years, Ms. Rhoades also served as a director of Restoration Hardware, Inc. As the president of a human resources consulting firm and a former airline executive, Ms. Rhoades qualifications and experience include knowledge of our competitive landscape, experience in areas of customer service, talent management, brand enhancement and crewmember relations.

Mr. Sica has served as a Managing Partner at Tailwind Capital, a private equity firm, since 2006. From 2004 to 2005, Mr. Sica was a Senior Advisor to Soros Private Funds Management. During that period Mr. Sica was also President of Menemsha Capital Partners, Ltd., a private investment firm. From 2000 to 2003, Mr. Sica was President of Soros Private Funds Management LLC, which oversaw the direct real estate and private equity investment activities of Soros. In 1998, Mr. Sica joined Soros Fund Management, where he was a Managing Director responsible for Soros private equity investments. From 1988 to 1998, Mr. Sica was a Managing Director in Morgan Stanley's Merchant Banking Division. In 1996, Mr. Sica was elevated to co-CEO of Morgan Stanley's Merchant Banking Division. Prior to 1988, Mr. Sica was a Managing Director in Morgan Stanley's mergers and acquisitions department. From 1974 to 1977, Mr. Sica was an officer in the U.S. Air Force. Mr. Sica is a director of CSG Systems International, Inc., Safe Bulkers, Inc. and Kohl's Corporation. Within the past five years, Mr. Sica also served as a director of Emmis Communications Corp. and NorthStar Realty Finance Corporation. As a private equity investor, Mr. Sica's qualifications and experience include finance and investment experience, talent management, experience in the areas of real estate, technology, risk management oversight (including commodities risk), general airline industry knowledge and international business and finance experience.

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CORPORATE GOVERNANCE MATTERS

Corporate Governance Practices

One of JetBlue's core values is Integrity. As a company, we try to do the right thing for our stakeholders, including crewmembers, our customers, our stockholders and the communities in which we operate. One of the ways in which we try to live the value is through our governance practices, which are designed to enhance transparency for our stockholders and our crewmembers. We are known for innovation in areas of our business and we strive to bring those values of integrity and innovation into the governance arena as well. We have adopted the following practices in keeping with this goal:

Majority of Independent Directors. We have a majority of independent directors serving on our Board. We currently have only one employee director, Mr. Barger, our Chief Executive Officer and President, on the Board of eleven members.

Separation of Chairman of the Board and Chief Executive Officer. The Board recognizes that one of its key responsibilities is to evaluate and determine its optimal leadership structure so as to provide independent oversight of management. We believe that the interests of the Company and our stockholders are best served by separating the positions of Chief Executive Officer and Chairman of the Board. We believe this governance structure empowers both the Board of Directors and the Chief Executive Officer, and promotes balance between the authority of those who oversee our business and those who manage it on a day-to-day basis. In our independent Chairman, our Chief Executive Officer has a counterpart who can be a thought partner. We believe this corporate structure also permits the Board of Directors to have a healthy dynamic that enables them to function to the best of their abilities, individually and as a unit.

Annual Elections of Board Members. JetBlue's Bylaws provide that directors are elected annually.

Executive Compensation Recoupment Policy. Our Board of Directors has adopted a policy, often referred to as a claw-back policy, which requires reimbursement of all or a portion of any bonus, incentive payment, or equity-based award granted to or received by any executive officer and certain other officers after January 1, 2010 where: (a) the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a restatement, (b) in the Board's view the executive engaged in willful misconduct that caused or partially caused the need for the restatement, and (c) a lower payment would have been made to the executive based upon the restated financial results.

Director Stock Ownership. Our Board of Directors has adopted a policy whereby directors hold their grants of director stock units throughout their tenure as a director. Vested equity is issued six months following the director's departure from the Board of Directors. Directors are no longer required to hold a specific number of shares of common stock since such a requirement would be redundant in light of our hold through retirement policy.

Director Resignation Policy. Our Board of Directors has adopted a policy whereby a director who receives more withheld votes than for votes in an uncontested election of directors is required to submit a resignation to the Board. The Board may either accept the resignation or disclose its reasons for not accepting the resignation in a report filed with the SEC within 90 days of the certification of election results. The policy is embedded in our governance guidelines and in our Bylaws.

Removal of Supermajority Provisions from our Charter Documents. As approved by our stockholders, we removed supermajority voting requirements from our Bylaws in order to give our stockholders a more meaningful vote in

various corporate matters.

Executive Compensation Practices. We strive for transparent and realistic compensation packages, as discussed more fully in the Compensation Discussion and Analysis, which starts on page 45.

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Retirement and Pension Practices. We do not provide our executives with significant post-employment retirement or pension benefits. We sponsor a retirement plan with a 401(k) component for all of our crewmembers.

Corporate Sustainability Practices. We have issued corporate sustainability reports which discuss our greenhouse gas emissions efforts, our environmental awareness programs which we call Jetting to Green and our community efforts, involving business partners in endeavors to, for example, build playgrounds, plant trees and donate books to the communities in which we live and work. More information on these efforts, and our corporate sustainability reports, is available at <http://www.jetblue.com/green>.

Corporate Governance Guidelines. We have adopted governance guidelines to help us maintain the vitality of our Board, including areas relating to Board and committee composition, annual meeting attendance, stockholder communication with the Board, qualifications and director candidate selection process including our policy on consideration of candidates recommended by stockholders and our Code of Business Conduct and our Values – Safety, Integrity, Caring, Fun and Passion. These guidelines are available at <http://investor.jetblue.com>.

Code of Business Conduct

We are committed to operating our business with high levels of accountability, integrity and responsibility. The Code of Business Conduct governs our affairs and is a means by which we commit ourselves to conduct our business in an honest and ethical manner. The Code governs the members of our Board of Directors and our crewmembers and includes provisions relating to how we strive to deal with each other, our business partners, our investors and the public. The Code is available at <http://investor.jetblue.com>. We intend to post any amendments and any waivers of our Code of Business Conduct on our website within four business days.

Stockholder Communications with the Board of Directors

Stockholders may communicate with our Board of Directors by sending a letter to the JetBlue Board of Directors, c/o Corporate Secretary, JetBlue Airways Corporation 118-29 Queens Boulevard, Forest Hills, New York 11375. The name of any specific intended director should be noted in the letter. Our Corporate Secretary will forward such correspondence to the intended recipient or as directed by such correspondence; however, our Corporate Secretary, prior to forwarding any correspondence, has the authority to disregard any communications he deems to be inappropriate, or to take any other appropriate actions with respect to such inappropriate communication.

Board Oversight of Risk

Our Board of Directors oversees the management of risks inherent in the operation of the Company's businesses and the implementation of its strategic plan. The Board of Directors performs this oversight role by using several different levels of review. In connection with its reviews of the operations of the Company's business and corporate functions, the Board addresses the primary risks associated with those units and functions. In addition, the Board reviews the risks associated with the Company's strategic plan at an annual strategic planning session and periodically throughout the year as part of its consideration of the strategic direction of the Company. Each of the Board's committees also oversees the management of Company risks that fall within that committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. In addition, the Board monitors the ways in which the Company attempts to prudently mitigate risks, to the extent reasonably practicable and consistent with the Company's long-term strategy.

The Company has an enterprise risk management program. The Audit Committee oversees the operation of the Company's enterprise risk management program, including the identification of the primary risks to the Company's business and interim updates of those risks, and periodically monitors

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and evaluates the primary risks associated with particular business units and functions. The Company's Vice President Audit and Process Effectiveness assists management in identifying, evaluating and implementing risk management controls and methodologies to address identified risks. In connection with its risk management role, at each of its meetings the Audit Committee meets privately with representatives from the Company's independent registered public accounting firm, the Company's Vice President Audit and Process Effectiveness and the Company's General Counsel. The Audit Committee provides reports to the Board which describe these activities and related conclusions. The Audit Committee periodically reports out to the Board the results of the enterprise risk management program and activities of management's risk committee.

As part of its oversight of the Company's executive compensation program, the Compensation Committee considers the impact of the Company's executive compensation program, and the incentives created by the compensation awards that it administers, on the Company's risk profile. Our management, with the Compensation Committee, reviews our compensation policies and procedures, including incentives that may create, and factors that may reduce, the likelihood of excessive risk taking, to determine whether such incentives and factors present a significant risk to the Company. The Chairs of our Audit Committee and our Compensation Committee reviewed this analysis.

BOARD MEETINGS AND BOARD COMMITTEE INFORMATION

The business of JetBlue is managed under the direction of our Board of Directors. It has responsibility for establishing broad corporate policies, counseling and providing direction to our management in the long-term interests of the Company, our stockholders, and for our overall performance. It is not, however, involved in our operating details on a day-to-day basis. The Board is kept advised of our business through regular reports and analyses and discussions with our Chief Executive Officer and other officers.

Independent Directors

Our Board of Directors currently has eleven members: David Barger, Peter Boneparth, David Checketts, Robert Clanin, Christoph Franz, Virginia Gambale, Stephan Gemkow, Stanley McChrystal, Joel Peterson, Ann Rhoades and Frank Sica. Mr. Clanin and Dr. Franz have decided to not stand for reelection at our annual meeting. Our Board has nominated Jens Bischof to replace Dr. Franz on our Board.

In connection with the annual meeting and the election of directors, our Board of Directors reviewed the independence of each director-nominee under the standards set forth in the Nasdaq listing standards. The Nasdaq definition of independent director includes a series of objective tests, such as the director is not, and was not during the last three years, an employee of the Company and has not received certain payments from, or engaged in various types of business dealings with, the Company. In addition, as further required by the Nasdaq listing standards, the Board has made a subjective determination as to each independent director that no relationships exist which, in the opinion of the Board, would interfere with such individual's exercise of independent judgment in carrying out his or her responsibilities as a director. In making these determinations, the Board reviewed and discussed information provided by the directors with regard to each director's business and personal activities as they may relate to JetBlue and our management. Our full Board affirmatively determined that each of Peter Boneparth, David Checketts, Virginia Gambale, Stanley McChrystal, Joel Peterson, Ann Rhoades and Frank Sica are independent. Based upon the Board's review, each of our Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee of the Board are comprised of directors who have been determined to be independent under the applicable Nasdaq listing standards and applicable rules and regulations of the SEC. Messrs. Barger, Bischof and Gemkow are not independent as defined.

Table of Contents***Board Structure and Meetings***

Our Board of Directors conducts its business through meetings of the Board and through activities of its committees. The Board of Directors and its committees meet throughout the year on a set schedule and also hold special meetings and act by written consent from time to time as appropriate. Board agendas include regularly scheduled executive sessions of the non-management directors to meet without the presence of management, which are presided over by our Chairman of the Board, who is currently Joel Peterson. Our Board of Directors currently has an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and an Airline Safety Committee. The Board has delegated various responsibilities and authority to different committees of the Board. From time to time, the Board of Directors appoints ad hoc committees to oversee special projects for the Board. Committees regularly report on their activities and actions to the full Board of Directors. Members of the Board have access to all of our crewmembers outside of Board meetings. The Board of Directors held a total of five meetings during 2010. All of the directors attended at least 75% of the total number of meetings of the Board and of each committee at the times when he or she was a member of the Board or such committee during fiscal 2010. The Company has a policy encouraging at least a majority of our directors to attend each annual meeting of stockholders. Nine members of our Board of Directors attended our 2010 annual meeting of stockholders held on May 20, 2010

Committee Membership as of December 31, 2010

Director	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Airline Safety Committee
David Barger				X
Peter Boneparth	X			
David Checketts		X		
Robert Clanin(1)	Chair			
Christoph Franz				
Virginia Gambale	X			
Stephan Gemkow				X
Stanley McChrystal(1)				
Joel Peterson(1)		X	Chair	
Ann Rhoades		Chair		
Frank Sica			X	Chair

(1) As of February 2011, Gen. McChrystal was appointed to serve on each of the Compensation, Corporate Governance and Nominating and Airline Safety Committees. Mr. Peterson is expected to resign from the Compensation Committee following the annual meeting. Mr. Clanin has advised the Board of Directors that he will not stand for reelection at the 2011 annual meeting.

Audit Committee

On behalf of the Board of Directors, the Audit Committee oversees (i) the integrity of our financial statements, (ii) the appointment, compensation, qualifications, independence and performance of our independent registered public accounting firm, (iii) compliance with ethics policies and legal and regulatory requirements, (iv) the performance of our internal audit function, and (v) our financial reporting process and systems of internal accounting and financial

controls. The Audit Committee operates under a written charter, which was adopted by the Board of Directors and is available on our website at <http://investor.jetblue.com>. The current members of the Audit Committee are Peter Boneparth, Robert Clanin (Chair), and Virginia Gambale, each of whom is an independent director within the meaning of the applicable rules and regulations of the SEC and Nasdaq. As noted above,

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Mr. Clanin is not standing for reelection at the annual meeting. The Board of Directors expects to appoint a new Audit Committee chair, fill Mr. Clanin's seat on the Audit Committee with an independent Board member and designate a new audit committee financial expert at its Board meeting immediately following the 2011 annual meeting. The Board has also determined that each member of the Audit Committee is financially literate within the meaning of the Nasdaq listing standards. In addition, the Board of Directors determined that Mr. Clanin is an audit committee financial expert as defined under applicable SEC rules. The Audit Committee met eight times during fiscal 2010. A report of the Audit Committee is set forth on page 24 of this proxy statement.

Compensation Committee

The Compensation Committee determines our compensation policies and the level and forms of compensation provided to our Board members and executive officers, as discussed more fully under Compensation Discussion and Analysis beginning on page 45 of this proxy statement. The Compensation Committee also reviews bonuses paid to crewmembers who are not members of the Board or executive officers. In addition, the Compensation Committee reviews and approves stock-based compensation for our directors, officers and employees, and oversees the administration of our Amended and Restated 2002 Stock Incentive Plan, Amended and Restated 2002 Crewmember Stock Purchase Plan, and our profit sharing and 401(k) retirement plan. The charter of the Compensation Committee is available on our website at <http://investor.jetblue.com>. The current members of the Compensation Committee are David Checketts, Stanley McChrystal, Joel Peterson and Ann Rhoades (Chair), each of whom is an independent director within the meaning of the applicable Nasdaq rules. Mr. Peterson is cycling off the Compensation Committee following the annual meeting. The Compensation Committee met six times during fiscal 2010. A report of the Compensation Committee is set forth below on page 54 of this proxy statement.

Our Compensation Committee has retained Semler Brossy Consulting Group LLC as its independent compensation consultant. As discussed in the Compensation Discussion and Analysis section, beginning on page 45 of this proxy statement, in 2010, Semler Brossy Consulting Group LLC provided management with peer market competitive data to assist in setting the named executive officers' total direct compensation. Semler Brossy also regularly provides the Compensation Committee with feedback and suggestions on compensation plan design and structure.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is responsible for developing our corporate governance policies and procedures, and for recommending those policies and procedures to the Board for adoption. This Committee also is responsible for making recommendations to the Board regarding the size, structure and functions of the Board and its committees. The Corporate Governance and Nominating Committee identifies and recommends new director nominees in accordance with selection criteria established by the Board. This Committee also is responsible for conducting the annual evaluation of the performance of the Board, its committees and each director. The charter of the Corporate Governance and Nominating Committee is available on our website at <http://investor.jetblue.com>. The current members of the Corporate Governance and Nominating Committee are Stanley McChrystal, Joel Peterson (Chair) and Frank Sica, each of whom is an independent director within the meaning of applicable Nasdaq rules. The Corporate Governance and Nominating Committee met four times during fiscal 2010.

Airline Safety Committee

The Airline Safety Committee is responsible for oversight of our flight safety operations and reports to the Board of Directors on such topics. The charter of the Airline Safety Committee is available on our website at <http://investor.jetblue.com>. The current members of the Airline Safety Committee are David Barger, Stephan Gemkow, Stanley McChrystal and Frank Sica (Chair). The Airline Safety Committee met two times during fiscal 2010.

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Board Candidate Nominations

In evaluating and determining whether to nominate a candidate for a position on our Board, the Corporate Governance and Nominating Committee will consider, among other criteria, integrity and values, relevant experience, diversity, and commitment to enhancing stockholder value. Candidates may come to the attention of the Corporate Governance and Nominating Committee from current Board members, stockholders, officers or other recommendation, and the committee reviews all candidates in the same manner regardless of the source of the recommendation.

The Corporate Governance and Nominating Committee will consider stockholder recommendations of candidates when the recommendations are properly submitted in accordance with the provisions of our Bylaws. A stockholder who wishes to recommend a prospective nominee for our Board should notify the Company's Corporate Secretary in writing at JetBlue Airways Corporation, 118-29 Queens Boulevard, Forest Hills, New York 11375. The notice must be timely and must set forth certain information specified in the Bylaws about the stockholder and the proposed action.

Compensation Committee Interlocks and Insider Participation

Except as specified below, none of the current members of our Compensation Committee (whose names appear under Report of the Compensation Committee) is, or has ever been, an officer or employee of the Company or any of its subsidiaries. In addition, during the last fiscal year, no executive officer of the Company served as a member of the Board of Directors or the compensation committee of any other entity that has one or more executive officers serving on our Board or our Compensation Committee. Ms. Rhoades, the Chair of our Compensation Committee, served as an officer of the Company until 2001.

Table of Contents**DIRECTOR COMPENSATION**

Director compensation is evaluated and determined by the Compensation Committee of our Board of Directors. The following table summarizes compensation paid to our non-employee directors during the fiscal year ended December 31, 2010. The footnotes and narrative discussion following the table describe details of each form of compensation paid to our directors and other material factors relating to this compensation.

Name (a)	Fees Earned or		Option Awards (d)	Total (\$) (h)
	Paid in Cash (\$) (b)	Stock Awards \$(1) (c)		
David Barger(3)				
Peter Boneparth	48,000	34,997		82,997
David Checketts	44,000	34,997		78,997
Robert Clanin	66,000	34,997		100,997
Kim Clark(4)	20,500			20,500
Christoph Franz	41,000	34,997		75,997
Virginia Gambale	45,000	34,997		79,997
Stephan Gemkow	42,000	34,997		76,997
Stanley McChrystal(5)	9,750			9,750
Joel Peterson	54,000	34,997		88,997
Ann Rhoades	51,000	34,997		85,997
Frank Sica	51,000	34,997		85,997

(1) Includes 5,775 deferred stock units granted on May 26, 2010. At December 31, 2010, 19,454 deferred stock units remained outstanding for each of Ms. Gambale, Ms. Rhoades and Messrs. Checketts, Clanin, Franz, Gemkow, Peterson, and Sica and 12,454 for Mr. Boneparth. Reflects the grant date fair value of the deferred common stock units based on JetBlue's stock price on the grant date as computed in accordance with Financial Accounting Standards Board Accounting Standards Codification 718, Compensation - Stock Compensation (FASB ASC Topic 718). Please refer to Note 7 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2010, as filed with the SEC, for further discussion related to the assumptions used in our valuation. For information on the valuation assumptions with respect to grants made prior to 2010, please refer to the notes to our financial statements in our applicable Annual Report on Form 10-K.

(2) The Company granted no stock options in 2010. As of December 31, 2010, 54,000 options remained outstanding for each of Messrs. Checketts, Clanin and Franz, 67,500 options remained outstanding for each of Ms. Gambale and Ms. Rhoades, and 121,500 options remained outstanding for each of Messrs. Clark, Peterson and Sica.

(3) Mr. Barger is an employee of the Company and accordingly, does not receive any compensation for his director service to the Company. His compensation is reported in the Summary Compensation Table on page 55 of this proxy statement.

(4)

Mr. Clark served on our Board of Directors until May 20, 2010. His options, all of which have vested, expire one year from his resignation date.

- (5) Gen. McChrystal joined our Board of Directors in November 2010. He received an initial grant of 5,804 deferred stock units on February 16, 2011.

Our Board compensation package is composed of an annual retainer fee of \$35,000 (paid quarterly in advance), a per meeting fee of \$1,000 for each Board and committee meeting attended (in person or telephonically), and an annual equity grant of \$35,000 of deferred common stock units, determined at fair market value, payable to directors serving on the Board of Directors on the grant date. Commencing in 2010, new directors received an initial equity grant of \$35,000 of deferred common stock units

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which vest equally over a three-year period commencing on the anniversary of the initial grant date. Beginning in 2011, the annual director grants vest on the one year anniversary of the grant date. All vested director deferred stock units must be held by the director until six months following his or her departure from our Board. The Audit Committee chair receives an additional \$20,000 annual retainer and the chairs of our other standing Board committees each receive an additional \$5,000 annual retainer. The proposed cash-to-equity allocation of this package is 60% to 40%, with the objective of paying total annual compensation of approximately \$80,000 per Board member to each director who is not a committee chair; this targeted amount assumes attendance at all meetings of the Board and the standing committees on which the director serves. We believe this compensation package will better enable us to recruit and retain qualified directors. Our non-employee directors will continue to receive flight benefits and reimbursement of expenses, as set forth below.

Prior to the restructuring of our director compensation program in 2008, each of our non-employee Board members received an initial option to purchase 54,000 shares of our common stock pursuant to the automatic option grant program under our Amended and Restated 2002 Stock Incentive Plan, either (i) on the effective date of our 2002 initial public offering or (ii) upon their appointment to the Board of Directors. Options had an exercise price equal to the closing price on the grant date. All director options have a term of ten years, subject to earlier termination following the director's cessation of Board service. The initial grant of option shares vested in a series of four successive annual installments upon the director's completion of each year of Board service over the four-year period measured from the grant date. In addition, until the 2008 annual meeting of stockholders, each non-employee Board member continuing to serve as a non-employee Board member following the annual meeting of stockholders was automatically granted an option to purchase 13,500 shares of our common stock, provided such individual served on our Board for at least six months. The shares subject to each annual 13,500 share automatic option grant had an exercise price equal to the average market price per share of our common stock on the grant date and vest upon the director's completion of one year of Board service measured from the grant date. Any vested but unexercised options are exercisable for a period of twelve months following the cessation of the director's Board service. The shares subject to each automatic option grant will immediately vest in full upon certain changes in control or ownership, or upon the director's death or disability while a Board member. The initial option grants were terminated when the Board adopted the revised compensation package in May 2008. Starting with 2008, the directors serving on the grant date each received a grant of \$35,000 fair market value as of the grant date of deferred common stock units.

In 2010, Mr. Peterson and Ms. Rhoades each donated the cash portion of their Board compensation, and Mr. Sica donated \$4,000 of the cash portion of his Board compensation, to the JetBlue Crewmember Crisis Fund, a non-profit organization that assists JetBlue crewmembers facing emergency hardship situations.

As is customary in the airline industry, all members of the Board of Directors and their immediate family may travel without charge on our flights.

We reimburse our directors, including those who are full-time crewmembers who serve as directors, for expenses incurred in attending meetings. In 2010, no directors (including their family members) received \$10,000 or more in aggregate perquisites or other personal benefits (including the value of flight benefits). We do not provide tax gross-up payments to members of our Board of Directors.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS**

The following table sets forth certain information known to the Company regarding the beneficial ownership of its common stock as of March 31, 2011, by (i) each person known by the Company to be the beneficial owner of more than 5% of the outstanding shares of its common stock, (ii) each of our directors, (iii) each of our named executive officers and (iv) all of our executive officers and directors serving as of March 31, 2011, as a group. We have one class of voting securities outstanding which is entitled to one vote per share, subject to the limitations on voting by non-U.S. citizens described below under Additional Information. All share and option amounts and share prices and option exercise prices contained in this proxy statement have been adjusted for our December 2002, November 2003 and December 2005 three-for-two stock splits.

Executive Officers and Directors	Common Stock Beneficially Owned and Shares Individuals Have the Right to Acquire within 60		Percent of Class
	Days(1)	Total(2)	
David Barger(3)	1,089,635	1,303,791	*
Edward Barnes	67,711	179,796	*
Robin Hayes	74,541	225,578	*
James Hnat	112,274	224,359	*
Robert Maruster	100,016	223,405	*
Peter Boneparth		12,454	*
David Checketts	54,000	73,454	*
Robert Clanin	54,000	73,454	*
Christoph Franz	54,000	73,454	*
Virginia Gambale	67,500	86,954	*
Stephan Gemkow		19,454	*
Stanley McChrystal		5,804	*
Joel Peterson	771,246	790,700	*
Ann Rhoades	152,822	172,276	*
Frank Sica	190,144	209,598	*
All executive officers and directors as a group (15 persons)	2,787,889	3,674,531	*
5% Stockholders			
BlackRock Inc.(4)		19,572,577	6.6%
Deutsche Lufthansa AG(5)		46,704,967	15.8%
Donald Smith & Co., Inc.(6)		19,001,463	6.4%
FMR LLC(7)		44,109,328	14.9%
Goldman Sachs Asset Management(8)		17,593,003	5.9%
PRIMECAP Management Company(9)		14,848,410	5.0%
Wellington Management Company, LLP(10)		16,678,226	5.6%

Whitebox Advisors, LLC(11)

22,655,358

7.7%

* Represents ownership of less than one percent.

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- (1) This column lists beneficial ownership of voting securities as calculated under SEC rules. Except as otherwise indicated in the footnotes to this table, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. In accordance with SEC rules, this column also includes shares that may be acquired pursuant to stock options that are exercisable within 60 days of March 31, 2011 as follows: Mr. Barger (223,707), Mr. Barnes (22,500), Mr. Checketts (54,000), Mr. Clanin (54,000), Mr. Franz (54,000), Ms. Gambale (67,500), Mr. Hnat (82,125), Mr. Maruster (72,000), Mr. Peterson (121,500), Ms. Rhoades (67,500) and Mr. Sica (121,500). Mr. Franz options to purchase 54,000 shares of common stock are immediately exercisable pursuant to our Amended and Restated 2002 Stock Incentive Plan, of which 18,000 shares of which are subject to our right of repurchase, which right lapses in equal installments in 2012 and 2013. Unless otherwise indicated, the address of each person listed in the table is c/o JetBlue Airways Corporation, 118-29 Queens Boulevard, Forest Hills, New York 11375. All executive officers and directors as a group beneficially own, or have the right to acquire within 60 days, less than 1% of the outstanding common stock.
- (2) This column shows the individual's total JetBlue stock-based holdings, including the voting securities shown in the Common Stock Beneficially Owned and Shares Individuals Have the Right to Acquire within 60 Days column (as described in footnote 1), plus non-voting interests including, as appropriate, deferred stock units, RSUs and stock options which will not vest or become exercisable within 60 days. If all of the equity represented in the Total column were to vest and/or be exercised (with no equity cancelled or forfeited), all executive officers and directors, as a group, would own 1.24% of the outstanding common stock.
- (3) As of the record date, Mr. Barger has a margin account with 524,667 shares in conjunction with a brokerage account.
- (4) The information reported is based on a Schedule 13G/A dated January 21, 2011, as filed with the SEC, in which BlackRock, Inc. and certain of its subsidiaries reported that it had sole voting and sole dispositive power over all of the shares. The principal business address of BlackRock, Inc. is 40 East 52 St., New York, NY 10022.
- (5) The information reported is based on a Schedule 13G dated January 22, 2008, as filed with the SEC, in which Deutsche Lufthansa AG reported that it held sole voting and dispositive power over 42,589,347 shares. Additional shares listed above are based on the Company's records following a public equity offering in June 2009, in which Deutsche Lufthansa AG participated. The principal business address of Deutsche Lufthansa AG is Von-Gablenz-Strasse 2-6, 50679 Koln, Germany.
- (6) The information reported is based on a Schedule 13G dated February 11, 2011, as filed with the SEC, in which Donald Smith & Co., Inc. reported that it had sole voting power over 911,432,233 shares and sole dispositive power over 19,001,463 shares. This number includes 54,424 shares (sole voting power) and 19,001,463 (sole dispositive power) owned by Donald Smith Long/Short Equities Fund, L.P. The principal business address of Donald Smith & Co., Inc. is 152 West 57th Street, New York, NY 10019. Because the 911,432,233 number exceeds our authorized common stock, we believe it to be in error.
- (7) The information reported is based on a Schedule 13G/A dated February 11, 2011, as filed with the SEC, in which FMR Corp. and certain of its affiliates reported that FMR LLC, a parent holding company, and Edward C. Johnson, 3d, the chairman of FMR LLC, had sole dispositive power over all of the shares, sole voting power over 381,794 of such shares and shared voting power over none of the shares. The 44,109,328 share number includes (a) 43,727,534 shares beneficially owned

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by Fidelity Management & Research Company, as a result of acting as investment advisor to various investment companies (which includes 45,013 shares of common stock resulting from the assumed conversion of \$220,000 principal amount of JetBlue Airways Corporation 6.75% convertible debentures series D due 2039), (b) 29,384,923 shares owned by Fidelity Growth Company Fund, (c) 327,365 shares owned by Pyramis Global Advisors, LLC, a wholly owned subsidiary of FMR LLC (which includes 327,365 shares of common stock resulting from the assumed conversion of \$1,600,000 principal amount of JetBlue Airways Corporation 6.75% convertible debentures series D due 2039), and (d) 54,429 shares held by Pyramis Global Advisors Trust Company (which includes 36,829 shares of common stock resulting from the assumed conversion of \$180,000 principal amount of JetBlue Airways Corporation 6.75% convertible debentures series D due 2039). The principal business address of each of FMR LLC and Fidelity Management & Research Company is 82 Devonshire Street, Boston, MA 02109. The principal business address of each of Pyramis Global Advisors, LLC and Pyramis Global Advisors Trust Company is 900 Salem Street, Smithfield, RI 02917.

- (8) The information reported is based on a Schedule 13G dated February 8, 2011, as filed with the SEC, in which Goldman Sachs Asset Management, L.P. and GS Investment Strategies, LLC reported that it had sole dispositive power over no shares, shared voting power over 16,477, 665 shares and shared dispositive power over 17,593,003 shares. The principal business address of Goldman Sachs Asset Management, L.P. and GS Investment Strategies, LLC is 200 West Street, New York, NY 10282.
- (9) The information reported is based on a Schedule 13G dated March 9, 2011, as filed with the SEC, in which PRIMECAP Management Company reported that it held sole voting power over 8,504,610 shares and sole dispositive power over 14,848,410 shares and no shared voting or dispositive power. The principal business address of PRIMECAP Management Company is 225 South Lake Ave., #400, Pasadena, CA 91101.
- (10) The information reported is based on a Schedule 13G/A dated February 14, 2011, as filed with the SEC, in which Wellington Management Co. LLP reported that it held sole dispositive power over no shares, shared voting power over 10,041,242 shares and shared dispositive power over 16,678,226 shares. The principal business address of Wellington Management Co. LLP is 280 Congress Street, Boston, MA 02210.
- (11) The information reported is based on a Schedule 13G/A dated February 11, 2011, as filed with the SEC, in which Whitebox Advisors, LLC (WA) reported that it had shared voting and shared dispositive power over 22,655,358 shares. This number includes (a) 22,655,358 shares acting as investment advisor to its client, (b) 9,871,798 shares deemed beneficially owned by Whitebox Multi-Strategy Advisors, LLC (WMSA), (c) 9,871,798 shares deemed beneficially owned by Whitebox Multi-Strategy Partners, L.P.(WMSP) as a result of its ownership of convertible bonds and common stock, (d) 9,871,798 shares deemed beneficially owned by Whitebox Multi-Strategy Fund, L.P. (WMSFLP) as a result of its indirect ownership of convertible bonds and common stock, (e) 9,871,798 shares deemed beneficially owned by Whitebox Multi-Strategy Fund, Ltd. (WMSFLTD) as a result of its indirect ownership of convertible bonds and common stock, (f) 7,662,632 shares deemed beneficially owned by Whitebox Concentrated Convertible Arbitrage Advisors, LLC (WCCAA), (g) 7,662,632 shares deemed beneficially owned by Whitebox Concentrated Convertible Arbitrage Partners, L.P. (WCCAP) as a result of its ownership of convertible bonds, (h) 7,662,632 shares deemed beneficially owned by Whitebox Concentrated Convertible Arbitrage Fund, L.P. (WCCAFLP) as a result of its indirect ownership of convertible bonds, (i) 7,662,632 shares deemed beneficially owned by Whitebox Concentrated Convertible Arbitrage Fund, Ltd. (WCCAFLTD) as a result of its indirect ownership of convertible bonds, (j) 3,755,040 shares deemed beneficially owned by Pandora Select Advisors, LLC (PSA), (k) 3,755,040 shares deemed beneficially owned by Pandora Select Partners, L.P. (PSP) as a result of its ownership of convertible bonds, (l) 3,755,040 shares deemed beneficially owned by

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Pandora Select Fund, LP (PSFLP) as a result of its indirect ownership of convertible bonds, (m) 3,755,040 shares deemed beneficially owned by Pandora Select Fund, Ltd. (PSFLTD) as a result of its indirect ownership of convertible bonds, (n) 443,228 shares deemed beneficially owned by HFR RVA Combined Master Trust (HFR) as a result of its ownership of convertible bonds, and (o) 922,659 shares beneficially owned by IAM Mini-fund 14 Limited (IAM). WA, WMSA, WMSFLP, WMSFLTD, WCCAA, WCCAFLP, WCCAFLTD, PSA, PSFLP and OSFLTD each disclaim indirect beneficial ownership of the shares of common stock except to the extent of their pecuniary interest therein. The principal business address of WA, WMSA, WMSFLP, WCCAA, WCCAFLP, PSA, and PSFLP is 3033 Excelsior Blvd., Suite 300, Minneapolis, MN 55416. The principal business address of WMSP, WMSFLTD, WCCAP, WCCAFLTD, PSP and PSFLTD is Trident Chambers, P. O. Box 146, Waterfront Drive, Wickhams Cay, Road Town, Tortola, British Virgin Islands. The principal business address of HFR is 65 Front Street, Hamilton, HM 11, Bermuda. The principal business address of IAM is Boundary Hall, Cricket Square, George Town, Grand Cayman, KY1-1102 Cayman Islands.

