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As filed with the Securities and Exchange Commission on March 31, 2017

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

Frontier Group Holdings, Inc.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	4512 (Primary Standard Industrial Classification Code Number)	46-3681866 (I.R.S. Employer Identification Number)

Frontier Center One
7001 Tower Road
Denver, CO 80249
(720) 374-4200
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Barry L. Biffle
President and Chief Executive Officer
Frontier Group Holdings, Inc.
Frontier Center One
7001 Tower Road
Denver, CO 80249
(720) 374-4200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)	AMOUNT OF REGISTRATION FEE
Common Stock, $0.001 par value per share	$100,000,000	$11,590

(1) Estimated solely for the purpose of calculating the amount of the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended. Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 31, 2017.

Shares

Frontier Group Holdings, Inc.

Common Stock

This is the initial public offering of shares of our common stock. We are offering shares. The selling stockholder identified in this prospectus is offering shares of our common stock. We will not receive any of the proceeds from the sale of any shares by the selling stockholder.

It is currently estimated that the public offering price per share will be between $ and $. Currently, no public market exists for our shares. We intend to apply to have our common stock listed on the under the symbol "FRNT."

Investing in our common stock involves risks that are described in the "Risk Factors" section beginning on page 17.

Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions(1)		
Proceeds to us (before expenses)		
Proceeds to the selling stockholder		

(1) See the "Underwriting" section beginning on page 154 for additional information regarding underwriting compensation.

The selling stockholder named herein has granted the underwriters an option to purchase up to additional shares of common stock, at the initial public offering price, less the underwriting discount, for 30 days from the date of this prospectus. We will not receive any of the proceeds from the sale of shares by the selling stockholder upon any such exercise.

The underwriters expect to deliver the shares to purchasers on or about , 2017.

Citigroup **Deutsche Bank Securities** **Evercore ISI** **J.P. Morgan**

BofA Merrill Lynch **Barclays** **Cowen and Company** **Credit Suisse**

Goldman, Sachs & Co. **Raymond James** **UBS Investment Bank**

, 2017

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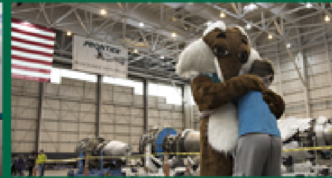
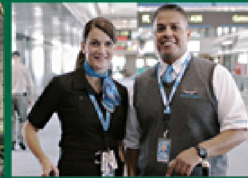
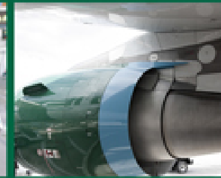
Low Fares and a Dependable, Safe, On-Time and Friendly Customer Experience.







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We are responsible for the information contained in this prospectus or contained in any free writing prospectus prepared by or on behalf of us to which we have referred you. Neither we, the underwriters, nor the selling stockholder have authorized anyone to provide you with additional information or information different from that contained in this prospectus or in any free writing prospectus filed with the Securities and Exchange Commission and we take no responsibility for any other information that others may give you. We and the selling stockholder are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, operating results or financial condition may have changed since such date.

Until , 2017 (25 days after the date of this prospectus), all dealers that buy, sell, or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealer's obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

For investors outside the United States: Neither we nor any of the underwriters have taken any action that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus.

SUMMARY

This summary highlights selected information about us and the common stock being offered by us and the selling stockholder. It may not contain all of the information that is important to you. Before investing in our common stock, you should read this entire prospectus carefully for a more complete understanding of our business and this offering, including our consolidated financial statements and the accompanying notes and the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Overview

Frontier Airlines is an ultra low-cost carrier whose business strategy is focused on *Low Fares Done Right*®. We offer flights throughout the United States and to select international destinations in Mexico and the Caribbean. Our unique and sustainable strategy is underpinned by our low cost structure and superior ULCC brand. As of December 31, 2016, we operated a fleet of 66 narrow-body Airbus A320 family aircraft, which we expect to grow to 121, including 80 A320neo (New Engine Option) family aircraft, by the end of 2021. In the year ended December 31, 2016, we served approximately 14.9 million passengers across a network of 59 airports.

In December 2013, we were acquired by an investment fund managed by Indigo Partners LLC, or Indigo, an experienced and successful global investor in ultra low-cost carriers, or ULCCs. Following the acquisition, Indigo reshaped our management team to include experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique *Low Fares Done Right* strategy, which significantly reduced our unit costs, introduced low fares, provided the choice of optional services, enhanced our operational performance and improved the customer experience. Through the implementation of our new operating model, we have positioned our brand as a premier ULCC in the United States and have seen a dramatic improvement to our profitability.

The implementation of *Low Fares Done Right* has significantly reduced our cost base over the past three years by increasing aircraft utilization, transitioning to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our reservation system, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.74¢ in the year ended December 31, 2016, and our Adjusted CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.43¢ in the year ended December 31, 2016, an improvement of 27% and 31%, respectively. In 2016, this was one of the U.S. industry's lowest unit operating costs. We believe that we are well positioned to maintain our relatively low unit operating costs through on-going strategic initiatives, including continuing our cost optimization efforts and further realizing economies of scale.

In addition to low unit costs, a key component of our *Low Fares Done Right* success was establishing Frontier as a premier ULCC in the United States by attracting customers with low fares and garnering repeat business by delivering a high-quality, family-friendly customer experience with a more upscale look and feel than historically experienced on ULCCs globally.

We currently offer flexible optional services through both unbundled and bundled service options. In 2015, we introduced *The Works*, a hassle-free option that includes a guaranteed seat assignment, carry-on and checked baggage, ticket refundability and changes, and priority boarding, all at an attractive low price and available only on our website. In 2016, we expanded our bundled product offering with *The Perks*, which enables customers to book the same amenities included in *The Works*, excluding refundability and ticket changes, through third

parties. We operate a customer-friendly digital platform that includes our website and mobile app, which makes booking and travel easy and more enjoyable for our customers. Our brand and product are also family-friendly, featuring popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families. We reward our repeat customers through our *Early Returns* frequent flyer program and also offer our *Discount Den* membership program, which provides subscribers with exclusive access to some of our lowest fares.

Low Fares Done Right differentiates Frontier from the historical ULCC model by providing a dependable and higher quality customer service experience than traditionally offered by such carriers. We pioneered this concept in the United States through our disciplined approach to operational reliability, modern fleet and comfortable cabin seating, including extra seat padding, and our *Stretch* seating option. Our focus on reliability and service allowed us to achieve the lowest ratio of cancelled flights and the highest percentage of on-time arrivals among the U.S. ULCCs according to the Department of Transportation, or DOT, for the year ended December 31, 2016. This high level of operational performance has led to a reduction in the rate of our customers' complaints for the year ended December 31, 2016 as compared to 2015, according to DOT data. Our commitment to operational reliability is also reflected in our approach to recruiting, workforce training and employee engagement, which we believe enables us to offer a standardized and predictable travel experience. We believe the association of our brand with a high level of operational performance differentiates us from the other U.S. ULCCs and enables us to generate greater customer loyalty. In addition, as a result of our *Low Fares Done Right* strategy of distinguishing our service offering from other airlines, including other ULCC airlines, we were able to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the year ended December 31, 2016.

The low unit cost, high quality of service and dependability that make *Low Fares Done Right* successful have enabled us to implement a network strategy that primarily targets high fare or underserved markets, where our low fares stimulate new traffic flows. In addition, we also focus on providing air transportation from medium-sized markets (population between one and 4.7 million) to a wide range of VFR (visiting friends and relatives) and leisure destinations. As of December 2016, we served 28 of the 43 medium-sized markets in the United States, including Denver. Through this network strategy, we have built our current network around flights to and from airports that complement our Denver franchise, including Orlando, Las Vegas, Philadelphia, Cincinnati, Cleveland, Atlanta, Trenton, Chicago and Phoenix. This current network reflects significant diversification and a proactive effort to reduce our concentration in Denver. We reduced the number of our flights with either an origin or destination in Denver from over 90% as of December 2013 to approximately 45% as of December 2016. The diversification of our network since the beginning of 2014 has enabled us to reduce the impact of seasonality, increase revenue, increase utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016.

We believe that our business model, including our focus on medium-sized markets and the use of low fares to stimulate demand, positions us to benefit from significant growth opportunities in the United States. According to the DOT, there were over 500 million domestic passengers in the United States during the 12 months ended September 30, 2016. Of these passengers, over 300 million paid a fare that was at least 30% above our cost basis per passenger during the same period and for the stage length associated with such fares. As a result, we believe that there are a significant number of markets in which we could operate profitably with our low fares, and we believe our entry into such markets could drive substantial passenger volume growth in those markets. For example, according to the DOT, in markets we entered in March and April 2015, industry passenger volumes increased by an average of approximately 41% in the six months ended September 30, 2016 as compared to the same period in 2014.

According to the DOT, the 25-year (1991 to 2016) compound annual growth rate for domestic passenger traffic in the United States was approximately 2.1%. Based on this information, we believe that over the next 25 years, low fare offerings, such as those offered by ULCCs, could stimulate growth for over 850 additional narrow

body aircraft covering over 2,000 domestic and international routes we can serve with A320 family aircraft. Of these routes, we believe there is an opportunity for over 650 new routes from medium-sized markets in the United States. As an additional indication of potential domestic passenger growth in North America, Boeing's "2016 Current Market Outlook" estimated that 2,620 new narrow body aircraft (net of retirements) would be added in North America by 2035, resulting in a total of 6,630 narrow body aircraft in operation.

Similarly, in Europe where the ULCC operating strategy is more mature, ULCCs have driven substantial increases in passenger volumes. Over the 15-year period from 2000 to 2014, according to World Bank and public filings of other carriers, total passenger volumes in Europe had a compound annual growth rate of approximately 4%, of which approximately 80% was attributable to ULCC growth and stimulation. According to World Bank and other public filings, over the same 15-year period, ULCCs in Europe grew their market share from approximately 5% of total domestic passengers in 2000 to approximately 38% of total domestic passengers in 2014, whereas in the United States, ULCCs only had a market share of approximately 3% of total domestic passengers in 2014.

Our Competitive Strengths

Our competitive strengths include:

Our Low-Cost Structure. Our low-cost structure has allowed us to reduce our unit operating costs, measured by our Adjusted CASM (excluding fuel), from 7.89¢ for the year ending December 31, 2013 to 5.43¢ for the year ending December 31, 2016, which is among the lowest of all airlines operating in the United States and compares to an average of 9.08¢ for legacy network carriers, which include American Airlines, Delta Air Lines, United Airlines, Alaska Airlines and Hawaiian Airlines, an average of 7.85¢ for LCCs, which include JetBlue Airways and Southwest Airlines, and 5.94¢ and 5.45¢ for Allegiant Travel Company and Spirit Airlines, respectively. Our low-cost structure is driven by several factors:

- *High Aircraft Utilization*. We have high aircraft utilization, which during 2016 averaged 12.6 hours per day. This compares to an average during 2016 of 9.8 hours per day for legacy network carriers, an average of 10.5 hours per day for LCCs, and 12.4 and 6.3 hours per day for Spirit Airlines and Allegiant Travel Company, respectively.
- *Modern Fleet and Attractive Order Book*. We operate a modern fleet composed solely of Airbus A320 family aircraft, which are recognized as having high reliability and low operating costs. Operating a single family of aircraft provides us with several operational and cost advantages, including the ability to optimize crew scheduling and training, and maintenance. Since 2013, we have steadily reduced the number of A319 aircraft in our fleet, replacing them with larger and more cost-efficient A320ceo and A320neo aircraft (180 to 186 seats) and A321ceo aircraft (230 seats). As of December 31, 2016, the average age of our fleet was approximately six years. In addition, we have an attractive order book of new, fuel-efficient aircraft, including, as of December 31, 2016, 76 A320neo family aircraft. We believe, once all A320neo aircraft are delivered through 2021, we will have the fastest adoption rate of A320neo aircraft (as a percentage of total fleet) among U.S. carriers.
- *Fuel Efficient Fleet.* In 2015, we were named one of the industry's most fuel-efficient airlines operating in 2014 by The International Council on Clean Transportation as a result of superior technology and operational efficiencies. Furthermore, the A320neo family aircraft that we have begun to place in service are estimated to deliver approximately 15% improved fuel efficiency compared to the prior generation of A320 aircraft.
- *High Capacity Fleet*. We have increased the seat density on our A319ceo aircraft from 138 seats to 150 seats and the seat density on our prior generation of A320 aircraft from 168 seats to 180 seats during 2015. Across our entire fleet, we have grown from an average of 145 seats per aircraft in 2013 to 173 seats per aircraft in 2016, a 19% growth in the average number of seats per aircraft. Our fleet features

new and lightweight slim-line seats, which eliminate excess weight and reduce fuel consumption per seat. As of March 31, 2017, we had the highest seat density per A320ceo/neo and A321ceo aircraft operated by any U.S. airline.

- *Low Cost Distribution Model*. For the years ended December 31, 2016 and 2015, approximately 63% and 58%, respectively, of our tickets were sold directly to customers through our direct distribution channels, including our website and mobile app, our lowest cost distribution channels, versus approximately 51% for the year ended December 31, 2014. We also reduced our distribution costs per passenger following the renegotiation of our distribution agreements.
- *Highly Productive Workforce and Specialist Providers*. We have a highly productive workforce with 4,723 passengers per full-time equivalent employee for the fiscal year ended December 31, 2016. Where it is efficient for us to do so, we contract with third-party specialists to provide us with select operating and other services.

Our Superior Brand. We believe establishing our brand as a premier ULCC positions us to generate greater customer loyalty, which enabled us to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the year ended December 31, 2016. Our superior brand is demonstrated by our significant number of repeat customers. According to a survey we conducted in February 2017, over 85% of our passengers surveyed were repeat customers and 61% had flown with us two or more times during the previous 12 months. The key features of our brand include:

- Significant customer value delivered through low fares with the choice of reasonably priced unbundled and bundled options, including *The Works* and *The Perks*.
- Family-friendly elements that appeal to a large audience, such as an attentive staff, popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families.
- A carefully designed look and feel, which is more upscale than traditional ULCCs, including our livery, our website and mobile applications, uniforms, seat design, on-board products and other graphical brand marketing components.
- A strong online presence with a customer-friendly digital platform that includes a new passenger reservation system, improved website and our mobile app.
- Our modern fleet with amenities such as extra seat padding, the widest economy middle seat on a narrow-body aircraft of any U.S. ULCC or LCC and our *Stretch* seating option, which provides a comfortable 33 inch seat pitch.
- The best operational performance among U.S. ULCCs for the year ended December 31, 2016 in terms of on-time performance and completion factor, according to the DOT.

Our Network Management. We plan our route network and airport footprint to focus on profitable existing routes and new routes where we believe our business model will stimulate demand and grow profitability. This has enabled us to reduce the seasonality of our revenue, increase revenues, improve utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016. The key features of our network include:

- A broad geographic footprint, which enables us to service a wide range of VFR and leisure destinations.
- A strong presence in medium-sized markets.
- A disciplined and methodical approach to both route selection and the removal of underperforming routes.
- An operational platform that includes nationwide crew and maintenance bases, creating access to lower risk growth opportunities while maintaining high operational standards and enabling high utilization.

Our Talented ULCC Leadership Team. Our management team has extensive day-to-day experience operating ULCCs and other airlines.

- Barry L. Biffle, our President and Chief Executive Officer, previously served as Chief Executive Officer of VivaColombia, Executive Vice President for Spirit Airlines and held various management roles with US Airways and American Eagle Airlines, a regional airline subsidiary of American Airlines, Inc.
- James G. Dempsey, our Chief Financial Officer, previously served as Treasurer and Head of Investor Relations for Ryanair after serving in management roles with PricewaterhouseCoopers.
- James E. Nides, our acting Chief Operating Officer, previously served as Chief Operating Officer of Volaris and has extensive prior experience at Continental Express.
- Daniel M. Shurz, our Senior Vice President, Commercial, previously served in various roles with United Airlines and Air Canada.

Low Fares Done Right—Our Business Strategy

Our goal is to offer the most attractive option for air travel with a compelling combination of value, product and service, and, in so doing, to grow profitably and enhance our position among airlines in the United States. Through the key elements of our business strategy, we seek to achieve:

Low Unit Costs. We intend to maintain our cost advantage, including by:

- Maintaining the high utilization levels we achieved in 2016.
- Utilizing new generation, fuel-efficient aircraft that deliver lower operating costs compared to prior generation aircraft.
- Increasing the average size and seat capacity of the aircraft in our fleet through the continued introduction and operation of new 186-seat A320neo and 230-seat A321ceo aircraft and the retirement of additional A319 aircraft.
- Taking a disciplined approach to our operational performance in order to reduce disruption.

A Superior ULCC Brand and High Unit Revenues. In order to enhance our brand and drive revenue growth, we intend to continue to deliver a higher-quality flight experience than historically offered by ULCCs globally and generate customer loyalty by:

- Continuing to offer attractive low fares.
- Expanding our marketing efforts, including through the addition of new animals for each of our new aircraft, to position our brand as a family-friendly ULCC.
- Continuing to improve penetration of our bundling options, including *The Works* and *The Perks*.
- Enhancing our *Early Returns* offering to improve reward opportunities for our branded credit card customers.
- Providing our customers a dependable, reliable, on-time and friendly experience.

Strong Growth Driven by an Expanding and Efficient Network. We intend to continue to utilize our disciplined and methodical approach to expand our network in an efficient manner, including by:

- Continuing to exploit overpriced and/or underserved markets across the U.S. and select international destinations in the Americas, including medium-sized markets, where a majority of our seat capacity was deployed during 2016.

- Leveraging our diverse geographic footprint and existing crew and maintenance base infrastructure to take advantage of lower risk network growth opportunities while maintaining high operational standards.
- Utilizing our low cost structure to offer low fares which organically drive growth through market stimulation.
- Continuing to rebalance our network to mitigate seasonality fluctuations.

Strong Capital Structure. We intend to maintain our strong capital structure to support our growth strategies and expansion of our fleet and network by utilizing:

- Our $150 million pre-delivery financing facility, which we recently extended to 2019 and from which we had drawn $143 million as of December 31, 2016.
- Continued financing of aircraft with attractive operating leases.
- Our $50 million pre-purchased miles facility, from which we had drawn $39 million of the amount available as of December 31, 2016.

Our Relationship with Indigo

Indigo, our principal stockholder, is an established and successful investor in ULCCs around the world. Indigo has previously invested in several ULCC companies, including Spirit Airlines, Tigerair (formerly Tiger Airways), Volaris and Wizz Air, that completed initial public offerings following the successful implementation of a ULCC strategy under the guidance of Indigo and while Indigo was a significant investor.

Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in the section entitled “Risk Factors” following this prospectus summary, that represent challenges we face in connection with the successful implementation of our strategy and the growth of our business. We expect a number of factors to cause our operating results to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance. Such factors include:

- the ability to operate in an exceedingly competitive industry;
- the price and availability of aircraft fuel;
- any restrictions on or increased taxes applicable to charges for non-ticket products and services;
- changes in economic conditions;
- threatened or actual terrorist attacks or security concerns;
- factors beyond our control, including air traffic congestion, adverse weather or increased security measures;
- our failure to implement our business strategy;
- our ability to control our costs;
- our ability to grow or maintain our unit revenues or maintain our non-ticket revenues;
- any increased labor costs, union disputes and other labor-related disruptions;
- our inability to expand or operate reliably and efficiently out of airports where we maintain a large presence;
- our inability to maintain a high daily aircraft utilization rate;

- any changes in governmental regulation;
- our reputation and business being adversely affected in the event of an emergency, accident or similar incident involving our aircraft or by negative publicity regarding our customer service;
- our ability to obtain financing or access capital markets;
- our ability to maintain our liquidity in the event one or more of our credit card processors were to impose holdback restrictions;
- the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book;
- our maintenance obligations;
- aircraft-related fixed obligations that could impair our liquidity; or
- our reliance on third-party specialists and other commercial partners to perform functions integral to our operations.

Our History

Our indirect, wholly-owned subsidiary, Frontier Airlines, Inc., or Frontier, was incorporated in 1994 to operate as an airline based in Denver, Colorado. In April 2008, Frontier filed for protection under the federal bankruptcy laws and ultimately emerged from bankruptcy in October 2009 through the acquisition of Frontier by a subsidiary of Republic Airways Holdings, Inc., or Republic. We were incorporated in September 2013 as a newly-formed corporation initially wholly-owned by an investment fund managed by Indigo to facilitate the acquisition of Frontier. That acquisition was completed on December 3, 2013.

Corporate Information

Our principal executive offices are presently located at Frontier Center One, 7001 Tower Road, Denver, Colorado 80249. In the fourth quarter of 2017, we expect to relocate our headquarters to 4545 Airport Way, Denver, Colorado 80239. Our general telephone number is (720) 374-4200 and our website address is www.FlyFrontier.com. We have not incorporated by reference into this prospectus any of the information on our website and you should not consider our website to be a part of this document. Our website address is included in this document for reference only.

Frontier Airlines®, Frontier®, the Frontier Flying F logo, *Low Fares Done Right*®, FlyFrontier.com®, *Early Returns*®, *Discount Den*®, *Stretch*SM, *The Works*SM and *The Perks*SM are trademarks of Frontier in the United States and other countries. This prospectus also contains trademarks and tradenames of other companies.

THE OFFERING

Common stock offered by us	shares.
Common stock offered by the selling stockholder	shares.
Common stock to be outstanding after the offering	shares
Underwriters' option to purchase additional shares	The selling stockholder may sell up to additional shares if the underwriters exercise their option to purchase additional shares.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting estimated underwriting discounts and estimated expenses of this offering payable by us. We intend to use the net proceeds to be received by us from this offering to fund the cash portion of our expected obligations under the Amended and Restated Phantom Equity Investment Agreement, dated as of December 31, 2013, or our Pilot Phantom Equity Plan, for the benefit of certain current and former pilots, who we refer to as the Participating Pilots, with the remaining net proceeds for general corporate purposes, including cash reserves, working capital, capital expenditures, including flight equipment acquisitions, sales and marketing activities and general and administrative matters. Please see "Use of Proceeds." An investment fund managed by Indigo is our controlling stockholder and the selling stockholder in this offering. We will not receive any of the proceeds from the sale of any shares by the selling stockholder. Please see "Principal and Selling Stockholder."
Dividends	Immediately prior to the consummation of this offering, we intend to declare a dividend in the amount of $ per share (representing an aggregate distribution of $ million). Investors in this offering will not be entitled to participate in such dividend. We do not presently anticipate paying cash dividends after the completion of this offering.
Risk factors	Please see "Risk Factors" beginning on page 17 and the other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.
Proposed symbol	"FRNT"

The number of shares of our common stock outstanding after this offering is based on 5,237,756 shares outstanding as of December 31, 2016, and excludes:

- an aggregate of 274,781 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2016 having a weighted-average exercise price of $54.33 per share;
- an aggregate of 687,463 shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of December 31, 2016, which will become available for issuance under our 2017 Equity Incentive Annual Plan after consummation of this offering;
- an aggregate of   shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering;
- an aggregate of 231,000 shares of common stock reserved for issuance to the Participating Pilots pursuant to the Pilot Phantom Equity Plan (in connection with the offering contemplated hereby, 50% of the foregoing shares will be settled in cash through the establishment of a trust); see “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

Except as otherwise indicated, information in this prospectus reflects or assumes the following:

- a   -for-   split of our outstanding common stock, which will occur prior to the effectiveness of the registration statement of which this prospectus is a part;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the consummation of this offering;
- no exercise of outstanding stock options subsequent to December 31, 2016; and
- no exercise of the underwriters’ option to purchase up to   additional shares of our common stock from the selling stockholder.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables summarize the financial and operating data for our business for the periods presented. You should read this summary consolidated financial data in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes, all included elsewhere in this prospectus.

We derived the summary consolidated statements of operations data for the years ended December 31, 2016, 2015 and 2014 from our audited consolidated financial statements included in this prospectus. Our historical results are not necessarily indicative of the results to be expected in the future.

	Year Ended December 31,		
	2016	2015	2014
	(in millions, except for share and per share data)		
Consolidated Statements of Operations Data:			
Operating revenues:			
Passenger	$ 988	$ 1,203	$ 1,328
Non-ticket	726	401	265
Total operating revenues	**1,714**	**1,604**	**1,593**
Operating expenses:			
Aircraft fuel	343	369	538
Salaries, wages and benefits	287	285	258
Station operations	228	202	162
Aircraft rent	209	171	147
Sales and marketing	72	79	87
Maintenance materials and repairs	48	50	39
Depreciation and amortization	75	54	29
Special charge	—	43	—
Other operating	135	118	105
Total operating expenses	**1,397**	**1,371**	**1,365**
Operating income	**317**	**233**	**228**
Other expense (income):			
Interest expense	9	8	5
Capitalized interest	(6)	(3)	(1)
Interest income and other	(2)	—	—
Total other expense	**1**	**5**	**4**
Income before income taxes	316	228	224
Income tax expense	116	82	84
Net income	**$ 200**	**$ 146**	**$ 140**
Earnings per share:			
Basic	$ 36.76	$ 26.60	$ 26.12
Diluted	36.23	26.15	25.75
Weighted-average shares outstanding:			
Basic	5,236,978	5,247,477	5,203,058
Diluted	5,315,653	5,341,049	5,278,034

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	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Non-GAAP Financial Data (Unaudited):			
Adjusted net income(1)	$ 236	$ 194	$ 168
EBITDA(1)	392	287	257
Adjusted EBITDA(1)	436	345	301
Adjusted EBITDAR(1)	641	509	448

(1) Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR are included as supplemental disclosures because we believe they are useful indicators of our operating performance. Derivations of net income and EBITDA are well recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR have limitations as analytical tools. Some of the limitations applicable to these measures include: Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect changes in, or cash requirements for, our working capital needs; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect any cash requirements for such replacements; and other companies in our industry may calculate Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR differently than we do, limiting its usefulness as a comparative measure. Because of these limitations, Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Further, we believe Adjusted EBITDAR is useful in evaluating our operating performance compared to our competitors because its calculation isolates the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, directly subject to acquisition debt, by capital lease or by operating lease, each of which is presented differently for accounting purposes), and income taxes, which may vary significantly between periods and for different companies for reasons unrelated to overall operating performance. However, because derivations of Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR are not determined in accordance with GAAP, such measures are susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, derivations of Net income and EBITDA as presented may not be directly comparable to similarly titled measures presented by other companies.