Table of Contents**PROPOSAL 2 RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board has appointed Ernst & Young LLP as the independent registered public accounting firm to audit the Company's consolidated financial statements and internal control over financial reporting for the fiscal year ending December 31, 2011. Representatives of Ernst & Young LLP will be present at the annual meeting to respond to appropriate questions from stockholders and make a statement if desired.

While the Audit Committee retains Ernst & Young LLP as our independent registered public accounting firm, the Board of Directors is submitting the selection of Ernst & Young LLP to the stockholders for ratification.

Unless contrary instructions are given, shares represented by proxies solicited by the Board will be voted for the ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2011. If the selection of Ernst & Young LLP is not ratified by the stockholders, the Audit Committee will reconsider the matter. Even if the selection of Ernst & Young LLP is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change is in our best interests.

Fees to Independent Registered Public Accounting Firm

The following table presents fees for professional services rendered by Ernst & Young LLP for the years ended December 31, 2010 and 2009, respectively, and fees billed for other services rendered by Ernst & Young LLP during those periods.

	2010	2009
Audit fees(1)	1,396,400	1,545,200
Audit-related fees(2)	52,200	100,200
Tax fees(3)	61,363	144,235
All other fees		
Total	1,509,963	1,789,635

- (1) Include fees related to: (a) the integrated audit of our consolidated financial statements and internal control over financial reporting; (b) the review of the interim consolidated financial statements included in quarterly reports; (c) services that are normally provided by Ernst & Young LLP in connection with statutory and regulatory filings or engagements and attest services, except those not required by statute or regulation; and (d) consultations concerning financial accounting and reporting standards.
- (2) Audit-related services principally include fees for audit and attest services that are not required by statute or regulation.
- (3) Include fees for tax services, including tax compliance, tax advice and tax planning.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a policy that requires advance approval of all audit, audit-related, tax and other services performed by our independent registered public accounting firm. This policy provides for pre-approval by the Audit Committee of all audit and permissible non-audit services before the firm is engaged to perform such services. The Audit Committee is authorized from time to time to delegate to one of its members the authority to grant pre-approval of permitted non-audit services, provided that all decisions by that member to pre-approve any such services must be subsequently reported, for informational purposes only, to the full Audit Committee.

OUR BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL 2011.

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AUDIT COMMITTEE REPORT

The Audit Committee of the JetBlue Board of Directors is comprised of three non-employee directors, each of whom, in the Board's business judgment, is independent within the meaning of the applicable rules and regulations of the SEC and Nasdaq. The Audit Committee oversees on behalf of the Board of Directors the Company's accounting, auditing and financial reporting processes. The Committee has the resources and authority it deems appropriate to discharge its responsibilities.

Management has the primary responsibility for the Company's financial statements and financial reporting process, including establishing, maintaining and evaluating disclosure controls and procedures; and establishing, maintaining and evaluating internal control over financial reporting and evaluating any changes in controls and procedures. The Company's independent registered public accounting firm, Ernst & Young LLP, is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards and issuing a report relating to their audit; as well as expressing an opinion on (i) management's assessment of the effectiveness of internal control over financial reporting and (ii) the effectiveness of internal control over financial reporting. In fulfilling its responsibilities, the Audit Committee held meetings throughout 2010 with Ernst & Young LLP in private without members of management present.

In this context, the Audit Committee has reviewed and discussed the Company's audited consolidated financial statements with management and its independent registered public accounting firm. Management represented to the Audit Committee that the Company's consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent registered public accounting firm.

The Audit Committee discussed with the Company's independent registered public accounting firm the matters required to be discussed by the Statement on Auditing Standards No. 61 (as amended), as adopted by Public Company Accounting Oversight Board (PCAOB) in Rule 3200T. Ernst & Young LLP also provided to the Audit Committee the written disclosures and letter regarding their independence required by applicable requirements of the PCAOB regarding the independent accountant's communications with the audit committee concerning independence. The Audit Committee also discussed with Ernst & Young LLP their independence from JetBlue and its management, and considered whether the non-audit services provided by the independent registered public accounting firm to the Company are compatible with maintaining the firm's independence.

JetBlue also has an internal audit department that reports to the Audit Committee. The Audit Committee reviews and approves the internal audit plan once a year and receives updates of internal audit results throughout the year.

In reliance on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board of Directors approved) that the Company's audited financial statements be included in JetBlue's Annual Report on Form 10-K for the year ended December 31, 2010 as filed with the SEC. In addition, the Audit Committee and the Board have also recommended, subject to stockholder ratification, the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.

The Audit Committee reviews and assesses the adequacy of its charter on an annual basis. While the Audit Committee believes that the charter in its present form is adequate, it may in the future

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recommend to the Board of Directors amendments to the charter to the extent it deems necessary to react to changing conditions and circumstances.

Audit Committee of JetBlue
Peter Boneparth
Robert Clanin, Chair
Virginia Gambale

The Audit Committee Report does not constitute soliciting material, and shall not be deemed to be filed or incorporated by reference into any other Company filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates the Audit Committee Report by reference therein.

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**PROPOSAL 3 APPROVAL OF JETBLUE AIRWAYS CORPORATION 2011 INCENTIVE
COMPENSATION PLAN**

We currently provide stock-based compensation to directors, employees (whom we call crewmembers) and consultants under the JetBlue Airways Corporation Amended and Restated 2002 Stock Incentive Plan, which we refer to as the 2002 Incentive Plan. As of March 31, 2011, there were 50,064,444 shares of our common stock remaining available for future grants under the 2002 Incentive Plan. As of that date, there were 23,261,245 shares subject to outstanding option awards, and 4,042,389 shares subject to outstanding restricted unit awards under the 2002 Incentive Plan. As of the record date, the weighted average exercise price for the outstanding option awards was \$13.52, with a weighted average term of 3.2 years. By its terms, the 2002 Incentive Plan expires on December 31, 2011. If our stockholders approve the JetBlue Airways Corporation 2011 Incentive Compensation Plan (which we refer to as the 2011 Incentive Plan), no additional grants or awards will be made under the 2002 Incentive Plan on or after the date of the annual meeting, but the awards outstanding under the 2002 Incentive Plan will remain in effect in accordance with their terms. We are seeking stockholder approval for the 2011 Incentive Plan to issue up to 15,000,000 shares of our common stock, a significant reduction from the almost 51,000,000 shares remaining for issuance under the 2002 Incentive Plan.

Our Board of Directors believes that the 2002 Incentive Plan has contributed significantly to our success by enabling us to attract and retain the services of highly qualified directors, crewmembers and consultants. Because our success is largely dependent upon the judgment, interest and special efforts of these individuals, we want to continue to provide stock-based incentive awards to recruit, motivate and retain these individuals. Accordingly, on April 14, 2011, the Board of Directors adopted, subject to stockholder approval, the JetBlue Airways Corporation 2011 Incentive Compensation Plan, which we refer to as the 2011 Incentive Plan.

The 2011 Incentive Plan is intended to promote our long-term success and increase stockholder value by attracting, motivating and retaining directors, crewmembers and consultants. To achieve this purpose, the 2011 Incentive Plan allows the flexibility to grant or award stock options, stock appreciation rights, restricted stock awards, restricted stock units, other stock-based awards, dividend equivalents and cash-based awards to eligible individuals. No awards have yet been made under the 2011 Incentive Plan. The 2011 Incentive Plan will become effective on the date it is approved by the affirmative vote of the holders of a majority of the shares of common stock present in person or represented by proxy at the annual meeting. Shares held by brokers who do not have discretionary authority to vote on this proposal and who have not received voting instructions from the beneficial owners are not counted or deemed to be present or represented for the purpose of determining whether this proposal has been approved. Abstentions are treated as shares present or represented and are counted in the tabulations of the votes cast on this proposal. Abstentions have the same effect as voting against this proposal.

Some of the terms of the 2011 Incentive Plan that are intended to protect and promote the interests of the Company's stockholders are:

Limit on total shares available for future awards -The maximum number of new shares of common stock that would be available for awards under the 2011 Incentive Plan, 15,000,000 shares, would represent approximately 5.07 percent of the Company's outstanding shares of common stock on March 31, 2011. Further, since none of the approximately 50,000,000 shares that now remain available for future grants under the 2002 Incentive Plan would ever in fact be granted if the 2011 Incentive Plan is approved by stockholders, potential dilution of our stockholders by incentive plan awards will be significantly reduced;

Certain shares not available for future awards Any shares used by a participant to pay the exercise price or required tax withholding for an award may not be available for future awards under the 2011 Incentive Plan;

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No discounted options or stock appreciation rights All stock options and stock appreciation rights must be granted with an exercise price or base price of not less than the fair market value of the common stock on the grant date; as a result, the 2011 Incentive Plan will prohibit discounted options or stock appreciation rights;

Prohibition on repricing The 2011 Incentive Plan prohibits the repricing of stock options and stock appreciation rights (and other actions that have the effect of repricing) without stockholder approval;

Plan administration The Compensation Committee, comprised solely of non-employee directors, will administer the 2011 Incentive Plan;

Double trigger change in control provisions Generally speaking, if outstanding awards under the 2011 Incentive Plan are assumed or substituted by an acquirer or related corporation in a change in control of the Company, those awards will not immediately vest on a single trigger basis, but would only accelerate if the holder is terminated without cause or quits for good reason (as those terms are defined in the 2011 Incentive Plan) within 18 months following the change in control;

Internal Revenue Code Section 162(m) exemption The 2011 Incentive Plan allows for the grant of options and some other awards that meet the requirements of Section 162(m) of the Internal Revenue Code for tax deductibility of executive compensation, and we are seeking approval from our stockholders of the performance measures that may be selected by the Compensation Committee for these awards if they choose to place performance conditions on any stock or cash-based award (other than options or stock appreciation rights, which must be granted with a fair market value option or grant price) under the 2011 Incentive Plan;

Restricted stock and restricted stock units awards to crewmembers will vest over a period of at least three years The 2011 Incentive Plan provides that restricted stock and restricted stock units awarded to crewmembers will vest over a period not shorter than three years (or, in the case of those awards that vest upon the achievement of performance goals, a minimum performance period of one year), with limited exceptions;

Forfeiture provisions The 2011 Incentive Plan has forfeiture provisions, whereby participants who engage in activity contrary to the interests of the Company or benefit from financial results that are subsequently restated under defined circumstances can be required to forfeit their awards under the 2011 Incentive Plan; and

Limits on transferability of awards The 2011 Incentive Plan does not permit options or other awards to be transferred to third parties for value or other consideration unless approved by our stockholders.

Description of the 2011 Incentive Plan

The principal features of the 2011 Incentive Plan are summarized below. We encourage you to read the entire proposed 2011 Incentive Plan, which is attached as Appendix A to this Proxy Statement, for a full statement of its legal terms and conditions. If there is any conflict or inconsistency between this summary and the provisions of the 2011 Incentive Plan, the provisions of the 2011 Incentive Plan will govern.

Administration

The Compensation Committee will have discretionary authority to operate, manage and administer the 2011 Incentive Plan in accordance with its terms. The Compensation Committee will determine the non-employee directors, crewmembers, and consultants who will be granted awards under the 2011 Incentive Plan, the size and types of awards, the terms and conditions of awards and the form and content of the award agreements representing awards.

The Compensation Committee will be

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authorized to establish, administer and waive terms, conditions and performance goals of outstanding awards and to accelerate the vesting or exercisability of awards, in each case, subject to limitations contained in the 2011 Incentive Plan. The Compensation Committee will interpret the 2011 Incentive Plan and award agreements and will have authority to correct any defects, supply any omissions and reconcile any inconsistencies in the 2011 Incentive Plan and/or any award agreements. The Compensation Committee's decisions and actions concerning the 2011 Incentive Plan will be final and conclusive. Within the limitations of the 2011 Incentive Plan and applicable law, the Compensation Committee may delegate its responsibilities under the 2011 Incentive Plan to persons selected by it, and the Board of Directors will be permitted to exercise all of the Compensation Committee's powers under the 2011 Incentive Plan.

The Compensation Committee is comprised of at least two members of the Board of Directors, each of whom is selected by the Board of Directors and will satisfy independence criteria established by the Board of Directors and additional regulatory requirements, including the listing standards of the Nasdaq Stock Exchange. Currently, the members of the Compensation Committee are David Checketts, Stanley McChrystal, Joel Peterson and Ann Rhoades (Chair), each of whom is a non-employee director of the Company.

Shares Subject to the 2011 Incentive Plan

A total of 15,000,000 shares of our common stock will be available for delivery under the 2011 Incentive Plan. The number of shares available for delivery under the 2011 Incentive Plan would be subject to adjustment for certain changes in our capital structure, as described below under Adjustment Provisions. The shares of common stock that may be issued under the 2011 Incentive Plan will be authorized and unissued shares, shares held in treasury by the Company, shares purchased on the open market or by private purchase or any combination of the foregoing. Shares underlying awards that are forfeited, cancelled, expire unexercised or settled for cash would be available for future awards under the 2011 Incentive Plan. Any shares used to pay the option price of an option or other purchase price of an award will not be available for future awards. If shares subject to an award are not delivered to a participant because the shares are withheld to pay the option price, purchase price or tax withholding obligations of the award, or a payment upon the exercise of a stock appreciation right is made in shares, the number of shares that are not delivered to the participant will not be available for future awards. If we acquire or combine with another company, any awards that may be granted under the 2011 Incentive Plan in substitution or exchange for outstanding stock options or other awards of that other company will not reduce the shares available for issuance under the 2011 Incentive Plan, but the shares available for any incentive stock options granted under the 2011 Incentive Plan will be limited to 15,000,000 shares of common stock, adjusted as otherwise stated above. On March 31, 2011, the closing price of our common stock on the Nasdaq Global Select Market was \$6.27.

Participation

The Compensation Committee may grant awards under the 2011 Incentive Plan to (a) crewmembers and consultants of us and our affiliates, (b) those individuals who have accepted an offer of employment or consultancy from us or our affiliates, and (c) our non-employee directors. However, only crewmembers of the Company or its subsidiaries will be eligible to receive incentive stock options under the 2011 Incentive Plan.

Stock Options

A stock option is the right to purchase a specified number of shares of common stock in the future at a specified exercise price and subject to the other terms and conditions specified in the option agreement and the 2011 Incentive Plan. Stock options granted under the 2011 Incentive Plan will be either incentive stock options, which may be eligible for special tax treatment under the Internal Revenue Code, or options other than incentive stock options, referred to as nonqualified stock options, as determined by the Compensation Committee and stated in the option

agreement. The

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number of shares covered by each option will be determined by the Compensation Committee, but no participant may be granted in any fiscal year options for more than 2,500,000 shares of common stock. The exercise price of each option is set by the Compensation Committee but cannot be less than 100% of the fair market value of the common stock at the time of grant (or, in the case of an incentive stock option granted to a 10% or more stockholder of the Company, 110% of that fair market value). Options granted under the 2011 Incentive Plan in substitution or exchange for options or awards of another company involved in a corporate transaction with the Company will have an exercise price that is intended to preserve the economic value of the award that is replaced. The fair market value of our common stock generally means the closing price of the common stock on the Nasdaq Stock Exchange on the option grant date. The exercise price of any stock options granted under the 2011 Incentive Plan may be paid by check, or, with the Compensation Committee's approval, shares of our common stock already owned by the option holder, a cashless broker-assisted exercise that complies with law, withholding of shares otherwise deliverable to the option holder upon exercise of the option, or any other legal method approved or accepted by the Compensation Committee in its discretion.

Options will become exercisable and expire at the times and on the terms established by the Compensation Committee. In its discretion, the Committee may allow a participant to exercise an option that is not otherwise exercisable and receive unvested shares of restricted stock having a period of restriction analogous to the exercisability provisions of the option. In no event may an option, whether or not an incentive stock option, be exercised later than the tenth anniversary of the grant date. However, if the exercise of an option (other than an incentive stock option) on its scheduled expiration date would violate applicable law, the option may be extended until its exercise would not violate law. Options generally terminate when the holder's employment or service with us terminates. However, the Compensation Committee may determine in its discretion that an option may be exercised following the holder's termination, whether or not the option is exercisable at the time of such termination. In no event may an option be exercised after the original term of the option as set forth in the award agreement, unless the participant's exercise of an option (other than an incentive stock option) on its expiration date would violate applicable law, in which case the exercise period may be extended up to thirty days. If a participant's employment terminates for any reason other than for cause, and the participant holds any options that were exercisable immediately before the termination, those options may be exercised at any time until the earlier of the 90th day following such termination and the expiration date of the original terms of the options. The Compensation Committee in its discretion may extend the period of time over which such options may be exercised, though not beyond the earlier of one year following such 90th day and the expiration date of the options. If a participant is terminated for cause, any options held by the participant will be forfeited.

Stock Appreciation Rights

Stock appreciation rights, or SARs, may be granted under the 2011 Incentive Plan alone or contemporaneously with stock options granted under the plan. SARs are awards that, upon their exercise, give the holder a right to receive from us an amount equal to (1) the number of shares for which the SAR is exercised, multiplied by (2) the excess of the fair market value of a share of our common stock on the exercise date over the grant price of the SAR. The grant price of a SAR cannot be less than 100% of the fair market value of our common stock on the grant date of such SAR. Payment of the amount due upon the exercise of a SAR will be made in shares having a fair market value, as of the date of the exercise, equal to such amount. SARs will become exercisable and expire at the times and on the terms established by the Compensation Committee, subject to the same maximum time limits as are applicable to options granted under the 2011 Incentive Plan. However, a SAR granted with an option will be exercisable and terminate when the related option is exercisable and terminates, and such related option will no longer be exercisable to the extent that the holder exercises the related SAR. Likewise, such a SAR will not be exercisable to the extent that the related option is exercised. The number of shares covered by each SAR will be determined by the Compensation Committee, but no participant may be granted in any fiscal year SARs covering more than 2,500,000 shares of our common stock.

Table of Contents***Restricted Stock and Restricted Stock Units***

Restricted stock awards are shares of our common stock that are awarded to a participant subject to the satisfaction of the terms and conditions established by the Compensation Committee. Restricted stock awards may be made with or without the requirement that the participant make a cash payment in exchange for, or as a condition precedent to, the completion of the award and the issuance of shares of restricted stock. Until the applicable restrictions lapse (referred to as the period of restriction), shares of restricted stock are subject to forfeiture and may not be sold, assigned, pledged or otherwise disposed of by the participant who holds those shares. Restricted stock units are denominated in units of shares of our common stock, except that no shares are actually issued to the participant on the grant date. When a restricted stock unit award vests upon expiration of the period of restriction, the participant is entitled to receive a share of our common stock. The Compensation Committee may defer the delivery of shares or payment of cash beyond expiration of the period of restriction. Vesting of restricted stock awards and restricted stock units may be based on continued employment or service and/or satisfaction of performance goals or other conditions established by the Compensation Committee. Generally, an award of restricted stock or restricted stock units may vest either (1) in full at the expiration of a period of not less than three years from the date of grant or (2) proportionally over a vesting period of not less than three years from the date of grant, except that the award may vest earlier in cases of death or disability, as the Compensation Committee shall determine, or on a change in control, as provided in the 2011 Incentive Plan. The Compensation Committee is generally not permitted otherwise to accelerate the vesting of restricted stock or restricted stock units. However, the 2011 Incentive Plan permits the Compensation Committee to make awards of restricted stock and/or restricted stock units that have vesting conditions other than those described above with respect to an aggregate of no more than 1,500,000 shares during the term of the 2011 Incentive Plan, and performance-based restricted stock or restricted stock units will generally be forfeited unless performance goals specified by the Compensation Committee are met during the applicable period of restriction of at least one year. A recipient of restricted stock will have the rights of a stockholder during the period of restriction, including the right to receive any dividends, which may be subject to the same restrictions as the restricted stock, unless the Compensation Committee provides otherwise in the grant. A recipient of restricted stock units will have the rights of a stockholder only as to shares that are actually issued to the participant upon expiration of the period of restriction, and not as to shares subject to the restricted stock units that are not actually issued to the participant. The number of shares of restricted stock and/or restricted stock units granted to a participant will be determined by the Compensation Committee, subject to the annual per-participant limit on performance compensation awards described below under Performance Compensation Awards (if applicable). Upon termination of service, or failure to satisfy other vesting conditions, a participant's unvested shares of restricted stock and unvested restricted stock units are forfeited unless the participant's award agreement, or the Compensation Committee, provides otherwise.

Other Stock-Based Awards

The Compensation Committee may grant to participants other stock-based awards under the 2011 Incentive Plan, which are valued in whole or in part by reference to, or otherwise based on, shares of our common stock. The form of any other stock-based awards will be determined by the Compensation Committee, and may include a grant or sale of unrestricted shares of our common stock. The number of shares of our common stock related to an other stock-based award will be determined by the Compensation Committee, subject to the annual per-participant limit on performance compensation awards described below under Performance Compensation Awards (if applicable). Other stock-based awards will be paid in shares of our common stock. The terms and conditions, including vesting conditions, of an other stock-based award will be established by the Compensation Committee when the award is made. The Compensation Committee will determine the effect of a termination of employment or service on a participant's other stock-based awards.

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Dividend Equivalents

The Compensation Committee may provide for the payment of dividend equivalents with respect to shares of our common stock subject to an award, such as restricted stock units, that have not actually been issued under that award. Dividend equivalents may be paid on a current or deferred basis, in cash or additional shares of our common stock and subject to such limitations and restrictions as the Compensation Committee may determine.

Cash-based Awards

The Compensation Committee may grant cash-based awards to participants under the 2011 Incentive Plan. A cash-based award entitles a participant to receive a payment in cash upon the attainment of applicable performance goals, and/or satisfaction of other terms and conditions, determined by the Compensation Committee. The aggregate amount of any cash-based award intended to be a performance compensation award will be subject to the annual per-participant limit described below under *Performance Compensation Awards*. The Compensation Committee may in its discretion waive any performance goals and/or other terms and conditions, subject to the requirements applicable to any cash-based awards that are intended to be performance compensation awards, as described below. A participant's award agreement describes the effect of a termination of employment or service on the participant's cash-based award.

Performance Compensation Awards

Restricted stock awards, restricted stock units, other stock-based awards and cash-based awards subject to performance conditions may, in the Compensation Committee's discretion, be structured to qualify as performance-based compensation that is exempt from the deduction limitations of section 162(m) of the Internal Revenue Code, as described under *Certain Federal Income Tax Consequences* below (referred to in this summary as performance compensation awards). These performance compensation awards will be conditioned on the achievement by the Company or its affiliates, divisions or operational units, or any combination of the foregoing, of objectively

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determinable performance goals, based on one or more of the performance measures listed below, over a specified performance period:

net earnings or net income (before or after interest, taxes and/or other adjustments)	enterprise value
basic or diluted earnings per share (before or after interest taxes and/or other adjustments)	employee retention
book value per share	attainment of strategic or operational initiatives
net revenue or revenue growth	asset growth
net interest margin	dividend yield
operating profit (before or after taxes)	market share, mergers, acquisitions or sales of assets
return on assets, equity, capital, revenue or similar measure	cost per available seat mile
cash flow, (including operating cash flow and free cash flow)	revenue per seat mile available
share price (including growth measures and total shareholder return)	revenue per seat mile
working capital	percentage of flights completed on time
expense targets, including fuel margins	percentage of scheduled flights completed
operating efficiency	lost passenger baggage
measures of economic value added	aircraft utilization
asset quality	revenue per employee
	crewmember satisfaction/ engagement/net promoter score
customer satisfaction/net promoter score	

These performance measures may be used on an absolute or relative basis or may be compared to the performance of a selected group of comparison companies, a published or special index or various stock market indices.

No more than 2,000,000 shares of common stock may be earned in respect of performance compensation awards granted to any one participant for a single fiscal year during a performance period (or, in the event the award is settled in cash, other securities, other awards or other property, no more than the fair market value of that number of shares, calculated as of the last day of the performance period to which the award relates). If a performance compensation award is not denominated in shares of common stock, the maximum amount that can be paid to any one participant in any one fiscal year in respect of that award is \$4,000,000.

The Compensation Committee will, within the first 90 days of the performance period, define in an objective fashion the manner of calculating the performance measures and performance goals it selects to use for the performance period. After the end of the performance period, the Compensation Committee will determine and certify in writing the extent to which the performance goals have been achieved and the amount of the performance compensation award to be paid to the participant. The Compensation Committee may, in its discretion, reduce or eliminate, but may not increase, the amount of a performance compensation award otherwise payable to a participant. The Compensation Committee may not waive the achievement of performance goals applicable to these awards (except in the case of the participant's death, disability or a change in control of the Company). Subject to the limitations of Section 162(m), the Compensation Committee may adjust or modify the calculation of a performance goal based on and to appropriately reflect the following events: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax laws, accounting principles, or other rules affecting the results, (iv) any reorganization or restructuring, (v) the cumulative effect of changes in accounting principles, (vi) extraordinary nonrecurring items as described in

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Accounting Principles Board Opinion No. 30 (or any successor pronouncement), (vii) acquisitions, divestitures or discontinued operations, (viii) gains or losses on refinancing or extinguishment of debt, (ix) foreign exchange gains and losses, (x) a change in the Company's fiscal year (xi) any other specific unusual events, or objectively determinable category thereof, or (xii) any other specific nonrecurring events, or objectively determinable category thereof.

Deferrals of Awards

The Compensation Committee may, to the extent permitted by law, require or allow participants to defer receipt of all or part of any cash or shares subject to their awards on the terms of any deferred compensation plan of the Company or other terms set by the Compensation Committee.

Transferability of Awards

Options, SARs, unvested restricted stock and other awards under the 2011 Incentive Plan may not be sold or otherwise transferred except in the event of a participant's death to his or her designated beneficiary or by will or the laws of descent and distribution, unless otherwise determined by the Compensation Committee. The Compensation Committee may permit awards other than incentive stock options and any related SARs to be transferred for no consideration. Options and other awards under the 2011 Incentive Plan may not be transferred to third parties for value or other consideration unless approved by the stockholders.

Change in Control

A change in control of the Company (as defined in the 2011 Incentive Plan) will have no effect on outstanding awards under the plan that the Board of Directors or the Compensation Committee determines will be honored or assumed or replaced with new rights by a new employer (referred to as an alternative award), so long as the alternative award:

is based on securities that are, or within 60 days after the change in control will be, traded on an established United States securities market;

provides the holder with rights and entitlements (such as vesting and timing or methods of payment) that are at least substantially equivalent to the rights, terms and conditions of the outstanding award;

has an economic value that is substantially equivalent to that of the outstanding award;

provides that if the holder's employment with the new employer terminates under any circumstances, other than due to termination for cause or resignation without good reason, within 18 months following the change in control (or prior to a change in control, but following the date on which we agree in principle to enter into that change in control transaction), (1) any conditions on the holder's rights under, or any restrictions on transfer or exercisability applicable to, the alternative award will be waived or will lapse in full, and the alternative award will become fully vested and exercisable, and (2) the alternative award may be exercised until the later of (a) the last date on which the outstanding award would otherwise have been exercisable, and (b) the earlier of (i) the third anniversary of the change in control and (ii) expiration of the term of the outstanding award; and

will not subject the holder to additional taxes or interest under section 409A of the Internal Revenue Code.

If the Board of Directors or the Compensation Committee does not make this determination with respect to any outstanding awards, then:

(1) the awards will fully vest and become non-forfeitable and exercisable immediately prior to the change in control;

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(2) the Board of Directors or the Compensation Committee will provide that in connection with the change in control:

each outstanding option and SAR will be cancelled in exchange for an amount equal to the fair market value of our common stock on the change in control date, reduced by the option exercise price or grant price of the option or SAR;

each outstanding share of restricted stock, restricted stock unit and any other award denominated in shares will be cancelled in exchange for an amount equal to the number of shares covered by the award multiplied by the price per share offered for our common stock in the change in control transaction, or, in some cases, the highest fair market value of the common stock during the 30 trading days preceding the change in control date; and

any outstanding award not denominated in shares, including any award the payment of which was deferred, will be cancelled in exchange for the full amount of the award;

(3) the target performance goals applicable to any outstanding awards will be deemed to be fully attained, unless actual performance exceeds the target, in which case actual performance will be used, for the entire performance period then outstanding; and

(4) the Board of Directors or the Compensation Committee may otherwise adjust or settle outstanding awards as it deems appropriate, consistent with the plan's purposes.

Any amounts described under (2) above will be paid in cash, publicly traded securities of the new employer or a combination of cash and securities as soon as reasonably practicable, but in no event later than 10 business days, following the change in control.

Adjustment Provisions

In the event of a corporate transaction or other event, such as a dividend (excluding any ordinary dividend) or other distribution, stock split or recapitalization, merger, consolidation or reorganization or a change in control, or any unusual or nonrecurring event affecting the Company or its affiliates, or any changes in applicable rules, rulings, regulations or other governmental, legal, securities exchange or financial accounting requirements, such that the Compensation Committee determines in its discretion that an adjustment is necessary or appropriate, then the Compensation Committee will make any such adjustments in such manner as it deems equitable, including any or all of the following:

adjusting any or all of (A) the number and kind of shares of common stock, other securities or other property that may be delivered in respect of awards under the 2011 Incentive Plan or with respect to which awards may be granted (including adjusting any or all of the limits on the maximum awards that may be granted to individual participants under the plan) and (B) the terms of any outstanding award, including (1) the number of shares or other securities of the Company (or number and kind of other securities or other property) subject to outstanding awards under the plan or to which outstanding awards relate, (2) the option price or grant price with respect to any award or (3) any applicable performance measures and performance goals);

providing for a substitution or assumption of awards, accelerating the exercisability of, lapse of restrictions (including any period of restriction) on, or termination of, awards or providing for a period of time for exercise prior to the occurrence of such event; and

cancelling any one or more outstanding awards and causing to be paid to the holders thereof, in cash, shares of common stock, other securities or other property, or any combination thereof, the value of such awards, if any, as determined by the Compensation Committee (which, if applicable, may be based upon the price per share received or to be received by other Company stockholders in such event), including, in the case of an outstanding option or stock appreciation right, a cash payment in an amount equal to the excess, if any, of the fair market value (as of a date specified by the Compensation Committee) of the shares subject to that option or stock appreciation right over the aggregate option price or grant price of the option or stock

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appreciation right (and cancellation for no consideration of any option or stock appreciation right having a per share option price or grant price equal to, or in excess of, the fair market value of a share of common stock).

In the case of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (or any successor pronouncement)), the Compensation Committee will make an equitable or proportionate adjustment to awards outstanding under the 2011 Incentive Plan to reflect the equity restructuring.

Amendment and Termination

The Board of Directors may amend, alter, suspend or terminate the 2011 Incentive Plan. However, no amendment, alteration, suspension or termination of the 2011 Incentive Plan may materially impair the previously accrued rights of a participant under any previously granted award without the participant's consent, except with respect to any amendment to comply with applicable law, tax rules, stock exchange rules or accounting rules. Additionally, no plan amendment may be made without the approval of the Company's stockholders to the extent such approval is required by any applicable law, tax rules, stock exchange rules or accounting rules. Further, the provisions of the 2011 Incentive Plan described above under Change in Control may not be amended, terminated or modified on or after the date of a change in control to materially impair any participant's outstanding award without that participant's prior written consent.

The Compensation Committee may unilaterally amend or alter the terms of any outstanding award, but no amendment may be inconsistent with the terms of the 2011 Incentive Plan and no amendment of an award intended to qualify as a performance compensation award may cause the award not to so qualify. Additionally, no amendment or alteration of an award may materially impair the previously accrued rights of the participant to whom the award was granted without the participant's consent, except any amendment to comply with applicable law, tax rules, stock exchange rules or accounting rules.

Except in an adjustment described above under Adjustment Provisions or as approved by the Company's stockholders, during any period that the Company is subject to the reporting requirements of the Securities Exchange Act of 1934, the 2011 Incentive Plan prohibits the Company from: (1) amending the terms of any outstanding stock option or SAR to reduce its exercise price or grant price, (2) cancelling an outstanding stock option or SAR in exchange for cash, the granting of an option or SAR at a lower exercise price or grant price or the granting of a different type of award, or (3) taking any other action as to an option or SAR that is considered a repricing for purposes of the stockholder approval rules of the Nasdaq Stock Exchange, or any other applicable securities exchange.

Duration of 2011 Incentive Plan

If the 2011 Incentive Plan is approved by our stockholders, the 2011 Incentive Plan will become effective as of the date of the annual meeting and will continue in effect until all shares of our common stock available under the 2011 Incentive Plan are delivered and all restrictions on those shares have lapsed, unless the 2011 Incentive Plan is terminated earlier by the Board of Directors. No awards may be granted under the 2011 Incentive Plan on or after May 25, 2021.

Termination, Rescission, Recapture and Recoupment of Awards

The 2011 Incentive Plan authorizes the Compensation Committee to terminate a participant's outstanding awards, rescind any exercise, payment or delivery of an award, or recapture any shares, or proceeds from the sale of shares, issued pursuant to an award if a participant does not comply with the following condition: a participant may not, in violation of any agreement between the participant and the Company, disclose to anyone outside the Company, or use

for other than Company purposes, the Company's proprietary or confidential information or material, without our permission, . Furthermore, if we determine that a participant has (1) rendered services to, or otherwise engaged in or assisted, any

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organization or business that is or is working to become competitive with us, (2) solicited any of our non-administrative crewmembers to terminate employment with us, or (3) engaged in other activities which are materially prejudicial to or in conflict with our interests, in each case, while employed by or rendering services to the Company, we may impose a termination, rescission, and/or recapture of all the participant's awards, and the proceeds thereof. It is not a basis for termination, rescission or recapture for a participant, after termination of service, to purchase stock or other securities of an organization or business, however, as long as the stock or securities are listed on a recognized securities exchange or traded over-the-counter, and such investment does not represent more than a 5% equity interest in the organization or business. Within ten days of receiving notice from the Company of the breach of a condition, or other behavior as described above, the participant must deliver any shares acquired pursuant to an award, the gain realized for any shares the participant has sold, or any payment received as a result of the rescinded exercise, payment or delivery. If the participant returns shares purchased by exercising an option, or the gains realized from the sale of any such shares, we will refund the exercise price. To the extent permitted or required by applicable law, a participant may be required to reimburse us for all or any portion of any awards granted under the 2011 Incentive Plan, or termination, rescission or recapture of any awards may be required, to the extent that the granting, vesting or payment of the award was based on financial results that were later the subject of an accounting restatement due to the Company's material noncompliance with any financial reporting requirement under the securities laws, and a lower granting, vesting or payment of the award would have occurred based on the restated results, provided the awards were granted, paid or vested within three years of the restatement.