The following table presents the reconciliation of Net income and Adjusted net income for the periods presented below.

	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Net Income Reconciliation:			
Net income	$ 200	$ 146	$ 140
Unrealized hedging (gains) losses(a)	—	(35)	35
Lease Modification Program(b)	16	67	—
Pilot phantom equity(c)	40	43	6
Salaries, wages and benefits—severance(d)	—	—	3
Adjusted net income before income taxes	**256**	**221**	**184**
Tax benefit related to underlying adjustments	(20)	(27)	(16)
Adjusted net income	**$ 236**	**$ 194**	**$ 168**

The following table presents the reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDAR to Net income for the periods indicated below:

	Year Ended December 31,		
	2016	2015	2014
	(in millions)		
EBITDA Reconciliation:			
Net income	$ 200	$ 146	$ 140
Plus (minus):			
Interest expense	9	8	5
Capitalized interest	(6)	(3)	(1)
Interest income	(2)	—	—
Provision for income taxes	116	82	84
Depreciation and amortization	75	54	29
EBITDA	**$ 392**	**$ 287**	**$ 257**
Unrealized hedging (gains) losses(a)	—	(35)	35
Lease Modification Program (excluding depreciation)(b)	4	50	—
Pilot phantom equity(c)	40	43	6
Salaries, wages and benefits—severance(d)	—	—	3
Adjusted EBITDA	**$ 436**	**$ 345**	**$ 301**
Aircraft rent(e)	205	164	147
Adjusted EBITDAR	**$ 641**	**$ 509**	**$ 448**

(a) Represents adjustments for unrealized (gains) losses on our hedging contracts for anticipated fuel purchases as a result of hedge accounting on these cash flow hedges not being achieved.

(b) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation of $12 million and $17 million in 2016 and 2015, respectively, and aircraft rent of $4 million and $7 million in 2016 and 2015, respectively, as a result of significantly shortened lease terms with respect to such aircraft.

(c) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

(d) Represents severance costs related to outsourcing of certain functions integral to our operations to third-party vendors as a part of the implementation of our new operating model.

(e) Excludes the amounts of aircraft rent of $4 million and $7 million in 2016 and 2015, respectively, included in Lease Modification Program (excluding depreciation).

The following table presents our historical balance sheet data as of December 31, 2016, and on a pro forma as adjusted basis to give effect to (i) this offering and the application of the net proceeds received by us and (ii) a dividend expected to be paid immediately prior to the consummation of this offering.

	As of December 31, 2016	
	Actual	Pro Forma As Adjusted(1)(2)
	(in millions)	
Balance Sheet Data:		
Cash and cash equivalents	$ 612	$
Total assets	1,341	
Long-term debt, including current portion	237	
Stockholders' equity	446	

(1) The unaudited adjusted pro forma consolidated balance sheet gives effect to (i) the receipt of the estimated net proceeds by us from the sale of shares of our common stock offered by us (based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds received by us, including the application of $ million to fund into a trust the expected cash portion of our obligations under the Pilot Phantom Equity Agreement in connection with the completion of this offering (based on an assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover of this prospectus), and (ii) a dividend of $ per share (representing an aggregate distribution of $) expected to be paid immediately prior to the consummation of this offering. Please see "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

(2) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, respectively, the amount of pro forma as adjusted cash and cash equivalents, total assets and stockholders' equity by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the amount of pro forma as adjusted cash and cash equivalents, assets and stockholders' equity by approximately $ million (based on an assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover of this prospectus). The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

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OPERATING STATISTICS

	Year Ended December 31,		
	2016	2015	2014
Operating Statistics (unaudited)(A)			
Available seat miles—ASMs (millions)	18,366	15,229	12,332
Departures	99,369	97,222	92,184
Average stage length (statute miles)	1,060	1,002	897
Block hours	279,347	259,261	222,982
Average aircraft in service	61	56	54
Aircraft in service—end of period	66	61	54
Average daily aircraft utilization (hours)	12.6	12.6	11.4
Passengers (thousands)	14,937	13,184	12,203
Average seats per departure	173	154	147
Yield per passenger mile	6.17¢	8.97¢	11.91¢
Revenue passenger miles—RPMs (millions)	16,015	13,400	11,152
Load factor	87.2%	88.0%	90.4%
Passenger revenue per available seat mile—PRASM	5.38¢	7.90¢	10.77¢
Non-ticket revenue per available seat mile	3.95¢	2.63¢	2.15¢
Total revenue per available seat mile—RASM	9.33¢	10.53¢	12.92¢
Cost per available seat mile—CASM	7.61¢	9.01¢	11.07¢
Adjusted CASM(B)	7.30¢	8.51¢	10.71¢
CASM (excluding fuel)	5.74¢	6.58¢	6.71¢
Adjusted CASM (excluding fuel)(B)	5.43¢	5.86¢	6.63¢
Fuel cost per gallon	$ 1.59	$ 1.90	$ 3.26
Fuel gallons consumed (thousands)	215,830	194,846	164,845
Employees (FTE)	3,163	2,981	3,653

(A) See “Glossary of Airline Terms” for definitions of terms used in this table.

(B) For a reconciliation of Adjusted CASM to CASM, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations.”

GLOSSARY OF AIRLINE TERMS

Set forth below is a glossary of industry terms used in this prospectus:

"Adjusted CASM" means operating expenses, excluding special charges, divided by ASMs. For a discussion of such special charges and a reconciliation of Adjusted CASM to CASM, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

"Adjusted CASM (excluding fuel)" means operating expenses less aircraft fuel expense and excluding special charges, divided by ASMs. For a discussion of such special charges and a reconciliation of Adjusted CASM to CASM, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations."

"Air traffic liability" or "ATL" means the value of tickets sold in advance of travel.

"Available seat miles" or "ASMs" means the number of seats available for passengers multiplied by the number of miles the seats are flown.

"Average aircraft" means the average number of aircraft used in flight operations, as calculated on a daily basis.

"Average daily aircraft utilization" means block hours divided by number of days in the period divided by average aircraft.

"Average stage length" means the average number of statute miles flown per flight segment.

"Average yield" means the average amount one passenger pays to fly one mile, calculated as total revenue divided by RPMs.

"Block hours" means the number of hours during which the aircraft is in revenue service, measured from the time of gate departure before take-off until the time of gate arrival at the destination.

"CASM" or "unit costs" means operating expenses divided by ASMs.

"CBA" means a collective bargaining agreement.

"DOT" means the United States Department of Transportation.

"EPA" means the United States Environmental Protection Agency.

"FAA" means the United States Federal Aviation Administration.

"FTE" means full-time equivalent employee.

"GDS" means a Global Distribution System such as Amadeus, Sabre and Travelport, used by travel agencies and corporations to purchase tickets on participating airlines.

"Load factor" means the percentage of aircraft seat miles actually occupied on a flight (RPMs divided by ASMs).

"NMB" means the National Mediation Board.

"Non-ticket revenue" consists primarily of revenue generated from air travel-related services such as baggage fees, seat selection fees, itinerary service fees, booking fees and on-board sales.

"Operating revenue per ASM," "RASM" or "unit revenue" means total operating revenue divided by ASMs.

"Passengers" means the total number of passengers flown on all flight segments.

"Passenger revenue" consists of base fares for air travel, including miles redeemed under our frequent flyer program, unused and expired passenger credits, other redeemed or expired travel credits and revenue derived from charter flights.

"PDP" means pre-delivery deposit payments, which are payments required by aircraft manufacturers in advance of delivery of the aircraft.

"PRASM" means passenger revenue divided by ASMs.

"RASM" means total revenue divided by ASMs.

"Revenue passenger miles" or "RPMs" means the number of miles flown by passengers.

"RLA" means the United States Railway Labor Act.

"Stage-length adjustment" refers to an adjustment that can be utilized to compare CASM and RASM across airlines with varying stage lengths. All other things being equal, the same airline will have lower CASM and RASM as stage length increases since fixed and departure related costs are spread over increasingly longer average flight lengths. Therefore, as one method to facilitate comparison of these quantities across airlines (or even across the same airline for two different periods if the airline's average stage length has changed significantly), it is common in the airline industry to settle on a common assumed stage length and then to adjust CASM and RASM appropriately. Stage-length adjusted comparisons are achieved by multiplying base CASM or RASM by a quotient, the numerator of which is the square root of the carrier's stage length and the denominator of which is the square root of the common stage length. Stage-length adjustment techniques require judgment and different observers may use different techniques. For stage-length adjusted CASM and RASM comparisons in this prospectus, the stage length being utilized is the aircraft stage length.

"TSA" means the United States Transportation Security Administration.

"ULCC" means ultra low-cost carrier.

"VFR" means visiting friends and relatives.

"Yield" relates to a measure of average fare paid per mile per passenger, calculated by dividing passenger revenue by revenue passenger miles.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of these risks should occur, our business, results of operations, financial condition or growth prospects could be adversely affected. In those cases, the trading price of our common stock could decline and you may lose all or part of your investment.

Risks Related to Our Industry

The airline industry is exceedingly competitive, and we compete against legacy network airlines, low-cost carriers and other ultra low-cost carriers; if we are not able to compete successfully in our markets, our business will be materially adversely affected.

We face significant competition with respect to routes, fares and services. Within the airline industry, we compete with legacy network airlines, low-cost carriers, or LCCs, and other ultra low-cost carriers, or ULCCs, for airline passengers traveling on the routes we serve, particularly customers traveling in economy or similar classes of service. Competition on most of the routes we presently serve is intense, due to the large number of carriers in those markets. Furthermore, other airlines may begin service or increase existing service on routes where we currently face no or little competition. In almost all instances, our competitors are larger than us and possess significantly greater financial and other resources than us.

The airline industry is particularly susceptible to price discounting because, once a flight is scheduled, airlines incur only nominal additional costs to provide service to passengers occupying otherwise unsold seats. Increased fare or other price competition could adversely affect our operations. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to increase revenue per available seat mile. The prevalence of discount fares can be particularly acute when a competitor has excess capacity to sell. Moreover, many other airlines have unbundled their services, at least in part, by charging separately for services such as baggage and advance seat selection which previously were offered as a component of base fares. This unbundling and other cost-reducing measures could enable competitor airlines to reduce fares on routes that we serve.

In addition, airlines increase or decrease capacity in markets based on perceived profitability. If our competitors increase overall industry capacity, or capacity dedicated to a particular domestic or foreign region, market or route that we serve, it could have a material adverse impact on our business. For instance, Southwest Airlines and United Airlines have recently announced that they are adding capacity in Denver in 2017. If a legacy network airline were to successfully develop a low-cost product or if we were to experience increased competition from LCCs or other ULCCs, our business could be materially adversely affected. Regardless of cost structure, the domestic airline industry has often been the source of fare wars undertaken to grow market share or for other reasons, including, for example, actions by American Airlines in 2015 to match fares offered in many of its markets by ULCC carriers with resulting material adverse effects on the revenues of the airlines involved. Additionally, each of American Airlines, Delta Air Lines and United Airlines has begun to offer a so-called "basic economy" offering with reduced amenities designed specifically to compete against ULCC carriers which, if successfully implemented, could present a significant form of competition for us.

Our growth and the success of our ULCC business model could stimulate competition in our markets through our competitors' development of their own ULCC strategies or new market entrants. For example, certain legacy network airlines have recently begun further segmenting the cabins of their aircraft in order to enable them to offer a new tier of reduced base fares designed to be competitive with those offered by us and other ULCCs. A competitor adopting a ULCC strategy may have greater financial resources and access to lower cost sources of capital than we do, which could enable them to operate their business with a lower cost structure than we can. If these competitors adopt and successfully execute a ULCC business model, our business could be materially adversely affected.

There has been significant consolidation within the airline industry, including, for example, the combinations of American Airlines and US Airways, Delta Air Lines and Northwest Airlines, United Airlines and Continental Airlines, Southwest Airlines and AirTran Airways, and Alaska Airlines and Virgin America. In the future, there may be additional consolidation in our industry. Business combinations could significantly alter industry conditions and competition within the airline industry and could permit our competitors to reduce their fares.

The extremely competitive nature of the airline industry could prevent us from attaining the level of passenger traffic or maintaining the level of fares or revenues related to non-ticket services required to sustain profitable operations in new and existing markets and could impede our growth strategy, which could harm our operating results. Due to our relatively small size, we are susceptible to a fare war or other competitive activities in one or more of the markets we serve, which could have a material adverse effect on our business, results of operations and financial condition.

Our business has been and in the future may be materially adversely affected by the price and availability of aircraft fuel. Unexpected pricing of aircraft fuel or a shortage or disruption in the supply of aircraft fuel could have a material adverse effect on our business, results of operations and financial condition.

The cost of aircraft fuel is highly volatile and in recent years has been our largest individual operating expense, accounting for 25%, 27% and 39% of our operating expenses for the years ended December 31, 2016, 2015 and 2014, respectively. High fuel prices or increases in fuel costs (or in the price of crude oil) could have a material adverse effect on our business, results of operations and financial condition. Since August 2014, the price of aircraft fuel has fallen substantially, which has benefited us by lowering our expenses. However, because fuel prices are highly volatile, the price of jet fuel may increase significantly at any time. In addition, prolonged low fuel prices could limit our ability to differentiate our product and low fares from those of the legacy network airlines and LCCs, as prolonged low fuel prices could enable such carriers to, among other things, substantially decrease their costs, fly longer stages or utilize older aircraft. Furthermore, prolonged low fuel prices could also reduce the benefit we expect to receive from the new-technology, more fuel efficient A320neo aircraft we have on order and have begun placing into service. See also “Risks Related to Our Business—We may be subject to competitive risks due to the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book.”

Our business is also dependent on the availability of aircraft fuel (or crude oil), which is not predictable. Weather-related events, natural disasters, terrorism, wars, political disruption or instability involving oil-producing countries, changes in governmental or cartel policy concerning crude oil or aircraft fuel production, labor strikes or other events affecting refinery production, transportation, taxes or marketing, environmental concerns, market manipulation, price speculation and other unpredictable events may drive actual or perceived fuel supply shortages. Shortages in the availability of, or increases in demand for, crude oil in general, other crude oil-based fuel derivatives and aircraft fuel in particular could result in increased fuel prices and could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to increase ticket prices sufficiently to cover increased fuel costs, particularly when fuel prices rise quickly. We sell a significant number of tickets to passengers well in advance of travel, and, as a result, fares sold for future travel may not reflect increased fuel costs. In addition, our ability to increase ticket prices to offset an increase in fuel costs is limited by the competitive nature of the airline industry and the price sensitivity associated with air travel, particularly leisure travel, and any increases in fares may reduce the general demand for air travel.

As of December 31, 2016, we had hedges in place for approximately 73% of our projected fuel requirements in 2017 and approximately 20% of our projected fuel requirements for the month of January 2018, with all of our then existing call options expected to be exercised or expire by 2018. As of that date, our hedges consisted solely of out-of-the-money call options, although we have in the past and may in the future use other instruments such

as options and collar contracts on jet fuel or highly correlated commodities, and fixed forward price contracts, or FFPs, which allow us to lock in the price of jet fuel for specified quantities and at specified locations in future periods. We cannot assure you our fuel hedging program will be effective or that we will maintain a fuel hedging program. Even if we are able to hedge portions of our future fuel requirements, we cannot guarantee that our hedge contracts will provide an adequate level of protection against increased fuel costs or that the counterparties to our hedge contracts will be able to perform. In the future, our fuel hedge contracts could also contain margin funding requirements that could require us to post collateral to counterparties in the event of a significant drop in fuel prices. Additionally, our ability to realize the benefit of declining fuel prices will be delayed by the impact of any fuel hedges in place, and we may record significant losses on fuel hedges during periods of declining prices. A failure of our fuel hedging strategy, significant margin funding requirements, overpaying for fuel through the use of hedging arrangements or our failure to maintain a fuel hedging program could prevent us from adequately mitigating the risk of fuel price increases and could have a material adverse effect on our business, results of operations and financial condition.

Restrictions on or increased taxes applicable to charges for non-ticket products and services paid by airline passengers and burdensome consumer protection regulations or laws could harm our business, results of operations and financial condition.

During the years ended December 31, 2016, 2015 and 2014, we generated non-ticket revenues of $726 million, $401 million and $265 million, respectively. Our non-ticket revenue consists primarily of revenue generated from air travel-related services such as baggage fees, seat selection fees, itinerary service fees, booking fees and on-board sales. The Department of Transportation, or DOT, has rules governing many facets of the airline-consumer relationship, including, for instance, handling of consumer complaints, price advertising, tarmac delays, oversales and denied boarding process/compensation, ticket refunds, liability for loss, delay or damage to baggage, customer service commitments, contracts of carriage, and the transportation of passengers with disabilities. The DOT periodically audits airlines to determine whether such airlines have violated any of the DOT rules. The DOT has conducted audits of our business and routine post-audit investigations of our business are ongoing. If the DOT determines that we are not, or have not been, in compliance with these rules or if we are unable to remain compliant, the DOT may subject us to fines or other enforcement action. The DOT may also impose additional consumer protection requirements, including adding requirements to modify our websites and computer reservations system, which could have a material adverse effect on our business, results of operations and financial condition. The U.S. Congress and the DOT have investigated the increasingly common airline industry practice of unbundling the pricing of certain products and ancillary services, a practice that is a core component of our business strategy. If new laws or regulations are adopted that make unbundling of airline products and services impermissible, or more cumbersome or expensive, or if new taxes are imposed on non-ticket revenues, our business, results of operations and financial condition could be harmed. Congressional, Federal agency and other government scrutiny may also change industry practice or the public's willingness to pay for non-ticket ancillary services. See also "—We are subject to extensive and increasing regulation by the Federal Aviation Administration, the Department of Transportation, Transportation Security Administration and other U.S. and foreign governmental agencies, compliance with which could cause us to incur increased costs and adversely affect our business and financial results."

The demand for airline services is highly sensitive to changes in economic conditions, and another recession or similar economic downturn in the United States would weaken demand for our services and have a material adverse effect on our business, results of operations and financial condition, particularly since a substantial portion of our customers travel for leisure or other non-essential purposes.

The demand for travel services is affected by U.S. and global economic conditions. Unfavorable economic conditions have historically reduced airline travel spending. For most passengers visiting friends and relatives, or VFRs, and cost-conscious leisure travelers, travel is a discretionary expense, and though we believe ULCCs are best suited to attract travelers during periods of unfavorable economic conditions as a result of such carriers' low base fares, travelers have often elected to replace air travel at such times with car travel or other forms of ground

transportation or have opted not to travel at all. Likewise, during periods of unfavorable economic conditions businesses have deferred air travel or forgone it altogether. Travelers have also reduced spending by purchasing fewer non-ticket services, which can result in a decrease in average revenue per seat. Because airlines typically have relatively high fixed costs as a percentage of total costs, much of which cannot be mitigated during periods of lower demand for air travel, the airline business is particularly sensitive to changes in U.S. economic conditions. A reduction in the demand for air travel due to unfavorable economic conditions also limits our ability to raise fares to counteract increased fuel, labor and other costs. If U.S. or global economic conditions are unfavorable or uncertain for an extended period of time, it would have a material adverse effect on our business, results of operations and financial condition.

We face competition from air travel substitutes.

In addition to airline competition from legacy network airlines, LCCs and other ULCCs, we also face competition from air travel substitutes. On our domestic routes, particularly those with shorter stage lengths, we face competition from some other transportation alternatives, such as bus, train or automobile. In addition, technology advancements may limit the demand for air travel. For example, video teleconferencing and other methods of electronic communication may reduce the need for in-person communication and add a new dimension of competition to the industry as travelers seek lower-cost substitutes for air travel. If we are unable to stimulate demand for air travel with our low base fares or if we are unable to adjust rapidly in the event the basis of competition in our markets changes, it could have a material adverse effect on our business, results of operations and financial condition.

Threatened or actual terrorist attacks or security concerns involving airlines could have a material adverse effect on our business, results of operations and financial condition.

Past terrorist attacks or attempted attacks, particularly those against airlines, have caused substantial revenue losses and increased security costs, and any actual or threatened terrorist attack or security breach, even if not directly against an airline, could have a material adverse effect on our business, results of operations and financial condition. For instance, enhanced passenger screening, increased regulation governing carry-on baggage and other similar restrictions on passenger travel may further increase passenger inconvenience and reduce the demand for air travel. In addition, increased or enhanced security measures have tended to result in higher governmental fees imposed on airlines, resulting in higher operating costs for airlines, which we may not be able to pass on to consumers in the form of higher prices. Terrorist attacks made directly on a domestic airline, or the fear of such attacks or other hostilities (including elevated national threat warnings or selective cancellation or redirection of flights due to terror threats), would have a negative impact on the airline industry and have a material adverse effect on our business, results of operations and financial condition.

Airlines are often affected by factors beyond their control including: air traffic congestion at airports; air traffic control inefficiencies; adverse weather conditions, such as hurricanes or blizzards; increased security measures; new travel related taxes or the outbreak of disease, any of which could have a material adverse effect on our business, results of operations and financial condition.

Like other airlines, our business is affected by factors beyond our control, including air traffic congestion at airports, air traffic control inefficiencies, increased security measures, new travel-related taxes and fees, adverse weather conditions, natural disasters and the outbreak of disease. Factors that cause flight delays frustrate passengers and increase costs and decrease revenues, which in turn could adversely affect profitability. The federal government singularly controls all U.S. airspace, and airlines are completely dependent on the FAA to operate that airspace in a safe, efficient and affordable manner. The air traffic control system, which is operated by the FAA, faces challenges in managing the growing demand for U.S. air travel. U.S. and foreign air-traffic controllers often rely on outdated technologies that routinely overwhelm the system and compel airlines to fly inefficient, indirect routes resulting in delays. In addition, there are currently proposals before Congress that could potentially lead to the privatization of the United States' air traffic control system, which could adversely

affect our business. Further, implementation of the Next Generation Air Transport System, or NextGen, by the FAA would result in changes to aircraft routings and flight paths that could lead to increased noise complaints and lawsuits, resulting in increased costs. There are additional proposals before Congress that would treat a wide range of consumer protection issues, including, among other things, proposals to regulate seat size, which could increase the costs of doing business.

Adverse weather conditions and natural disasters, such as hurricanes, winter snowstorms or earthquakes, can cause flight cancellations or significant delays. Cancellations or delays due to adverse weather conditions or natural disasters, air traffic control problems or inefficiencies, breaches in security or other factors may affect us to a greater degree than other, larger airlines that may be able to recover more quickly from these events, and therefore could have a material adverse effect on our business, results of operations and financial condition to a greater degree than other air carriers. Because of our high utilization, point-to-point network, operational disruptions can have a disproportionate impact on our ability to recover. In addition, many airlines reaccommodate their disrupted passengers on other airlines at prearranged rates under flight interruption manifest agreements. We have been unsuccessful in procuring any of these agreements with our peers, which makes our recovery from disruption more challenging than for larger airlines that have these agreements in place. Similarly, outbreaks of pandemic or contagious diseases, such as ebola, measles, avian flu, severe acute respiratory syndrome (SARS), H1N1 (swine) flu, pertussis (whooping cough) and zika virus, could result in significant decreases in passenger traffic and the imposition of government restrictions in service and could have a material adverse impact on the airline industry. Increased travel taxes, such as those provided in the Travel Promotion Act, enacted in March 2010, which charges visitors from certain countries a $10 fee every two years to travel into the United States to subsidize certain travel promotion efforts, could also result in decreases in passenger traffic. Any general reduction in airline passenger traffic could have a material adverse effect on our business, results of operations and financial condition.

Risks associated with our presence in international emerging markets, including political or economic instability, and failure to adequately comply with existing legal requirements, may materially adversely affect us.

Some of our target growth markets include countries with less developed economies, legal systems, financial markets and business and political environments are vulnerable to economic and political disruptions, such as significant fluctuations in gross domestic product, interest and currency exchange rates, civil disturbances, government instability, nationalization and expropriation of private assets, trafficking and the imposition of taxes or other charges by governments. The occurrence of any of these events in markets served by us now or in the future and the resulting instability may have a material adverse effect on our business, results of operations and financial condition.

We emphasize compliance with all applicable laws and regulations and have implemented and continue to implement and refresh policies, procedures and certain ongoing training of our employees, third-party specialists and partners with regard to business ethics and key legal requirements; however, we cannot assure you that our employees, third-party specialists or partners will adhere to our code of ethics, other policies or other legal requirements. If we fail to enforce our policies and procedures properly or maintain adequate recordkeeping and internal accounting practices to record our transactions accurately, we may be subject to sanctions. In the event we believe or have reason to believe our employees, third-party specialists or partners have or may have violated applicable laws or regulations, we may incur investigation costs, potential penalties and other related costs which in turn may materially adversely affect our reputation and could have a material adverse effect on our business, results of operations and financial condition.

Increases in insurance costs or reductions in insurance coverage may have a material adverse effect on our business, results of operations and financial condition.

If any of our aircraft were to be involved in a significant accident or if our property or operations were to be affected by a significant natural catastrophe or other event, we could be exposed to material liability or loss. If

we are unable to obtain sufficient insurance (including aviation hull and liability insurance and property and business interruption coverage) to cover such liabilities or losses, whether due to insurance market conditions or otherwise, our business could be materially adversely affected.

We currently obtain third-party war risk (terrorism) insurance as part of our commercial aviation hull and liability policy and additional third-party war risk (terrorism) insurance through a separate policy with a different private insurance company. Our current war risk insurance from commercial underwriters excludes nuclear, radiological and certain other events. If we are unable to obtain adequate third-party war risk (terrorism) insurance or if an event not covered by the insurance we maintain were to take place, our business could be materially adversely affected.

Risks Related to Our Business

If we fail to implement our business strategy successfully, our business will be materially adversely affected.