Non-United States Participants

The Compensation Committee may grant awards to, and establish modifications, amendments, procedures and subplans for, eligible individuals who are non-United States nationals, reside outside the United States, are compensated from a payroll maintained outside the United States, or are subject to non-United States legal or regulatory provisions, on terms and conditions different from those otherwise specified in the 2011 Incentive Plan to foster and promote achievement of the plan's purposes and comply with those non-United States legal or regulatory provisions.

Tax Withholding Obligations

The 2011 Incentive Plan authorizes us and our affiliates to withhold all applicable taxes from any award or payment under the 2011 Incentive Plan and to take other actions necessary or appropriate to satisfy those tax obligations. Subject to applicable law, a participant may (unless disallowed by the Compensation Committee) elect to satisfy these tax obligations by: (1) electing to have the Company withhold shares otherwise deliverable under the award or (2) tendering shares of our common stock that the participant already owns and either purchased in the open market or has held for at least 6 months, in each case based on the fair market value of those shares on a date determined by the Compensation Committee.

Certain Federal Income Tax Consequences

The following is a brief summary of certain significant United States Federal income tax consequences under the Internal Revenue Code, as in effect on the date of this summary, applicable to the Company and plan participants in connection with awards under the 2011 Incentive Plan. This summary assumes that all awards will be exempt from, or comply with, the rules under Section 409A of the Internal Revenue Code regarding nonqualified deferred compensation. If an award constitutes nonqualified deferred compensation and fails to comply with Section 409A, the award will be subject to immediate taxation and tax penalties in the year the award vests. This summary is not intended to be exhaustive, and, among other things, does not describe state, local or non-United States tax consequences, or the effect of gift, estate or inheritance taxes. References to the Company in this summary of tax consequences mean JetBlue Airways Corporation, or any affiliate of JetBlue Airways

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Corporation that employs or receives the services of a recipient of an award under the 2011 Incentive Plan, as the case may be.

The grant of options under the 2011 Incentive Plan will not result in taxable income to the recipient of the options or an income tax deduction for the Company. However, the transfer of our common stock to an option holder upon exercise of his or her option may or may not give rise to taxable income to the option holder and a tax deduction for the Company depending upon whether such option is a nonqualified stock option or an incentive stock option.

The exercise of a nonqualified stock option by an option holder generally results in immediate recognition of taxable ordinary income by the option holder and a corresponding tax deduction for the Company in the amount by which the fair market value of the shares of our common stock purchased, on the date of such exercise, exceeds the aggregate exercise price paid. Any appreciation or depreciation in the fair market value of those shares after the exercise date will generally result in a capital gain or loss to the holder at the time he or she disposes of those shares.

The exercise of an incentive stock option by the option holder is exempt from income tax, although not from the alternative minimum tax, and does not result in a tax deduction for the Company if the holder has been an crewmember of the Company at all times beginning with the option grant date and ending three months before the date the holder exercises the option (or twelve months in the case of termination of employment due to disability). If the option holder has not been so employed during that time, the holder will be taxed as described above for nonqualified stock options. If the option holder disposes of the shares purchased more than two years after the option was granted and more than one year after the option was exercised, then the option holder will recognize any gain or loss upon disposition of those shares as capital gain or loss. However, if the option holder disposes of the shares prior to satisfying these holding periods (known as a disqualifying disposition), the option holder will be obligated to report as taxable ordinary income for the year in which that disposition occurs the excess, with certain adjustments, of the fair market value of the shares disposed of, on the date the incentive stock option was exercised, over the exercise price paid for those shares. The Company would be entitled to a tax deduction equal to that amount of ordinary income reported by the option holder. Any additional gain realized by the option holder on the disqualifying disposition would be capital gain. If the total amount realized in a disqualifying disposition is less than the exercise price of the incentive stock option, the difference would be a capital loss for the holder.

The grant of SARs does not result in taxable income to the recipient of a SAR or a tax deduction for the Company. Upon exercise of a SAR, the amount of any cash the participant receives (before applicable tax withholdings) and the fair market value as of the exercise date of any common stock received are taxable to the participant as ordinary income and deductible by the Company.

A participant will not recognize any taxable income upon the award of shares of restricted stock which are not transferable and are subject to a substantial risk of forfeiture. Dividends paid with respect to restricted stock prior to the lapse of restrictions applicable to that stock will be taxable as compensation income to the participant. Generally, the participant will recognize taxable ordinary income at the first time those shares become transferable or are no longer subject to a substantial risk of forfeiture, in an amount equal to the fair market value of those shares when the restrictions lapse. However, a participant may elect to recognize taxable ordinary income upon the award date of restricted stock based on the fair market value of the shares of common stock subject to the award on the award date. If a participant makes that election, any dividends paid with respect to that restricted stock will not be treated as compensation income, but rather as dividend income, and the participant will not recognize additional taxable income when the restrictions applicable to his or her restricted stock award lapse. Assuming compliance with the applicable tax withholding and reporting requirements, the Company will be entitled to a tax deduction equal to the amount of ordinary income recognized by a participant in connection with his or her restricted stock award in the Company's taxable year in which that participant recognizes that ordinary income.

The grant of restricted stock units does not result in taxable income to the recipient of a restricted stock unit or a tax deduction for the Company. The amount of cash paid (before applicable tax

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withholdings) or the then-current fair market value of the common stock received upon settlement of the restricted stock units is taxable to the recipient as ordinary income and deductible by the Company.

The grant of a cash-based award, other stock-based award or dividend equivalent right generally should not result in the recognition of taxable income by the recipient or a tax deduction by the Company. The payment or settlement of a cash-based award, other stock-based award or dividend equivalent right should generally result in immediate recognition of taxable ordinary income by the recipient equal to the amount of any cash paid (before applicable tax withholding) or the then-current fair market value of the shares of common stock received, and a corresponding tax deduction by the Company. If the shares covered by the award are not transferable and subject to a substantial risk of forfeiture, the tax consequences to the participant and the Company will be similar to the tax consequences of restricted stock awards, described above. If an other stock-based award consists of unrestricted shares of common stock, the recipient of those shares will immediately recognize as taxable ordinary income the fair market value of those shares on the date of the award, and the Company will be entitled to a corresponding tax deduction.

Under section 162(m) of the Internal Revenue Code, the Company may be limited as to federal income tax deductions to the extent that total annual compensation in excess of \$1 million is paid to our Chief Executive Officer or any one of our three highest paid executive officers, other than the Chief Executive Officer or Chief Financial Officer, who are employed by us on the last day of our taxable year. However, certain performance-based compensation the material terms of which are disclosed to and approved by our stockholders is not subject to this deduction limitation. The 2011 Incentive Plan has been structured with the intention that compensation resulting from stock options and SARs granted under the 2011 Incentive Plan will be qualified performance-based compensation and, assuming the plan is approved by the stockholders, deductible without regard to the limitations otherwise imposed by section 162(m) of the Internal Revenue Code. The 2011 Incentive Plan allows the Compensation Committee discretion to award restricted stock, restricted stock units, cash-based awards and other stock-based awards in the form of performance compensation awards that are intended to be qualified performance-based compensation, as described under Performance Compensation Awards above.

Under certain circumstances, accelerated vesting, exercise or payment of awards under the 2011 Incentive Plan in connection with a change of control of us might be deemed an excess parachute payment for purposes of the golden parachute payment provisions of section 280G of the Internal Revenue Code. To the extent it is so considered, the participant holding the award would be subject to an excise tax equal to 20% of the amount of the excess parachute payment, and the Company would be denied a tax deduction for the excess parachute payment.

New Plan Benefits

As of March 31, 2011, there were approximately ten non-employee directors and approximately 500 crewmembers who would be eligible to receive awards under the 2011 Incentive Plan. No awards will be granted under the 2011 Incentive Plan unless the plan is approved by our stockholders. Because it will be within the Compensation Committee's discretion to determine which non-employee directors and crewmembers will receive awards under the 2011 Incentive Plan and the types and amounts of those awards, it is not possible at present to specify the benefits that would be received under the 2011 Incentive Plan by non-employee directors and crewmembers if the 2011 Incentive Plan is approved by the stockholders. In addition, the benefits or amounts that would have been received by, or allocated to, those persons for the last completed fiscal year if the 2011 Incentive Plan had been in effect cannot be determined.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE JETBLUE AIRWAYS CORPORATION 2011 INCENTIVE COMPENSATION PLAN.

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PROPOSAL 4 APPROVAL OF JETBLUE AIRWAYS CORPORATION 2011 CREWMEMBER STOCK PURCHASE PLAN

We currently allow our eligible crewmembers and the eligible crewmembers of our participating affiliates to purchase shares of our common stock under the JetBlue Airways Corporation Crewmember Stock Purchase Plan, which we refer to as the 2007 Stock Purchase Plan. As of March 31, 2011, there were 20,923,960 shares of our common stock remaining available for purchase under the 2007 Stock Purchase Plan. By its terms, the 2007 Stock Purchase Plan expires on the last business day of April 2012.

We believe that encouraging additional JetBlue stock ownership by our crewmembers has been and continues to be an effective method of further aligning the interests of our crewmembers and stockholders. We intend to continue to encourage crewmember stock ownership by adopting the JetBlue Airways Corporation 2011 Crewmember Stock Purchase Plan, which we refer to as the 2011 Stock Purchase Plan, subject to the approval of our stockholders. The 2011 Stock Purchase Plan will become effective on the date it is approved by the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the annual meeting. Shares held by brokers who do not have discretionary authority to vote on this proposal and who have not received voting instructions from the beneficial owners are not counted or deemed to be present or represented for the purpose of determining whether this proposal has been approved. Abstentions are treated as shares present or represented and are counted in the tabulations of the votes cast on this proposal. Abstentions have the same effect as voting against this proposal. If our stockholders approve the 2011 Stock Purchase Plan, no additional grants will be made under the 2007 Stock Purchase Plan on or after the date of the annual meeting, but any purchase rights outstanding under the 2007 Stock Purchase Plan will remain in effect in accordance with their terms.

Description of the 2011 Stock Purchase Plan

The principal features of the 2011 Stock Purchase Plan are summarized below. We encourage you to read the entire proposed 2011 Stock Purchase Plan, which is attached as Appendix B to this Proxy Statement, for the full statement of its legal terms and conditions. If there is any conflict or inconsistency between this summary and the provisions of the 2011 Stock Purchase Plan, the provisions of the 2011 Stock Purchase Plan will govern.

Eligibility

The 2011 Stock Purchase Plan is a broad-based plan designed to meet the requirements of Section 423 of the Internal Revenue Code by offering all of our crewmembers and the crewmembers of our participating subsidiaries the opportunity to buy shares of common stock at a 5% discount from the prevailing fair market value. Each individual who is an eligible crewmember on the start date of an offering period may enter that offering period on such start date. An eligible crewmember may participate in only one offering period at a time.

Shares Authorized for Issuance

The 2011 Stock Purchase Plan authorizes the issuance of 8,000,000 shares of our common stock, which would represent approximately 2.70% of our outstanding common stock on March 31, 2011. The shares to be issued under the 2011 Stock Purchase Plan may be authorized but unissued shares or may be reacquired shares, including shares of common stock purchased on the open market. Upon the occurrence of certain events that affect our capitalization, appropriate adjustments will be made to the number and class of securities that may be issued under the 2011 Stock Purchase Plan in the future and to the number and class of securities and price per share under all outstanding stock purchase rights granted before the event.

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Administration

The 2011 Stock Purchase Plan generally will be administered by a committee (called the Plan Administrator) of two or more members of the Board of Directors appointed by the Board of Directors to administer the 2011 Stock Purchase Plan. All decision of the Plan Administrator will be final and binding on all parties having an interest in the 2011 Stock Purchase Plan. Subject to limitations of applicable laws or rules, the Plan Administrator may delegate its administrative responsibilities and powers under the 2011 Stock Purchase Plan to any of our crewmembers or group of crewmembers. We currently expect that the members of the committee that will act as the Plan Administrator will be: Ann Rhoades, David Checketts and Stan McChrystal.

Purchase Price for the Shares

Under the 2011 Stock Purchase Plan, participating crewmembers are granted rights to purchase shares of common stock at a price equal to 95% of the stock's fair market value on the purchase date. The 2011 Stock Purchase Plan generally defines fair market value as the average of the highest and the lowest selling price reported for our common stock on the Nasdaq Global Select Market on the date for which fair market value is being determined. On March 31, 2011, the average of the high and the low selling price of our common stock on the Nasdaq Global Select Market was \$6.28.

Payroll Deductions

An eligible crewmember may elect to participate in an offering period under the 2011 Stock Purchase Plan by authorizing after-tax payroll deductions from gross wages on or before the start date of such offering period. Offering periods commence at semi-annual intervals on the first business day of May and November each year, and have a maximum duration of six months unless otherwise determined by the Plan Administrator prior to the start of such offer period (but in no event may an offering period exceed 24 months). Crewmembers may generally authorize payroll deductions in multiples of 1%, up to a maximum of 10%, of gross wages to purchase shares under the 2011 Stock Purchase Plan. Payroll deductions will be credited to the participant's book account during each offering period. These accounts will not bear interest. A participant may, at any time during the offering period, reduce the rate of payroll deductions, but no more than once per purchase interval. A participant may also, prior to the commencement of any new purchase interval within the offering period, increase the rate of payroll deduction (up to the maximum 10%) for such new purchase interval. Additionally, a crewmember may withdraw from an offering period by giving notice prior to the next scheduled purchase date. Any payroll deductions collected from the crewmember during the purchase interval in which a withdrawal occurs will be immediately refunded, or, at the crewmember's election, be held for the purchase of shares on the next purchase date. A participant's withdrawal from a particular offering period is irrevocable, and the participant may not subsequently rejoin that offering period. Additionally, the Board of Directors may at any time terminate an offering period, in which case the participants' outstanding payroll deductions will be promptly refunded.

Purchase of Shares

On the start date of each offering period in which a participant is enrolled, the participant will be granted a separate purchase right for such offering period. The purchase right will provide the participant with the right to purchase shares under the 2011 Stock Purchase Plan on the last business day of a six-month purchase interval, which we refer to as the purchase date. Purchase intervals run from the first business day in May to the last business day in October each year, and from the first business day in November each year to the last business day in April in the following year. Each purchase right will be automatically exercised on each successive purchase date within the offering period, and the purchase will be effected by applying the participant's payroll deductions collected during the purchase interval to the purchase of the maximum number of whole shares of common stock that can be purchased with such

payroll deductions. However, a participant may not purchase more than 3,375 shares, and not more than 1,350,000 shares may be purchased in total by all

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participants, on any one purchase date. Further, no crewmember may purchase more than \$25,000 of common stock (using the fair market value of the common stock on the date the purchase rights are granted) under the 2011 Stock Purchase Plan (and any other crewmember stock purchase plan of the Company or an affiliate) per calendar year. Any payroll deductions not applied to the purchase of shares on any purchase date because they are not sufficient to purchase a whole share of common stock will be held for the purchase of common stock on the next purchase date. However, any payroll deductions under the 2011 Stock Purchase Plan not applied to the purchase of common stock by reason of the limitation on the maximum number of shares purchasable per participant or in total by all participants on the purchase date or any other reason will be promptly refunded. If a participant is, by reason of the \$25,000 accrual limitations, precluded from purchasing additional shares of common stock on one or more purchase dates during an offering period, then payroll deductions for such participant will be suspended until such participant is again able to purchase shares during such offering period.

Termination of Employment

Generally, if a participant's employment terminates for any reason (including death, disability or change in status), his or her right to purchase shares of common stock during the current offering period will immediately terminate and all of his or her payroll deductions for the purchase interval in which the purchase right so terminates will be immediately refunded. However, if a participant ceases to remain in active service by reason of an approved unpaid leave of absence, then the participant will have the right, exercisable up until the last business day of the purchase interval in which such leave commences, either to withdraw all the payroll deductions collected to date on his or her behalf for that purchase interval, or to have such funds held for the purchase of shares on his or her behalf on the next scheduled purchase date. In no event may any further payroll deductions be collected on such participant's behalf during such leave. If the participant returns to active service within 90 days following the commencement of such leave or prior to the expiration of any longer period for which such participant has reemployment rights with us provided by statute or contract, his or her payroll deductions under the 2011 Stock Purchase Plan will automatically resume at the rate in effect at the time the leave began, unless the participant withdraws from the 2011 Stock Purchase Plan prior to his or her return. Otherwise, the participant must re-enroll in the 2011 Stock Purchase Plan as a new participant.

Change in Control

If a change in control of the Company (as defined in the 2011 Stock Purchase Plan) occurs, each outstanding purchase right will automatically be exercised immediately prior to the effective date of such change in control. The purchase price applicable for the purchase interval in which such change in control occurs will be equal to 95% of the fair market value per share of our common stock immediately prior to the effective date of such change in control. However, participants will, following the receipt of notice from us of a change in control, have the right to terminate their outstanding purchase rights prior to the effective date of such change in control. Further, the Plan Administrator may terminate any outstanding purchase rights prior the effective date of a change in control, in which case all payroll deductions for the purchase interval in which such purchase rights are terminated will be promptly refunded.

Amendment and Termination of the 2011 Stock Purchase Plan

The Board of Directors may terminate, suspend or amend the 2011 Stock Purchase Plan at any time, generally to become effective immediately following the close of any purchase interval. Stockholder approval is required for any amendment that would (a) increase the number of shares available for issuance under the 2011 Stock Purchase Plan, (b) change the purchase price formula so as to reduce the purchase price payable for shares purchasable under the 2011 Stock Purchase Plan, (c) change the eligibility requirements for participation in the 2011 Stock Purchase Plan, or

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(d) otherwise require stockholder approval under any relevant law, regulation or rule. Unless sooner terminated by the Board of Directors, the 2011 Stock Purchase Plan will terminate upon the earliest of (i) the last business day in April 2021, (ii) the date on which all shares available for issuance under the 2011 Stock Purchase Plan has been sold pursuant to purchase rights exercised under the 2011 Stock Purchase Plan, or (iii) the date on which all purchase rights are exercised in connection with a change in control of the Company.

Certain U.S. Federal Income Tax Consequences

The following is a brief summary of certain significant United States Federal income tax consequences under the Internal Revenue Code, as in effect on the date of this summary, applicable to the Company and crewmembers in connection with participation and purchase of shares of common stock under the 2011 Stock Purchase Plan. This summary is not intended to be exhaustive and, among other things, does not describe state, local or non-U.S. tax consequences, or the effect of gift, estate or inheritance taxes.

The amounts deducted from the salary of a crewmember who participates in the 2011 Stock Purchase Plan will constitute ordinary income taxable to the crewmember.

The grant of a common stock purchase right under the 2011 Stock Purchase Plan will not have any U.S. federal income tax consequences to either the crewmember or the Company or any of its affiliates. The purchase of common stock under the 2011 Stock Purchase Plan also will not have any immediate U.S. federal income tax consequences to the crewmember. Any determination of U.S. federal income tax consequences will depend on whether the shares purchased are disposed of after the expiration of one year after the date those shares are transferred to the crewmember and two years after the date of grant of the common stock purchase right (referred to below as the holding periods). If the holding periods are met, 5% of the fair market value of the shares of common stock on the first day of the offering period, or, if less, the excess, if any, of the fair market value of the common stock at the time of such disposition or death over the total purchase price of the shares, will be treated as ordinary income and any additional gain will be treated as long-term capital gain. Neither the Company nor any affiliate employing the participant will be entitled to any U.S. federal income tax deduction with respect to the amount treated as long-term capital gain or as ordinary income as a result of the rules described above for shares disposed of after expiration of the holding periods. If the shares are disposed of prior to the expiration of the holding periods (a disqualifying disposition), generally the excess of the fair market value of those shares on the purchase date over the aggregate purchase price will be ordinary income at the time of such disqualifying disposition, and the Company will be entitled to a U.S. federal tax deduction in a like amount. Any disposition proceeds in excess of the value of the shares at the purchase date will result in capital gain (or loss) to the participant and will not be deductible to us.

New Plan Benefits

As of March 31, 2011, there were approximately 13,500 crewmembers who would be eligible to participate in the 2011 Stock Purchase Plan. No awards will be granted under the 2011 Stock Purchase Plan unless the plan is approved by our stockholders. The actual amount of benefits provided to executives and our other crewmembers under the 2011 Stock Purchase Plan will vary depending upon the actual purchase prices established under the 2011 Stock Purchase Plan, the fair market value of the common stock at various future dates, and the extent to which crewmembers choose to participate in the 2011 Stock Purchase Plan through future payroll contributions. Therefore, it is not possible to determine currently the total dollar amount of benefits that would be received by participants in the 2011 Stock Purchase Plan if the 2011 Stock Purchase Plan is approved by the stockholders. In addition, the benefits or amounts that would have been received by, or allocated to, those persons for the last completed fiscal year if the 2011 Stock Purchase Plan had been in effect cannot be determined.

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THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE APPROVAL OF THE JETBLUE AIRWAYS CORPORATION 2011 CREWMEMBER STOCK PURCHASE PLAN.

PROPOSAL 5 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

In accordance with the recently-enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), we are asking you to approve an advisory resolution on compensation of our named executive officers as described in the Compensation Discussion and Analysis, the compensation tables and related narrative discussion included in this proxy statement. This proposal, commonly known as a say on pay proposal, gives stockholders an opportunity to approve, reject or abstain from voting with respect to our fiscal 2010 executive compensation programs and policies and the compensation paid to our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers as described in this proxy statement.

Please read the Compensation Discussion and Analysis beginning on page 45 for additional details about our executive compensation program, including information about the fiscal year 2010 compensation of our named executive officers. Our Compensation Committee has structured our executive compensation program to achieve the following key objectives:

Support our strategy and stay true to our Values: We aim to align compensation programs with business strategies focused on long-term growth and creating value for our stockholders. We motivate crewmembers to overcome challenges and to deliver commitments, all while living our Values of Safety, Caring, Integrity, Fun and Passion;

Attract and retain top talent: We aim to set target compensation for our crewmembers to be below the market median within the airline industry, but still competitive given our Northeast location, route network, value carrier market placement and structure; and

Pay for performance: We hold our crewmembers accountable for their performance in light of Company goals, our general and industry performance. We believe the proportion of executive compensation designed to be delivered in variable pay should depend on the executive's position and the ability of that position to influence overall Company performance.

Because your vote on this proposal is advisory, it will not be binding on us, the Compensation Committee or the Board. However, the Compensation Committee and the Board will take into account the outcome of the vote when considering future executive compensation arrangements. Furthermore, your advisory vote will serve as an additional tool to guide the Board and the Compensation Committee in continuing to improve the alignment of the Company's executive compensation programs with the interests of JetBlue and its stockholders.

The Compensation Committee and the Board of Directors believe that the policies and procedures articulated in the Compensation Discussion and Analysis are effective in achieving our goals and that the compensation of our named executive officers reported in this proxy statement has contributed to the Company's recent and long-term success. Accordingly, we are asking you to endorse our executive compensation program by voting for the following resolution:

RESOLVED, that the compensation paid to the Company's named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby **APPROVED**.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE FOREGOING RESOLUTION FOR THE REASONS OUTLINED ABOVE.

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PROPOSAL 6 ADVISORY VOTE ON THE FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

In accordance with the recently enacted Dodd-Frank Act, we are seeking an advisory stockholder vote on whether an advisory say on pay vote should be held every year, every two years or every three years. Stockholders may also abstain from making a choice. This proposal is commonly known as a say on frequency proposal. The Dodd-Frank Act requires that, after such initial say on frequency votes are held, we submit to our stockholders not less frequently than every six years thereafter the say on frequency vote.

After careful consideration and dialogue with our stockholders, the Board of Directors has determined that holding an advisory vote on executive compensation every **1 YEAR** is the most appropriate policy for the Company at this time, and recommends that stockholders vote for future say on pay votes to occur every year. While the Company's executive compensation programs are designed to promote a long-term connection between pay and performance, the Board of Directors believes that an annual advisory vote on executive compensation provides the Company with more direct and immediate feedback on our compensation disclosures. It is also consistent with the Company's practice of seeking timely input and engaging in frequent dialogue with our stockholders on corporate governance matters (including our practice of having all directors elected annually and annually providing stockholders the opportunity to ratify the Audit Committee's selection of independent auditors) and our executive compensation philosophy, policies and practices. We welcome stockholder input and anticipate that the value of an annual vote will outweigh the burden of preparing annual proposals.

Stockholders should note that because the advisory vote on executive compensation occurs well after the beginning of the compensation year, and because the different elements of our executive compensation programs are designed to operate in an integrated manner and to complement one another, in many cases it may not be appropriate or feasible to change our executive compensation programs in consideration of any one year's advisory vote on executive compensation by the time of the following year's annual meeting of stockholders.

Stockholders are not voting to approve or disapprove the Board's recommendation. Stockholders will be able to specify one of four choices for this proposal on the proxy card: 1 Year, 2 Years, 3 Years or Abstain. The option that receives the highest number of votes cast by our stockholders will be the frequency for the advisory vote on executive compensation that has been selected by our stockholders. However, because your vote on this proposal is advisory, it will not be binding on us, the Board or the Compensation Committee. Nevertheless, our Board will review and consider the outcome of this vote when making determinations as to the frequency of say on pay votes and may decide, based on factors such as discussions with stockholders and the adoption of material changes to compensation programs, that it is in the best interest of our stockholders to hold a say on pay vote more or less frequently than the option approved by our stockholders.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE TO CONDUCT FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION EVERY 1 YEAR .

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS**

This Compensation Discussion and Analysis section of the proxy statement explains how our executive compensation programs are designed and operate with respect to the following officers identified in the Summary Compensation Table below (the named executive officers).

Executive Summary

At JetBlue, Integrity is one of our five core values. We believe honesty builds trust. We hold ourselves to a high standard of integrity and strive for complete transparency with our executive compensation programs. JetBlue Airways Corporation is a passenger airline that we believe has established a new airline category a value airline based on service, style and cost. Known for its award-winning customer service and free TV as much as for its competitive fares, JetBlue believes it offers its customers the best coach product in markets it serves with a strong core product and reasonably priced optional upgrades. The Compensation Committee believes that our executive compensation program is instrumental in helping the Company to achieve its business goals and promote its values.

Highlights of 2010 Performance

JetBlue achieved strong financial results in 2010 against a backdrop of significant weather events and a challenging economic and industry environment. Our executive compensation decisions in 2010 were greatly influenced by our strong operating results in this environment:

	Fiscal 2010	Fiscal 2009	Change (%)
	(\$ in millions, except per share amounts)		
Pretax income	161	104	56.1%
Net income	97	61	59.9%
Earnings per diluted share	0.31	0.21	47.6%
Operating revenues	3,779	3,292	14.8%
Stock price as of fiscal year end(1)	\$ 6.61	\$ 5.45	21.3%

(1) Represents the closing market price of our common stock on December 31, 2010 and December 31, 2009, respectively.

JetBlue also achieved several non-financial milestones. We celebrated our 10th anniversary on February 11, 2011. For the sixth consecutive year we were recognized by J.D. Power and Associates as having the highest customer satisfaction among low cost airlines in North America. We successfully transitioned our customer service system to Sabre, a significant undertaking that will result in a more robust platform for our commercial endeavors, better customer service and more efficient operations in the future. We also effectively managed the several month-long closure of a significant runway at our home base of operations, John F. Kennedy International Airport.

Highlights of 2010 Compensation Decisions for Our Named Executive Officers

Our fiscal year 2010 compensation actions and decisions were substantially based on our named executive officers' accomplishments and contributions to the Company's results, as highlighted above. Our Company performed well overall, and our compensation changes in 2010 were reflective of several considerations, including Company performance, market competitiveness and internal equity considerations. No named executive officer received a salary increase in 2010 or 2011, except to equalize the salaries across the senior executive team, because the Compensation Committee and the Board determined that their compensation levels are consistent with the Company's compensation objectives and the compensation levels for comparable positions at our peer companies. The Committee approved a Met target assessment for the corporate performance factor, which produced a target bonus award.

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and a target equity award. Additionally, in recognition of significant contributions over and above typical achievements, we made a special discretionary award to Mr. Hayes in February 2010.

Our compensation program is designed to focus and reward our named executive officers for continued success. Consistent with our compensation philosophy, the Compensation Committee sets the compensation of our executive officers, including our named executive officers, substantially based on their achievement of annual financial and operational objectives that further our long-term business goals and the creation of sustainable long-term stockholder value. As a result, the majority of our named executive officers' total compensation is tied to performance. This is done by basing a significant portion of their compensation on performance incentives.

Compensation Philosophy and Overall Compensation Principles

The Company's goal for its executive compensation program is to recruit, retain and motivate a highly talented team of executives with the requisite set of skills and experience to successfully lead the Company in creating value for our stockholders in a highly competitive and volatile industry. The Compensation Committee believes that the compensation program for our named executive officers should emphasize at-risk, performance-based compensation without motivating excessive risk taking. A significant portion of the total compensation opportunity for each of our executives (including the named executive officers) is directly related to performance factors that measure our progress against the goals of our strategic and operating plans. The Compensation Committee believes that our executive compensation program implements and achieves the goals of our executive compensation philosophy.

We strive to apply the following principles for compensating our crewmembers, including our named executive officers:

Support our strategy and stay true to our Values: We aim to align compensation programs with business strategies focused on long-term growth and creating value for our stockholders. We motivate crewmembers to overcome challenges and to deliver commitments, all while living our Values of Safety, Caring, Integrity, Fun and Passion;

Attract and retain top talent: We aim to set target compensation for our crewmembers to be below the market median within the airline industry, but still competitive given our Northeast location, route network, value carrier market placement and structure; and

Pay for performance: We hold our crewmembers accountable for their performance in light of Company goals, our general and industry performance. We believe the proportion of executive compensation designed to be delivered in variable pay should depend on the executive's position and the ability of that position to influence overall Company performance.

The Company strives to implement the principles described above through the following features of its executive compensation practices:

Base salary, as a percentage of total direct compensation, should decrease as salary grade levels increase. We believe that the proportion of compensation designed to be delivered in base salary versus variable pay should be linked to the executive's position and the ability of that position to influence overall Company performance. As leaders move to higher levels of responsibility with more direct influence over the Company's performance, we believe they should have a higher percentage of pay at risk. We believe that the mix and structure of our executive compensation packages strikes the appropriate balance to promote long-term returns without motivating or rewarding excessive risk-taking.

The ratio of long-term incentive compensation to short-term incentive compensation should increase as salary grade levels increase. We expect our executive officers to focus on our long-term success. Our compensation program is designed to motivate executives to take actions that are best for our long-term growth and viability. Our compensation program emphasizes long-

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term compensation and financial performance measures correlated with growing stockholder value rather than simply rewarding shorter-term performance and payout periods.

Equity compensation should increase as salary grade levels increase. We believe that our senior executive officers who are in positions that most directly affect the Company's performance should have sustainable profitable growth for the Company as their main priority. We believe they should receive part of their compensation in the form of equity, which reinforces the link between their actions and stockholders investment. We think equity ownership encourages executives to behave like owners and provides a clear link with stockholders' interests.

Compensation Elements

The following elements made up the fiscal 2010 compensation program for our executive officers, including all of the executive officers listed in the Summary Compensation Table on page 55 (whom we refer to as the named executive officers):

Description	Total Compensation			Total Indirect Compensation All Other Compensation
	Total Direct Compensation		Long Term Compensation Long Term Incentive	
	Short Term Compensation Base Salary	Annual Incentive		
	Fixed Cash Component	Annual Cash Award tied to achieving performance metrics	Equity award tied to achieving performance metrics (RSUs)	Health and welfare plans, including broad based medical, life insurance and disability plans; 401(k) plan; change in control plans. Perquisites: space available flight privileges for all crewmembers, and, as is common in the airline industry, positive space flight privileges for executive officers and their immediate family; possible relocation assistance at the supervisor level and above; executive annual physicals at certain facilities.
Purpose	Provides a competitive level of fixed compensation that attracts and retains skilled management	Creates incentive for executive officers to direct their efforts toward achieving specified company goals	Creates incentive for executive officers to direct their efforts toward achieving specified company goals	Provides competitive, broad-based employee benefits structure, retirement planning benefits, to attract and retain employees

The portion of total compensation delivered in the form of base salary and benefits is intended to provide a competitive foundation and fixed rate of pay for the work being performed by each named executive officer and the associated level of responsibility and contributions to the Company. The compensation opportunity beyond those pay

elements is at risk and must be earned through achievement of annual goals, which represent performance expectations of the Board and management and long-term value creation for stockholders. In setting target compensation, the Compensation Committee focuses on the total compensation opportunity for the executive. The proportion of compensation designed to be delivered in base salary versus variable pay depends on the executive's position and the ability of that position to influence overall Company performance. The more senior the level of the executive, the greater the amount of pay opportunity that is variable.

Determining Executive Compensation

The Compensation Committee assists the Board with respect to oversight and determination of compensation for the Company's directors and executive officers. The Compensation Committee oversees the Company's executive compensation policies and reviews and establishes, subject to approval by our Board of Directors, the compensation for our Chief Executive Officer. The

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Compensation Committee is charged with review of pay levels and policies related to salaries, bonuses and grants of awards and oversight of our equity incentive plans. In determining base salary, annual bonuses and equity awards, the Compensation Committee uses the relevant executive officer's current level of total compensation as the starting point. The Committee bases any adjustments to the current pay level on several factors, including the scope and complexity of the functions the executive officer oversees, the contribution of those functions to our overall performance, individual experience and capabilities, individual performance and competitive pay practices. Any variations in compensation among our executive officers reflect differences in these factors.