Our growth strategy includes significantly expanding our fleet, increasing the frequency of flights and size of aircraft used in markets we currently serve, and expanding the number of markets we serve. We select target markets and routes where we believe we can achieve profitability within a reasonable timeframe, and we only continue operating on routes where we believe we can achieve and maintain our desired level of profitability. When developing our route network, we focus on gaining market share on routes that have been underserved or are served primarily by higher cost airlines where we have a competitive cost advantage. Effectively implementing our growth strategy is critical for our business to achieve economies of scale and to sustain or increase our profitability. We face numerous challenges in implementing our growth strategy, including our ability to:

- sustain our relatively low unit operating costs, continue to realize attractive revenue performance and maintain profitability;
- maintain a high level of aircraft utilization; and
- access airports located in our targeted geographic markets where we can operate routes in a manner that is consistent with our cost strategy.

In addition, in order to successfully implement our growth strategy, which includes the planned growth of our fleet from 66 aircraft as of December 31, 2016 to a fleet of 121 by the end of 2021, we will require access to a large number of gates and other services at airports we currently serve or may seek to serve. We believe there are currently significant restraints on gates and related ground facilities at many of the most heavily utilized airports in the United States, in addition to the fact that three major domestic airports (JFK and LaGuardia in New York and Reagan National in Washington, D.C.) require government-controlled take-off or landing “slots” to operate at those airports. As a result, if we are unable to obtain access to a sufficient number of slots, gates or related ground facilities at desirable airports to accommodate our growing fleet, we may be unable to compete in desirable markets, our aircraft utilization rate could decrease, and we could suffer a material adverse effect on our business, results of operations and financial condition.

Our growth is also dependent upon our ability to maintain a safe and secure operation and will require additional personnel, equipment and facilities as we induct new aircraft and continue to execute our growth plan. In addition, we’ll require additional third-party personnel for services we do not undertake ourselves. An inability to hire and retain personnel, timely secure the required equipment and facilities in a cost-effective manner, efficiently operate our expanded facilities or obtain the necessary regulatory approvals may adversely affect our ability to achieve our growth strategy, which could harm our business. Furthermore, expansion to new markets may have other risks due to factors specific to those markets. We may be unable to foresee all of the existing risks upon entering certain new markets or respond adequately to these risks, and our growth strategy and our business may suffer as a result. In addition, our competitors may reduce their fares and/or offer special promotions following our entry into a new market. We cannot assure you that we will be able to profitably expand our existing markets or establish new markets.

Some of our target growth markets outside of the United States include countries with less developed economies that may be vulnerable to unstable economic and political conditions, such as significant fluctuations in gross domestic product, interest and currency exchange rates, civil disturbances, government instability, nationalization and expropriation of private assets and the imposition of taxes or other charges by governments. The occurrence of any of these events in markets served by us and the resulting instability may adversely affect our ability to implement our growth strategy.

Our low cost structure is one of our primary competitive advantages, and many factors could affect our ability to control our costs.

Our low cost structure is one of our primary competitive advantages. However, we have limited control over some of our costs. For example, we have limited control over the price and availability of aircraft fuel, aviation insurance, the acquisition and cost of aircraft, airport and related infrastructure costs, taxes, the cost of meeting changing regulatory requirements and our cost to access capital or financing. In addition, the compensation and benefit costs applicable to a significant portion of our employees are established by the terms of collective bargaining agreements, substantially all of which are currently open and are being negotiated. See "— Increased labor costs, union disputes, employee strikes and other labor-related disruption, including in connection with our current negotiations with the unions representing our pilots, flight attendants, maintenance controllers and aircraft appearance agents, may adversely affect our business, results of operations and financial condition." We cannot guarantee we will be able to maintain our relatively low costs. If our cost structure increases and we are no longer able to maintain a competitive cost structure, it could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to grow or maintain our unit revenues or maintain our non-ticket revenues.

A key component of our *Low Fares Done Right* strategy was establishing Frontier as a premier ULCC in the United States by attracting customers with low fares and garnering repeat business by delivering a high-quality, family-friendly customer experience with a more upscale look and feel than traditionally experienced on ULCCs in the United States. We intend to continue to differentiate our brand and product in order to expand our loyal customer base and grow or maintain our unit revenues and maintain our non-ticket revenues. Differentiating our brand and product has required and will continue to require significant investment, and we cannot assure you that the initiatives we have implemented will continue to be successful or that the initiatives we intend to implement will be successful. If we are unable to maintain or further differentiate our brand and product from the other U.S. ULCCs, our market share could decline, which could have a material adverse effect on our business, results of operations and financial condition. We may also not be successful in leveraging our brand and product to stimulate new demand with low base fares or gain market share from the legacy airlines.

In addition, our business strategy includes maintaining our portfolio of desirable, value-oriented, non-ticket products and services. However, we cannot assure you that passengers will continue to perceive value in the non-ticket products and services we currently offer and regulatory initiatives could adversely affect non-ticket revenue opportunities. Failure to maintain our non-ticket revenues would have a material adverse effect on our business, results of operations and financial condition. Furthermore, if we are unable to maintain our non-ticket revenues, we may not be able to execute our strategy to continue to lower base fares in order to stimulate demand for air travel.

Increased labor costs, union disputes, employee strikes and other labor-related disruption, may adversely affect our business, results of operations and financial condition.

Our business is labor intensive, with labor costs representing approximately 21%, 21% and 19% of our total operating costs for the years ended December 31, 2016, 2015 and 2014, respectively. As of December 31, 2016, approximately 85% of our workforce was represented by labor unions and our labor agreements with our pilots, flight attendants, maintenance controllers and aircraft appearance agents are currently under negotiation with the

unions representing such employees. We cannot assure you that our labor costs going forward will remain competitive or that any new agreements into which we enter will not have terms with higher labor costs or that the negotiations of such labor agreements will not result in any work stoppages. In addition, one or more of our competitors may significantly reduce their labor costs, thereby providing them with a competitive advantage over us. Furthermore, our labor costs may increase in connection with our growth. We may also become subject to additional collective bargaining agreements in the future as non-unionized workers may unionize.

Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, or the RLA. Under the RLA, collective bargaining agreements generally contain “amendable dates” rather than expiration dates, and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board, or the NMB. This process continues until either the parties have reached agreement on a new collective bargaining agreement, or the parties have been released to “self-help” by the NMB. In most circumstances, the RLA prohibits strikes; however, after release by the NMB, carriers and unions are free to engage in self-help measures such as lockouts and strikes.

Each of our collective bargaining agreements with our pilots, flight attendants, maintenance controllers and aircraft appearance agents are currently amendable and we are in negotiations with the union representing each group. See also “Business—Employees.” The outcome of our collective bargaining negotiations cannot presently be determined and the terms and conditions of our future collective bargaining agreements may be affected by the results of collective bargaining negotiations at other airlines that may have a greater ability, due to larger scale, greater efficiency or other factors, to bear higher costs than we can. In addition, if we are unable to reach agreement with any of our unionized work groups in current or future negotiations regarding the terms of their collective bargaining agreements, we may be subject to work interruptions, stoppages or shortages. Any such action or other labor dispute with unionized employees could disrupt our operations, reduce our profitability or interfere with the ability of our management to focus on executing our business strategies. As a result, our business, results of operations and financial condition may be materially adversely affected based on the outcome of our negotiations with the unions representing our employees.

Our inability to expand or operate reliably or efficiently out of airports where we maintain a large presence could have a material adverse effect on our business, results of operations and financial condition and brand.

We are highly dependent on markets served from airports where we maintain a large presence, including our operations in Denver as well as our operations in Orlando, Las Vegas, Chicago, Atlanta and Philadelphia. Our results of operations may be affected by actions taken by governmental or other agencies or authorities having jurisdiction over our operations at these and other airports, including, but not limited to:

- increases in airport rates and charges;
- limitations on take-off and landing slots, airport gate capacity or other use of airport facilities;
- termination of our airport use agreements, some of which can be terminated by airport authorities with little notice to us;
- increases in airport capacity that could facilitate increased competition;
- international travel regulations such as customs and immigration;
- increases in taxes;
- changes in the law that affect the services that can be offered by airlines in particular markets and at particular airports;
- restrictions on competitive practices;

- the adoption of statutes or regulations that impact customer service standards, including security standards; and
- the adoption of more restrictive locally-imposed noise regulations or curfews.

Our existing lease at Denver International Airport terminates in December 2018. We cannot assure you that renewal of the lease will occur on acceptable terms or at all, or that the new lease will not include additional or increased fees. In general, any changes in airport operations could have a material adverse effect on our business, results of operations and financial condition.

Negative publicity regarding our customer service could have a material adverse effect on our business, results of operations and financial condition.

Our business strategy includes the differentiation of our brand and product from the other U.S. airlines, including other ULCCs, in order to increase customer loyalty and drive future ticket sales. We intend to accomplish this by continuing to offer passengers dependable customer service. However, in the past, we have experienced a relatively high number of customer complaints related to, among other things, our customer service and reservations and ticketing systems. In particular, we have generally experienced a higher volume of complaints when we implemented changes to our unbundling policies, such as charging for baggage. These complaints, together with reports of lost baggage, delayed and cancelled flights, and other service issues, are reported to the public by the Department of Transportation. If we do not meet our customers' expectations with respect to reliability and service, our brand and product could be negatively impacted, which could result in customers deciding not to fly with us and adversely affect our business and reputation.

We rely on maintaining a high daily aircraft utilization rate to implement our low cost structure, which makes us especially vulnerable to flight delays, flight cancellations or aircraft unavailability.

We maintain a high daily aircraft utilization rate. Our average daily aircraft utilization was 12.6 hours, 12.6 hours and 11.4 hours for the years ended December 31, 2016, 2015 and 2014, respectively. Aircraft utilization is the average amount of time per day that our aircraft spend carrying passengers. Part of our business strategy is to maximize revenue per aircraft through high daily aircraft utilization, which is achieved in part by quick turnaround times at airports so we can fly more hours on average in a day. Aircraft utilization is reduced by delays and cancellations from various factors, many of which are beyond our control, including air traffic congestion at airports or other air traffic control problems or outages, adverse weather conditions, increased security measures or breaches in security, international or domestic conflicts, terrorist activity, or other changes in business conditions. A significant portion of our operations are concentrated in markets such as Denver, the Northeast and northern Midwest regions of the United States, which are particularly vulnerable to weather, airport traffic constraints and other delays, particularly in the winter months. In addition, pulling aircraft out of service for unscheduled and scheduled maintenance may materially reduce our average fleet utilization and require that we reaccommodate passengers or seek short-term substitute capacity at increased costs. Due to the relatively small size of our fleet, our point-to-point network and high daily aircraft utilization rate, the unexpected unavailability of one or more aircraft and resulting reduced capacity could have a material adverse effect on our business, results of operations and financial condition.

It has only been a limited period since our current business and operating strategy has been implemented.

Following our acquisition by an investment fund managed by Indigo Partners LLC, or Indigo, in 2013 and the implementation of our current business and operating strategy in 2014, we recorded net income of $200 million, $146 million and $140 million for the years ended December 31, 2016, 2015 and 2014, respectively which are higher levels of net income than we had previously achieved. For the year ended December 31, 2013, during which our predecessor owned Frontier for the first 11 months of the year, we recorded net income of $12 million during the successor period and a loss of $1 million during the predecessor

period. While we recorded an annual profit for the years ended December 31, 2016, 2015 and 2014, we cannot assure you that we will be able to sustain or increase profitability on a quarterly or an annual basis. In turn, this may cause the trading price of our common stock to decline and may materially adversely affect our business.

We are subject to various environmental and noise laws and regulations, which could have a material adverse effect on our business, results of operations and financial condition.

We are subject to increasingly stringent federal, state, local and foreign laws, regulations and ordinances relating to the protection of the environment and noise, including those relating to emissions to the air, discharges (including storm water discharges) to surface and subsurface waters, safe drinking water and the use, management, disposal and release of, and exposure to, hazardous substances, oils and waste materials. We are or may be subject to new or proposed laws and regulations that may have a direct effect (or indirect effect through our third-party specialists or airport facilities at which we operate) on our operations. In addition, U.S. airport authorities are exploring ways to limit de-icing fluid discharges. Any such existing, future, new or potential laws and regulations could have an adverse impact on our business, results of operations and financial condition.

Similarly, we are subject to environmental laws and regulations that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under certain laws, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of wastes directly attributable to us.

In addition, the International Civil Aviation Organization, or ICAO, and jurisdictions around the world have adopted noise regulations that require all aircraft to comply with noise level standards, and governmental authorities in several U.S. and foreign cities are considering or have already implemented aircraft noise reduction programs, including the imposition of overnight curfews and limitations on daytime take-offs and landings. Compliance with existing and future environmental laws and regulations, including emissions limitations and more restrictive or widespread noise regulations, that may be applicable to us could require significant expenditures, increase our cost base and have a material adverse effect on our business, results of operations and financial condition, and violations thereof can lead to significant fines and penalties, among other sanctions.

We generally participate with other airlines in fuel consortia and fuel committees at our airports, which agreements generally include cost-sharing provisions and environmental indemnities that are generally joint and several among the participating airlines. Any costs (including remediation and spill response costs) incurred by such fuel consortia could also have an adverse impact on our business, results of operations and financial condition.

We are subject to risks associated with climate change, including increased regulation to reduce emissions of greenhouse gases.