The Compensation Committee used the following tools in determining senior executive officers' base salary, annual incentive cash targets, and equity awards:

Competitive Peer Group Survey; Internal Pay Equity Review; Tally Sheets;	Management Recommendations; and Annual Performance Reviews.
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During the Committee's first quarter meeting, the Compensation Committee approves target total direct compensation for the upcoming year, which is comprised of:

In February 2011, the Compensation Committee reviewed the Company's and the named executive officers' performance for fiscal year 2010. After considering various data and input provided by management, the Compensation Committee then determined the Company's Corporate Performance Factor, annual incentive bonus and equity awards for the named executive officers. At the same meeting, the Compensation Committee approved base salaries, target annual incentive cash baselines and equity targets for the named executive officers for fiscal 2011.

Compensation Consultant

The Compensation Committee has the authority to retain and terminate independent, third-party compensation consultants and to obtain independent advice and assistance from internal and external legal, accounting and other advisors. The Chair of the Compensation Committee reports the Committee's actions and recommendations of the previous quarter to the full Board at the next regularly scheduled Board meeting.

In 2010, the Compensation Committee retained Semler Brossy Consulting Group, LLC as its independent compensation consultant. Semler Brossy Consulting Group provided an additional objective perspective as to the reasonableness of our executive compensation programs and practices and their effectiveness in supporting our business and compensation objectives. As discussed below under *Peer Competitive Group Survey* *Market Assessment*, Semler Brossy Consulting Group provided the Company with compensation data during the fourth quarter of 2009 from the companies in the competitor peer group. The Company used this data to develop its recommendations to the Compensation Committee for 2011 compensation levels. Semler Brossy Consulting Group also provided suggestions on the design of the annual bonus and long-term incentive plans that were used in 2010 including the performance measures and weighting, the factors for the Committee to review when determining whether to apply discretion, and the general range of discretion to apply. Semler Brossy Consulting Group did not perform any separate additional services for management.

Competitive Peer Group Survey* *Market Assessment

The Compensation Committee reviewed a report on the Company's compensation programs for senior executive officers which incorporated data provided by the Semler Brossy Consulting Group. Semler Brossy Consulting Group

collected compensation data during the fourth quarter of 2009 from

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the companies in our competitor peer group. The report compared our executive compensation program to peer companies on base salary, target annual bonus, target equity and total direct compensation.

Our competitor peer group consists of the following twelve companies:

Airtran Holdings, Inc.	Delta Air Lines, Inc.	Skywest, Inc.
Alaska Air Group	Hawaiian Holdings	Southwest Airlines Co.
AMR Corporation	Pinnacle Airlines Corp.	UAL Corp.
Continental Airlines, Inc.	Republic Airways Holdings Inc.	US Airways Group

These companies were selected because, like JetBlue, they are airline companies with significant revenue (generally, but not all, over \$1 billion) and with significant operations employing a large number of individuals and aircraft in our competing markets. We believe this comparator group provides a good basis for assessment of our compensation programs.

While the Compensation Committee uses the competitive data as a reference point, it is not, and was not in 2010, the sole determining factor in executive compensation decisions. The data is used primarily to ensure that our executive compensation program as a whole is peer competitive when the Company achieves targeted performance levels. We generally seek to provide total direct compensation opportunities, which include salary, annual bonus and long-term incentives, between the 25th and 40th percentile of the peer group's total direct compensation. While we do not establish a specific market percentile ranking for the individual compensation element that comprise total direct compensation, we review each element to ensure it is reasonable relative to our peer group. We believe this market positioning allows us to maintain our competitive cost advantage versus our peer group. We also believe that this market positioning recognizes that some of the peer competitors are significantly larger than we are and yet we compete for the same talent pool. Consistent with our compensation objectives discussed above, we incorporate flexibility into our compensation programs and in the executive assessment process to respond to, and adjust for, changes in the business and economic environment and individual accomplishments, performance and circumstances. Compensation of each of our named executive officers in fiscal 2010 fell within the 25 and 40th percentile of the peer group's total direct compensation.

Tally Sheets

The Compensation Committee uses tally sheets as a reference to ensure committee members understand the total compensation being delivered to executives each year and over a multi-year period. A tally sheet is a listing that adds up the various components of a senior executive officer's compensation package. When making executive compensation decisions, the Compensation Committee reviews tally sheets for each senior executive officer. Tally sheets provide the following for each senior executive officer: targeted value of base pay, annual incentive bonus and equity award grants for the current year and each of the past 5 years; actual realized value for each of the past several years (the sum of cash received, gains realized from equity awards, and the value of perquisites and other benefits); the amount of unrealized value from prior equity award grants (i.e., unvested restricted stock units and unvested or outstanding stock options); and the amount the executive could realize from the acceleration of equity award vesting upon a change in control or any severance arrangement. Tally sheets also enable the Compensation Committee to validate its strategy of paying executive compensation in the form of equity by showing amounts realized and unrealized by executives from prior equity grants.

Internal Pay Equity Review

Because of our team-based approach to executive officer compensation, the Company carefully considers the relative compensation levels among all members of the executive team for internal pay equity. Accordingly, the Company's executive compensation program is designed to be internally consistent and equitable in order to further the Company's success. In the future, we may have

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differences in the amounts awarded to each of the senior executive officers, including the named executive officers, due to the specific officer's experience, responsibilities and performance.

Performance Evaluation Chief Executive Officer

Our Board of Directors evaluates Mr. Barger, our President and Chief Executive Officer, on an annual basis. Mr. Barger recuses himself from Board discussions relating to evaluations of his performance. The Board's evaluation includes both objective and subjective criteria of the Chief Executive Officer's performance, which include JetBlue's financial performance, JetBlue's performance with respect to our long-term strategic objectives and the development of our senior management team. Prior to the Board's evaluation, the Compensation Committee evaluates Mr. Barger's compensation. The Compensation Committee uses the competitive market data discussed above to set total direct compensation for the Chief Executive Officer. The Compensation Committee conducts a performance review without Mr. Barger's participation and provides its recommendations to the full Board.

Performance Evaluations Named Executive Officers (Other Than the Chief Executive Officer)

The Compensation Committee, together with our Chief Executive Officer, evaluates the performance of the remaining named executive officers. Mr. Barger provides a performance assessment and compensation recommendation to the Compensation Committee for the remaining named executive officers within an overall team performance framework. The performance evaluation may be based on factors such as achievement of the company objectives and performance; leadership and talent development; individual business area responsibilities; and performance as an executive team member and overall executive team performance.

The Compensation Committee also reviews total direct compensation data from the competitive market data, with respect to the other senior executive officers. The Compensation Committee makes final determinations regarding the other named executive officers' total compensation.

Comparison of 2009 and 2010 Direct Compensation to Named Executive Officers

The supplemental compensation table below shows how the Committee assessed total direct compensation for our executive officers in 2010 and 2009. It is consistent with the Committee's analysis of information presented to it in tally sheets (see Compensation Practices and Procedures Use of Tally Sheets) and the Committee's evaluation of our performance relative to established performance targets. The Committee approves restricted stock units awards when financial results for the previous year are finalized, which occurs early in the following year. According to SEC rules, backward-looking awards of restricted stock units are shown in the 2010 Summary Compensation Table below as compensation in the year that the awards are made, even if those awards are based on the prior year's performance. Accordingly, restricted stock that we granted in 2011 based on our performance in 2010 will not be included as compensation in the 2010 Summary Compensation Table. Instead, restricted stock that was granted in February 2010 based on our performance in 2009 is shown as compensation received by our executive officers in 2010.

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The supplemental compensation table is not intended to be a substitute for the 2010 Summary Compensation Table. The primary difference between this supplemental compensation table and the 2010 Summary Compensation Table is that the supplemental compensation table includes grants of restricted stock units in the performance year to which they relate.

Name and Principal Position	Year	Salary (\$)(1)	Restricted	Non-Equity	All Other	Total (\$)
			Stock Awards(\$)(2)	Incentive Plan Compensation(\$)(3)		
Dave Barger President and CEO	2010	600,000	750,000	300,000	13,768	1,663,768
	2009	600,000	312,250	375,000	13,463	1,292,380
Ed Barnes EVP and Chief Financial Officer	2010	400,000	350,000	200,000	17,019	954,724
	2009	350,000	281,250	218,750	12,790	862,790
Robin Hayes EVP and Chief Commercial Officer	2010	400,000	350,000	200,000	15,807	965,807
	2009	400,000	281,250	250,000	12,670	943,920
Jim Hnat EVP, General Counsel, Corporate Secretary	2010	400,000	350,000	200,000	3,060	944,727
	2009	350,000	281,250	218,750	324	855,201
Rob Maruster EVP and Chief Operating Officer	2010	400,000	350,000	200,000	12,574	954,241
	2009	328,000	281,250	211,447	12,504	833,118

(1) This column shows annualized salary for the year indicated.

(2) This column shows the aggregate grant date fair value of awards of restricted stock for the performance year indicated, calculated in accordance with accounting guidance.

(3) This column shows the cash bonuses paid for the performance year indicated.

(4) Represents Company 401(k) matching contributions under the JetBlue Airways Profit Sharing Retirement Plan, in which all of our employees are eligible to participate, as well as life insurance premiums and, for Mr. Hayes and Mr. Hnat, executive physical expenses.

Base Salary

Mr. Barger receives an annual salary of \$600,000 and, following an increase approved by the Compensation Committee in the beginning of 2010 to the salaries of Mr. Barnes, Mr. Hnat and Mr. Maruster, all other named executive officers are paid an annual salary of \$400,000. The salary increases for Messrs. Barnes, Hnat and Maruster were approved in light of these named executive officers' accomplishments and contributions to the Company's

performance results in 2009, to align the executive leadership team salary structure and consistent with the Company's compensation objectives and to ensure that their compensation levels are consistent with compensation levels for comparable positions at our peer companies. Since Mr. Hayes was already receiving a salary of \$400,000, he received no increase in 2010. Despite positive performance results last year, the Company remains cautious in light of the current macroeconomic environment and no salary adjustments were made in the annual salary review at the beginning of 2011.

Annual Incentive and Equity Compensation

The Company's annual incentive targets and equity targets are payable according to the Company's achievement of its annual performance metrics. To measure our 2010 performance, we established performance targets for each one of five equally weighted (20%) targets: Crewmember Net Promoter Score (NPS), Customer NPS, Operating Margin, Free Cash Flow and Ex-Fuel CASM (cost per available seat mile). NPS is a brand loyalty analysis. These measures were logical outgrowths of our internal strategy map analysis. The Compensation Committee retains discretion to exercise its

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judgment upwards or downwards based on qualitative factors, including, for example, operating and financial performance versus our peer group and versus the market, variances in fuel costs from the assumptions in the budget, and our long-term strategic plan development.

We used our performance assessment framework to evaluate our results on each goal and then perform a collective assessment across all goals to determine a corporate performance factor, which is then applied to our annual incentive bonus and equity awards. For 2010, the corporate performance factor was determined as follows:

Measure	Target	Performance
Crewmember NPS	55	43
Customer NPS	70	62.8
Ex Fuel CASM	4%	5.9%
Op Margin	8.3%	8.8%
Free Cash Flow	\$ 46MM	\$ 225MM

Our NPS performance was under target in 2010, due in part to challenges associated with the customer service system transition and the impact of a significant weather event at the end of December, which put additional strain on our crewmembers at peak holiday travel season, while simultaneously limiting our ability to reaccommodate our customers due to already high load factors. This resulted in a corporate performance factor between Under and Met target. However, in 2010, after evaluating the Company's performance, the Compensation Committee chose to exercise its discretion to approve a Met target payout. In making this determination, the Compensation Committee considered the Company's positive performance results measured on the basis of the following performance metrics not included in the calculation of the corporate performance factor: pretax income, record 2010 operating revenues, a sixth J.D. Power and Associates best low cost carrier award, our milestone achievement in connection with the extremely successful and significant infrastructure conversion to our new customer service system and successful management of the JFK bay runway closure, and the Company's performance against the changing industry landscape. The Compensation Committee concluded the Company performed exceptionally well in light of the challenging economic conditions and that, in light of the Company's positive performance results measured on the basis of the above factors and the named executive officers' individual contributions to the Company's performance, a discretionary adjustment of payouts to Met target was appropriate. The discretionary portion of each named executive officer's payout is reported in the Bonus column of the Summary Compensation Table.

As a result of our emphasis on pay-for-performance, each named executive officer's potential variable compensation of cash bonus and restricted stock represents a significant percentage of his total annual compensation. In 2010, the percentage of total target compensation (defined as annual base salary, target cash bonus opportunity and target restricted stock unit opportunity) represented by the target cash bonus and restricted stock opportunities was approximately 64% for each of Mr. Barger, Mr. Barnes, Mr. Hayes, Mr. Hnat and Mr. Maruster.

Post-Employment and Other Benefits

We offer a very limited amount of perquisites and other personal benefits to our named executive officers. The Compensation Committee believes that these perquisites are reasonable and consistent with prevailing market practice and the Company's overall compensation program. Perquisites are not a material part of our compensation program. The Compensation Committee periodically reviews the levels of perquisites and other personal benefits provided to our named executive officers. See Summary Compensation Table All Other Compensation.

To promote retention and recruiting, we also offer limited arrangements that provide certain post-employment benefits in order to alleviate concerns that may arise in the event of a crewmember's separation from service with us and enable crewmembers to focus on Company duties while employed

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by us. These post-employment severance benefits are provided through our Executive Change in Control Severance Plan (the Executive Plan) and Amended and Restated 2002 Stock Incentive Plan, as applicable. Our Executive Plan is intended to insure stability within the Company during a period of uncertainty resulting from the possibility of a change in control of the Company by providing incentives for certain designated crewmembers, including our named executive officers, to remain in our employ. See Agreements Governing Termination, Agreements Governing a Change in Control, Potential Payments Upon Termination or Change in Control below.

2010 Annual Incentive Bonuses

We structure annual incentive bonuses, which are payable in cash, to reward executive officers and members of leadership throughout the organization to the manager level for attaining annual corporate performance targets. The annual incentive target for the named executive officers is 50% of base salary. The named executive officers maximum bonus is two times their target bonus, or 100% of salary. For 2010, bonus payments to the named executive officers were calculated at 50% of base salary, due to the Met target assessment of our corporate performance.

2010 Equity Awards

We grant equity in the form of restricted stock units in connection with our annual performance review, and upon hire or promotion. All restricted stock unit grants are subject to time-based vesting requirements. Each year before the beginning of a new year, the Compensation Committee approves equity grant dates for the upcoming year. All equity awards are made only on one of the approved grant dates and the Compensation Committee approves the grants to be awarded on the scheduled grant date. Newly hired or promoted crewmembers receive their awards on the next scheduled grant date following their date of hire or date of promotion. All of the restricted stock unit awards vest over three years and are subject to forfeiture to the extent a crewmember leaves the Company before his or her restricted stock units are fully vested. Our plan provides for automatic share withholding to cover any tax liability when restricted stock units vest.

Our equity ranges for 2010 performance are as follows:

	CEO	Other NEOs
Threshold	\$ 375,000	\$ 175,000
Target	\$ 750,000	\$ 350,000
Maximum	\$ 1,500,000	\$ 700,000

The Compensation Committee, in consultation with the Board of Directors, reviewed Mr. Barger's performance and leadership in 2010, the Company's overall performance in a challenging environment for the airline industry and awarded Mr. Barger an equity grant, issued on February 16, 2011, with a fair market value of \$750,000 due to the same Met Target determination applied to our short term incentive compensation awards. Similarly, our other named executive officers were awarded equity grants on February 16, 2011 with a fair market value of \$350,000 due to the Met target assessment discussed above. We believe this approach was consistent with our pay for performance and team-driven awards philosophy where we link our corporate results to each named executive officer's compensation. These restricted stock units vest over three years and are at risk of forfeiture should the officer leave the Company before the awards are fully vested.

2011 Compensation Program Changes

In February 2011 (for potential payout in February 2012), Mr. Barger's equity target was modified to a potential target of \$1,250,000 in restricted stock units valued as of the grant date. The Compensation Committee modified Mr. Barger's equity target opportunity to move Mr. Barger's total direct compensation into the middle of the intended positioning of 25th-40th percentile range (while also increasing his at risk compensation).

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No other changes were made to the compensation program for the named executive officers.

Tax and Accounting Impact

Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code, generally disallows a tax deduction to public companies for compensation in excess of \$1,000,000 paid to each of our Chief Executive Officer and our next four most highly paid executive officers (other than our Chief Financial Officer). Qualifying performance-based compensation is not subject to this deduction limitation if certain requirements are met. At present, restricted stock units and stock option grants under our Amended and Restated 2002 Stock Incentive Plan do not qualify as performance-based compensation and amounts payable on the vesting of those awards may not be fully deductible. We periodically review the potential consequences of Section 162(m) with respect to compensatory elements. In the future, we may authorize other compensation payments to our named executive officers that do not comply with the exemptions in Section 162(m) if we judge that such payments are appropriate and in the best interests of our stockholders, after taking into consideration changing business conditions and/or any individual executive's particular circumstances. This approach is consistent with our general compensation policy to remain flexible in order to address business and/or financial challenges as they may arise.

Other provisions of the Code can also affect compensation decisions. Under Sections 280G and 4999 of the Code, a 20% excise tax is imposed upon certain individuals who receive payments upon a change in control if the payments received by them equal or exceed an amount approximating three times their average annual compensation. The excise tax is imposed on all such payments exceeding one time an individual's average annual compensation. A company will also lose its tax deduction for such excess parachute payments. As discussed under Payments upon a Change in Control-Executive Change in Control Plan, below, our executive change in control plan provides for tax gross-up payments to cover the cost of this excise tax.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section with our management. Based on such review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2010.

The Compensation Committee of JetBlue:

David Checketts

Stanley McChrystal

Joel Peterson

Ann Rhoades (Chair)

Table of Contents**SUMMARY COMPENSATION TABLE**

The following table provides certain information concerning the compensation for services rendered to us during the years ended December 31, 2010, 2009 and 2008 by (i) each person serving as a principal executive officer during the year ended December 31, 2010, (ii) each person serving as a principal financial officer during the year ended December 31, 2010 and (iii) each of the three other most highly-compensated individuals who were serving as executive officers as of December 31, 2010 (collectively, the named executive officers):

Name and Principal Position(a)	Year(b)	Salary (\$)(c)	Bonus (\$)(1)(d)	Stock Awards (\$)(2)(e)	Non-Equity Incentive Plan Compensation (\$)(3)(g)	All Other Compensation (\$)(4)(i)	Total (\$)(j)
David Barger Chief Executive Officer and President	2010	600,000	33,000	312,249	267,000	13,768	1,226,017
	2009	591,667		499,992	375,000	13,463	1,480,122
	2008	375,000		250,000	250,000	12,708	887,708
Edward Barnes Executive Vice President and Chief Financial Officer	2010	391,667	22,000	281,247	178,000	17,019	889,933
	2009	350,000		249,997	218,750	12,790	831,537
	2008	345,152	30,000	374,988	172,060	9,124	931,324
Robin Hayes Executive Vice President and Chief Commercial Officer	2010	400,000	22,000	406,246	178,000	15,807	1,022,053
	2009	400,000		249,997	250,000	12,670	912,667
	2008	157,436	200,000	399,994	200,000	1,286	958,716
James Hnat Executive Vice President and General Counsel	2010	391,667	22,000	281,247	178,000	3,060	875,974
	2009	350,000		249,997	218,750	324	819,071
	2008	345,833		250,000	175,000	270	771,103
Robert Maruster Executive Vice President and Chief Operating Officer	2010	391,667	22,000	281,247	178,000	12,574	885,488
	2009	327,917		312,487	211,447	12,504	864,355
	2008	285,000	152,000	187,496	142,500	72,157	839,153

(1) Compensation reported under this column consists of signing bonuses and spot bonuses. Annual performance-based bonuses are reported above under the Non-Equity Incentive Plan Compensation column. Amounts reported for fiscal 2010 represent discretionary adjustments of the non-equity incentive plan payouts for

each named executive officer in excess of the target. See Compensation Discussion and Analysis Summary of Fiscal Year 2010 Executive Compensation Decisions Annual Incentive and Equity Compensation and Bonuses above.

- (2) Reflects the grant date fair value of the restricted stock units based on JetBlue's stock price on the grant date computed in accordance with FASB ASC Topic 718 for the fair value of restricted stock units representing the rights to receive shares of JetBlue common stock upon vesting under our Amended and Restated 2002 Stock Incentive Plan, as granted in 2010. Please refer to Note 7 to our consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2010, as filed with the SEC, for further discussion related to the assumptions used in our valuation as well as the disclosure of the accounting expense recognized. For information on the valuation assumptions with respect to grants made prior to 2010, please refer to the notes to

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our financial statements in our applicable Annual Report on Form 10-K. See the Grants of Plan-Based Awards table below for further information on restricted stock units granted in 2010.

- (3) Represents incentive bonus earned in 2010, 2009 and 2008, based upon our and each named executive officer's achievement of certain specified annual performance targets. The amounts earned in 2010 were paid on February 18, 2011, the amounts earned in 2009 were paid on February 20, 2010 and the amounts earned in 2008 were paid on February 20, 2009. See Compensation Discussion and Analysis Annual Incentive Bonuses above.
- (4) Represents Company 401(k) matching contributions under the JetBlue Airways Profit Sharing Retirement Plan in which all of our employees are eligible to participate, as well as life insurance premiums and, for Mr. Barnes in 2008 and for Mr. Hayes and Mr. Hnat in 2010, the cost of an executive physical. The 401(k) matching contribution for each of Mr. Barger, Mr. Barnes, Mr. Hayes and Mr. Maruster was \$12,250. The amount for Mr. Hayes also includes reimbursement of moving expenses.

GRANTS OF PLAN-BASED AWARDS

The following table sets forth certain information, as of December 31, 2010, concerning individual grants of equity and non-equity plan-based awards made to the named executive officers during the fiscal year ended December 31, 2010.

Name(a)	Grant Date(b)	Estimated Future Payouts under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units	Grant Date Fair Value of Stock and Option Awards
		Threshold (\$)(1)(c)	Target (\$)(1)(2)(d)	Maximum (\$)(1)(e)	(#)(3)(i)	(\$)(4)(f)
David Barger	2/18/2010		300,000	600,000	59,363	312,249
Edward Barnes	2/18/2010		200,000	400,000	53,469	281,247
Robin Hayes	2/18/2010		200,000	400,000	77,233	406,246
James Hnat	2/18/2010		200,000	400,000	53,469	281,247
Robert Maruster	2/18/2010		200,000	400,000	53,469	281,247

- (1) The threshold column reflects the minimum award that would have been granted had we achieved none of our performance targets for 2010. The target column reflects the award granted if we were to achieve 50% of our 2010 performance targets (see Compensation Discussion and Analysis Annual Incentive Bonuses above). The maximum column reflects awards that would have been payable for our 2010 performance had we achieved all of our performance targets for the year.

- (2) This column shows the value of the non-equity incentive plan payout for each named executive officer for 2010, given our performance during the year. The payouts are based on performance goals established in 2010 and are therefore completely at risk. The business measurements and performance goals for determining the payout are described in Compensation Discussion and Analysis Annual Incentive Bonuses above.
- (3) Granted under our Amended and Restated 2002 Stock Incentive Plan. Subject to the named executive officers continued employment, these equity awards vest in a series of three equal annual installments commencing on the first anniversary of the grant date, subject to immediate vesting upon certain changes in control.
- (4) Represents total grant date fair value of restricted stock units as determined in accordance with FASB ASC Topic 718. Please refer to Note 7 to our consolidated financial statements in our 2010

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annual report for further discussion related to the assumptions used in our valuations of restricted stock units.

On February 11, 2008, we entered into an employment agreement with David Barger, our Chief Executive Officer, which was amended in 2009 and again in 2010. As amended, the agreement has a term through February 11, 2015 and provides for an annual salary, effective as of February 1, 2009, of \$600,000. The agreement provides that Mr. Barger is eligible to receive an annual incentive bonus at a target of 50% and a maximum of 100% of his base salary; a restricted stock unit award with a minimum target at a fair market value of \$250,000, with a then minimum award of \$0 and a maximum award of \$500,000 (the maximum award is aimed at 2 times his salary, adjusted over time), depending on his performance against targets as set and reviewed by the Compensation Committee; as well as participation in the Company's benefit plans available to its executive officers. (Mr. Barger received a supplemental grant of restricted stock units with a grant date fair value of \$250,000 when his employment agreement was amended.) The agreement may be terminated for Cause (as defined below under Potential Payments upon Termination or Change In Control), or if he were to resign from the Company. See Agreements Governing Termination. As noted above, in the Compensation Discussion and Analysis 2011 Compensation Program Changes, Mr. Barger's equity target for 2011 was modified to a potential target of \$1,250,000 in restricted stock units valued as of the grant date.

None of Mr. Barnes, Mr. Hayes, Mr. Hnat or Mr. Maruster have employment agreements with the Company.

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The following table sets forth information concerning all outstanding equity awards for each named executive officer at December 31, 2010.

Name(a)	Grant Date	Option Awards			Stock Awards		
		Number of Securities Underlying Unexercised Options (#) Exercisable (b)(1)	Number of Securities Underlying Exercised Options (#) (c)(1)	Option Price (\$) (e)	Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested (\$) (h)(2)
David Barger	2/8/2002	16,707		4.00	2/8/2012		
	3/26/2004	27,000		15.80	3/26/2014		
	9/1/2004	135,000		15.82	9/1/2014		
	5/18/2005	27,000		14.75	5/18/2015		
	5/18/2006	18,000		10.62	5/18/2016		
	2/14/2008					13,124	86,750
	2/19/2009					36,792	243,195
	8/20/2009					31,806	210,238
	2/18/2010					59,363	392,389
	Edward Barnes	11/15/2006	9,000		15.27	11/15/2016	
11/14/2007		13,500		7.79	11/14/2017		
2/14/2008						9,843	65,062
5/22/2008						14,045	92,837
2/19/2009						36,792	243,195
2/18/2010						53,469	353,430
Robin Hayes	11/13/2008					23,109	152,750
	2/19/2009					36,792	243,195
	2/18/2010					77,233	510,510
James Hnat	7/20/2001	3,375		1.707	7/20/2011		
	2/10/2003	20,250		11.527	2/10/2013		
	3/26/2004	9,000		15.800	3/26/2014		
	5/18/2005	9,000		14.753	5/18/2015		
	5/18/2006	13,500		10.615	5/18/2016		
	5/16/2007	27,000		10.680	5/16/2017		
	2/14/2008					13,124	86,750
	2/19/2009					36,792	243,195
	2/18/2010					53,469	353,430

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Robert Maruster	8/17/2005	45,000	12.913	8/17/2015		
	5/18/2006	13,500	10.615	5/18/2016		
	5/16/2007	13,500	10.680	5/16/2017		
	2/14/2008				9,843	65,062
	2/19/2009				27,594	182,396
	8/20/2009				15,903	105,119
	2/18/2010				53,469	353,430

(1) Please refer to the table below for the applicable vesting schedules of outstanding option awards.

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Grant Date	Option Expiration Date	Vesting Schedule
7/20/2001	7/20/2011	20% in five equal annual installments beginning on June 28, 2002
2/8/2002	2/8/2012	20% in five equal annual installments beginning on February 8, 2003
2/10/2003	2/10/2013	20% in five equal annual installments beginning on February 1, 2004
3/26/2004	3/26/2014	One-third in three equal annual installments beginning on (1) August 17, 2004 for Mr. Barger and (2) March 26, 2005 for Mr. Hnat.
9/1/2004	9/1/2014	20% in five equal annual installments beginning on August 24, 2004
5/18/2005	5/18/2015	One-third in three equal annual installments, beginning on May 18, 2006.
8/17/2005	8/17/2015	Initially, 20% in five equal annual installments beginning on July 30, 2006; however, Mr. Maruster's outstanding options were accelerated on December 9, 2005 as part of a Company-wide option acceleration prior to the effective date of SFAS 123(R). Mr. Maruster was not a named executive officer at the time of the acceleration; such officers' options were not accelerated.
5/18/2006	5/18/2016	One-third in three equal annual installments beginning on May 18, 2007
11/15/2006	11/15/2016	One-third in three equal annual installments beginning on November 15, 2007
5/16/2007	5/18/2016	One-third in three equal annual installments beginning on May 16, 2008
11/14/2007	11/14/2017	One-third in three equal annual installments beginning on November 14, 2008
2/14/2008		One-third in three equal annual installments beginning on February 14, 2009
5/22/2008		One-third in three equal annual installments beginning on May 22, 2009
11/13/2008		One-third in three equal annual installments beginning on November 13, 2009
2/19/2009		One-third in three equal annual installments beginning on February 19, 2010
8/20/2009		One-third in three equal annual installments beginning on August 20, 2010
2/18/2010		One-third in three equal annual installments beginning on February 18, 2011

(2) The value of these awards was calculated by using a share price of \$6.61, the closing price of JetBlue's common stock on December 31, 2010 multiplied by the number of shares of stock subject to the award.

OPTION EXERCISES AND STOCK VESTED

Name(a)	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)(b)	Value Realized on Exercise (\$)(c)	Number of Shares Acquired on Vesting (#)(d)	Value Realized on Vesting (\$)(e)
David Barger			47,421	258,462

Edward Barnes	42,281	229,143
Robin Hayes	41,502	256,692
James Hnat	31,518	167,179
Robert Maruster	31,588	171,015

Potential Payments upon Termination or Change In Control

Each of our named executive officers may receive various payments if his employment is terminated, depending on the grounds for the termination. Employment may be terminated in various ways, including the following:

Voluntary termination of employment by the named executive officer (with or without good reason);

Retirement (normal or early);

Termination of employment by the Company (with or without cause);

Termination in the event of the disability or death of the named executive officer; and

Termination following a change in control of the Company.

In the table below, we provide estimates of the payments that our named executive officers would have received had their employment been terminated as of December 31, 2010.

Potential payments made to Mr. Barger upon the termination of his employment or upon a change in control are governed by the terms of his employment agreement with the Company and the benefit

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plans in which he participates. Since none of Mr. Barnes, Mr. Hayes, Mr. Hnat or Mr. Maruster have employment agreements with the Company, potential payments to Messrs. Barnes, Hayes, Hnat and Maruster upon the termination of their employment or upon a change in control are governed solely by the terms of the benefit plans in which they participate.

Agreements Governing Termination

Payments to Mr. Barger upon Termination. We have an employment agreement, as amended, with Mr. Barger, our Chief Executive Officer. See narrative disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table, at page 55. Under Mr. Barger's employment agreement, if the Company were to terminate Mr. Barger's employment for Cause (as defined in the employment agreement), or if Mr. Barger were to resign from the Company, Mr. Barger would only be entitled to payment of unpaid base salary through and including the date of termination or resignation and any other amounts or benefits required to be paid or provided by law or under any plan, program, policy or practice of the Company. If, prior to the expiration of the employment term, Mr. Barger's employment were terminated by the Company without Cause, the Company would (a) continue to pay Mr. Barger his base salary (at the rate in effect on the date Mr. Barger's employment is terminated) until the end of the one year following his termination, (b) to the extent the Company's performance goals were achieved, pay Mr. Barger a pro rata portion of his bonus for the year in which the termination of employment occurs on the date such bonus would have been payable to Mr. Barger had he remained employed by the Company, and (c) pay Mr. Barger any other accrued compensation and benefits. If, after termination of his employment without Cause, Mr. Barger were to breach any of the confidentiality, non-competition, non-solicitation or return of proprietary materials provisions contained in the agreement, he would forfeit, as of the date of such breach, all of the payments and benefits described in this paragraph. If Mr. Barger's employment were terminated by reason of his death or Disability (as defined below), the Company would pay to Mr. Barger (or his estate, as applicable), his base salary through and including the date of termination and any other accrued compensation and benefits. For purposes of this agreement, Disability means that Mr. Barger is (a) unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, or (b) by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

Pursuant to Mr. Barger's employment agreement, he has agreed to maintain the confidentiality of the Company's non-public information and to not compete with the Company, directly or indirectly, without consent of the Board, for up to one year after his termination from the Company. In addition, for twelve months after the later of the date on which Mr. Barger ceases to be an employee of the Company, he has agreed not to interfere with our employee or customer relationships, solicit our employees or customers on behalf of persons competitive with the Company and must have returned all our proprietary materials.

Payments to Other Named Executive Officers. As of December 31, 2010, we had no contractual obligation to make severance payments to any of our named executive officers other than Mr. Barger.

Arrangements Governing a Change in Control

Executive Change in Control Plan. On June 28, 2007, upon recommendation of the Compensation Committee, the Board approved and adopted the JetBlue Airways Corporation Executive Change in Control Severance Plan (the Executive Plan). A change in control, as defined in the Executive Plan, means: (i) a reorganization, merger, consolidation or other corporate transaction involving JetBlue, such that the stockholders of the Company immediately prior to such transaction do not, immediately after such transaction, own more than 50% of the combined voting power of the Company in substantially the same proportions as their ownership, immediately prior to such

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combination, of the voting securities of the Company; or (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets, or the consummation of a plan of complete liquidation or dissolution of the Company. The Executive Plan provides severance and welfare benefits to eligible employees who are involuntarily terminated from employment without cause or when they resign during the two-year period following a change in control for Good Reason (a Qualifying Termination Event). Good Reason means the termination of employment by an eligible employee because of any of the following events: (1) a 10% reduction by the Company (other than in connection with a Company-wide, across-the-board reduction), in (x) his or her annual base pay or bonus opportunity as in effect immediately prior to the change in control date or (y) his or her bonus opportunity or 12 times his or her average monthly salary, or as same may be increased from time to time thereafter; (2) a material reduction in the duties or responsibilities of the eligible employee from those in effect prior to the change in control; or (3) the Company requiring the eligible employee to relocate from the office of the Company where an eligible employee is principally employed immediately prior to the change in control date to a location that is more than 50 miles from such office of the Company (except for required travel on the Company's business to an extent substantially consistent with such eligible employee's customary business travel obligations in the ordinary course of business prior to the change in control date). For purposes of the Executive Plan, cause means a conviction of or a plea of nolo contendere to any felony or a crime involving moral turpitude or dishonesty; fraud or breach of company policies which materially adversely affects the Company; intentional damage to the Company's property or business; habitual conduct that constitutes gross insubordination; or habitual neglect of his duties with the Company.

A named executive officer who incurs a Qualifying Termination Event will be entitled to receive two years of salary and two times his or her target bonus for the year in which termination occurs. In addition, each employee covered by the Executive Plan will be entitled to: (i) payment of his or her accrued but unused paid time off as of the date of termination; (ii) a pro rata portion of his or her annual bonus for the year in which termination occurs; and (iii) payment for certain unreimbursed relocation expenses incurred by him or her (if any). Each employee covered by the Executive Plan who incurs a Qualifying Termination Event will also be entitled to receive reimbursement for all costs incurred in procuring health and dental care coverage for such employee and his or her eligible dependents under COBRA. Such reimbursements will be made for 18 months for our named executive officers. During the reimbursement period, if an eligible employee becomes covered under group health and dental care plans providing substantially comparable benefits to those provided to similarly situated active employees of the Company, then the Company's COBRA reimbursement payments will be eliminated. In addition, named executive officers are eligible for flight benefits for two years following a Qualifying Termination Event.

With respect to named executive officers, the Executive Plan also contains an excise tax gross-up provision whereby if such employees incur any excise tax by reason of his or her receipt of any payment that constitutes an excess parachute payment, as defined in Section 280G of the Code, the employee will be entitled to a gross-up payment in an amount that would place him or her in the same after-tax position he or she would have been in had no excise tax applied.

The Executive Plan may be amended or terminated by the Company at any time prior to a change in control. In addition, under the terms of the Executive Plan, the Board is required to reconsider the terms of the plan within the 90-day period immediately prior to the third anniversary of its adoption in light of then-current market practices.

Potential payments upon a change in control under the Executive Plan are estimated in the table below captioned Potential Payments Upon Termination.

Payments in Connection with our Amended and Restated 2002 Stock Incentive Plan. In addition to the above, our Amended and Restated 2002 Stock Incentive Plan provides for immediate vesting of various equity grants in the event of a change in control. The phrase change in control, as used in the plan, means any of the following: a change in ownership or control of the Company effected through a

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merger, consolidation or other reorganization approved by our stockholders (unless securities representing more than 50% of the total combined voting power of the voting securities of the successor corporation are immediately thereafter beneficially owned, directly or indirectly and in substantially the same proportion, by the persons who beneficially owned our outstanding voting securities immediately prior to such transaction); the sale, transfer or other disposition of all or substantially all of our assets in a liquidation or dissolution; or the acquisition, directly or indirectly by any person or group of persons unaffiliated with us, of beneficial ownership of securities possessing more than 50% of the total combined voting power of our outstanding securities pursuant to a tender or exchange offer made to our stockholders.

Potential payments upon a change in control under the Amended and Restated 2002 Stock Incentive Plan are provided in the table below captioned Potential Payments Upon Termination.

Potential Payments Upon Termination

The table below sets forth potential benefits that each named executive officer would be entitled to receive upon termination of employment under the various circumstances outlined above. These disclosed amounts are estimates only and do not necessarily reflect the actual amounts that would be paid to the named executive officers, which would only be known at the time that they become eligible for such a payment. The amounts shown in the table are the amounts that would have been payable under existing plans and arrangements if the named executive officer's employment had terminated at December 31, 2010. Values for stock option and restricted stock unit grants are based on our common stock closing price of \$6.61 on the Nasdaq Global Select Market on December 31, 2010. The table below does not include amounts to which the named executive officers would be entitled that are already described in the other compensation tables appearing earlier in this proxy statement, including the value of equity awards that have already vested.

Potential Post-Employment Compensation

	Severance Amount (\$)(1)	Accelerated Vesting of Stock Options (\$)(2)	Accelerated Vesting of RSUs (\$)(3)	All Other Compensation (4)	Estimated Tax Gross- Up (\$)(5)	Total (\$)(6)
David Barger <i>Termination by the Company without cause</i>	600,000					600,000
Termination for any reason other than without cause(6)						
After Change of Control(7)	1,800,000		932,572	82,377	862,825	3,677,774
Edward Barnes <i>After Change of Control(7)</i>	1,200,000		754,525	115,619	520,543	2,590,687
Robin Hayes						

<i>After Change of Control(7)</i> James Hnat	1,200,000	906,456	103,494		2,209,950
<i>After Change of Control(7)</i> Robert Maruster	1,200,000	683,375	96,627	563,111	2,543,113
<i>After Change of Control(7)</i>	1,200,000	706,007	112,668	533,819	2,552,495

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- (1) As of December 31, 2010, we had no contractual obligations to make any severance payments to our named executive officers, other than Mr. Barger under the terms of his employment agreement.
- (2) All unvested stock options held by our named executive officers as of December 31, 2010, had an exercise price greater than the closing price of our common stock on such date and, therefore, had zero value at December 31, 2010.
- (3) Assumes accelerated vesting of 141,085 restricted stock units for Mr. Barger, 114,149 restricted stock units for Mr. Barnes, 137,134 restricted stock units for Mr. Hayes, 103,385 restricted stock units for Mr. Hnat and 106,809 restricted stock units for Mr. Maruster at the closing stock price on December 31, 2010.
- (4) Includes \$75,000 in outplacement services and \$14,250 in flight benefits for each of the named executive officers listed above with the exception of flight benefits for Mr. Barger which are included as part of the terms of his current employment. Also includes medical coverage in the amount of \$7,377 for Mr. Barger, \$26,369 for Mr. Barnes, \$14,244 for Mr. Hayes, \$7,377 for Mr. Hnat, and \$23,418 for Mr. Maruster. Under the Executive Plan, a named executive officer who incurs a Qualifying Termination Event will be entitled to receive two years of salary and two times his or her target bonus for the year in which termination occurs. In addition, each employee covered by the Executive Plan will be entitled to: (1) a pro rata portion of his or her annual bonus for the year in which termination occurs; and (2) payment for certain unreimbursed relocation expenses incurred by him or her (if any). Each employee covered by the Executive Plan who incurs a Qualifying Termination Event will also be entitled to receive reimbursement for all costs incurred in procuring health and dental care coverage for such employee and his or her eligible dependents under COBRA. Such reimbursements will be made for 18 months for our named executive officers. During the reimbursement period, if an eligible employee becomes covered under group health and dental care plans providing substantially comparable benefits to those provided to similarly situated active employees of the Company, then the aforementioned COBRA reimbursement payments will be eliminated.
- (5) Under Sections 280G and 4999 of the Code, a 20% excise tax is imposed upon individuals who receive payments upon a change in control to the extent the payments received by them exceed an amount approximating three times their average annual compensation, as discussed above under Compensation Discussion and Analysis Tax and Accounting Impact. As discussed above under Potential Payments upon Termination or Change In Control Arrangements Governing a Change in Control Executive Change of Control Plan, under our Executive Plan, we provide for tax gross-up payments to cover the cost of this excise tax.
- (6) Under the Mr. Barger's employment agreement, had Mr. Barger's employment been terminated for any other reason than without Cause by the Company, Mr. Barger would not have been entitled to any additional compensation other than the amount of salary he had earned prior to the date of termination. The definition of Cause, as used in the Barger Employment Agreement, means a conviction of or a plea of nolo contendere to any felony or a crime involving moral turpitude or dishonesty; fraud or breach of company policies that materially adversely affects JetBlue; intentional damage to JetBlue property or business; gross insubordination or incompetence; habitual neglect of his duties with JetBlue; or conduct that demonstrates gross unfitness to serve, including alcoholism or substance abuse.
- (7) Potential payments to each of Mr. Barnes, Hayes, Hnat, and Maruster upon the termination of their employment or upon a change in control are governed by the terms of the benefit plans in which they participate, including the Executive Change in Control Plan and the Amended and Restated 2002 Stock Incentive Plan.

Table of Contents**Equity Compensation Plan Information**

The table below provides information relating to our equity compensation plans (including individual compensation arrangements) under which our common stock is authorized for issuance as of December 31, 2010, as adjusted for stock splits:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available For future issuance under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by security holders	27,449,193	12.26	60,921,940
Equity compensation plans not approved by security holders			
Total	27,449,193	12.26	60,921,940

The number of shares reserved for issuance under our Amended and Restated 2002 Stock Incentive Plan automatically increases in January of each year by 4% of the total number of shares of our common stock outstanding on the last trading day in December of the prior calendar year. This automatic increase will terminate if our shareholders approve the adoption of our 2011 Stock Incentive Plan. See Note 7 to our consolidated financial statements for further information regarding the material features of the above plans.

Of the approximately 61,000,000 shares listed above as available for future issuance under our equity compensation plans at December 31, 2010, which consisted of approximately 40,000,000 shares for the Amended and Restated 2002 Stock Incentive Plan and 21,000,000 shares for the Amended and Restated 2002 Crewmember Stock Purchase Plan, approximately 38 million shares of common stock will no longer be available to be granted under our equity plan or stock purchase plan if both of the 2011 Incentive Plan and the 2011 Crewmember Stock Purchase Plan are approved by the stockholders at the upcoming annual meeting. As of March 31, 2011, there were approximately 51,000,000 shares available for future issuance under our Amended and Restated 2002 Stock Incentive Plan and 21,000,000 shares available for future issuance under our Amended and Restated Crewmember Stock Purchase Plan, of which approximately 49,000,000 million shares of common stock will no longer be available to be granted under our equity plan or stock purchase plan if both of the 2011 Incentive Plan and the 2011 Crewmember Stock Purchase Plan are approved by the stockholders at the upcoming annual meeting.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and the rules promulgated thereunder require our executive officers, directors and persons who beneficially own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC and to furnish to us copies of all such filings. Based solely upon our review of the copies of such reports furnished to the Company and written representations that no other reports were required, the Company is not aware of any instances of noncompliance with the Section 16(a) filing requirements by any director, executive officer or beneficial owner of more than ten percent of any class of the Company's equity securities during the year ended December 31, 2010, except one report for Mr. Daniels, which was filed a day late due to administrative error.

Related Party Transaction Policy

We have established written policies and procedures that require approval or ratification by our Audit Committee of any transaction in excess of \$120,000, which involves a Related Person's entry into an Interested Transaction (as such terms are defined in the policy). As defined in our policy, an

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Interested Transaction is any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which (i) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (ii) the Company is a participant, and (iii) any Related Person has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity). A Related Person is defined as any (i) person who is or was (since the beginning of the last fiscal year for which the Company has filed a Form 10-K and proxy statement, even if he or she does not presently serve in that role) an executive officer, director or nominee for election as a director, (ii) greater than 5 percent beneficial owner of the Company's common stock, or (iii) immediate family member of any of the foregoing. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee). Our policies and procedures further provide that only disinterested directors are entitled to vote on any Interested Transaction presented for Audit Committee approval.

Transactions with Related Persons since the Beginning of Fiscal 2010. We previously reported, in March 2009, that we entered into a three year agreement to become the exclusive and official Airline of Real Salt Lake and the official airline for Real Salt Lake's Rio Tinto Stadium (the Real Salt Lake Agreement). Pursuant to the Real Salt Lake Agreement, we will make payments of at least \$375,000 during the entire term in addition to other ancillary compensation, including, but not limited to travel certificates in exchange for customary sponsorship rights. This agreement has not been amended since our initial disclosure.

OTHER MATTERS

As of the date of this proxy statement, we know of no business that will be presented for consideration at the annual meeting other than the items set forth in the notice of annual meeting above. If any other matter is properly brought before the annual meeting for action by stockholders, proxies in the enclosed form returned to the Company will be voted in accordance with the recommendation of the Board of Directors or, in the absence of such a recommendation, in accordance with the judgment of the proxy holder.

ADDITIONAL INFORMATION

Stockholder Proposals for the 2012 Annual Meeting

Pursuant to our Bylaws, no business may be brought before an annual meeting unless it is specified in the notice of the meeting or is otherwise brought before the meeting by or at the direction of the Board of Directors or by a stockholder entitled to vote at the meeting, who has delivered written notice to our Corporate Secretary at our principal executive offices (containing certain information specified in the Bylaws about the stockholder and the proposed action) not less than 90 days nor more than 120 days prior to the one year anniversary of the preceding year's annual meeting. The foregoing Bylaw provisions do not affect a stockholder's ability to request inclusion of a proposal in our proxy statement within the procedures and deadlines set forth in Rule 14a-8 of the SEC's proxy rules and referred to in the paragraph below.

Pursuant to Rule 14a-8, stockholder proposals intended to be included in our proxy statement and voted on at our 2012 annual meeting must be received at our offices at Corporate Secretary, JetBlue Airways Corporation, 118-29 Queens Boulevard, Forest Hills, New York 11375, on or before December 16, 2011.

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A copy of our Bylaws is available upon request to: Corporate Secretary, JetBlue Airways Corporation, 118-29 Queens Boulevard, Forest Hills, New York 11375. The officer presiding at the meeting may exclude matters that are not properly presented in accordance with these requirements.

Annual Report to Stockholders

The fiscal 2010 Annual Report to Stockholders (which is not a part of our proxy soliciting materials), is being mailed with this proxy statement to those stockholders that received a copy of the proxy materials in the mail. For those stockholders that received the notice of internet availability of proxy materials, this proxy statement and our fiscal 2010 Annual Report to Stockholders are available at our website at www.jetblue.com. Additionally, and in accordance with SEC rules, you may access our proxy statement at www.proxyvote.com, a cookie-free website that does not identify visitors to the site. **A copy of the Company's Annual Report on Form 10-K filed with the SEC will be provided to stockholders without charge upon written request directed to our General Counsel, JetBlue Airways Corporation, 118-29 Queens Boulevard, Forest Hills, New York 11375. The Company makes available on or through our website free of charge our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to such reports filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as soon as reasonably practicable after filing.**

By Order of the Board of Directors,

James G. Hnat
Executive Vice President, General Counsel and Corporate Secretary

April 14, 2011
Forest Hills, New York

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APPENDIX A

**JETBLUE AIRWAYS CORPORATION
2011 INCENTIVE COMPENSATION PLAN**

1. Establishment; Effective Date; Purposes; and Duration.

(a) Establishment of the Plan; Effective Date. JetBlue Airways Corporation, a Delaware corporation (the Company), hereby establishes this incentive compensation plan to be known as the JetBlue Airways Corporation 2011 Incentive Compensation Plan, as set forth in this document (the Plan). The Plan permits the grant of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Stock-Based Awards, Dividend Equivalents and Cash-Based Awards. The Plan shall become effective upon the date on which the Plan is approved by the affirmative vote of the holders of a majority of the Shares which are present or represented and entitled to vote and voted at a meeting (the Effective Date), which approval must occur within the period ending twelve (12) months before or after the date the Plan is adopted by the Board. The Plan shall remain in effect as provided in Section 1(c).

(b) Purposes of the Plan. The purposes of the Plan are: (i) to enhance the Company's and the Affiliates' ability to attract highly qualified personnel; (ii) to strengthen their retention capabilities; (iii) to enhance the long-term performance and competitiveness of the Company and the Affiliates; and (iv) to align the interests of Plan participants with those of the Company's shareholders. To accomplish such purposes, the Plan provides that the Company may grant Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Other Stock-Based Awards, Dividend Equivalents and Cash-Based Awards.

(c) Duration of the Plan. The Plan shall commence on the Effective Date and shall remain in effect, subject to the right of the Board of Directors to amend or terminate the Plan at any time pursuant to Section 16, until all Shares subject to it shall have been delivered, and any restrictions on such Shares have lapsed, pursuant to the Plan's provisions. However, in no event may an Award be granted under the Plan on or after ten years from the Effective Date.

2. Definitions.

Certain terms used herein have the definitions given to them in the first instance in which they are used. In addition, for purposes of the Plan, the following terms are defined as set forth below:

(a) Affiliate (i) any Subsidiary; (ii) any Person that directly or indirectly controls, is controlled by or is under common control with the Company; and/or (iii) to the extent provided by the Committee, any Person in which the Company has a significant interest. The term control (including, with correlative meaning, the terms controlled by and under common control with), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or other securities, by contract or otherwise.

(b) Applicable Exchange means the Nasdaq Stock Exchange or such other securities exchange or inter-dealer quotation system as may at the applicable time be the principal market for the Common Stock.

(c) Award means, individually or collectively, a grant under the Plan of Nonqualified Stock Options, Incentive Stock Options, Stock Appreciation Rights, Restricted Stock Awards, Restricted Stock Units, Other Stock-Based Awards, Dividend Equivalents and Cash-Based Awards.

(d) Award Agreement means either: (a) a written agreement entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under the Plan, or (b) a written or electronic statement issued by the Company to a Participant describing the terms and provisions of such Award, including any amendment or modification thereof. The Committee may provide for the use of electronic, internet or other non-paper Award Agreements, and the use of

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electronic, internet or other non-paper means for the acceptance thereof and actions thereunder by a Participant.

(e) Board or Board of Directors means the Board of Directors of the Company.

(f) Cash-Based Award means an Award, whose value is determined by the Committee, granted to a Participant, as described in Section 11.

(g) Cause means a Participant's (i) conviction of, or plea of no contest to, a felony or other crime involving moral turpitude or dishonesty; (ii) participation in a fraud or willful act of dishonesty against the Company or an Affiliate that adversely affects the Company or such Affiliate in a material way; (iii) willful breach of the Company's or an Affiliate's policies that affects the Company or such Affiliate in a material way; (iv) causing intentional damage to the Company's or an Affiliate's property or business; (v) habitual conduct that constitutes gross insubordination; or (vi) habitual neglect of his or her duties with the Company or an Affiliate.

(h) Change in Control means the occurrence of any of the following:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a Person) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% or more of either (A) the then-outstanding shares of common stock of the Company (the Outstanding Company Common Stock) or (B) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the Outstanding Company Voting Securities); provided, however, that, for purposes of this Section 2(h), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Company, (ii) any acquisition by the Company, or (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate;

(ii) Any time at which individuals who, as of the Effective Date, constitute the Board (the Incumbent Board) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Company or any Affiliate, a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or stock of another entity by the Company or any Affiliate (each, a Business Combination), in each case unless, following such Business Combination, all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be; or

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- (iv) The consummation of a plan of complete liquidation or dissolution of the Company.
- (i) Change in Control Price means the price per share offered in respect of the Common Stock in conjunction with any transaction resulting in a Change in Control on a fully-diluted basis (as determined by the Board or the Committee as constituted before the Change in Control, if any part of the offered price is payable other than in cash) or, in the case of a Change in Control occurring solely by reason of a change in the composition of the Board, the highest Fair Market Value of a Share on any of the 30 trading days immediately preceding the date on which a Change in Control occurs, provided that if the use of such highest Fair Market Value in respect of a particular Award would cause an additional tax to be due and payable by the Participant under Section 409A of the Code, the Board or Committee shall determine the Change in Control Price in respect of such Award in a manner that does not have such result.
- (j) Code means the Internal Revenue Code of 1986, as it may be amended from time to time, including rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.
- (k) Committee means the Compensation Committee of the Board of Directors or a subcommittee thereof, or such other committee designated by the Board to administer the Plan.
- (l) Common Stock means common stock, par value \$0.01 per share, of the Company. In the event of any adjustment pursuant to Section 4(d), the stock or security resulting from such adjustment shall be deemed to be Common Stock within the meaning of the Plan.
- (m) Consultant means a consultant, advisor or other independent contractor who is a natural person and performs services for the Company or an Affiliate in a capacity other than as an Employee or Director.
- (n) Director means any individual who is a member of the Board of Directors of the Company.
- (o) Disaffiliation means an Affiliate's ceasing to be an Affiliate for any reason (including as a result of a public offering, or a spin-off or sale by the Company, of the stock of the Affiliate) or a sale of a division of the Company or an Affiliate.
- (p) Dividend Equivalent means a right to receive the equivalent value (in cash or Shares) of dividends that would otherwise be paid on the Shares subject to an Award but that have not been issued or delivered, awarded under Section 10.
- (q) Effective Date shall have the meaning ascribed to such term in Section 1(a).
- (r) Eligible Individual means any Employee, Non-Employee Director or Consultant, and any prospective Employee and Consultant who has accepted an offer of employment or consultancy from the Company or any Affiliate.
- (s) Employee means any person designated as an employee of the Company and/or an Affiliate on the payroll records thereof. An Employee shall not include any individual during any period he or she is classified or treated by the Company or an Affiliate as an independent contractor, a consultant, or any employee of an employment, consulting, or temporary agency or any other entity other than the Company and/or an Affiliate without regard to whether such individual is subsequently determined to have been, or is subsequently retroactively reclassified as a common-law employee of the Company and/or an Affiliate during such period. For the avoidance of doubt, a Director who would otherwise be an Employee within the meaning of this Section 2(s) shall be considered an Employee for purposes of the Plan.

(t) Exchange Act means the Securities Exchange Act of 1934, as it may be amended from time to time, including the rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.

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- (u) Fair Market Value means, if the Common Stock is listed on a national securities exchange, as of any given date, the closing price for the Common Stock on such date on the Applicable Exchange, or if Shares were not traded on the Applicable Exchange on such measurement date, then on the next preceding date on which Shares are traded, all as reported by such source as the Committee may select. If the Common Stock is not listed on a national securities exchange, Fair Market Value shall be determined by the Committee in its good faith discretion.
- (v) Fiscal Year means the calendar year, or such other consecutive twelve-month period as the Committee may select.
- (w) Freestanding SAR means an SAR that is granted independently of any Options, as described in Section 7.
- (x) Good Reason means the termination of employment by a Participant because of any of the following events: (i) a 10% reduction by the Company or an Affiliate (other than in connection with a Company or Affiliate-wide across the board reduction), in (x) his or her annual base pay or bonus opportunity as in effect immediately prior to the date of a Change in Control or (y) his or her bonus opportunity or 12 times his or her average monthly Salary, or as same may be increased from time to time thereafter; (ii) a material reduction in the duties or responsibilities of the Participant from those in effect prior to the date of a Change in Control; or (iii) the Company or an Affiliate requiring the Participant to relocate from the office of the Company or such Affiliate where the Participant is principally employed immediately prior to the date of a Change in Control to a location that is more than 50 miles from such office of the Company or such Affiliate (except for required travel on the Company's or Affiliate's business to an extent substantially consistent with such Participant's customary business travel obligations in the ordinary course of business prior to the date of such Change in Control.
- (y) Grant Date means the later of: (a) the date on which the Committee (or its designee) by resolution, written consent or other appropriate action selects an Eligible Individual to receive a grant of an Award, determines the number of Shares or other amount to be subject to such Award and, if applicable, determines the Option Price or Grant Price of such Award, provided that as soon reasonably practical thereafter the Committee (or its designee) both notifies the Eligible Individual of the Award and enters into an Award Agreement with the Eligible Individual, or (b) the date designated as the grant date in an Award Agreement.
- (z) Grant Price means the price established as of the Grant Date of an SAR pursuant to Section 7 used to determine whether there is any payment due upon exercise of the SAR.
- (aa) Incentive Stock Option or ISO means a right to purchase Shares under the Plan in accordance with the terms and conditions set forth in Section 6 and which is designated as an Incentive Stock Option and which is intended to meet the requirements of Section 422 of the Code.
- (bb) Individual Agreement means an employment, change of control, consulting or similar agreement between a Participant and the Company or an Affiliate that is in effect as of the Grant Date of an Award hereunder.
- (cc) Insider means an individual who is, on the relevant date, an officer, director or ten percent (10%) beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of any class of the Company's equity securities that is registered pursuant to Section 12 of the Exchange Act, as determined by the Committee in accordance with Section 16 of the Exchange Act.
- (dd) New Employer means, after a Change in Control, a Participant's employer, or any direct or indirect parent or any direct or indirect majority-owned subsidiary of such employer.
- (ee) Non-Employee Director means a Director who is not an Employee.

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(ff) Nonqualified Stock Option or NQSO means a right to purchase Shares under the Plan in accordance with the terms and conditions set forth in Section 6 and which is not intended to meet the requirements of Section 422 of the Code or otherwise does not meet such requirements.

(gg) Notice means notice provided by a Participant to the Company in a manner prescribed by the Committee.

(hh) Option or Stock Option means an Incentive Stock Option or a Nonqualified Stock Option, as described in Section 6.

(ii) Option Price means the price at which a Share may be purchased by a Participant pursuant to an Option.

(jj) Other Stock-Based Award means an equity-based or equity-related Award, other than an Option, SAR, Restricted Stock, Restricted Stock Unit or Dividend Equivalent, granted in accordance with the terms and conditions set forth in Section 9.

(kk) Participant means any eligible individual as set forth in Section 5 who holds one or more outstanding Awards.

(ll) Performance Compensation Award means any Award designated by the Committee as a Performance Compensation Award pursuant to Section 12 of the Plan.

(mm) Performance Formula shall mean, for a Performance Period, the one or more objective formulae applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for the Performance Period.

(nn) Performance Goals shall mean, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the relevant Performance Measures.

(oo) Performance Measure means any performance criteria or measures as described in Section 12(c) on which the performance goals described in Section 12 for Performance Compensation Awards are based, and which criteria or measures are approved by the Company's shareholders pursuant to the Plan.

(pp) Performance Period means the period of time, as determined in the discretion of the Committee, during which the performance goals must be met in order to determine the degree of payout and/or vesting with respect to, or the amount or entitlement to, an Award.

(qq) Period of Restriction means the period of time during which Shares of Restricted Stock or Restricted Stock Units are subject to a substantial risk of forfeiture and/or other restrictions, or, as applicable, the period of time within which performance is measured for purposes of determining whether such an Award has been earned, and, in the case of Restricted Stock, the transfer of Shares of Restricted Stock is limited in some way, in each case in accordance with Section 8.

(rr) Restricted Stock means an Award of Shares granted to a Participant, subject to the applicable Period of Restriction, pursuant to Section 8.

(ss) Restricted Stock Unit means an unfunded and unsecured promise to deliver Shares, subject to the applicable Period of Restriction, granted pursuant to Section 8.

(tt) Rule 16b-3 means Rule 16b-3 under the Exchange Act, or any successor rule, as the same may be amended from time to time.

(uu) Salary means the higher of a Participant's annual base salary or hourly wages on an annualized basis based on a normal basic work schedule immediately prior to (or 12 times a Participant's average monthly salary during the six (6) month period, excluding any month(s) during which he or she worked less than a normal schedule, immediately prior to) (i) the date of such Participant's Termination of Service, or (ii) the date of a Change in Control.

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(vv) SEC means the Securities and Exchange Commission.

(ww) Securities Act means the Securities Act of 1933, as it may be amended from time to time, including the rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.

(xx) Share means a share of Common Stock.

(yy) Stock Appreciation Right or SAR means an Award, granted alone (a Freestanding SAR) or in connection with a related Option (a Tandem SAR), designated as an SAR, pursuant to the terms of Section 7.

(zz) Subsidiary means any present or future corporation which is or would be a subsidiary corporation of the Company as the term is defined in Section 424(f) of the Code.

(aaa) Substitute Awards means Awards granted or Shares issued by the Company in assumption of, or in substitution or exchange for, options or other awards previously granted, or the right or obligation to grant future options or other awards, by a company acquired by the Company and/or an Affiliate or with which the Company and/or an Affiliate combines, or otherwise in connection with any merger, consolidation, acquisition of property or stock, or reorganization involving the Company or an Affiliate, including a transaction described in Code Section 424(a).

(bbb) Termination of Service means the termination of the applicable Participant's employment with, or performance of services for, the Company or any Affiliate under any circumstances. Unless otherwise determined by the Committee (and subject to the limitations applicable to ISOs under the Code), a Termination of Service shall not be considered to have occurred in the case of: (i) sick leave; (ii) military leave; (iii) any other leave of absence approved by the Committee, provided that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute, or unless provided otherwise pursuant to an applicable Company or Affiliate policy adopted from time to time; (iv) changes in status from Director to advisory director or emeritus status; or (v) transfers between locations of the Company or between or among the Company and/or an Affiliate or Affiliates. Changes in status between service as an Employee, Director, and a Consultant will not constitute a Termination of Service if the individual continues to perform bona fide services for the Company or an Affiliate (subject to the limitations applicable to ISOs under the Code). A Participant employed by, or performing services for, an Affiliate or a division of the Company or of an Affiliate shall be deemed to incur a Termination of Service if, as a result of a Disaffiliation, such Affiliate or division ceases to be an Affiliate or such a division, as the case may be, and the Participant does not immediately thereafter become an employee of, or service provider for, the Company or another Affiliate. The Committee shall have the discretion to determine whether and to what extent the vesting of any Awards shall be tolled during any paid or unpaid leave of absence; provided, however, that, in the absence of such determination, vesting for all Awards shall be tolled during any such unpaid leave (but not for a paid leave).

3. Administration.

(a) General. The Committee shall have exclusive authority to operate, manage and administer the Plan in accordance with its terms and conditions. Notwithstanding the foregoing, in its absolute discretion, the Board may at any time and from time to time exercise any and all rights, duties and responsibilities of the Committee under the Plan, including establishing procedures to be followed by the Committee, but excluding matters which under any applicable law, regulation or rule, including any exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3), are required to be determined in the sole discretion of the Committee. If and to the extent that the Committee does not exist or cannot function, the Board may take any action under the Plan that would otherwise be the responsibility of the Committee, subject to the limitations set forth in the immediately preceding sentence.

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(b) Committee. The members of the Committee shall be appointed from time to time by, and shall serve at the discretion of, the Board of Directors. The Committee shall consist of not less than two (2) non-employee members of the Board, each of whom satisfies such criteria of independence as the Board may establish and such additional regulatory or listing requirements as the Board may determine to be applicable or appropriate. Appointment of Committee members shall be effective upon their acceptance of such appointment. Committee members may be removed by the Board at any time either with or without cause, and such members may resign at any time by delivering notice thereof to the Board. Any vacancy on the Committee, whether due to action of the Board or any other reason, shall be filled by the Board. The Committee shall keep minutes of its meetings. A majority of the Committee shall constitute a quorum and a majority of a quorum may authorize any action. Any decision reduced to writing and signed by a majority of the members of the Committee shall be fully effective as if it has been made at a meeting duly held.

(c) Authority of the Committee. The Committee shall have full discretionary authority to grant, pursuant to the terms of the Plan, Awards to those individuals who are eligible to receive Awards under the Plan. Except as limited by law or by the Certificate of Incorporation or By-Laws of the Company, and subject to the provisions herein, the Committee shall have full power, in accordance with the other terms and provisions of the Plan, to:

(i) select Eligible Individuals who may receive Awards under the Plan and become Participants;

(ii) determine eligibility for participation in the Plan and decide all questions concerning eligibility for, and the amount of, Awards under the Plan;

(iii) determine the sizes and types of Awards;

(iv) determine the terms and conditions of Awards, including the Option Prices of Options and the Grant Prices of SARs;

(v) grant Awards as an alternative to, or as the form of payment for grants or rights earned or payable under, other bonus or compensation plans, arrangements or policies of the Company or an Affiliate;

(vi) grant Substitute Awards on such terms and conditions as the Committee may prescribe, subject to compliance with the ISO rules under Code Section 422 and the nonqualified deferred compensation rules under Code Section 409A, where applicable;

(vii) make all determinations under the Plan concerning Termination of Service of any Participant's employment or service with the Company or an Affiliate, including whether such Termination of Service occurs by reason of Cause, Good Reason, disability, retirement or in connection with a Change in Control, and whether a leave constitutes a Termination of Service;

(viii) determine whether a Change in Control shall have occurred;

(ix) construe and interpret the Plan and any agreement or instrument entered into under the Plan, including any Award Agreement;

(x) establish and administer any terms, conditions, restrictions, limitations, forfeiture, vesting or exercise schedule, and other provisions of or relating to any Award;

(xi) establish and administer any performance goals in connection with any Awards, including related Performance Goals and Performance Measures or other performance criteria and applicable Performance Periods, determine the

extent to which any performance goals and/or other terms and conditions of an Award are attained or are not attained, and certify whether, and to what extent, any such performance goals and other material terms applicable to any Award intended to qualify as a Performance Compensation Award were in fact satisfied;

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(xii) construe any ambiguous provisions, correct any defects, supply any omissions and reconcile any inconsistencies in the Plan and/or any Award Agreement or any other instrument relating to any Awards;

(xiii) establish, adopt, amend, waive and/or rescind rules, regulations, procedures, guidelines, forms and/or instruments for the Plan's operation or administration;

(xiv) make all valuation determinations relating to Awards and the payment or settlement thereof;

(xv) grant waivers of terms, conditions, restrictions and limitations under the Plan or applicable to any Award, or accelerate the vesting or exercisability of any Award;

(xvi) amend or adjust the terms and conditions of any outstanding Award and/or adjust the number and/or class of shares of stock subject to any outstanding Award;

(xvii) at any time and from time to time after the granting of an Award, specify such additional terms, conditions and restrictions with respect to such Award as may be deemed necessary or appropriate to ensure compliance with any and all applicable laws or rules, including terms, restrictions and conditions for compliance with applicable securities laws or listing rules, methods of withholding or providing for the payment of required taxes and restrictions regarding a Participant's ability to exercise Options through a cashless (broker-assisted) exercise;

(xviii) establish any "blackout" period that the Committee in its sole discretion deems necessary or advisable (without derogating from any authority of the Board or any Company official to establish any blackout period); and

(xix) exercise all such other authorities, take all such other actions and make all such other determinations as it deems necessary or advisable for the proper operation and/or administration of the Plan.