Concern about climate change and greenhouse gases may result in additional regulation or taxation of aircraft emissions in the United States and abroad. In particular, in June 2015, the EPA announced a proposed endangerment finding that aircraft engine green house gas, or GHG, emissions cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. If the EPA makes a final, positive endangerment finding, the EPA is obligated under the Clean Air Act to set GHG emissions standards for aircraft. Several states are also considering or have adopted initiatives to regulate emissions of GHGs, primarily through the planned development of GHG emissions inventories and/or regional cap-and-trade programs. On March 6, 2017, ICAO adopted new carbon dioxide certification standards for new aircraft beginning in 2020. The new CO2 standards will apply to new aircraft type designs from 2020, and to aircraft type designs already in production as of 2023. In-production aircraft that do not meet the standard by 2028 will no longer be able to be produced unless their designs are modified to meet the new standards.

In the event that such legislation or regulation is enacted in the United States or in the event similar legislation or regulation is enacted in jurisdictions where we operate or where we may operate in the future, it could result in significant costs for us and the airline industry. In addition to direct costs, such regulation may have a greater effect on the airline industry through increases in fuel costs that could result from fuel suppliers passing on increased costs that they incur under such a system.

Our reputation and business could be adversely affected in the event of an emergency, accident or similar incident involving our aircraft.

We are exposed to potential significant losses in the event that any of our aircraft is subject to an emergency, accident, terrorist incident or other similar incident, and significant costs related to passenger claims, repairs or replacement of a damaged aircraft and its temporary or permanent loss from service. We cannot assure you that we will not be affected by such events or that the amount of our insurance coverage will be adequate in the event such circumstances arise and any such event could cause a substantial increase in our insurance premiums. In addition, any future aircraft emergency, accident or similar incident, even if fully covered by insurance or even if it does not involve our airline, may create a public perception that our airline or the equipment we fly is less safe or reliable than other transportation alternatives, or could cause us to perform time -consuming and costly inspections on our aircraft or engines which could have a material adverse effect on our business, results of operations and financial condition.

We are highly dependent upon our cash balances and operating cash flows.

As of December 31, 2016, our principal sources of liquidity were cash and cash equivalents of $612 million. In addition, we had restricted cash of $6 million as of December 31, 2016. Restricted cash includes certificates of deposit that secure letters of credit issued for particular airport authorities as required in certain lease agreements. Furthermore, as of December 31, 2016, we had access to a $50 million pre-purchased miles facility from which we had drawn $39 million of the amount available as of such date and we also had access to a $150 million facility to finance a portion of certain pre-delivery payments, or PDPs, from which we had drawn $143 million as of such date. These facilities are not adequate to finance our operations, and thus we will continue to be dependent on our operating cash flows and cash balances to fund our operations, provide capital reserves and to make scheduled payments on our aircraft-related fixed obligations, including substantial PDPs, on the aircraft we have on order. As of December 31, 2016, we were not subject to any credit card holdbacks, although if we fail to maintain certain liquidity and other financial covenants, our credit card processors have the right to hold back credit card remittances to cover our obligations to them, which would result in a reduction of unrestricted cash that could be material. In addition, while we recently have been able to arrange aircraft lease financing that does not require that we maintain a maintenance reserve account, we are required by some of our aircraft lessors, and could in the future be required, to fund reserves in cash in advance for scheduled maintenance to act as collateral for the benefit of lessors. In those circumstances a portion of our cash is therefore unavailable until after we have completed the scheduled maintenance in accordance with the terms of the operating leases. Based on the age of our fleet and our growth strategy, we expect these maintenance deposits to decrease as we enter into operating leases for newly-acquired aircraft that do not require reserves. If we fail to generate sufficient funds from operations to meet our operating cash requirements or do not obtain a line of credit, other borrowing facility or equity financing, we could default on our operating lease and fixed obligations. Our inability to meet our obligations as they become due would have a material adverse effect on our business, results of operations and financial condition.

Our ability to obtain financing or access capital markets may be limited.

We have significant obligations to purchase aircraft and spare engines that we have on order from Airbus and CFM International, an affiliate of General Electric Company, and our current strategy is to rely on lessors to provide financing for our aircraft acquisition needs. As of December 31, 2016, we had an obligation to acquire 82 aircraft, including 76 A320neo family aircraft and six A321ceo aircraft by 2021, the first 43 of which we intend

to finance with operating leases, including 11 which are currently subject to committed operating leases and 32 which are subject to non-binding letters of intent. We intend to evaluate financing options for the remaining 39 aircraft. There are a number of factors that may affect our ability to raise financing or access the capital markets in the future, including our liquidity and credit status, our operating cash flows, market conditions in the airline industry, U.S. and global economic conditions, the general state of the capital markets and the financial position of the major providers of commercial aircraft financing. We cannot assure you that we will be able to source external financing for our planned aircraft acquisitions or for other significant capital needs, and if we are unable to source financing on acceptable terms, or unable to source financing at all, our business could be materially adversely affected. To the extent we finance our activities with additional debt, we may become subject to financial and other covenants that may restrict our ability to pursue our business strategy or otherwise constrain our growth and operations.

Our liquidity would be adversely impacted, potentially materially, in the event one or more of our credit card processors were to impose holdback restrictions for payments due to us from credit card transactions.

We currently have agreements with organizations that process credit card transactions arising from purchases of air travel tickets by our customers. Credit card processors may have financial risk associated with tickets purchased for travel which can occur several weeks after the purchase. As of December 31, 2016, we were not subject to any credit card holdbacks under our credit card processing agreements, although if we fail to meet certain liquidity and other financial covenants, our credit card processors have the right to hold back credit card remittances to cover our obligations to them. If our credit card processors were to impose holdback restrictions on us, the negative impact on our liquidity could be significant which could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to competitive risks due to the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book.

At present, we have existing aircraft commitments through 2021, the substantial majority of which are for Airbus' A320neo family aircraft equipped with the Leap engine manufactured by CFM International, an affiliate of General Electric Company. The A320neo includes next generation engine technology as well as aerodynamic refinements, large curved winglets, weight savings, a new aircraft cabin with larger hand luggage spaces and an improved air purification system. While the A320neo represents the latest step in the modernization of the A320 family of aircraft, the aircraft only entered commercial service in January 2016 and we are one of the first airlines to utilize the A320neo and Leap engine. As a result, we are subject to those risks commonly associated with the initial introduction of a new aircraft type including with respect to the A320neo's actual, sustained fuel efficiency and other projected cost savings, which may not be realized, as well as the reliability and maintenance costs associated with a new aircraft and engine. If we are unable to realize the potential competitive advantages we expect to achieve through the implementation of the A320neo aircraft into our fleet, our business, results of operations and financial condition could be materially adversely affected. While we have the option to convert the A319neo aircraft in our order book to A320neo aircraft, we have not yet exercised this option. If we are unable to convert these A319neos to A320neos on acceptable terms or at all, our business could be adversely affected if the A319neo, none of which has yet been delivered, proves to be an undesirable configuration. Furthermore, as technological evolution occurs in our industry, through the use of composites and other innovations, we may be competitively disadvantaged because we have existing extensive fleet commitments that would prohibit us from adopting new technologies on an expedited basis.

Our maintenance costs will increase over the near term, we will periodically incur substantial maintenance costs due to the maintenance schedules of our aircraft fleet and obligations to the lessors and we could incur significant maintenance expenses outside of such maintenance schedules in the future.

The operating leases with respect to seven, 13 and three aircraft of our fleet are scheduled to terminate in 2017, 2018 and 2019, respectively. Prior to such aircraft being returned, we will incur costs to restore these aircraft to the condition required by the terms of the underlying operating leases. The amount and timing of these so-called "return conditions" costs can prove unpredictable due to uncertainty regarding the maintenance status of each particular aircraft at the time it is to be returned and it is not unusual for disagreements to ensue between the airline and the leasing company as to the required maintenance on a given aircraft or engine.

In addition, we currently have an obligation to acquire 82 aircraft by the end of 2021. We expect that these new aircraft will require less maintenance when they are first placed in service (sometimes called a "maintenance holiday") because the aircraft will benefit from manufacturer warranties and also will be able to operate for a significant period of time, generally measured in years, before the most expensive scheduled maintenance obligations, known as heavy maintenance, are first required. Following these new initial maintenance holiday periods, the new aircraft we have an obligation to acquire will require more maintenance as they age and our maintenance and repair expenses for each newly purchased aircraft will be incurred at approximately the same intervals. Moreover, because a large portion of our future fleet will be acquired over a relatively short period, significant maintenance to be scheduled on each of these planes will likely occur at roughly the same time, meaning we will likely incur our heavy maintenance obligations across our fleet around the same time. These more significant maintenance activities result in out-of-service periods during which our aircraft are dedicated to maintenance activities and unavailable to fly revenue service.

Outside of scheduled maintenance, we incur from time to time unscheduled maintenance which is not forecast in our operating plan or financial forecasts, and which can impose material unplanned costs and the loss of flight equipment from revenue service for a significant period of time. For example, a single unplanned engine event can require a shop visit costing several million dollars and cause the engine to be out of service for a number of weeks.

Furthermore, the terms of some of our lease agreements require us to pay maintenance reserves to the lessor in advance of the performance of major maintenance, resulting in our recording significant prepaid deposits on our balance sheet. In addition, the terms of any lease agreements that we enter into the future could also require maintenance reserves in excess of our current requirements. We expect scheduled and unscheduled aircraft maintenance expenses to increase over the next several years. Any significant increase in maintenance and repair expenses would have a material adverse effect on our business, results of operations and financial condition. Please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates—Aircraft Maintenance."

We have a significant amount of aircraft-related fixed obligations that could impair our liquidity and thereby harm our business, results of operations and financial condition.

The airline business is capital intensive and, as a result, many airline companies are highly leveraged. As of December 31, 2016, our 66 aircraft fleet consisted of 60 aircraft financed under operating leases and six aircraft financed under secured debt arrangements. For the years ended December 31, 2016, 2015 and 2014, we incurred aircraft rent of $209 million, $171 million and $147 million, respectively, and paid maintenance deposits net of reimbursements of $32 million, $23 million and $15 million, respectively. As of December 31, 2016, we had future operating lease obligations of approximately $2 billion and future principal debt obligations of approximately $241 million, of which $141 million is due during 2017. For the year ended December 31, 2016, we made cash payments for interest related to debt of $6 million. In addition, we have significant obligations for aircraft and spare engines that we have ordered from Airbus and CFM International for delivery over the next several years. Our ability to pay the fixed costs associated with our contractual obligations will depend on our

operating performance, cash flow and our ability to secure adequate financing, which will in turn depend on, among other things, the success of our current business strategy, fuel price volatility, any significant weakening or improving in the U.S. economy, availability and cost of financing, as well as general economic and political conditions and other factors that are, to some extent, beyond our control. The amount of our aircraft related fixed obligations could have a material adverse effect on our business, results of operations and financial condition and could:

- require a substantial portion of cash flow from operations be used for operating lease and maintenance deposit payments, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our ability to make required PDPs, including those payable to our aircraft and engine manufacturers for our aircraft and spare engines on order;
- limit our ability to obtain additional financing to support our expansion plans and for working capital and other purposes on acceptable terms or at all;
- make it more difficult for us to pay our other obligations as they become due during adverse general economic and market industry conditions because any related decrease in revenues could cause us to not have sufficient cash flows from operations to make our scheduled payments;
- reduce our flexibility in planning for, or reacting to, changes in our business and the airline industry and, consequently, place us at a competitive disadvantage to our competitors with lower fixed payment obligations; and
- cause us to lose access to one or more aircraft and forfeit our maintenance and other deposits if we are unable to make our required aircraft lease rental payments and our lessors exercise their remedies under the lease agreement including cross default provisions in certain of our leases.

A failure to pay our operating lease, debt and other fixed cost obligations or a breach of our contractual obligations could result in a variety of adverse consequences, including the exercise of remedies by our creditors and lessors. In such a situation, it is unlikely that we would be able to cure our breach, fulfill our obligations, make required lease payments or otherwise cover our fixed costs, which would have a material adverse effect on our business, results of operations and financial condition.

We rely on third-party specialists and other commercial partners to perform functions integral to our operations.

We have entered into agreements with third-party specialists to furnish certain facilities and services required for our operations, including ground handling, catering, passenger handling, engineering, maintenance, refueling, reservations and airport facilities as well as administrative and support services. We are likely to enter into similar service agreements in new markets we decide to enter, and we cannot assure you that we will be able to obtain the necessary services at acceptable rates.

Although we seek to monitor the performance of third parties that furnish certain facilities or provide us with our ground handling, catering, passenger handling, engineering, maintenance, refueling, reservations and airport facilities, the efficiency, timeliness and quality of contract performance by third-party specialists are often beyond our control, and any failure by our third-party specialists to perform up to our expectations may have an adverse impact on our business, reputation with customers, our brand and our operations. In addition, we could experience a significant business disruption if we were to change vendors or if an existing provider ceased to be able to serve us. We expect to be dependent on such third-party arrangements for the foreseeable future.

We rely on third-party distribution channels to distribute a portion of our airline tickets.

We rely on third-party distribution channels, including those provided by or through global distribution systems, or GDSs, conventional travel agents and online travel agents, or OTAs, to distribute a portion of our

airline tickets, and we expect in the future to rely on these channels to collect a portion of our non-ticket revenues. These distribution channels are more expensive and at present have less functionality in respect of non-ticket revenues than those we operate ourselves, such as our website. Certain of these distribution channels also effectively restrict the manner in which we distribute our products generally. To remain competitive, we will need to successfully manage our distribution costs and rights, and improve the functionality of third-party distribution channels, while maintaining an industry-competitive cost structure. Negotiations with key GDSs and OTAs designed to manage our costs, increase our distribution flexibility, and improve functionality could be contentious, could result in diminished or less favorable distribution of our tickets, and may not provide the functionality we require to maximize non-ticket revenues. In addition, in the last several years there has been significant consolidation among GDSs and OTAs, including the acquisition by Expedia of both Orbitz and Travelocity, and the acquisition by Amadeus of Navitaire (the reservations system that we use). This consolidation and any further consolidation could affect our ability to manage our distribution costs due to a reduction in competition or other industry factors. Any inability to manage such costs, rights and functionality at a competitive level or any material diminishment in the distribution of our tickets could have a material adverse effect on our competitive position and our results of operations. Moreover, our ability to compete in the markets we serve may be threatened by changes in technology or other factors that may make our existing third-party sales channels impractical, uncompetitive or obsolete.

We rely heavily on technology and automated systems to operate our business, and any failure of these technologies or systems or any failure on our part to implement any new technologies or systems could materially adversely affect our business.

We are highly dependent on technology and computer systems and networks to operate our business. These technologies and systems include our computerized airline reservation system provided by Navitaire, now a unit of Amadeus, flight operations systems, telecommunications systems, mobile phone application, airline website, maintenance systems and check-in kiosks. In order for our operations to work efficiently, our website and reservation system must be able to accommodate a high volume of traffic, maintain secure information and deliver flight information. The Navitaire reservations system, which is hosted and maintained under a long-term contract by a third-party specialist, is critical to our ability to issue, track and accept electronic tickets, conduct check-in, board and manage our passengers through the airports we serve and provide us with access to global distribution systems, which enlarge our pool of potential passengers. There are many instances in the past where a reservations system malfunctioned, whether due to the fault of the system provider or the airline, with a highly adverse effect on the airline’s operations, and such a malfunction has in the past and could in the future occur on our system, or in connection with any system upgrade or migration in the future. We also rely on third-party specialists to maintain our flight operations systems, and if those systems are not functioning, we could experience service disruptions, which could result in the loss of important data, increase our expenses, decrease our operational performance and temporarily stall our operations.

Any failure of the technologies and systems we use could materially adversely affect our business. In particular, if our reservation system fails or experiences interruptions, and we are unable to book seats for a period of time, we could lose a significant amount of revenue as customers book seats on other airlines, and our reputation could be harmed. In addition, replacement technologies and systems for any service we currently utilize that experiences failures or interruptions may not be readily available on a timely basis, at competitive rates or at all. Furthermore, our current technologies and systems are heavily integrated with our day-to-day operations and any transition to a new technology or system could be complex and time-consuming. In the event that one or more of our primary technology or systems vendors fails to perform and a replacement system is not available or if we fail to implement a replacement system in a timely and efficient manner, our business could be materially adversely affected.

Unauthorized incursions of our information technology infrastructure could compromise the personally identifiable information of our passengers, prospective passengers or personnel and expose us to liability, damage our reputation and have a material adverse effect on our business, results of operations and financial condition.

In the processing of our customer transactions and as part of our ordinary business operations, we and certain of our third-party specialists collect, process, transmit and store a large volume of personally identifiable information, including email addresses and home addresses and financial data such as credit and debit card information. The security of the systems and network where we and our third-party specialists store this data is a critical element of our business, and these systems and our network may be vulnerable to computer viruses, hackers and other security issues. Recently, several high profile consumer-oriented companies have experienced significant data breaches, which have caused those companies to suffer substantial financial and reputational harm. While we have taken precautions to avoid an unauthorized incursion of our computer systems, we cannot assure you that our precautions are either adequate or implemented properly to prevent a data breach and its adverse financial and reputational consequences to our business. We are also subject to laws relating to privacy of personal data. The compromise of our technology systems resulting in the loss, disclosure, misappropriation of or access to the personally identifiable information of our passengers, prospective passengers or personnel could result in governmental investigation, civil liability or regulatory penalties under laws protecting the privacy of personal information, any or all of which could disrupt our operations and have a material adverse effect on our business, results of operations and financial condition. Additionally, any material failure by us or our third-party specialists to maintain compliance with the Payment Card Industry security requirements or to rectify a data security issue may result in fines and restrictions on our ability to accept credit and debit cards as a form of payment.

We are subject to increasing legislative, regulatory and customer focus on privacy issues and data security in the United States and abroad. In addition, a number of our commercial partners, including credit card companies, have imposed data security standards on us, and these standards continue to evolve. We will continue our efforts to meet our privacy and data security obligations; however, it is possible that certain new obligations may be difficult to meet and could increase our costs. Additionally, we must manage evolving cybersecurity risks. The loss, disclosure, misappropriation of or access to the information of our customers, personnel or business partners or any failure by us to meet our obligations could result in legal claims or proceedings, liability or regulatory penalties.

We depend on a sole-source supplier for our aircraft and engines.

A critical cost-saving element of our business strategy is to operate a single-family aircraft fleet; however, our dependence on the Airbus A320-family aircraft and CFM International engines for all of our aircraft makes us vulnerable to any design defects or mechanical problems associated with this aircraft type or these engines. In the event of any actual or suspected design defects or mechanical problems with the Airbus A320-family aircraft or CFM International engines, whether involving our aircraft or that of another airline, we may choose or be required to suspend or restrict the use of our aircraft. Our business could also be materially adversely affected if the public avoids flying on our aircraft due to an adverse perception of the Airbus A320-family aircraft or CFM International engines, whether because of safety concerns or other problems, real or perceived, or in the event of an accident involving such aircraft or engines. Separately, if Airbus or CFM International becomes unable to perform its contractual obligations and we must lease or purchase aircraft from another supplier, we would incur substantial transition costs, including expenses related to acquiring new aircraft, engines, spare parts, maintenance facilities and training activities, and we would lose the cost benefits from our current single-fleet composition, any of which would have a material adverse effect on our business, results of operations and financial condition. See also "—We may be subject to competitive risks due to the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book."

Although we have significantly reconfigured our network since 2013, our business remains dependent on the Denver market and increases in competition or congestion or a reduction in demand for air travel in this market would harm our business.

We are highly dependent on the Denver market where we maintain a large presence with approximately 45% of flights as of December 2016 having Denver International Airport as either their origin or destination. We have experienced an increase in flight delays and cancellations at this airport due to airport congestion which has adversely affected our operating performance and results of operations. Also, flight operations in Denver can face extreme weather challenges in the winter which at times has resulted in severe disruptions in our operation and the incurrence of material costs as a consequence of such disruptions. Our business could be further harmed by an increase in the amount of direct competition we face in the Denver market or by continued or increased congestion, delays or cancellations. Our business would also be harmed by any circumstances causing a reduction in demand for air transportation in the Denver area, such as adverse changes in local economic conditions, health concerns, adverse weather conditions, negative public perception of Denver, terrorist attacks or significant price or tax increases linked to increases in airport access costs and fees imposed on passengers.

We are subject to extensive regulation by the Federal Aviation Administration, the Department of Transportation, Transportation Security Administration and other U.S. and foreign governmental agencies, compliance with which could cause us to incur increased costs and adversely affect our business, results of operations and financial condition.

Airlines are subject to extensive regulatory and legal compliance requirements, both domestically and internationally, that involve significant costs. In the last several years, Congress has passed laws and the FAA, DOT and TSA have issued regulations, orders, rulings and guidance relating to the operation, safety, and security of airlines that have required significant expenditures. We expect to continue to incur expenses in connection with complying with such laws and government regulations, orders, rulings and guidance. Additional laws, regulations, taxes and increased airport rates and charges have been proposed from time to time that could significantly increase the cost of airline operations or reduce the demand for air travel. If adopted, these measures could have the effect of raising ticket prices, reducing revenue, and increasing costs. For example, the DOT has broad authority over airlines and their consumer and competitive practices, and has used this authority to issue numerous regulations and pursue enforcement actions, including rules and fines relating to the handling of extended tarmac delays, consumer complaints, price and airline advertising, oversales and involuntary denied boarding process, ticket refunds, liability for loss, delay or damage to baggage, customer service commitments, contracts of carriage and the transportation of passengers with disabilities. Among these is the series of Enhanced Airline Passenger Protection rules issued by the DOT. In addition, the FAA issued its final regulations governing pilot rest periods and work hours for all airlines certificated under Part 121 of the Federal Aviation Regulations. The rule known as FAR 117, which became effective January 4, 2014, impacts the required amount and timing of rest periods for pilots between work assignments and modifies duty and rest requirements based on the time of day, number of scheduled segments, time zones and other factors. In addition, Congress enacted a law and the FAA issued regulations requiring U.S. airline pilots to have a minimum number of hours as a pilot in order to qualify for an Air Transport Pilot license which all pilots on U.S. airlines must obtain. Compliance with these rules may increase our costs, while failure to remain in full compliance with these rules may subject us to fines or other enforcement action. FAR 117 and the minimum pilot hour requirements may also reduce our ability to meet flight crew staffing requirements.

We cannot assure you that compliance with these and other laws, regulations, orders, rulings and guidance will not have a material adverse effect on our business, results of operations and financial condition.

In addition, the TSA mandates the federalization of certain airport security procedures and imposes additional security requirements on airports and airlines, most of which are funded by a per ticket tax on passengers and a tax on airlines. We cannot forecast what additional security and safety requirements may be imposed in the future or the costs or revenue impact that would be associated with complying with such requirements.

Our ability to operate as an airline is dependent on our maintaining authorizations issued to us by the DOT and the FAA. The FAA has the authority to issue mandatory orders relating to, among other things, operating aircraft, the grounding of aircraft, maintenance and inspection of aircraft, installation of new safety-related items, and removal and replacement of aircraft parts that have failed or may fail in the future. A decision by the FAA to ground, or require time-consuming inspections of or maintenance on, our aircraft, for any reason, could negatively affect our business, results of operations and financial condition. Federal law requires that air carriers operating scheduled service be continuously “fit, willing and able” to provide the services for which they are licensed. Our “fitness” is monitored by the DOT, which considers managerial competence, operations, finances, and compliance record. In addition, under federal law, we must be a U.S. citizen (as determined under applicable law). Please see “Business—Foreign Ownership.” While the DOT has seldom revoked a carrier’s certification for lack of fitness, such an occurrence would render it impossible for us to continue operating as an airline. The DOT may also institute investigations or administrative proceedings against airlines for violations of regulations. The DOT has several ongoing investigations of our compliance with consumer protection requirements.

International routes are regulated by air transport agreements and related agreements between the United States and foreign governments. Our ability to operate international routes is subject to change because the applicable agreements between the United States and foreign governments may be amended from time to time. Our access to new international markets may be limited by the applicable air transport agreements between the U.S. and foreign governments and our ability to obtain the necessary authority from the U.S. and foreign governments to fly the international routes. In addition, our operations in foreign countries are subject to regulation by foreign governments and our business may be affected by changes in law and future actions taken by such governments, including granting or withdrawal of government approvals and restrictions on competitive practices. We are subject to numerous foreign regulations in the countries outside the United States where we currently provide service. If we are not able to comply with this complex regulatory regime, our business could be significantly harmed. Please see “Business—Government Regulation.”

If we are unable to attract and retain qualified personnel at reasonable costs or fail to maintain our company culture, our business could be harmed.

Our business is labor intensive. We require large numbers of pilots, flight attendants, maintenance technicians and other personnel. We compete against other U.S. airlines for pilots, mechanics and other skilled labor and certain U.S. airlines offer wage and benefit packages exceeding ours. The airline industry has from time to time experienced a shortage of qualified personnel. In particular, as more pilots in the industry approach mandatory retirement age, the U.S. airline industry is being affected by a pilot shortage. As is common with most of our competitors, we have faced considerable turnover of our employees. As a result of the foregoing, we may not be able to attract or retain qualified personnel or may be required to increase wages and/or benefits in order to do so. If we are unable to hire, train and retain qualified employees, our business could be harmed and we may be unable to implement our growth plans.

In addition, as we hire more people and grow, we believe it may be increasingly challenging to continue to hire people who will maintain our company culture. Our company culture, which we believe is one of our competitive strengths, is important to providing dependable customer service and having a productive, accountable workforce that helps keep our costs low. As we continue to grow, we may be unable to identify, hire or retain enough people who meet the above criteria, including those in management or other key positions. Our company culture could otherwise be adversely affected by our growing operations and geographic diversity. If we fail to maintain the strength of our company culture, our competitive ability and our business, results of operations and financial condition could be harmed.

Our business could be materially adversely affected if we lose the services of our key personnel.

Our success depends to a significant extent upon the efforts and abilities of our senior management team and key financial and operating personnel. In particular, we depend on the services of our senior management

team, particularly Barry L. Biffle, our President and Chief Executive Officer, and James G. Dempsey, our Chief Financial Officer. Competition for highly qualified personnel is intense, and the loss of any executive officer, senior manager, or other key employee without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect on our business, results of operations and financial condition. We do not maintain key-man life insurance on our management team.

We rely on our private equity sponsor.