(d) **Award Agreements**. The Committee shall, subject to applicable laws and rules, determine the date an Award is granted. Each Award shall be evidenced by an Award Agreement; however, two or more Awards granted to a single Participant may be combined in a single Award Agreement. An Award Agreement shall not be a precondition to the granting of an Award; provided, however, that (i) the Committee may, but need not, require as a condition to any Award Agreement's effectiveness, that such Award Agreement be executed on behalf of the Company and/or by the Participant to whom the Award evidenced thereby shall have been granted (including by electronic signature or other electronic indication of acceptance), and such executed Award Agreement be delivered to the Company, and (ii) no person shall have any rights under any Award unless and until the Participant to whom such Award shall have been granted has complied with the applicable terms and conditions of the Award. The Committee shall prescribe the form of all Award Agreements, and, subject to the terms and conditions of the Plan, shall determine the content of all Award Agreements. Subject to the other provisions of the Plan, any Award Agreement may be supplemented or amended in writing from time to time as approved by the Committee; provided that the terms and conditions of any such Award Agreement as supplemented or amended are not inconsistent with the provisions of the Plan. In the event of any dispute or discrepancy concerning the terms of an Award, the records of the Committee or its designee shall be determinative.

(e) **Discretionary Authority; Decisions Binding**. The Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan. All determinations, decisions, actions and interpretations by the Committee with respect to the Plan and any Award Agreement, and all related orders and resolutions of the Committee shall be final, conclusive and binding on all Participants, the Company and its stockholders, any Affiliate and all persons having or claiming to have any right or interest in or under the Plan and/or any Award Agreement. The Committee shall consider such factors as it deems relevant to making or taking such decisions, determinations, actions and interpretations, including the recommendations or

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advice of any Director or officer or employee of the Company, any director, officer or employee of an Affiliate and such attorneys, consultants and accountants as the Committee may select. A Participant or other holder of an Award may contest a decision or action by the Committee with respect to such person or Award only on the grounds that such decision or action was arbitrary or capricious or was unlawful, and any review of such decision or action shall be limited to determining whether the Committee's decision or action was arbitrary or capricious or was unlawful.

(f) Attorneys; Consultants. The Committee may consult with counsel who may be counsel to the Company. The Committee may, with the approval of the Board, employ such other attorneys and/or consultants, accountants, appraisers, brokers, agents and other persons, any of whom may be an Eligible Individual, as the Committee deems necessary or appropriate. The Committee, the Company and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. The Committee shall not incur any liability for any action taken in good faith in reliance upon the advice of such counsel or other persons.

(g) Delegation of Administration. Except to the extent prohibited by applicable law, including any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3) and the rules of Code Section 162(m) applicable to any Performance Compensation Award, or the applicable rules of a stock exchange, the Committee may, in its discretion, allocate all or any portion of its responsibilities and powers under this Section 3 to any one or more of its members and/or delegate all or any part of its responsibilities and powers under this Section 3 to any person or persons selected by it; provided, however, that the Committee may not (i) delegate to any executive officer of the Company or an Affiliate, or a committee that includes any such executive officer, the Committee's authority to grant Awards, or the Committee's authority otherwise concerning Awards, awarded to executive officers of the Company or an Affiliate; (ii) delegate the Committee's authority to grant Awards to consultants unless any such Award is subject to approval by the Committee; or (iii) delegate its authority to correct defects, omissions or inconsistencies in the Plan. Any such authority delegated or allocated by the Committee under this Section 3(g) shall be exercised in accordance with the terms and conditions of the Plan and any rules, regulations or administrative guidelines that may from time to time be established by the Committee, and any such allocation or delegation may be revoked by the Committee at any time.

4. Shares Subject To The Plan.

(a) Number of Shares Available for Grants. The shares of stock subject to Awards granted under the Plan shall be Shares. Such Shares subject to the Plan may be authorized and unissued shares (which will not be subject to preemptive rights), Shares held in treasury by the Company, Shares purchased on the open market or by private purchase or any combination of the foregoing. Subject to adjustment as provided in Section 4(d), the total number of Shares that may be issued pursuant to Awards under the Plan shall be 15,000,000 Shares. From and after the Effective Date, no further grants or awards shall be made under the Company's Amended and Restated 2002 Stock Incentive Plan (the "Prior Plan"); however, grants or awards made under the Prior Plan before the Effective Date shall continue in effect in accordance with their terms.

(b) Rules for Calculating Shares Issued.

(i) Shares underlying Awards that are forfeited (including any Shares subject to an Award that are repurchased by the Company due to failure to meet any applicable condition), cancelled, expire unexercised or are settled for cash shall be available for issuance pursuant to future Awards.

(ii) Any Shares used to pay the Option Price of an Option or other purchase price of an Award, or withholding tax obligations with respect to an Award, shall not be available for issuance pursuant to future Awards.

(iii) If any Shares subject to an Award are not delivered to a Participant because (A) such Shares are withheld to pay the Option Price or other purchase price of such Award, or withholding

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tax obligations with respect to such Award, or (B) a payment upon exercise of a Stock Appreciation Right is made in Shares, the number of Shares subject to the exercised or purchased portion of any such Award that are not delivered to the Participant shall not be available for issuance pursuant to future Awards.

(iv) Any Shares delivered under the Plan upon exercise or satisfaction of Substitute Awards shall not reduce the Shares available for issuance under the Plan; provided, however, that the total number of Shares that may be issued pursuant to Incentive Stock Options granted under the Plan shall be 15,000,000, as adjusted pursuant to this Section 4(b), but without application of the foregoing provisions of this sentence.

(c) Award Limits. The following limits shall apply to grants of the following Awards under the Plan (subject to adjustment as provided in Section 4(d)):

(i) Options: The maximum aggregate number of Shares that may be subject to Options granted in any Fiscal Year to any one Participant shall be 2,500,000 Shares.

(ii) SARs: The maximum aggregate number of Shares that may be subject to Stock Appreciation Rights granted in any Fiscal Year to any one Participant shall be 2,500,000 Shares. Any Shares covered by Options which include Tandem SARs granted to one Participant in any Fiscal Year shall reduce this limit on the number of Shares subject to SARs that can be granted to such Participant in such Fiscal Year.

(iii) Performance Compensation Awards: No more than 2,000,000 Shares may be earned in respect of Performance Compensation Awards granted to any one Participant for a single Fiscal Year during a Performance Period (or, in the event such Performance Compensation Award is settled in cash, other securities, other Awards or other property, no more than the Fair Market Value of such number of Shares, calculated as of the last day of the Performance Period to which such Award relates). If a Performance Compensation Award is not denominated in Shares, the maximum amount that can be paid to any one Participant in any one Fiscal Year in respect of such Award shall be \$4,000,000.

To the extent required by Section 162(m) of the Code, Shares subject to Options or SARs which are canceled shall continue to be counted against the limits set forth in paragraphs (i) and (ii) immediately preceding.

(d) Adjustment Provisions. In the event of (i) any dividend (excluding any ordinary dividend) or other distribution (whether in the form of cash, Shares, other securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, split-off, combination, repurchase or exchange of Shares or other securities of the Company, issuance of warrants or other rights to acquire Shares or other securities of the Company, or other similar corporate transaction or event (including a Change in Control) that affects the shares of Common Stock, or (ii) any unusual or nonrecurring events (including a Change in Control) affecting the Company, any Affiliate, or the financial statements of the Company or any Affiliate, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then the Committee shall make any such adjustments in such manner as it may deem equitable, including any or all of the following:

(i) adjusting any or all of (A) the number of Shares or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including adjusting any or all of the limits under Section 4(c)) and (B) the terms of any outstanding Award, including (1) the number of Shares or other securities of the Company (or number and kind of other securities or other property) subject to outstanding Awards or to which outstanding Awards relate, (2) the Option Price or Grant Price with respect to any Award or (3) any applicable performance measures (including Performance Measures and Performance Goals);

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(ii) providing for a substitution or assumption of Awards, accelerating the exercisability of, lapse of restrictions (including any Period of Restriction) on, or termination of, Awards or providing for a period of time for exercise prior to the occurrence of such event; and

(iii) cancelling any one or more outstanding Awards and causing to be paid to the holders thereof, in cash, Shares, other securities or other property, or any combination thereof, the value of such Awards, if any, as determined by the Committee (which, if applicable, may be based upon the price per Share received or to be received by other stockholders of the Company in such event), including, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the Shares subject to such Option or SAR over the aggregate Option Price or Grant Price of such Option or SAR, respectively (it being understood that, in such event, any Option or SAR having a per share Option Price or Grant Price equal to, or in excess of, the Fair Market Value of a Share may be canceled and terminated without any payment or consideration therefor);

provided, however, that in the case of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation Stock Compensation (or any successor pronouncement)), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring. The Committee shall determine any adjustment pursuant to this Section 4(d): (i) after taking into account, among other things, to the extent applicable, the provisions of the Code applicable to Incentive Stock Options and Performance Compensation Awards and (ii) subject to Section 17(g)(v). Any adjustments under this Section 4(d) shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act, to the extent applicable. All determinations of the Committee as to adjustments, if any, under this Section 4(d) shall be conclusive and binding for all purposes.

(e) No Limitation on Corporate Actions. The existence of the Plan and any Awards granted hereunder shall not affect in any way the right or power of the Company or any Affiliate to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or business structure, any merger or consolidation, any issuance of debt, preferred or prior preference stock ahead of or affecting the Shares, additional shares of capital stock or other securities or subscription rights thereto, any dissolution or liquidation, any sale or transfer of all or part of its assets or business or any other corporate act or proceeding.

5. Eligibility and Participation.

(a) Eligibility. Eligible Individuals shall be eligible to become Participants and receive Awards in accordance with the terms and conditions of the Plan, subject to the limitations on the granting of ISOs set forth in Section 6(i)(i).

(b) Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select Participants from all Eligible Individuals and shall determine the nature and amount of each Award.

6. Stock Options.

(a) Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number (subject to Section 4), and upon such terms, and at any time and from time to time as shall be determined by the Committee. The Committee may grant an Option or provide for the grant of an Option, either from time to time in the discretion of the Committee or automatically upon the occurrence of specified events, including the achievement of performance goals, the satisfaction of an event or condition within the control of the recipient of the Option or within the control of others.

(b) Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the maximum duration of the Option, the number of Shares to which the Option pertains, the conditions upon which the Option shall become exercisable and such other

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provisions as the Committee shall determine, which are not inconsistent with the terms of the Plan. The Award Agreement also shall specify whether the Option is intended to be an ISO or an NQSO. To the extent that any Option does not qualify as an ISO (whether because of its provisions or the time or manner of its exercise or otherwise), such Option, or the portion thereof which does not so qualify, shall constitute a separate NQSO.

(c) Option Price. The Option Price for each Option shall be determined by the Committee and set forth in the Award Agreement; provided that, subject to Section 6(i)(iii), the Option Price of an Option shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date of such Option; provided further, that Substitute Awards or Awards granted in connection with an adjustment provided for in Section 4(d), in the form of stock options, shall have an Option Price per Share that is intended to maintain the economic value of the Award that was replaced or adjusted, as determined by the Committee.

(d) Duration of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine as of the Grant Date and set forth in the Award Agreement; provided, however, that no Incentive Stock Option shall be exercisable later than the tenth (10th) anniversary of its Grant Date. The period of time over which a Nonqualified Stock Option may be exercised shall be automatically extended if on the scheduled expiration date of such Option the Participant's exercise of such Option would violate an applicable law; provided, however, that during such extended exercise period the Option may only be exercised to the extent the Option was exercisable in accordance with its terms immediately prior to such scheduled expiration date; provided further, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such Option first would no longer violate such law.

(e) Exercise of Options. Options shall be exercisable at such times and be subject to such restrictions and conditions as the Committee shall in each instance determine and set forth in the Award Agreement, which need not be the same for each grant or for each Option or Participant. The Committee, in its discretion, may allow a Participant to exercise an Option that has not otherwise become exercisable pursuant to the applicable Award Agreement, in which case the Shares then issued shall be Shares of Restricted Stock having a Period of Restriction analogous to the exercisability provisions of the Option.

(f) Payment. Options shall be exercised by the delivery of a written notice of exercise to the Company, in a form specified or accepted by the Committee, or by complying with any alternative exercise procedures that may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for such Shares, which shall include applicable taxes, if any, in accordance with Section 17. The Option Price upon exercise of any Option shall be payable to the Company in full by cash, check or such cash equivalent as the Committee may accept. If approved by the Committee, and subject to any such terms, conditions and limitations as the Committee may prescribe and to the extent permitted by applicable law, payment of the Option Price, in full or in part, may also be made as follows:

(i) Payment may be made in the form of unrestricted and unencumbered Shares (by actual delivery of such Shares or by attestation) already owned by the Participant exercising such Option, or by such Participant and his or her spouse jointly (based on the Fair Market Value of the Common Stock on the date the Option is exercised); provided, however, that, in the case of an Incentive Stock Option, the right to make a payment in the form of such already owned Shares may be authorized only as of the Grant Date of such Incentive Stock Option and provided further that such already owned Shares must have been either previously acquired by the Participant on the open market or held by the Participant for at least six (6) months at the time of exercise (or meet any such other requirements as the Committee may determine are necessary in order to avoid an accounting earnings charge on account of the use of such Shares to pay the Option Price).

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(ii) Payment may be made by means of a broker-assisted cashless exercise pursuant to which a Participant may elect to deliver a properly executed exercise notice to the Company, together with a copy of irrevocable instructions to a broker to deliver promptly to the Company the amount of Share sale or loan proceeds necessary to pay the Option Price, and, if requested, the amount of any federal, state, local or non-United States withholding taxes.

(iii) Payment may be made by instructing the Company to withhold a number of Shares otherwise deliverable to the Participant pursuant to the Option having an aggregate Fair Market Value on the date of exercise equal to the product of: (1) Option Price multiplied by (2) the number of Shares in respect of which the Option shall have been exercised.

(iv) Payment may be made by any other method approved or accepted by the Committee in its discretion.

Subject to any governing rules or regulations, as soon as practicable after receipt of a written notification of exercise and full payment in accordance with the preceding provisions of this Section 6(f) and satisfaction of tax obligations in accordance with Section 17, the Company shall deliver to the Participant exercising an Option, in the Participant's name, evidence of book entry Shares, or, upon the Participant's request, Share certificates, in an appropriate amount based upon the number of Shares purchased under the Option, subject to Section 22(g). Unless otherwise determined by the Committee, all payments under all of the methods described above shall be paid in United States dollars.

(g) Rights as a Stockholder. No Participant or other person shall become the beneficial owner of any Shares subject to an Option, nor have any rights to dividends or other rights of a stockholder with respect to any such Shares, until the Participant has actually received such Shares following exercise of his or her Option in accordance with the provisions of the Plan and the applicable Award Agreement.

(h) Termination of Service. The Committee may establish and set forth in the applicable Award Agreement the terms and conditions on which an Option shall remain exercisable, if at all, upon a Participant's Termination of Service. To the extent that a Participant is not entitled to exercise an Option at the date of his or her Termination of Service, or if the Participant (or other person entitled to exercise the Option) does not exercise the Option to the extent so entitled within the time period specified in the Award Agreement or below (as applicable), effective as of the date of such Termination of Service or expiration of such time period (as applicable), the Option shall terminate and cease to be exercisable. Notwithstanding the foregoing provisions of this Section 6(h) to the contrary, the Committee may determine in its discretion that an Option may be exercised following any such Termination of Service, whether or not exercisable at the time of such Termination of Service. If there is an SEC blackout period (or a Committee-imposed blackout period) that prohibits the buying or selling of Shares during any part of the ten day period before termination of any Option based on the Termination of Service of a Participant, the period for exercising such Option shall be automatically extended until ten days beyond when such blackout period ends. Notwithstanding any provision of the Plan or an Award Agreement, in no event may an Option be exercised after the expiration date of the original term of such Option set forth in the applicable Award Agreement, except as provided in the last sentence of Section 6(d). Subject to the last sentence of this Section 6(h), a Participant's Option shall be forfeited upon his or her Termination of Service, except as set forth below:

(i) Not for Cause. Upon a Participant's Termination of Service for any reason other than for Cause, any Option held by such Participant that was exercisable immediately before such Termination of Service may be exercised at any time until the earlier of (A) the ninetieth (90th) day following such Termination of Service and (B) the expiration date of the original term of such Option set forth in the applicable Award Agreement. The Committee may, in its discretion, extend the period of time over which a Nonqualified Stock Option may be exercised beyond the period specified in the immediately preceding sentence, but not beyond the earlier to occur of (I) one (1) year following the time specified in clause (A) of such sentence and (II) the expiration date of the original term of such Option set forth in the applicable Award Agreement.

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(ii) Cause. Upon a Participant's Termination of Service for Cause, any Option held by such Participant shall be forfeited, effective as of such Termination of Service.

Notwithstanding the foregoing provisions of this Section 6(h), the Committee shall have the power, in its discretion, to apply different rules concerning the consequences of a Termination of Service; provided, however, that such rules shall be set forth in the applicable Award Agreement.

(i) Limitations on Incentive Stock Options.

(i) General. No ISO shall be granted to any Eligible Individual who is not an Employee of the Company or a Subsidiary on the Grant Date of such Option. Any ISO granted under the Plan shall contain such terms and conditions, consistent with the Plan, as the Committee may determine to be necessary to qualify such Option as an incentive stock option under Section 422 of the Code. Any ISO granted under the Plan may be modified by the Committee to disqualify such Option from treatment as an incentive stock option under Section 422 of the Code.

(ii) \$100,000 Per Year Limitation. Notwithstanding any intent to grant ISOs, an Option granted under the Plan will not be considered an ISO to the extent that it, together with any other incentive stock options (within the meaning of Section 422 of the Code, but without regard to subsection (d) of such Section) under the Plan and any other incentive stock option plans of the Company, any Subsidiary and any parent corporation of the Company within the meaning of Section 424(e) of the Code, are exercisable for the first time by any Participant during any calendar year with respect to Shares having an aggregate Fair Market Value in excess of \$100,000 (or such other limit as may be required by the Code) as of the Grant Date of the Option with respect to such Shares. The rule set forth in the preceding sentence shall be applied by taking Options into account in the order in which they were granted.

(iii) Options Granted to Certain Stockholders. No ISO shall be granted to an individual otherwise eligible to participate in the Plan who owns (within the meaning of Section 424(d) of the Code), at the Grant Date of such Option, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or a Subsidiary or any parent corporation of the Company within the meaning of Section 424(e) of the Code. This restriction does not apply if at the Grant Date of such ISO the Option Price of the ISO is at least 110% of the Fair Market Value of a Share on the Grant Date such ISO, and the ISO by its terms is not exercisable after the expiration of five years from such Grant Date.

7. Stock Appreciation Rights.

(a) Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Committee. The Committee may grant an SAR (i) in connection with, and at the Grant Date of, a related Option (a Tandem SAR), or (ii) independent of, and unrelated to, an Option (a Freestanding SAR). The Committee shall have complete discretion in determining the number of Shares to which a SAR pertains (subject to Section 4) and, consistent with the provisions of the Plan, in determining the terms and conditions pertaining to any SAR.

(b) Grant Price. The Grant Price for each SAR shall be determined by the Committee and set forth in the Award Agreement, subject to the limitations of this Section 7(b). The Grant Price for each Freestanding SAR shall be not less than one hundred percent (100%) of the Fair Market Value of a Share on the Grant Date of such Freestanding SAR, except in the case of Substitute Awards or Awards granted in connection with an adjustment provided for in Section 4(d). The Grant Price of a Tandem SAR shall be equal to the Option Price of the related Option.

(c) Exercise of Tandem SARs. Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option. A Tandem SAR shall

be exercisable only when and to the extent the related Option is exercisable and may be exercised only with respect to the Shares for which the related Option is then

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exercisable. A Tandem SAR shall entitle a Participant to elect, in the manner set forth in the Plan and the applicable Award Agreement, in lieu of exercising his or her unexercised related Option for all or a portion of the Shares for which such Option is then exercisable pursuant to its terms, to surrender such Option to the Company with respect to any or all of such Shares and to receive from the Company in exchange therefor a payment described in Section 7(g). An Option with respect to which a Participant has elected to exercise a Tandem SAR shall, to the extent of the Shares covered by such exercise, be canceled automatically and surrendered to the Company. Such Option shall thereafter remain exercisable according to its terms only with respect to the number of Shares as to which it would otherwise be exercisable, less the number of Shares with respect to which such Tandem SAR has been so exercised.

Notwithstanding any other provision of the Plan to the contrary, with respect to a Tandem SAR granted in connection with an ISO: (i) the Tandem SAR will expire no later than the expiration of the related ISO; (ii) the value of the payment with respect to the Tandem SAR may not exceed the difference between the Fair Market Value of the Shares subject to the related ISO at the time the Tandem SAR is exercised and the Option Price of the related ISO; and (iii) the Tandem SAR may be exercised only when the Fair Market Value of the Shares subject to the ISO exceeds the Option Price of the ISO.

(d) Exercise of Freestanding SARs. Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, in accordance with the Plan, determines and sets forth in the Award Agreement. An Agreement may provide that the period of time over which a Freestanding SAR may be exercised shall be automatically extended if on the scheduled expiration date of such SAR the Participant's exercise of such SAR would violate an applicable law; provided, however, that during such extended exercise period the SAR may only be exercised to the extent the SAR was exercisable in accordance with its terms immediately prior to such scheduled expiration date; provided further, however, that such extended exercise period shall end not later than thirty (30) days after the exercise of such SAR first would no longer violate such law.

(e) Award Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the number of Shares to which the SAR pertains, the Grant Price, the term of the SAR, and such other terms and conditions as the Committee shall determine in accordance with the Plan.

(f) Term of SARs. The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion; provided, however, that the term of any Tandem SAR shall be the same as the related Option.

(g) Payment of SAR Amount. An election to exercise SARs shall be deemed to have been made on the date of Notice of such election to the Company. As soon as practicable following such Notice, the Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

- (i) The excess of the Fair Market Value of a Share on the date of exercise over the Grant Price of the SAR; by
- (ii) The number of Shares with respect to which the SAR is exercised.

Notwithstanding the foregoing provisions of this Section 7(g) to the contrary, the Committee may establish and set forth in the applicable Award Agreement a maximum amount per Share that will be payable upon the exercise of a SAR. At the discretion of the Committee, such payment upon exercise of a SAR shall be in cash, in Shares of equivalent Fair Market Value as of the date of such exercise or in some combination thereof.

(h) Rights as a Stockholder. A Participant receiving a SAR shall have the rights of a stockholder only as to Shares, if any, actually issued to such Participant upon satisfaction or achievement of the terms and conditions of the Award, and in accordance with the provisions of the Plan and the

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applicable Award Agreement, and not with respect to Shares to which such Award relates but which are not actually issued to such Participant.

(i) Termination of Service. The provisions of Section 6(h) above shall apply to any SAR upon and after the Termination of Service of the Participant holding such SAR, except that in the case of any Freestanding SAR, the reference to the last sentence of Section 6(d) therein shall be deemed a reference to Section 7(d).

8. Restricted Stock and Restricted Stock Units.

(a) Awards of Restricted Stock and Restricted Stock Units. Subject to the terms and provisions of the Plan, the Committee, at any time and from time to time, may grant Shares of Restricted Stock and/or Restricted Stock Units to Participants in such amounts as the Committee shall determine. Awards of Restricted Stock may be made with or without the requirement of a cash payment from the Participant to whom such Award is made in exchange for, or as a condition precedent to, the completion of such Award and the issuance of Shares of Restricted Stock, and any such required cash payment shall be set forth in the applicable Agreement. Subject to the terms and conditions of this Section 8 and the Award Agreement, upon delivery of Shares of Restricted Stock to a Participant, or creation of a book entry evidencing a Participant's ownership of Shares of Restricted Stock, pursuant to Section 8(f), the Participant shall have all of the rights of a stockholder with respect to such Shares, subject to the terms and restrictions set forth in this Section 8 or the applicable Award Agreement or as determined by the Committee.

(b) Award Agreement. Each Restricted Stock and/or Restricted Stock Unit Award shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares of Restricted Stock or the number of Restricted Stock Units granted, and such other provisions as the Committee shall determine in accordance with the Plan.

(c) Nontransferability of Restricted Stock. Except as provided in this Section 8, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, encumbered, alienated, hypothecated or otherwise disposed of until the end of the applicable Period of Restriction established by the Committee and specified in the Restricted Stock Award Agreement.

(d) Period of Restriction and Other Restrictions. The Period of Restriction shall lapse with respect to an Award of Restricted Stock or Restricted Stock Units based on a Participant's continuing service or employment with the Company or an Affiliate, the achievement of performance goals, the satisfaction of other conditions or restrictions or upon the occurrence of other events, in each case, as determined by the Committee, at its discretion, and stated in the Award Agreement; provided, however, that, except with respect to Awards of Restricted Stock and/or Restricted Stock Units of up to an aggregate of 1,500,000 Shares granted during the term of the Plan, such Period of Restriction shall lapse: (i) in full with respect to all Shares underlying such Award at the expiration of a period not less than three years from the Grant Date of such Award; (y) proportionally in equal installments of the Shares underlying such Award over a period not less than three years from the Grant Date of such Award; or (z) in the case an Award subject to the achievement of performance goals, a Performance Period of not less than one year with respect to which it is to be determined whether the performance goals applicable to such Award have been achieved, except that the Period of Restriction may lapse earlier in the event of the death or disability of the Participant, on such terms as the Committee shall determine, or in accordance with Section 15 hereof. The Committee shall not have the authority to otherwise accelerate the lapse of the Period of Restriction with respect to an Award of Restricted Stock or Restricted Stock Units.

(e) Delivery of Shares and Settlement of Restricted Stock Units. Upon the expiration of the Period of Restriction with respect to any Shares of Restricted Stock, the restrictions set forth in the applicable Award Agreement shall be of no further force or effect with respect to such Shares, except as set forth in such Award Agreement. If applicable stock

certificates are held by the Secretary of the Company or an escrow holder, upon such expiration, the Company shall deliver to the Participant, or

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his beneficiary, without charge, the stock certificate evidencing the Shares of Restricted Stock that have not then been forfeited and with respect to which the Period of Restriction has expired. Unless otherwise provided by the Committee in an Award Agreement, upon the expiration of the Period of Restriction with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or his beneficiary, without charge, one Share for each such outstanding Restricted Stock Unit; provided, however, that the Committee may, in its discretion, elect to: (i) pay cash or part cash and part Shares in lieu of delivering only Shares in respect of such Restricted Stock Units or (ii) defer the delivery of Shares beyond the expiration of the Period of Restriction. If a cash payment is made in lieu of delivering Shares, the amount of such payment shall be equal to the Fair Market Value of such Shares as of the date on which the Period of Restriction lapsed with respect to such Restricted Stock Units less applicable tax withholdings in accordance with Section 17.

(f) Forms of Restricted Stock Awards. Each Participant who receives an Award of Shares of Restricted Stock shall be issued a stock certificate or certificates evidencing the Shares covered by such Award registered in the name of such Participant, which certificate or certificates shall bear an appropriate legend, and, if the Committee determines that the Shares of Restricted Stock shall be held by the Company or in escrow rather than delivered to the Participant pending expiration of the Period of Restriction, the Committee may require the Participant to additionally execute and deliver to the Company: (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to such Shares of Restricted Stock. If a Participant shall fail to execute an Award Agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and blank stock power within the amount of time specified by the Committee, the Award shall be null and void. The Committee may require a Participant who receives a certificate or certificates evidencing a Restricted Stock Award to immediately deposit such certificate or certificates, together with a stock power or other appropriate instrument of transfer, endorsed in blank by the Participant, with signatures guaranteed in accordance with the Exchange Act if required by the Committee, with the Secretary of the Company or an escrow holder as provided in the immediately following sentence. The Secretary of the Company or such escrow holder as the Committee may appoint shall retain physical custody of each certificate representing a Restricted Stock Award until the Period of Restriction and any other restrictions imposed by the Committee or under the Award Agreement with respect to the Shares evidenced by such certificate expire or shall have been removed. The foregoing to the contrary notwithstanding, the Committee may, in its discretion, provide that a Participant's ownership of Shares of Restricted Stock prior to the lapse of the Period of Restriction or any other applicable restrictions shall, in lieu of such certificates, be evidenced by a book entry (i.e., a computerized or manual entry) in the records of the Company or its designated agent in the name of the Participant who has received such Award. Such records of the Company or such agent shall, absent manifest error, be binding on all Participants who receive Restricted Stock Awards evidenced in such manner. The holding of Shares of Restricted Stock by the Company or such an escrow holder, or the use of book entries to evidence the ownership of Shares of Restricted Stock, in accordance with this Section 8(f), shall not affect the rights of Participants as owners of the Shares of Restricted Stock awarded to them, nor affect the restrictions applicable to such shares under the Award Agreement or the Plan, including the Period of Restriction.

(g) Rights as a Stockholder. Unless otherwise determined by the Committee and set forth in a Participant's Award Agreement, to the extent permitted or required by law, as determined by the Committee, Participants holding Shares of Restricted Stock shall have the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant receiving Restricted Stock Units shall have the rights of a stockholder only as to Shares, if any, actually issued to such Participant upon expiration of the Period of Restriction and satisfaction or achievement of the terms and conditions of the Award, and in accordance with the provisions of the Plan and the applicable Award Agreement, and not with respect to Shares to which such Award relates but which are not actually issued to such Participant.

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(h) Dividends and Other Distributions. During the Period of Restriction, Participants holding Shares of Restricted Stock shall be credited with any cash dividends paid with respect to such Shares while they are so held, unless determined otherwise by the Committee and set forth in the Award Agreement. The Committee may apply any restrictions to such dividends that the Committee deems appropriate. Except as set forth in the Award Agreement, in the event of (i) any adjustment as provided in Section 4(d), or (ii) any shares or securities are received as a dividend, or an extraordinary dividend is paid in cash, on Shares of Restricted Stock, any new or additional Shares or securities or any extraordinary dividends paid in cash received by a recipient of Restricted Stock shall be subject to the same terms and conditions, including the Period of Restriction, as relate to the original Shares of Restricted Stock.

(i) Termination of Service; Forfeiture. Except as otherwise provided in this Section 8(i), during the Period of Restriction, any Restricted Stock Units and/or Shares of Restricted Stock held by a Participant shall be forfeited and revert to the Company (or, if Shares of Restricted Stock were sold to the Participant, the Participant shall be required to resell such Shares to the Company at cost) upon the Participant's Termination of Service or the failure to meet or satisfy any applicable performance goals or other terms, conditions and restrictions to the extent set forth in the applicable Award Agreement. To the extent Shares of Restricted Stock are forfeited, any stock certificates issued to the Participant evidencing such Shares shall be returned to the Company, and all rights of the Participant to such Shares and as a stockholder with respect thereto shall terminate without further obligation on the part of the Company. Each applicable Award Agreement shall set forth the extent to which, if any, the Participant shall have the right to retain Restricted Stock Units and/or Shares of Restricted Stock, then subject to the Period of Restriction, following such Participant's Termination of Service. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Award Agreement, need not be uniform among all such Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for, or circumstances of, such Termination of Service.

9. Other Stock-Based Awards.

(a) Other Stock-Based Awards. The Committee may grant types of equity-based or equity-related Awards not otherwise described by the terms of the Plan (including the grant or offer for sale of unrestricted Shares), in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Other Stock-Based Awards may involve the transfer of actual Shares to Participants, or payment in cash or otherwise of amounts based on the value of Shares. The terms and conditions of such Awards shall be consistent with the Plan and set forth in the Award Agreement and need not be uniform among all such Awards or all Participants receiving such Awards.

(b) Value of Other Stock-Based Awards. Each Other Stock-Based Award shall be expressed in terms of Shares or units based on Shares, as determined by the Committee. The Committee may establish performance goals in its discretion, and any such performance goals shall be set forth in the applicable Award Agreement. If the Committee exercises its discretion to establish performance goals, the number and/or value of Other Stock-Based Awards that will be paid out to the Participant will depend on the extent to which such performance goals are met.

(c) Payment of Other Stock-Based Awards. Payment, if any, with respect to an Other Stock-Based Award shall be made in accordance with the terms of the Award, as set forth in the Award Agreement, in cash, Shares or a combination of cash and Shares, as the Committee determines.

(d) Rights as a Stockholder. A Participant receiving an Other Stock-Based Award shall have the rights of a stockholder only as to Shares, if any, actually issued to such Participant upon satisfaction or achievement of the terms and conditions of the Award, and in accordance with the provisions of the Plan and the applicable Award Agreement, and not with respect to Shares to which such Award relates but which are not actually issued to such Participant.

(e) Termination of Service. The Committee shall determine the extent to which the Participant shall have the right to receive Other Stock-Based Awards following the Participant's Termination of

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Service. Such provisions shall be determined in the sole discretion of the Committee, such provisions may be included in the applicable Award Agreement, but need not be uniform among all Other Stock-Based Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for Termination of Service.

10. Dividend Equivalents. Unless otherwise provided by the Committee, no adjustment shall be made in the Shares issuable or taken into account under Awards on account of cash dividends that may be paid or other rights that may be issued to the holders of Shares prior to issuance of such Shares under such Award. The Committee may grant Dividend Equivalents based on the dividends declared on Shares that are subject to any Award, including any Award the payment or settlement of which is deferred pursuant to Section 22(d). Any Award of Dividend Equivalents may be credited as of the dividend payment dates, during the period between the Grant Date of the Award and the date the Award becomes payable or terminates or expires, as determined by the Committee. Dividend Equivalents may be subject to any limitations and/or restrictions determined by the Committee. Dividend Equivalents shall be converted to cash or additional Shares by such formula and at such time, and shall be paid at such times, as may be determined by the Committee.

11. Cash-Based Awards.

(a) Grant of Cash-Based Awards. Subject to the terms of the Plan, Cash-Based Awards may be granted to Participants in such amounts and upon such terms, and at any time and from time to time, as shall be determined by the Committee, in accordance with the Plan. A Cash-Based Award entitles the Participant who receives such Award to receive a payment in cash upon the attainment of applicable performance goals for the applicable Performance Period, and/or satisfaction of other terms and conditions, in each case determined by the Committee, and which shall be set forth in the Award Agreement. The terms and conditions of such Awards shall be consistent with the Plan and set forth in the Award Agreement and need not be uniform among all such Awards or all Participants receiving such Awards.

(b) Earning and Payment of Cash-Based Awards. Cash-Based Awards shall become earned, in whole or in part, based upon the attainment of performance goals specified by the Committee and/or the occurrence of any event or events and/or satisfaction of such terms and conditions, including a Change in Control, as the Committee shall determine, either at or after the Grant Date. The Committee shall determine the extent to which any applicable performance goals and/or other terms and conditions of a Cash-Based Award are attained or not attained following conclusion of the applicable Performance Period. The Committee may, in its discretion, waive any such performance goals and/or other terms and conditions relating to any such Award, subject to Section 12, if applicable. Payment of earned Cash-Based Awards shall be as determined by the Committee and set forth in the Award Agreement.

(c) Termination of Service. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain any Cash-Based Award following such Participant's Termination of Service. Such provisions shall be determined in the sole discretion of the Committee, shall be included in the applicable Award Agreement, need not be uniform among all such Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for Termination of Service.

12. Performance Compensation Awards.

(a) Generally. The Committee shall have authority, at the time of grant of any Award under Sections 8, 9 and 11 of the Plan to designate such Award as a Performance Compensation Award. A Performance Compensation Award is intended to qualify as qualified performance-based compensation under Section 162(m) of the Code. In the event that the Committee determines, in its discretion, to grant Awards that are not designated as Performance Compensation Awards, the Committee may make such grants without satisfying the requirements of Code Section 162(m) and may, in its discretion, base earning of such Awards on performance measures other than those set forth in Section 12(c).

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(b) **Discretion of Committee with Respect to Performance Compensation Awards.** With regard to a particular Performance Period, the Committee shall have discretion to select the length of such Performance Period, the type or types of Performance Compensation Awards to be issued, the Performance Measure or Performance Measures that will be used to establish the Performance Goal or Performance Goals, the kinds and/or levels of the Performance Goal or Performance Goals that is or are to apply and the Performance Formula. Within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), the Committee shall, with regard to the Performance Compensation Awards to be issued for such Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence and record the same in writing.

(c) **Performance Measures.** The Performance Measures that shall be used to establish the Performance Goals shall be based on the attainment of specific levels of performance of the Company (and/or one or more Affiliates, divisions or operational units, or any combination of the foregoing) and shall include the following: (i) net earnings or net income (before or after interest, taxes and/or other adjustments); (ii) basic or diluted earnings per share (before or after interest, taxes and/or other adjustments); (iii) book value per share; (iv) net revenue or revenue growth; (v) net interest margin; (vi) operating profit (before or after taxes); (vii) return on assets, equity, capital, revenue or similar measure; (viii) cash flow (including operating cash flow and free cash flow); (ix) share price (including growth measures and total shareholder return); (x) working capital; (xi) expense targets, including fuel; (xii) margins; (xiii) operating efficiency; (xiv) measures of economic value added; (xv) asset quality; (xvi) enterprise value; (xvii) employee retention; (xviii) attainment of strategic or operational initiatives; (xix) asset growth; (xx) dividend yield; (xxi) market share, mergers, acquisitions, or sales of assets; (xxii) cost per available seat mile; (xxiii) revenue per seat mile available; (xxiv) revenue per seat mile; (xxv) percentage of flights completed on time; (xxvi) percentage of scheduled flights completed; (xxvii) lost passenger baggage; (xxviii) aircraft utilization; (xxix) revenue per employee; (xxx) employee satisfaction/engagement/net promoter score; (xxxi) customer satisfaction / net promoter score; or (xxxii) any combination of the foregoing. Any one or more of the Performance Measures may be used on an absolute or relative basis to measure the performance of the Company and/or one or more Affiliates as a whole or any business unit(s) of the Company and/or one or more Affiliates or any combination thereof, as the Committee may determine in its discretion, or any of the above Performance Measures may be compared to the performance of a selected group of comparison companies, or a published or special index that the Committee, in its discretion, determines, or as compared to various stock market indices. To the extent required under Section 162(m) of the Code, the Committee shall, within the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the relevant Performance Measures and Performance Goals it selects to use for such Performance Period and thereafter communicate such Performance Measures and Performance Goals to the Participant.

(d) **Modification of Performance Goals.** In the event that applicable tax and/or securities laws change to permit Committee discretion to alter the governing Performance Measures without obtaining stockholder approval of such alterations, the Committee shall have discretion to make such alterations without obtaining stockholder approval. The Committee is authorized at any time during the first 90 days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), or at any time thereafter to the extent the exercise of such authority at such time would not cause the Performance Compensation Awards granted to any Participant for such Performance Period to fail to qualify as qualified performance-based compensation under Section 162(m) of the Code, in its discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period, based on and in order to appropriately reflect the following events: (i) asset write-downs; (ii) litigation or claim judgments or settlements; (iii) the effect of changes in tax laws, accounting principles, or other laws or regulatory rules affecting reported results; (iv) any reorganization and restructuring programs; (v) the cumulative effect of changes in accounting principles; (vi) extraordinary nonrecurring items as described in Accounting Principles Board Opinion

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No. 30 (or any successor pronouncement thereto); (vii) acquisitions, divestitures or discontinued operations; (viii) gains or losses on refinancing or extinguishment of debt; (ix) foreign exchange gains and losses; (x) a change in the Company's fiscal year; (xi) any other specific unusual events, or objectively determinable category thereof and (xii) any other specific nonrecurring events, or objectively determinable category thereof.

(e) Payment of Performance Compensation Awards. A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that the Performance Goals for such Award are achieved and the Performance Formula as applied against such Performance Goals determines that all or some portion of such Participant's Award has been earned for the Performance Period. After the close of each Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for such Performance Period have been achieved and, if so, determine and certify in writing the amount of the Performance Compensation Award to be paid to the Participant and, in so doing, the Committee may use negative discretion, consistent with Section 162(m), to eliminate or reduce, but not increase, the amount of the Award otherwise payable to the Participant based upon such performance. The Committee shall not have discretion to (i) waive the achievement of Performance Goals applicable to any Performance Compensation Award, except in the case of the Participant's death, disability or a Change in Control or (ii) increase a Performance Compensation Award above the applicable limits set forth in Section 4(c), except as otherwise provided in the Plan.

13. Transferability Of Awards; Beneficiary Designation.

(a) Transferability of Incentive Stock Options. No ISO or Tandem SAR granted in connection with an ISO may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or in accordance with Section 13(c). Further, all ISOs and Tandem SARs granted in connection with ISOs granted to a Participant shall be exercisable during his or her lifetime only by such Participant.

(b) All Other Awards. Except as otherwise provided in Section 8(e) or Section 13(c) or a Participant's Award Agreement or otherwise determined at any time by the Committee, no Award granted under the Plan may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution; provided that the Committee may permit further transferability, on a general or a specific basis, and may impose conditions and limitations on any permitted transferability, subject to Section 13(a) and any applicable Period of Restriction; provided further, however, that no Award may be transferred for value or other consideration without first obtaining approval thereof by the stockholders of the Company. Further, except as otherwise provided in a Participant's Award Agreement or otherwise determined at any time by the Committee, or unless the Committee decides to permit further transferability, subject to Section 13(a) and any applicable Period of Restriction, all Awards granted to a Participant under the Plan, and all rights with respect to such Awards, shall be exercisable or available during his or her lifetime only by or to such Participant. With respect to those Awards, if any, that are permitted to be transferred to another individual, references in the Plan to exercise or payment related to such Awards by or to the Participant shall be deemed to include, as determined by the Committee, the Participant's permitted transferee. In the event any Award is exercised by or otherwise paid to the executors, administrators, heirs or distributees of the estate of a deceased Participant, or such a Participant's beneficiary, or the transferee of an Award, in any such case, pursuant to the terms and conditions of the Plan and the applicable Agreement and in accordance with such terms and conditions as may be specified from time to time by the Committee, the Company shall be under no obligation to issue Shares thereunder unless and until the Company is satisfied, as determined in the discretion of the Committee, that the person or persons exercising such Award, or to receive such payment, are the duly appointed legal representative of the deceased Participant's estate or the proper legatees or distributees thereof or the named beneficiary of such Participant, or the valid transferee of such Award, as applicable. Any purported assignment, transfer or encumbrance of an Award that does not comply with this Section 13(b) shall be void and unenforceable against the Company.

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(c) Beneficiary Designation. Each Participant may, from time to time, name any beneficiary or beneficiaries who shall be permitted to exercise his or her Option or SAR or to whom any benefit under the Plan is to be paid in case of the Participant's death before he or she fully exercises his or her Option or SAR or receives any or all of such benefit. Each such designation shall revoke all prior designations by the same Participant, shall be in a form prescribed by the Company, and will be effective only when filed by the Participant in writing with the Company during the Participant's lifetime. In the absence of any such beneficiary designation, a Participant's unexercised Option or SAR, or amounts due but remaining unpaid to such Participant, at the Participant's death, shall be exercised or paid as designated by the Participant by will or by the laws of descent and distribution.

14. Rights of Participants.

(a) Rights or Claims. No person shall have any rights or claims under the Plan except in accordance with the provisions of the Plan and any applicable Award Agreement. The liability of the Company and any Affiliate under the Plan is limited to the obligations expressly set forth in the Plan, and no term or provision of the Plan may be construed to impose any further or additional duties, obligations, or costs on the Company or any Affiliate thereof or the Board or the Committee not expressly set forth in the Plan. The grant of an Award under the Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in the Plan as being applicable to such type of Award, or to all Awards, or as are expressly set forth in the Award Agreement evidencing such Award. Without limiting the generality of the foregoing, neither the existence of the Plan nor anything contained in the Plan or in any Award Agreement shall be deemed to:

(i) Give any Eligible Individual the right to be retained in the employment or service of the Company and/or an Affiliate, whether in any particular position, at any particular rate of compensation, for any particular period of time or otherwise;

(ii) Restrict in any way the right of the Company and/or an Affiliate to terminate, change or modify any Eligible Individual's employment or service at any time with or without Cause;

(iii) Confer on any Eligible Individual any right of continued relationship with the Company and/or an Affiliate, or alter any relationship between them, including any right of the Company or an Affiliate to terminate, change or modify its relationship with an Eligible Individual;

(iv) Constitute a contract of employment or service between the Company or any Affiliate and any Eligible Individual, nor shall it constitute a right to remain in the employ or service of the Company or any Affiliate;

(v) Give any Eligible Individual the right to receive any bonus, whether payable in cash or in Shares, or in any combination thereof, from the Company and/or an Affiliate, nor be construed as limiting in any way the right of the Company and/or an Affiliate to determine, in its sole discretion, whether or not it shall pay any Eligible Individual bonuses, and, if so paid, the amount thereof and the manner of such payment; or

(vi) Give any Participant any rights whatsoever with respect to an Award except as specifically provided in the Plan and the Award Agreement.

(b) Adoption of the Plan. The adoption of the Plan shall not be deemed to give any Eligible Individual or any other individual any right to be selected as a Participant or to be granted an Award, or, having been so selected, to be selected to receive a future Award.

(c) Vesting. Notwithstanding any other provision of the Plan, a Participant's right or entitlement to exercise or otherwise vest in any Award not exercisable or vested at the Grant Date thereof shall only result from continued

services as a Non-Employee Director or Consultant or continued employment, as the case may be, with the Company or any Affiliate, or satisfaction of any other performance goals or other conditions or restrictions applicable, by its terms, to such Award, except, in each such case, as the Committee may, in its discretion, expressly determine otherwise.

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(d) No Effects on Benefits; No Damages. Payments and other compensation received by a Participant under an Award are not part of such Participant's normal or expected compensation or salary for any purpose, including calculating termination, indemnity, severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments under any laws, plans, contracts, policies, programs, arrangements or otherwise. A Participant shall, by participating in the Plan, waive any and all rights to compensation or damages in consequence of Termination of Service of such Participant for any reason whatsoever, whether lawfully or otherwise, insofar as those rights arise or may arise from such Participant ceasing to have rights under the Plan as a result of such Termination of Service, or from the loss or diminution in value of such rights or entitlements, including by reason of the operation of the terms of the Plan or the provisions of any statute or law relating to taxation. No claim or entitlement to compensation or damages arises from the termination of the Plan or diminution in value of any Award or Shares purchased or otherwise received under the Plan.

(e) One or More Types of Awards. A particular type of Award may be granted to a Participant either alone or in addition to other Awards under the Plan.

15. Change In Control.

(a) Alternative Awards. The occurrence of a Change in Control will not itself result in the cancellation, acceleration of exercisability or vesting, lapse of any Period of Restriction or settlement or other payment with respect to any outstanding Award to the extent that the Board or the Committee determines in its discretion, prior to such Change in Control, that such outstanding Award shall be honored or assumed, or new rights substituted therefor (such honored, assumed or substituted Award being hereinafter referred to as an Alternative Award) by the New Employer, provided that any Alternative Award must:

(i) be based on securities that are traded on an established United States securities market, or which will be so traded within sixty (60) days following the Change in Control;

(ii) provide the Participant (or each Participant in a class of Participants) with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including an identical or better exercise or vesting schedule and identical or better timing and methods of payment;

(iii) have substantially equivalent economic value to such Award immediately prior to the Change in Control (as determined by the Board or the Committee (as constituted prior to the Change in Control), in its discretion);

(iv) have terms and conditions which provide that if the Participant incurs a Termination of Service by the New Employer under any circumstances other than involuntary Termination of Service for Cause or resignation without Good Reason within eighteen (18) months following the Change in Control, (1) any conditions on a Participant's rights under, or any restrictions on transfer or exercisability applicable to, such Alternative Award shall be waived or shall lapse in full, and such Alternative Award shall become fully vested and exercisable, as the case may be, and (2) to the extent applicable, each such Alternative Award outstanding as of the date of such Termination of Service may thereafter be exercised until the later of (A) the last date on which such Award would have been exercisable in the absence of this Section 15(a), and (B) the earlier of (I) the third anniversary of such Change in Control and (II) expiration of the term of such Award; and

(v) not subject the Participant to the assessment of additional taxes under Section 409A of the Code.

(b) Accelerated Vesting and Payment.

(i) In the event Section 15(a) does not apply, upon a Change in Control, (1) all outstanding Awards shall become fully vested, nonforfeitable and, to the extent applicable, exercisable

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immediately prior to the Change in Control; (2) the Board or the Committee (as constituted prior the Change in Control) shall provide that in connection with the Change in Control (A) each outstanding Option and Stock Appreciation Right shall be cancelled in exchange for an amount (payable in accordance with Section 15(b)(ii)) equal to the excess, if any, of the Fair Market Value of the Common Stock on the date of the Change in Control over the Option Price or Grant Price applicable to such Option or Stock Appreciation Right, (B) each Share of Restricted Stock, each Restricted Stock Unit and each other Award denominated in Shares shall be cancelled in exchange for an amount (payable in accordance with Section 15(b)(ii)) equal to the Change in Control Price multiplied by the number of Shares covered by such Award, (C) each Award not denominated in Shares shall be cancelled in exchange for the full amount of such Award (payable in accordance with Section 15(b)), and (D) any Award the payment or settlement of which was deferred under Section 22(d) or otherwise shall be cancelled in exchange for the full amount of such deferred Award (payable in accordance with Section 15(b)(ii)); (3) the target performance goals applicable to any outstanding Awards shall be deemed to have been attained in full (unless actual performance exceeds the target, in which case actual performance shall be used) for the entire applicable Performance Period then outstanding; and (4) the Board or the Committee (as constituted prior the Change in Control) may, in addition to the consequences otherwise set forth in this Section 15(b)(i), make adjustments and / or settlements of outstanding Awards as it deems appropriate and consistent with the Plan's purposes.

(ii) Payments. Payment of any amounts in accordance with this Section 15(b) shall be made in cash or, if determined by the Board or the Committee (as constituted prior to the Change in Control), in securities of the New Employer that are traded on an established United States securities market, or which will be so traded within sixty (60) days following the Change in Control, having an aggregate fair market value (as determined by such Board or Committee) equal to such amount or in a combination of such securities and cash. All amounts payable hereunder shall be payable in full, as soon as reasonably practicable, but in no event later than ten (10) business days, following the Change in Control.

(c) Certain Terminations of Service Prior to Change in Control. Any Participant who incurs a Termination of Service under any circumstances other than involuntary Termination of Service for Cause or resignation without Good Reason on or after the date on which the Company entered into an agreement in principle the consummation of which would constitute a Change in Control, but prior to such consummation, and such Change in Control actually occurs, shall be treated, solely for purposes of the Plan (including this Section 15), as continuing in the Company's, or the applicable Affiliate's, employment or service until the occurrence of such Change in Control and to have been Terminated under such circumstances immediately thereafter.

(d) Termination, Amendment, and Modifications of Change in Control Provisions. Notwithstanding any other provision of the Plan or any Award Agreement provision, the provisions of this Section 15 may not be terminated, amended, or modified on or after the date of a Change in Control to materially impair any Participant's Award theretofore granted and then outstanding under the Plan without the prior written consent of such Participant.

(e) No Implied Rights; Other Limitations. No Participant shall have any right to prevent the consummation of any of the acts described in Section 4(d) or this Section 15 affecting the number of Shares available to, or other entitlement of, such Participant under the Plan or such Participant's Award. Any actions or determinations of the Committee under this Section 15 need not be uniform as to all outstanding Awards, nor treat all Participants identically. Notwithstanding the foregoing provisions of this Section 15, the Committee shall determine the adjustments provided in this Section 15: (i) subject to Section 17(g)(vi), and (ii) after taking into account, among other things, to the extent applicable, the provisions of the Code applicable to Incentive Stock Options, and in no event may any ISO be exercised after ten (10) years from the Grant Date thereof.

Table of Contents**16. Amendment and Termination.**

(a) **Amendment and Termination of the Plan.** The Board may, at any time and with or without prior notice, amend, alter, suspend or terminate the Plan, retroactively or otherwise, but no such amendment, alteration, suspension or termination of the Plan shall be made which would materially impair the previously accrued rights of any Participant with respect to a previously granted Award without such Participant's consent, except any such amendment made to comply with applicable law, tax rules, stock exchange rules or accounting rules. In addition, no such amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by any applicable law, tax rules, stock exchange rules or accounting rules (including as necessary to comply with any rules or requirements of any securities exchange or inter-dealer quotation system on which the Shares may be listed or quoted or to prevent the Company from being denied a tax deduction under Section 162(m) of the Code).

(b) **Amendment of Awards.** Subject to the immediately following sentence, the Committee may unilaterally amend or alter the terms of any Award theretofore granted, including any Award Agreement, retroactively or otherwise, but no such amendment shall cause an Award that is intended to qualify as a Performance Compensation Award not to so qualify or otherwise be inconsistent with the terms and conditions of the Plan or materially impair the previously accrued rights of the Participant to whom such Award was granted with respect to such Award without his or her consent, except such an amendment made to cause the Plan or such Award to comply with applicable law, tax rules, stock exchange rules or accounting rules. Except pursuant to Section 4(d) or as approved by the Company's stockholders, during any period that the Company is subject to the reporting requirements of the Exchange Act, the terms of an outstanding Option or SAR may not be amended to reduce the Option Price or Grant Price thereof, an outstanding Option or SAR may not be cancelled in exchange for cash, the granting of an Option or SAR to the Participant at a lower Option Price or Grant Price, or the granting to the Participant another Award of a different type, and no Option or SAR shall otherwise be subject to any action that is considered a repricing for purposes of the stockholder approval rules of the Applicable Exchange.

17. Tax Withholding and Other Tax Matters.

(a) **Tax Withholding.** The Company and/or any Affiliate are authorized to withhold from any Award granted or payment due under the Plan the amount of all Federal, state, local and non-United States taxes due in respect of such Award or payment and take any such other action as may be necessary or appropriate, as determined by the Committee, to satisfy all obligations for the payment of such taxes. No later than the date as of which an amount first becomes includible in the gross income or wages of a Participant for federal, state, local, or non-U.S. tax purposes with respect to any Award, such Participant shall pay to the Company, or make arrangements satisfactory to the Committee regarding the payment of, any federal, state, local or non-U.S. taxes or social security (or similar) contributions of any kind required by law to be withheld with respect to such amount. The obligations of the Company under the Plan shall be conditional on such payment or satisfactory arrangements (as determined by the Committee in its discretion), and the Company and the Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to such Participant, whether or not under the Plan.

(b) **Withholding or Tendering Shares.** Without limiting the generality of Section 17(a), subject to any applicable laws, a Participant may (unless disallowed by the Committee) elect to satisfy or arrange to satisfy, in whole or in part, the tax obligations incident to an Award by: (i) electing to have the Company withhold Shares or other property otherwise deliverable to such Participant pursuant to his or her Award (provided, however, that the amount of any Shares so withheld shall not exceed the amount necessary to satisfy required Federal, state, local and non-United States withholding obligations using the minimum statutory withholding rates for Federal, state, local and/or non-U.S. tax purposes, including payroll taxes, that are applicable to supplemental taxable income) and/or (ii) tendering to the Company Shares already owned by such Participant (or by such Participant and his or her spouse

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jointly) and either previously acquired by the Participant on the open market or held by the Participant for at least six (6) months at the time of exercise or payment (or which meet any such other requirements as the Committee may determine are necessary in order to avoid an accounting earnings charge on account of the use of such Shares to satisfy such tax obligations), based, in each case, on the Fair Market Value of the Common Stock on the payment date as determined by the Committee. All such elections shall be irrevocable, made in writing, signed by the Participant, and shall be subject to any restrictions or limitations that the Committee, in its sole discretion, deems appropriate. The Committee may establish such procedures as it deems appropriate, including making irrevocable elections, for settlement of withholding obligations with Common Stock.

(c) Restrictions. The satisfaction of tax obligations pursuant to this Section 17 shall be subject to such restrictions as the Committee may impose, including any restrictions required by applicable law or the rules and regulations of the SEC, and shall be construed consistent with an intent to comply with any such applicable laws, rule and regulations.

(d) Special ISO Obligations. The Committee may require a Participant to give prompt written notice to the Company concerning any disposition of Shares received upon the exercise of an ISO within: (i) two (2) years from the Grant Date such ISO to such Participant or (ii) one (1) year from the transfer of such Shares to such Participant or (iii) such other period as the Committee may from time to time determine. The Committee may direct that a Participant with respect to an ISO undertake in the applicable Award Agreement to give such written notice described in the preceding sentence, at such time and containing such information as the Committee may prescribe, and/or that the certificates evidencing Shares acquired by exercise of an ISO refer to such requirement to give such notice.

(e) Section 83(b) Election. If a Participant makes an election under Section 83(b) of the Code to be taxed with respect to an Award as of the date of transfer of Shares rather than as of the date or dates upon which the Participant would otherwise be taxable under Section 83(a) of the Code, such Participant shall deliver a copy of such election to the Company upon or prior to the filing such election with the Internal Revenue Service. Neither the Company nor any Affiliate shall have any liability or responsibility relating to or arising out of the filing or not filing of any such election or any defects in its construction.

(f) No Guarantee of Favorable Tax Treatment. Although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Code Section 409A, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Code Section 409A or any other provision of federal, state, local, or non-United States law. The Company shall not be liable to any Participant for any tax, interest, or penalties the Participant might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

(g) Nonqualified Deferred Compensation.

(i) It is the intention of the Company that no Award shall be deferred compensation subject to Code Section 409A unless and to the extent that the Committee specifically determines otherwise as provided in paragraph (ii) of this Section 17(g), and the Plan and the terms and conditions of all Awards shall be interpreted and administered accordingly.

(ii) The terms and conditions governing any Awards that the Committee determines will be subject to Section 409A of the Code, including any rules for payment or elective or mandatory deferral of the payment or delivery of Shares or cash pursuant thereto, and any rules regarding treatment of such Awards in the event of a Change in Control, shall be set forth in the applicable Award Agreement and shall be intended to comply in all respects with Section 409A of the Code, and the Plan and the terms and conditions of such Awards shall be interpreted and administered accordingly.

(iii) The Committee shall not extend the period to exercise an Option or Stock Appreciation Right to the extent that such extension would cause the Option or Stock Appreciation Right to become subject to Code Section 409A.

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(iv) No Dividend Equivalents shall relate to Shares underlying an Option or SAR unless such Dividend Equivalent rights are explicitly set forth as a separate arrangement and do not cause any such Option or SAR to be subject to Code Section 409A.

(v) Notwithstanding the provisions of Section 4(d) to the contrary, (1) any adjustments made pursuant to Section 4(d) to Awards that are considered deferred compensation subject to Section 409A of the Code shall be made in compliance with the requirements of Section 409A of the Code; (2) any adjustments made pursuant to Section 4(d) to Awards that are not considered deferred compensation subject to Section 409A of the Code shall be made in such a manner as to ensure that after such adjustment, the Awards either (A) continue not to be subject to Section 409A of the Code or (B) comply with the requirements of Section 409A of the Code; and (3) in any event, neither the Committee nor the Board shall have any authority to make any adjustments, substitutions or changes pursuant to Section 4(d) to the extent the existence of such authority would cause an Award that is not intended to be subject to Section 409A of the Code at the Grant Date thereof to be subject to Section 409A of the Code.

(vi) If any Award is subject to Section 409A of the Code, the provisions of Section 15 shall be applicable to such Award only to the extent specifically provided in the Award Agreement and permitted pursuant to paragraph (ii) of this Section 17(g).

18. Limits Of Liability: Indemnification.

(a) Limits of Liability. Any liability of the Company or an Affiliate to any Participant with respect to any Award shall be based solely upon contractual obligations created by the Plan and the Award Agreement.

(i) None of the Company, any Affiliate, any member of the Board or the Committee or any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability, in the absence of bad faith, to any party for any action taken or not taken in connection with the Plan, except as may expressly be provided by statute.

(ii) Each member of the Committee, while serving as such, shall be considered to be acting in his or her capacity as a director of the Company. Members of the Board of Directors and members of the Committee acting under the Plan shall be fully protected in relying in good faith upon the advice of counsel and shall incur no liability except for gross negligence or willful misconduct in the performance of their duties.

(iii) The Company shall not be liable to a Participant or any other person as to: (i) the non-issuance of Shares as to which the Company has been unable to obtain from any regulatory body having relevant jurisdiction the authority deemed by the Committee or the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, and (ii) any tax consequence expected, but not realized, by any Participant or other person due to the receipt, exercise or settlement of any Option or other Award.

(b) Indemnification. Subject to the requirements of Delaware law, each individual who is or shall have been a member of the Committee or of the Board, or an officer of the Company to whom authority was delegated in accordance with Section 3, shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit, or proceeding against him or her, provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf, unless such loss, cost, liability, or expense is a result of the individual's own willful misconduct or except as provided

by statute. The foregoing right of

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indemnification shall not be exclusive of any other rights of indemnification to which such individual may be entitled under the Company's Certificate of Incorporation or By-Laws, as a matter of law, or otherwise, or any power that the Company may have to indemnify or hold harmless such individual.

19. Successors. All obligations of the Company under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

20. Termination, Rescission and Recapture of Awards.

(a) Each Award under the Plan is intended to align the Participant's long-term interests with those of the Company. Accordingly, the Company may terminate any outstanding, unexercised, unexpired, unpaid, or deferred Awards (Termination), rescind any exercise, payment or delivery pursuant to the Award (Rescission), or recapture any Shares (whether restricted or unrestricted) or proceeds from the Participant's sale of Shares issued pursuant to the Award (Recapture), if the Participant does not comply with the conditions of subsections (b) and (c) of this Section 20 (collectively, the Conditions).

(b) A Participant shall not, without the Company's prior written authorization, disclose to anyone outside the Company, or use in other than the Company's business, any proprietary or confidential information or material, as those or other similar terms are used in any applicable patent, confidentiality, inventions, secrecy, or other agreement between the Participant and the Company or an Affiliate with regard to any such proprietary or confidential information or material.

(c) If the Company determines, in its sole and absolute discretion, that (i) a Participant has violated any of the Conditions or (ii) during his or her employment or service with the Company or any Affiliate, a Participant (x) has rendered services to or otherwise directly or indirectly engaged in or assisted, any organization or business that, in the judgment of the Company in its sole and absolute discretion, is or is working to become competitive with the Company or an Affiliate; (y) has solicited any non-administrative employee of the Company or any Affiliate to terminate employment with the Company or such Affiliate; or (z) has engaged in activities which are materially prejudicial to or in conflict with the interests of the Company or an Affiliate, including any breaches of fiduciary duty or the duty of loyalty, then the Company may, in its sole and absolute discretion, impose a Termination, Rescission, and/or Recapture with respect to any or all of the Participant's relevant Awards, Shares, and the proceeds thereof.

(d) Within ten days after receiving notice from the Company of any such activity described in Section 20(c) above, the Participant shall deliver to the Company the Shares acquired pursuant to the Award, or, if Participant has sold the Shares, the gain realized, or payment received as a result of the rescinded exercise, payment, or delivery; provided that if the Participant returns Shares that the Participant purchased pursuant to the exercise of an Option (or the gains realized from the sale of such Common Stock), the Company shall promptly refund the exercise price, without earnings, that the Participant paid for the Shares. Any payment by the Participant to the Company pursuant to this Section shall be made either in cash or by returning to the Company the number of Shares that the Participant received in connection with the rescinded exercise, payment, or delivery. It shall not be a basis for Termination, Rescission or Recapture if after a Participant's Termination of Service, the Participant purchases, as an investment or otherwise, stock or other securities of an organization or business, so long as (i) such stock or other securities are listed upon a recognized securities exchange or traded over-the-counter, and (ii) such investment does not represent more than a five percent (5%) equity interest in the organization or business.

(e) Notwithstanding the foregoing provisions of this Section, the Company has sole discretion not to require Termination, Rescission and/or Recapture, and its determination not to require Termination, Rescission and/or Recapture with respect to any particular act by a particular Participant or Award shall not in any way reduce or

eliminate the Company's authority to require Termination, Rescission and/or Recapture with respect to any other act or Participant or Award. Nothing in this Section shall

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be construed to impose obligations on the Participant to refrain from engaging in lawful competition with the Company after the termination of employment that does not violate subsections (b) or (c) of this Section, other than any obligations that are part of any separate agreement between the Company or an Affiliate and the Participant or that arise under applicable law.

(f) All administrative and discretionary authority given to the Company under this Section shall be exercised by the most senior human resources executive of the Company or such other person or committee (including the Committee) as the Committee may designate from time to time.

(g) If any provision within this Section is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives and any limitations required under applicable law. Notwithstanding the foregoing, but subject to any contrary terms set forth in any Award Agreement, this Section shall not be applicable to any Participant from and after his or her Termination of Service after a Change in Control.

21. Recoupment of Awards. To the extent permitted or required by applicable law, and without obtaining the approval or consent of the Company's shareholders or of any Participant, a Participant may be required by the Committee to reimburse the Company for all or any portion of any Awards granted under the Plan (Reimbursement), or the Termination, Rescission or Recapture of any Award may be required by the Committee, if and to the extent:

(a) the granting, vesting, or payment of such Award was based on financial results that were subsequently the subject of an accounting restatement due to material noncompliance of the Company with any financial reporting requirement under the securities laws; and

(b) a lower granting, vesting, or payment of such Award would have occurred based on the restated results;

provided that the Company will not seek Reimbursement, Termination, Rescission or Recapture of any such Awards that were granted, paid and vested under the Plan more than three years prior to the date on which the Company is required to prepare the relevant restatement.

22. Miscellaneous.

(a) Drafting Context; Captions. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular and the singular shall include the plural. The words Section, and paragraph herein shall refer to provisions of the Plan, unless expressly indicated otherwise. The words include, includes, and including herein shall be deemed to be followed by without limitation whether or not they are in fact followed by such words or words of similar import, unless the context otherwise requires. The headings and captions appearing herein are inserted only as a matter of convenience. They do not define, limit, construe, or describe the scope or intent of the provisions of the Plan.

(b) Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

(c) Exercise and Payment of Awards. An Award shall be deemed exercised or claimed when the Secretary of the Company or any other Company official or other person designated by the Committee for such purpose receives appropriate Notice from a Participant, in form acceptable to the Committee, together with payment of the applicable Option Price, Grant Price or other purchase price, if any, and compliance with Section 17, in accordance with the Plan and such Participant's Award Agreement.

(d) Deferrals. Subject to applicable law, the Committee may from time to time establish procedures pursuant to which a Participant may defer on an elective or mandatory basis receipt of all or a portion of the cash or Shares subject to an Award on such terms and conditions as the Committee

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shall determine, including those of any deferred compensation plan of the Company or any Affiliate specified by the Committee for such purpose.

(e) No Effect on Other Plans. Neither the adoption of the Plan nor anything contained herein shall affect any other compensation or incentive plans or arrangements of the Company or any Affiliate, or prevent or limit the right of the Company or any Affiliate to establish any other forms of incentives or compensation for their directors, officers, eligible employees or consultants or grant or assume options or other rights otherwise than under the Plan.

(f) Section 16 of Exchange Act and Section 162(m) of the Code. The provisions and operation of the Plan are intended to ensure that no transaction under the Plan is subject to (and not exempt from) the short-swing profit recovery rules of Section 16(b) of the Exchange Act. Unless otherwise stated in the Award Agreement, notwithstanding any other provision of the Plan, any Award granted to an Insider shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16(b) of the Exchange Act (including Rule 16b-3) that are requirements for the application of such exemptive rule, and the Plan and the Award Agreement shall be deemed amended to the extent necessary to conform to such limitations. Furthermore, notwithstanding any other provision of the Plan or an Award Agreement, any Performance Compensation Award shall be subject to any applicable limitations set forth in Code Section 162(m) or any regulations or rulings issued thereunder (including any amendment to the foregoing) that are requirements for qualification as other performance-based compensation as described in Code Section 162(m)(4)(C), and the Plan and the Award Agreement shall be deemed amended to the extent necessary to conform to such requirements and no action of the Committee that would cause such Award not to so qualify shall be effective

(g) Requirements of Law; Limitations on Awards.

(i) The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(ii) If at any time the Committee shall determine, in its discretion, that the listing, registration and/or qualification of Shares upon any securities exchange or under any state, Federal or non-United States law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of Shares hereunder, the Company shall have no obligation to allow the grant, exercise or payment of any Award, or to issue or deliver evidence of title for Shares issued under the Plan, in whole or in part, unless and until such listing, registration, qualification, consent and/or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Committee.

(iii) If at any time counsel to the Company shall be of the opinion that any sale or delivery of Shares pursuant to an Award is or may be in the circumstances unlawful or result in the imposition of excise taxes on the Company or any Affiliate under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act, or otherwise with respect to Shares or Awards and the right to exercise or payment of any Option or Award shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Company or any Affiliate.

(iv) Upon termination of any period of suspension under this Section 22(g), any Award affected by such suspension which shall not then have expired or terminated shall be reinstated as to all Shares available before such suspension and as to the Shares which would otherwise have become available during the period of such suspension, but no suspension shall extend the term of any Award.

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(v) The Committee may require each person receiving Shares in connection with any Award under the Plan to represent and agree with the Company in writing that such person is acquiring such Shares for investment without a view to the distribution thereof, and/or provide such other representations and agreements as the Committee may prescribe. The Committee, in its absolute discretion, may impose such restrictions on the ownership and transferability of the Shares purchasable or otherwise receivable by any person under any Award as it deems appropriate. Any such restrictions shall be set forth in the applicable Award Agreement, and the certificates evidencing such shares may include any legend that the Committee deems appropriate to reflect any such restrictions.

(vi) An Award and any Shares received upon the exercise or payment of an Award shall be subject to such other transfer and/or ownership restrictions and/or legending requirements as the Committee may establish in its discretion and may be referred to on the certificates evidencing such Shares, including restrictions under applicable Federal securities laws, under the requirements of any stock exchange or market upon which such Shares are then listed and/or traded, and under any blue sky or state securities laws applicable to such Shares.

(h) Participants Deemed to Accept Plan. By accepting any benefit under the Plan, each Participant and each person claiming under or through any such Participant shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Board, the Committee or the Company, in any case in accordance with the terms and conditions of the Plan.

(i) Governing Law. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan or an Award Agreement to the substantive law of another jurisdiction.

(j) Plan Unfunded. The Plan shall be an unfunded plan for incentive compensation. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the issuance of Shares or the payment of cash upon exercise or payment of any Award. Proceeds from the sale of Shares pursuant to Options or other Awards granted under the Plan shall constitute general funds of the Company. With respect to any payments not yet made to any person pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give such person any rights that are greater than those of a general creditor of the Company or any Affiliate, and a Participant's rights under the Plan at all times constitute an unsecured claim against the general assets of the Company for the payment any amounts as they come due under the Plan. Neither the Participant nor the Participant's duly-authorized transferee or beneficiaries shall have any claim against or rights in any specific assets, Shares, or other funds of the Company or any Affiliate.

(k) Administration Costs. The Company shall bear all costs and expenses incurred in administering the Plan, including expenses of issuing Shares pursuant to any Options or other Awards granted hereunder.

(l) Uncertificated Shares. To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may nevertheless be effected on a noncertificated basis, to the extent not prohibited by applicable law or the rules of any stock exchange.

(m) No Fractional Shares. An Option or other Award shall not be exercisable with respect to a fractional Share or the lesser of fifty (50) shares or the full number of Shares then subject to the Option or other Award. No fractional Shares shall be issued upon the exercise or payment of an Option or other Award.

(n) Affiliate Eligible Individuals. In the case of a grant of an Award to any Eligible Individual of an Affiliate, the Company may, if the Committee so directs, issue or transfer the Shares, if any, covered by the Award to such Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that such Affiliate will transfer such Shares to such Eligible Individual in

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accordance with the terms and conditions of such Award and those of the Plan. The Committee may also adopt procedures regarding treatment of any Shares so transferred to an Affiliate that are subsequently forfeited or canceled.

(o) Data Protection. By participating in the Plan, each Participant consents to the collection, processing, transmission and storage by the Company, in any form whatsoever, of any data of a professional or personal nature which is necessary for the purposes of administering the Plan. The Company may share such information with any Affiliate, any trustee, its registrars, brokers, other third-party administrator or any person who obtains control of the Company or any Affiliate or any division respectively thereof.

(p) Right of Offset. The Company and the Affiliates shall have the right to offset against the obligations to make payment or issue any Shares to any Participant under the Plan, any outstanding amounts (including travel and entertainment advance balances, loans, tax withholding amounts paid by the employer or amounts repayable to the Company or any Affiliate pursuant to tax equalization, housing, automobile or other employee programs) such Participant then owes to the Company or any Affiliate and any amounts the Committee otherwise deems appropriate pursuant to any tax equalization policy or agreement, in each case to the extent permitted by applicable law and not in violation of Code Section 409A.

(q) Participants Based Outside of the United States. The Committee may grant awards to Eligible Individuals who are non-United States nationals, or who reside outside the United States or who are not compensated from a payroll maintained in the United States or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States (and, in any case, who are not and are not expected to be covered employees within the meaning of Code Section 162(m)), on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan and comply with such legal or regulatory provisions, and, in furtherance of such purposes, the Committee may make or establish such modifications, amendments, procedures or subplans as may be necessary or advisable to comply with such legal or regulatory requirements (including to maximize tax efficiency).

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APPENDIX B

JETBLUE AIRWAYS CORPORATION

2011 CREWMEMBER STOCK PURCHASE PLAN

I. PURPOSE OF THE PLAN

This 2011 Crewmember Stock Purchase Plan is intended to promote the interests of JetBlue Airways Corporation, a Delaware corporation, by providing eligible crewmembers with the opportunity to acquire a proprietary interest in the Corporation through participation in a payroll deduction-based employee stock purchase plan designed to qualify under Section 423 of the Code.

Capitalized terms herein shall have the meanings assigned to such terms in the attached Appendix.

II. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Plan Administrator. The Plan Administrator shall have full discretionary authority to interpret and construe any provision of the Plan, to adopt such rules and regulations for administering the Plan as it may deem necessary in order to comply with the requirements of Code Section 423 and all such authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Decisions of the Plan Administrator shall be final and binding on all parties having an interest in the Plan. Subject to applicable laws, rules, and regulations, the Plan Administrator may, in its discretion, from time to time, delegate all or any part of its responsibilities and powers under the Plan to any employee or group of employees of the Corporation or any Participating Corporation, and revoke any such delegation. Notwithstanding the foregoing, the Board, in its absolute discretion, may at any time and from time to time exercise any and all rights, duties and responsibilities of the Plan Administrator under the Plan, including, but not limited to, establishing procedures to be followed by the Plan Administrator.

III. STOCK SUBJECT TO PLAN

A. The stock purchasable under the Plan shall be shares of authorized but unissued or reacquired Common Stock, including shares of Common Stock purchased on the open market. The maximum number of shares of Common Stock reserved for issuance over the term of the Plan shall not exceed 8,000,000 shares.

B. In the event of any of the following transactions affecting the Common Stock: any stock split, stock dividend, recapitalization, combination of shares, exchange of shares, or other similar change affecting the outstanding Common Stock, or a merger, consolidation, acquisition of property or shares, spin-off, other distribution of stock or property (including any extraordinary cash or stock dividend), or liquidation or other similar event affecting the Corporation or a subsidiary of the Corporation, then equitable adjustments shall be made to (i) the maximum number and class of securities issuable under the Plan, (ii) the maximum number and class of securities purchasable per Participant on any one Purchase Date, (iii) the maximum number and class of securities purchasable in total by all Participants on any one Purchase Date, and (iv) the number and class of securities and the price per share in effect under each outstanding purchase right. The adjustments shall be made in such manner as the Plan Administrator deems appropriate in order to prevent the dilution or enlargement of benefits under the outstanding purchase rights, and such adjustments shall be final, binding and conclusive on the holders of those rights.

IV. OFFERING PERIODS

A. Shares of Common Stock shall be offered for purchase under the Plan through a series of overlapping offering periods until such time as (i) the maximum number of shares of Common Stock available for issuance under the Plan shall have been purchased or (ii) the Plan shall have been sooner terminated.

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B. Each offering period shall be of such duration (not to exceed twenty-four (24) months) as determined by the Plan Administrator prior to the start date of such offering period. Offering periods shall commence at semi-annual intervals on the first business day of May and November each year over the term of the Plan. Accordingly, two (2) separate offering periods shall commence in each calendar year the Plan remains in existence. Unless otherwise determined by the Plan Administrator prior to the start of such offering period, each offering period shall have a maximum duration of six (6) months.

C. Each offering period shall consist of a series of one or more successive Purchase Intervals. Purchase Intervals shall run from the first business day in May to the last business day in October each year and from the first business day in November each year to the last business day in April in the following year. Each offering period will consist of one Purchase Interval, unless the duration of that offering period exceeds six (6) months.

V. ELIGIBILITY

A. Each individual who is an Eligible Crewmember on the start date of any offering period under the Plan may enter that offering period on such start date. However, an Eligible Crewmember may participate in only one offering period at a time.

B. An Eligible Crewmember must, in order to participate in the Plan for a particular offering period, complete the enrollment forms prescribed by the Plan Administrator (including a stock purchase agreement and a payroll deduction authorization) and file such forms with the Plan Administrator (or its designee) on or before the start date of that offering period.

VI. PAYROLL DEDUCTIONS

A. The payroll deduction authorized by the Participant for purposes of acquiring shares of Common Stock during an offering period may be any multiple of one percent (1%) of the Cash Earnings paid to the Participant during each Purchase Interval within that offering period, up to a maximum of ten percent (10%). The deduction rate so authorized shall continue in effect throughout the offering period, except to the extent such rate is changed in accordance with the following guidelines:

(i) The Participant may, at any time during the offering period, reduce his or her rate of payroll deduction to become effective as soon as administratively possible after filing the appropriate form with the Plan Administrator. The Participant may not, however, effect more than one (1) such reduction per Purchase Interval.

(ii) The Participant may, prior to the commencement of any new Purchase Interval within the offering period, increase the rate of his or her payroll deduction by filing the appropriate form with the Plan Administrator. The new rate (which may not exceed the ten percent (10%) maximum) shall become effective on the start date of the first Purchase Interval following the filing of such form.

B. Payroll deductions from after-tax Cash Earnings shall begin on the first pay day administratively feasible following the start date of the offering period and shall (unless sooner terminated by the Participant) continue through the pay day ending with or immediately prior to the last day of that offering period. The amounts so collected shall be credited to the Participant's book account under the Plan, but no interest shall be paid on the balance from time to time outstanding in such account. The amounts collected from the Participant shall not be required to be held in any segregated account or trust fund and may be commingled with the general assets of the Corporation and used for general corporate purposes.

C. Payroll deductions shall automatically cease upon the termination of the Participant's purchase right in accordance with the provisions of the Plan.

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D. The Participant's acquisition of Common Stock under the Plan on any Purchase Date shall neither limit nor require the Participant's acquisition of Common Stock on any subsequent Purchase Date, whether within the same or a different offering period.

VII. PURCHASE RIGHTS

A. **Grant of Purchase Rights.** A Participant shall be granted a separate purchase right for each offering period in which he or she is enrolled. The purchase right shall be granted on the start date of the offering period and shall provide the Participant with the right to purchase shares of Common Stock, at the end of each Purchase Interval within that offering period, upon the terms set forth below. The Participant shall execute a stock purchase agreement embodying such terms and such other provisions (not inconsistent with the Plan) as the Plan Administrator may deem advisable.

Under no circumstances shall purchase rights be granted under the Plan to any Eligible Crewmember if such individual would, immediately after the grant, own (within the meaning of Code Section 424(d)) or hold outstanding options or other rights to purchase, stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Corporation or any Corporate Affiliate.

B. **Exercise of the Purchase Right.** Each purchase right shall be automatically exercised on each successive Purchase Date within the offering period, and shares of Common Stock shall accordingly be purchased on behalf of each Participant on each such Purchase Date. The purchase shall be effected by applying the Participant's payroll deductions for the Purchase Interval ending on such Purchase Date to the purchase of whole shares of Common Stock at the purchase price in effect for the Participant for that Purchase Date.

C. **Purchase Price.** The purchase price per share at which Common Stock will be purchased on the Participant's behalf on each Purchase Date within a particular offering period in which he or she is enrolled shall be equal to ninety-five percent (95%) of the Fair Market Value per share of Common Stock on such Purchase Date.

D. **Number of Purchasable Shares.** The number of shares of Common Stock purchasable by a Participant on each Purchase Date during the particular offering period in which he or she is enrolled shall be the number of whole shares obtained by dividing the amount collected from the Participant through payroll deductions during the Purchase Interval ending with that Purchase Date by the purchase price in effect for the Participant for that Purchase Date. However, the maximum number of shares of Common Stock purchasable per Participant on any one Purchase Date shall not exceed 3,375 shares, subject to periodic adjustments in the event of certain changes in the Corporation's capitalization. In addition, the maximum number of shares of Common Stock purchasable in total by all Participants in the Plan on any one Purchase Date shall not exceed 1,350,000 shares, subject to periodic adjustments in the event of certain changes in the Corporation's capitalization. However, the Plan Administrator shall have the discretionary authority, exercisable prior to the start of any offering period under the Plan, to increase or decrease the limitations to be in effect for the number of shares purchasable per Participant and in total by all Participants enrolled in that particular offering period on each Purchase Date which occurs during that offering period.

E. **Excess Payroll Deductions.** Any payroll deductions not applied to the purchase of shares of Common Stock on any Purchase Date because they are not sufficient to purchase a whole share of Common Stock shall be held for the purchase of Common Stock on the next Purchase Date. However, any payroll deductions not applied to the purchase of Common Stock by reason of the limitation on the maximum number of shares purchasable per Participant or in total by all Participants on the Purchase Date or any other reason shall be promptly refunded.

F. **Suspension of Payroll Deductions.** In the event that a Participant is, by reason of the accrual limitations in Article VIII, precluded from purchasing additional shares of Common Stock on one or more Purchase Dates during

the offering period in which he or she is enrolled, then no further payroll

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deductions shall be collected from such Participant with respect to those Purchase Dates. The suspension of such deductions shall not terminate the Participant's purchase right for the offering period in which he or she is enrolled, and payroll deductions shall automatically resume on behalf of such Participant once he or she is again able to purchase shares during that offering period in compliance with the accrual limitations of Article VIII.

G. Withdrawal from Offering Period. The following provisions shall govern the Participant's withdrawal from an offering period:

(i) A Participant may withdraw from the offering period in which he or she is enrolled at any time prior to the next scheduled Purchase Date by filing the appropriate form with the Plan Administrator (or its designate), and no further payroll deductions shall be collected from the Participant with respect to that offering period. Any payroll deductions collected during the Purchase Interval in which such withdrawal occurs shall, at the Participant's election, be immediately refunded or held for the purchase of shares on the next Purchase Date. If no such election is made at the time of such withdrawal, then the payroll deductions collected from the Participant during the Purchase Interval in which such withdrawal occurs shall be refunded as soon as administratively possible.

(ii) The Participant's withdrawal from a particular offering period shall be irrevocable, and the Participant may not subsequently rejoin that offering period at a later date. In order to resume participation in any subsequent offering period, such individual must re-enroll in the Plan (by making a timely filing of the prescribed enrollment forms) on or before the start date of that offering period.

H. Termination of Purchase Right. The following provisions shall govern the termination of outstanding purchase rights:

(i) Should the Participant cease to remain an Eligible Crewmember for any reason (including death, disability or change in status) while his or her purchase right remains outstanding, then that purchase right shall immediately terminate, and all of the Participant's payroll deductions for the Purchase Interval in which the purchase right so terminates shall be immediately refunded.

(ii) However, should the Participant cease to remain in active service by reason of an approved unpaid leave of absence, then the Participant shall have the right, exercisable up until the last business day of the Purchase Interval in which such leave commences, to (a) withdraw all the payroll deductions collected to date on his or her behalf for that Purchase Interval or (b) have such funds held for the purchase of shares on his or her behalf on the next scheduled Purchase Date. In no event, however, shall any further payroll deductions be collected on the Participant's behalf during such leave. Upon the Participant's return to active service (x) within ninety (90) days following the commencement of such leave or (y) prior to the expiration of any longer period for which such Participant has reemployment rights with the Corporation provided by statute or contract, his or her payroll deductions under the Plan shall automatically resume at the rate in effect at the time the leave began, unless the Participant withdraws from the Plan prior to his or her return. An individual who returns to active employment following a leave of absence that exceeds in duration the applicable (x) or (y) time period will be treated as a new Crewmember for purposes of subsequent participation in the Plan and must accordingly re-enroll in the Plan (by making a timely filing of the prescribed enrollment forms) on or before the start date of any subsequent offering period in which he or she wishes to participate.

I. Change in Control. Each outstanding purchase right shall automatically be exercised, immediately prior to the effective date of any Change in Control, by applying the payroll deductions of each Participant for the Purchase Interval in which such Change in Control occurs to the purchase of whole shares of Common Stock at a purchase price per share equal to ninety-five percent (95%) of the Fair Market Value per share of Common Stock immediately prior to the effective date of such Change in Control.

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However, the applicable limitation on the number of shares of Common Stock purchasable per Participant shall continue to apply to any such purchase, but not the limitation applicable to the maximum number of shares of Common Stock purchasable in total by all Participants on any one Purchase Date.

The Corporation shall use its best efforts to provide at least ten (10) days prior written notice of the occurrence of any Change in Control, and Participants shall, following the receipt of such notice, have the right to terminate their outstanding purchase rights prior to the effective date of the Change in Control.

Notwithstanding the foregoing provisions of this Section VII.I to the contrary, the Plan Administrator may in its discretion determine that any outstanding purchase rights shall be terminated prior to the effective date of a Change in Control, in which case all payroll deductions for the Purchase Interval in which such purchase rights are terminated shall be promptly refunded.

J. **Proration of Purchase Rights.** Should the total number of shares of Common Stock to be purchased pursuant to outstanding purchase rights on any particular date exceed the number of shares then available for issuance under the Plan or the limit on the maximum number of shares of Common Stock purchasable in total by all Participants on any one Purchase Date pursuant to Section VII.D, the Plan Administrator shall make a pro-rata allocation of the shares available or purchasable on a uniform and nondiscriminatory basis, and the payroll deductions of each Participant, to the extent in excess of the aggregate purchase price payable for the Common Stock pro-rated to such individual, shall be refunded.

K. **Assignability.** The purchase right shall be exercisable only by the Participant and shall not be assignable or transferable by the Participant.

L. **Stockholder Rights.** A Participant shall have no stockholder rights with respect to the shares subject to his or her outstanding purchase right until the shares are purchased on the Participant's behalf in accordance with the provisions of the Plan and the Participant has become a holder of record of the purchased shares.

VIII. ACCRUAL LIMITATIONS

A. No Participant shall be entitled to accrue rights to acquire Common Stock pursuant to any purchase right outstanding under this Plan if and to the extent such accrual, when aggregated with (i) rights to purchase Common Stock accrued under any other purchase right granted under this Plan and (ii) similar rights accrued under other employee stock purchase plans (within the meaning of Code Section 423) of the Corporation or any Corporate Affiliate, would otherwise permit such Participant to purchase more than Twenty-Five Thousand Dollars (\$25,000.00) worth of stock of the Corporation or any Corporate Affiliate (determined on the basis of the Fair Market Value per share on the date or dates such rights are granted) for each calendar year such rights are at any time outstanding.

B. For purposes of applying such accrual limitations to the purchase rights granted under the Plan, the following provisions shall be in effect:

(i) The right to acquire Common Stock under each outstanding purchase right shall accrue in one or more installments on each successive Purchase Date during the offering period in which such right remains outstanding.

(ii) No right to acquire Common Stock under any outstanding purchase right shall accrue to the extent the Participant has already accrued in the same calendar year the right to acquire Common Stock under one or more other purchase rights at a rate equal to Twenty-Five Thousand Dollars (\$25,000.00) worth of Common Stock (determined on the basis of the Fair Market Value per share on the date or dates of grant) for each calendar year such rights were at any time outstanding.

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C. If by reason of such accrual limitations, any purchase right of a Participant does not accrue for a particular Purchase Interval, then the payroll deductions that the Participant made during that Purchase Interval with respect to such purchase right shall be promptly refunded.

D. In the event there is any conflict between the provisions of this Article and one or more provisions of the Plan or any instrument issued thereunder, the provisions of this Article shall be controlling.

IX. EFFECTIVE TIME AND TERM OF THE PLAN

A. The Plan was adopted by the Board on April 14, 2011, and shall become effective upon the date on which the Plan is approved by the affirmative vote of the holders of a majority of the shares of Common Stock which are present or represented and entitled to vote and voted at a meeting (the **Effective Time**), which approval must occur within the period ending twelve (12) months before or after the date the Plan is adopted by the Board.

B. Unless sooner terminated by the Board, the Plan shall terminate upon the earliest of (i) the last business day in April 2021, (ii) the date on which all shares available for issuance under the Plan shall have been sold pursuant to purchase rights exercised under the Plan, and (iii) the date on which all purchase rights are exercised in connection with a Change in Control. No further purchase rights shall be granted or exercised, and no further payroll deductions shall be collected, under the Plan following such termination.

C. From and after the Effective Time, no further grants shall be made under the JetBlue Airways Corporation Crewmember Stock Purchase Plan, as in effect immediately prior to the Effective Time (the **Prior Plan**); however, any purchase rights outstanding under the Prior Plan before the Effective Time shall continue in effect in accordance with their terms.

X. AMENDMENT AND TERMINATION OF THE PLAN

A. The Board may alter, amend, suspend or terminate the Plan at any time to become effective immediately following the close of any Purchase Interval. However, the Plan may be amended or terminated immediately upon Board action, if and to the extent necessary to assure that the Corporation will not recognize, for financial reporting purposes, any compensation expense in connection with the shares of Common Stock offered for purchase under the Plan, should the financial accounting rules applicable to the Plan at the Effective Time be subsequently revised so as to require the Corporation to recognize compensation expense in the absence of such amendment or termination.

B. In no event may the Board effect any of the following amendments or revisions to the Plan without the approval of the Corporation's stockholders: (i) increase the number of shares of Common Stock issuable under the Plan, except for permissible adjustments in the event of certain changes in the Corporation's capitalization, (ii) alter the purchase price formula so as to reduce the purchase price payable for the shares of Common Stock purchasable under the Plan, (iii) modify the eligibility requirements for participation in the Plan, or (iv) any other amendment requiring stockholder approval under any applicable law, regulation or rule.

C. The Board may at any time terminate an offering period then in progress and provide that Participants' then outstanding payroll deductions shall be promptly refunded.

XI. GENERAL PROVISIONS

A. All costs and expenses incurred in the administration of the Plan shall be paid by the Corporation; however, each Plan Participant shall bear all costs and expenses incurred by such individual in the sale or other disposition of any shares purchased under the Plan.

B. Nothing in the Plan shall confer upon the Participant any right to continue in the employ of the Corporation or any Corporate Affiliate for any period of specific duration or interfere with or

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otherwise restrict in any way the rights of the Corporation (or any Corporate Affiliate employing such person) or of the Participant, which rights are hereby expressly reserved by each, to terminate such person's employment at any time for any reason, with or without cause.

C. The provisions of the Plan shall be governed by the laws of the State of Delaware without resort to that State's conflict-of-laws rules.

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Schedule A

**Corporations Participating in
2011 Crewmember Stock Purchase Plan
As of the Effective Time**

JetBlue Airways Corporation

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APPENDIX

The following definitions shall be in effect under the Plan:

A. **Board** shall mean the Corporation's Board of Directors.

B. **Cash Earnings** shall mean (i) the regular base salary paid to a Participant by one or more Participating Companies during such individual's period of participation in one or more offering periods under the Plan plus (ii) all overtime payments, bonuses, commissions, profit-sharing distributions or other incentive-type payments received during such period. Such Cash Earnings shall be calculated before deduction of (A) any income or employment tax withholdings, or (B) any contributions made by the Participant to any Code Section 401(k) salary deferral plan or any Code Section 125 cafeteria benefit program now or hereafter established by the Corporation or any Corporate Affiliate. However, Cash Earnings shall **not** include any non-cash items, severance or notice pay, income attributable to stock options or other stock-base compensation or contributions made by the Corporation or any Corporate Affiliate on the Participant's behalf to any crewmember benefit or welfare plan now or hereafter established (other than Code Section 401(k) or Code Section 125 contributions deducted from such Cash Earnings).

C. **Change in Control** shall mean the occurrence of any of the following:

(i) Any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a **Person**) becomes the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then-outstanding shares of common stock of the Corporation (the **Outstanding Corporation Common Stock**) or (B) the combined voting power of the then-outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the **Outstanding Corporation Voting Securities**); provided, however, that, for purposes of this Section 2(h), the following acquisitions shall not constitute a Change in Control: (i) any acquisition directly from the Corporation, (ii) any acquisition by the Corporation, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Affiliate or (iv) any acquisition by any corporation pursuant to a transaction that complies with Sections C(ii)(1), C(ii)(2) and C(ii)(3) below;

(ii) Any time at which individuals who, as of the Effective Time, constitute the Board (the **Incumbent Board**) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Effective Time whose election, or nomination for election by the Corporation's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; (iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar transaction involving the Corporation or any Affiliate, a sale or other disposition of all or substantially all of the assets of the Corporation, or the acquisition of assets or stock of another entity by the Corporation or any Affiliate (each, a **Business Combination**), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Corporation or all or substantially all of the Corporation's assets either directly or through one or

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more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Corporation Common Stock and the Outstanding Corporation Voting Securities, as the case may be, (2) no Person (excluding any corporation resulting from such Business Combination or any employee benefit plan (or related trust) of the Corporation or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then-outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to the Business Combination, and (3) at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or

(iv) The consummation of a plan of complete liquidation or dissolution of the Corporation.

D. **Code** shall mean the Internal Revenue Code of 1986, as amended.

E. **Common Stock** shall mean the Corporation's common stock.

F. **Corporate Affiliate** shall mean (i) any parent or subsidiary corporation of the Corporation (as determined in accordance with Code Section 424), whether now existing or subsequently established, and, (ii) solely for purposes of the definition of Change in Control, any Person that directly or indirectly controls, is controlled by or is under common control with the Corporation. The term control (including, with correlative meaning, the terms controlled by and under common control with), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting or other securities, by contract or otherwise.

G. **Corporation** shall mean JetBlue Airways Corporation, a Delaware corporation, and any corporate successor to all or substantially all of the assets or voting stock of JetBlue Airways Corporation that shall by appropriate action adopt the Plan.

H. **Effective Time** shall have the meaning given such term in Section IX.A. Any Corporate Affiliate that becomes a Participating Corporation after such Effective Time shall designate a subsequent Effective Time with respect to its Eligible Crewmember-Participants (except with respect to the definition of Change in Control).

I. **Eligible Crewmember** shall mean any person who is paid remuneration for services rendered as an employee of one or more Participating Corporations.

J. **Exchange Act** shall mean the Securities Exchange Act of 1934, as it may be amended from time to time, including the rules and regulations promulgated thereunder and successor provisions and rules and regulations thereto.

K. **Fair Market Value** per share of Common Stock on any relevant date shall be determined in accordance with the following provisions: if the Common Stock is at the time listed on any Stock Exchange, then the Fair Market Value shall be the average of the highest and the lowest selling price per share of Common Stock on the date in question on the Stock Exchange determined by the Plan Administrator to be the primary market for the Common Stock, as such price is officially quoted in the composite tape of transactions on such exchange. If there is no such average selling price for the Common Stock on the date in question, then the Fair Market Value shall be the average of the highest and the lowest selling price per share of Common Stock on the last preceding date for which such quotation exists.

L. **1933 Act** shall mean the Securities Act of 1933, as amended.

M. **Participant** shall mean any Eligible Crewmember of a Participating Corporation who is actively participating in the Plan.

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N. **Participating Corporation** shall mean the Corporation and such Corporate Affiliate or Affiliates as may be authorized from time to time by the Board to extend the benefits of the Plan to their Eligible Crewmembers. The Participating Corporations in the Plan are listed in attached Schedule A.

O. **Plan** shall mean the Corporation's 2011 Crewmember Stock Purchase Plan, as set forth in this document.

P. **Plan Administrator** shall mean the committee of two (2) or more Board members appointed by the Board to administer the Plan.

Q. **Purchase Date** shall mean the last business day of each Purchase Interval.

R. **Purchase Interval** shall mean each successive six (6)-month period within a particular offering period at the end of which there shall be purchased shares of Common Stock on behalf of each Participant.

S. **Stock Exchange** shall mean the Nasdaq Stock Exchange or such other securities exchange or inter-dealer quotation system as may at the applicable time be the principal market for the Common Stock.

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VOTE BY INTERNET www.proxyvote.com Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on May 25, 2011. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form. JETBLUE AIRWAYS CORPORATION ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS 118-29 Queens Blvd. If you would like to reduce the costs incurred by our company in mailing proxy Forest Hills, NY 11375 materials, you can consent to receiving all future proxy statements, proxy cards Attn: Investor Relations and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years. VOTE BY PHONE 1-800-690-6903 Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time on May 25, 2011. Have your proxy card in hand when you call and then follow the instructions. VOTE BY MAIL Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS: KEEP THIS PORTION FOR YOUR RECORDS DETACH AND RETURN THIS PORTION ONLY THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED. For Withhold For All To withhold authority to vote for any All All Except individual nominee(s), mark For All Except and write the number(s) of the The Board of Directors recommends you vote nominee(s) on the line below. FOR each listed nominee: 0 0 0 1. Election of Directors Nominees 01 David Barger 02 Jens Bischof 03 Peter Boneparth 04 David Checketts 05 Virginia Gambale 06 Stephan Gemkow 07 Stanley McChrystal 08 Joel Peterson 09 Ann Rhoades 10 Frank Sica The Board of Directors recommends you vote FOR The Board of Directors recommends you proposals 2, 3, 4 and 5. For Against Abstain vote 1 YEAR on the following proposal: 1 year 2 years 3 years Abstain To ratify the selection of Ernst & Young LLP as 2 0 0 0 6 To conduct an advisory vote on the 0 0 0 0 our independent registered public accounting frequency of future advisory votes on firm for the fiscal year ending December 31, executive compensation. 2011. 3 To approve the JetBlue Airways Corporation 2011 0 0 0 NOTE: Certification: Pursuant to federal law and Incentive Compensation Plan. JetBlue s certificate of incorporation and bylaws, voting stock is subject to certain foreign To approve the JetBlue Airways Corporation 2011 4 0 0 0 ownership restrictions. By signing below, you Crewmember Stock Purchase Plan. represent that you are a United States citizen as that term is defined by the Federal Aviation Act or To approve an advisory resolution on executive 5 0 0 0 that the shares of stock represented by this Proxy compensation. have been registered on the Foreign Stock Record of the Company. Yes No Please indicate if you plan to attend this meeting 0 0 Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer. Signature [PLEASE SIGN WITHIN BOX] Date Signature (Joint Owners) Date

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ADMISSION TICKET {non transferable) JetBlue AIRWAYS 2011 ANNUAL MEETING OF STOCKHOLDERS Thursday, May 26, 2011 10:00 a.m. EDT Registration begins at 9:00 a.m. EDT JetBlue Corporate Headquarters 118[^]29 Queens Boulevard Forest Hills, New York If you plan to attend the Annual Meeting, please present this admission ticket along with a government-issued photo identification to gain admittance to the meeting. This ticket admits only the stockholder listed at the top right of this card and one (1) guest and is not transferable. Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice and Proxy Statement and Form 10-K are available at www.proxyvote.com. Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement, Form 10-K is/are available at www.proxyvote.com. JETBLUE AIRWAYS CORPORATION Annual Meeting of Stockholders May 26, 2011 10:00 AM This proxy is solicited by the Board of Directors The undersigned hereby appoints Edward Barnes and James Hnat, together and separate, as proxies, each with power of substitution, to vote and act at the Annual Meeting of Stockholders to be held at JetBlue Corporate Headquarters, 118-29 Queens Boulevard, Forest Hills, New York at 10:00 a.m. Eastern Time on May 26, 2011, and at any adjournments or postponements thereof, upon and with respect to the number of shares of Common Stock of the Company as to which the undersigned may be entitled to vote or act in the manner directed on the reverse side of this card. The shares represented by this proxy, when executed properly, will be voted in the manner directed. The undersigned instructs such proxies, or their substitutes, to vote in such a manner as they may determine on any matters which may come before the meeting, all as indicated in the accompanying Notice of Meeting and Proxy Statement, receipt of which is acknowledged, and to vote on the matters listed on the reverse side as specified by the undersigned. All proxies heretofore given by the undersigned in respect of said meeting are hereby revoked. THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS. Unless otherwise specified in the boxes provided on the reverse side hereof, the proxy will be voted FOR of all nominees for director, FOR proposals 2, 3, 4 and 5, and FOR 1 YEAR on proposal 6 and in the discretion of the named proxies as to any other matter that may properly come before this meeting or any adjournment or postponement thereof. PLEASE VOTE, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE OR VOTE THROUGH THE TELEPHONE OR BY THE INTERNET. If you vote by telephone or the internet, please DO NOT mail back this proxy card. Thank you for your vote. Continued and to be signed on reverse side