Our majority stockholder is presently an investment fund managed by Indigo Partners, a private equity fund with significant expertise in the ultra low-cost airline industry. This expertise has been available to us through the representatives Indigo has on our board of directors and through a Professional Services Agreement that was put in place in connection with the 2013 acquisition from Republic and pursuant to which we pay Indigo a fee of $1.5 million per year, plus expenses. Our engagement of Indigo pursuant to the Professional Services Agreement will continue until the date that Indigo and its affiliates own less than 10% of the 5.2 million shares of our common stock acquired by an affiliate of Indigo in December 2013. After this offering, Indigo may nonetheless elect to reduce its ownership in our company or reduce its involvement on our board of directors, which could reduce or eliminate the benefits we have historically achieved through our relationship with Indigo. For a further description of our Professional Services Agreement, please see "Certain Relationships and Related Party Transactions—Management Services."

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members or executive officers.

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company, including costs associated with public company reporting requirements. We also have incurred and will incur costs associated with the Sarbanes-Oxley Act of 2002, as amended, the Dodd-Frank Wall Street Reform and Consumer Protection Act, related rules implemented or to be implemented by the Securities and Exchange Commission, or the SEC, and the listing rules of the   . The expenses incurred by public companies generally for reporting and corporate governance purposes have been increasing. We expect these rules and regulations to increase our legal and financial compliance costs and to make some activities more time-consuming and costly, although we are currently unable to estimate these costs with any degree of certainty. These laws and regulations could also make it more costly for us to obtain certain types of insurance, including director and officer liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. These laws and regulations could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors or our board committees or as our executive officers and may divert management's attention. Furthermore, if we are unable to satisfy our obligations as a public company, our common stock could be delisted, and we could be subject to fines, sanctions and other regulatory action and potentially civil litigation.

Our quarterly results of operations fluctuate due to a number of factors, including seasonality.

We expect our quarterly results of operations to continue to fluctuate due to a number of factors, including actions by our competitors, price changes in aircraft fuel and the timing and amount of maintenance expenses. As a result of these and other factors, quarter-to-quarter comparisons of our results of operations and month-to-month comparisons of our key operating statistics may not be reliable indicators of our future performance. In addition, seasonality may cause our quarterly and monthly results to fluctuate since passengers tend to fly more during the summer months and less in the winter months. We cannot assure you that we will find profitable markets in which to operate during the winter season. Lower demand for air travel during the winter months could have a material adverse effect on our business, results of operations and financial condition.

We will be required to assess our internal control over financial reporting on an annual basis, and any future adverse findings from such assessment could result in a loss of investor confidence in our financial reports, result in significant expenses to remediate any internal control deficiencies and have a material adverse effect on our business, results of operations and financial condition.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, as amended, and beginning with our Annual Report on Form 10-K for the year ending December 31, 2018, our management will be required to report on, and our independent registered public accounting firm to attest to, the effectiveness of our internal control over financial reporting. The rules governing management's assessment of our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. We are currently in the process of reviewing, documenting and testing our internal control over financial reporting. We may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal control over financial reporting. In connection with the attestation process by our independent registered public accounting firm, we may encounter problems or delays in implementing any requested improvements and receiving a favorable attestation. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the , regulatory investigations, civil or criminal sanctions and litigation, any of which would have a material adverse effect on our business, results of operations and financial condition.

We may become involved in litigation that may materially adversely affect us.

From time to time, we may become involved in various legal proceedings relating to matters incidental to the ordinary course of our business, including patent, commercial, product liability, employment, class action, whistleblower and other litigation and claims, and governmental and other regulatory investigations and proceedings. In particular, in recent years, there has been significant litigation in the United States and abroad involving patents and other intellectual property rights. We have in the past faced, and may face in the future, claims by third parties that we infringe upon their intellectual property rights. Such matters can be time-consuming, divert management's attention and resources, cause us to incur significant expenses or liability and/or require us to change our business practices. Because of the potential risks, expenses and uncertainties of litigation, we may, from time to time, settle disputes, even where we believe that we have meritorious claims or defenses. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, results of operations and financial condition.

Our lack of membership in a marketing alliance could harm our business and competitive position.

Many airlines, including the domestic legacy network airlines (American, Delta and United) have marketing alliances with other airlines, under which they market and advertise their status as marketing alliance partners. These alliances, such as **one**world, SkyTeam and Star Alliance, generally provide for code-sharing, frequent flyer program reciprocity, coordinated scheduling of flights to permit convenient connections and other joint marketing activities. Such arrangements permit an airline to market flights operated by other alliance members as its own. This increases the destinations, connections and frequencies offered by the airline and provides an opportunity to increase traffic on that airline's segment of flights connecting with alliance partners. We currently do not have any alliances with U.S. or foreign airlines. Our lack of membership in any marketing alliances puts us at a competitive disadvantage to traditional network carriers who are able to attract passengers through more widespread alliances, particularly on international routes, and that disadvantage may result in a material adverse effect on our business, results of operations and financial condition.

Risks Related to Owning Our Common Stock

The market price of our common stock may be volatile, which could cause the value of an investment in our stock to decline.

Prior to this offering, there has been no public market for shares of our common stock, and an active public market for these shares may not develop or be sustained after this offering. We and the representatives of the underwriters determined the initial public offering price of our common stock through negotiation. This price does not necessarily reflect the price at which investors in the market will be willing to buy and sell our shares following this offering. In addition, the market price of our common stock may fluctuate substantially due to a variety of factors, many of which are beyond our control, including:

- announcements concerning our competitors, the airline industry or the economy in general;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- media reports and publications about the safety of our aircraft or the aircraft type we operate;
- new regulatory pronouncements and changes in regulatory guidelines;
- changes in the price of aircraft fuel;
- announcements concerning the availability of the type of aircraft we use;
- general and industry-specific economic conditions;
- changes in financial estimates or recommendations by securities analysts or failure to meet analysts' performance expectations;
- sales of our common stock or other actions by investors with significant shareholdings, including sales by our principal stockholders;
- trading strategies related to changes in fuel or oil prices; and
- general market, political and other economic conditions.

The stock markets in general have experienced substantial volatility that has often been unrelated to the operating performance of particular companies. Broad market fluctuations may materially adversely affect the trading price of our common stock.

In the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management's attention and resources and have a material adverse effect on our business, results of operations and financial condition.

If securities or industry analysts do not publish research or reports about our business or publish negative reports about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities and industry analysts may publish about us or our business. If one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, the trading price of our common stock would likely decline. If one or more of these analysts ceases to cover our company or fails to publish reports on us regularly, demand for our stock could decrease, which may cause the trading price of our common stock and the trading volume of our common stock to decline.

Purchasers of our common stock in this offering will experience immediate and substantial dilution in the tangible net book value of their investment.

The initial public offering price of our common stock is substantially higher than the net tangible book value per share of our common stock immediately after this offering. Therefore, if you purchase our common stock in

this offering, you will incur an immediate dilution of $ in net tangible book value per share from the price you paid. In addition, as of December 31, 2016, we had outstanding options to purchase shares of our capital stock and unvested restricted stock awards. The exercise of these outstanding options or the vesting of these restricted stock awards will result in further dilution. For a further description of the dilution that you will experience immediately after this offering, see “Dilution” elsewhere in this prospectus.

The value of our common stock may be materially adversely affected by additional issuances of common stock or preferred stock by us or sales by our principal stockholder.

Any future issuances or sales of our common stock by us will be dilutive to our existing common stockholders. We had 5,237,756 million shares of common stock outstanding as of December 31, 2016. All of the shares of common stock sold in this offering will be freely tradeable without restrictions or further registration under the Securities Act. The holders of substantially all of our outstanding shares of our common stock have signed lock-up agreements with the underwriters of this offering, under which they have agreed, subject to certain exceptions, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, without the prior written consent of certain of the underwriters, for a period of 180 days after the date of this prospectus. After this offering, an investment fund managed by Indigo, the holder of approximately 5.2 million shares of our common stock as of December 31, 2016, will be entitled to rights with respect to registration of such shares under the Securities Act pursuant to a registration rights agreement. Please see “Certain Relationships and Related Transactions—Registration Rights” elsewhere in this prospectus. Sales of substantial amounts of our common stock in the public or private market, a perception in the market that such sales could occur, or the issuance of securities exercisable or convertible into our common stock, could adversely affect the prevailing price of our common stock.

Indigo’s current control of the Company severely limits the ability of our stockholders to influence matters requiring stockholder approval and could adversely affect our other stockholders.

When this offering is completed, an investment fund managed by Indigo will beneficially own approximately % of our outstanding common stock, assuming no exercise of the underwriters’ option to purchase additional shares of our common stock from Indigo as the selling stockholder. As a result, Indigo will be able to exert a significant degree of influence or actual control over our management and affairs and over matters requiring stockholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets and other significant business or corporate transactions.

Until such time as Indigo beneficially owns shares of our common stock representing less than a majority of the voting rights of our common stock, Indigo will have the ability to take stockholder action by written consent without calling a stockholder meeting and to approve amendments to our amended and restated certificate of incorporation and amended and restated bylaws and to take other actions without the vote of any other stockholder. Investors in this offering will not be able to affect the outcome of any stockholder vote during such time. As a result, Indigo will have the ability to control all such matters affecting us, including:

- the composition of our board of directors and, through our board of directors, any determination with respect to our business plans and policies;
- our acquisition or disposition of assets;
- our financing activities, including the issuance of additional equity securities;
- any determinations with respect to mergers, acquisitions and other business combinations;
- corporate opportunities that may be suitable for us and Indigo;
- the payment of dividends on our common stock; and
- the number of shares available for issuance under our stock plans for our existing and prospective employees.

This concentrated control will limit the ability of other stockholders to influence corporate matters and, as a result, we may take actions that our other stockholders do not view as beneficial. Indigo's voting control may also discourage or block transactions involving a change of control of Frontier, including transactions in which you, as a stockholder, might otherwise receive a premium for your shares over the then-current market price. For example, this concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which in turn could cause the market price of our common stock to decline or prevent our stockholders from realizing a premium over the market price for their common stock. Moreover, Indigo is not prohibited from selling a controlling interest in us to a third party and may do so without your approval and without providing for a purchase of your shares of common stock. Accordingly, your shares of common stock may be worth less than they would be if Indigo did not maintain voting control over us.

For additional information about our relationship with Indigo, please see "Certain Relationships and Related Party Transactions" and "Principal and Selling Stockholder" elsewhere in this prospectus.

Our anti-takeover provisions may delay or prevent a change of control, which could adversely affect the price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering contain provisions that may make it difficult to remove our board of directors and management and may discourage or delay "change of control" transactions, which could adversely affect the price of our common stock. These provisions include, among others:

- our board of directors is divided into three classes, with each class serving for a staggered three-year term, which prevents stockholders from electing an entirely new board of directors at an annual meeting;
- no cumulative voting in the election of directors, which prevents the minority stockholders from electing director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors
- from and after such time as Indigo no longer holds a majority of the voting rights of our common stock, actions to be taken by our stockholders may only be effected at an annual or special meeting of our stockholders and not by written consent;
- from and after such time as Indigo no longer holds a majority of the voting rights of our common stock, special meetings of our stockholders can be called only by the Chairman of the Board or by our corporate secretary at the direction of our board of directors;
- advance notice procedures that stockholders, other than Indigo for so long as it holds a majority of the voting rights of our common stock, must comply with in order to nominate candidates to our board of directors and propose matters to be brought before an annual meeting of our stockholders may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company;
- from and after such time as Indigo holds less than a majority of the voting rights of our common stock, a majority stockholder vote is required for removal of a director only for cause (and a director may only be removed for cause), and a 66 ⅔% stockholder vote is required for the amendment, repeal or modification of certain provisions of our certificate of incorporation and bylaws; and
- our board of directors may, without stockholder approval, issue series of Preferred Stock, or rights to acquire Preferred Stock, that could dilute the interest of, or impair the voting power of, holders of our common stock or could also be used as a method of discouraging, delaying or preventing a change of control.

Certain anti-takeover provisions under Delaware law also apply to our company. We are subject to Section 203 of the Delaware General Corporation Law. Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its voting stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Furthermore, our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering of this offering specifies that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving actions brought against us by stockholders. We believe this provision benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors and officers.

Our certificate of incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities.

Our certificate of incorporation will provide for the allocation of certain corporate opportunities between us and Indigo. Under these provisions, neither Indigo, its portfolio companies, funds or other affiliates, nor any of their officers, directors, agents, stockholders, members or partners will have any duty to refrain from engaging, directly or indirectly, in the same business activities, similar business activities or lines of business in which we operate. For instance, a director of our company who also serves as a director, officer, partner or employee of Indigo or any of its portfolio companies, funds or other affiliates may pursue certain acquisitions or other opportunities that may be complementary to our business and, as a result, such acquisitions or other opportunities may not be available to us. These potential conflicts of interest could have a material adverse effect on our business, results of operations or financial condition, if attractive corporate opportunities are allocated by Indigo to itself or its portfolio companies, funds or other affiliates instead of to us. The terms of our certificate of incorporation are more fully described in “Description of Capital Stock.”

Our corporate charter and bylaws include provisions limiting ownership and voting by non-U.S. citizens.

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering restrict voting and control of shares of our common stock by non-U.S. citizens. The restrictions imposed by federal law currently require that no more than 24.9% of our stock be voted, directly or indirectly, or controlled by persons who are not U.S. citizens, that no more than 49.0% of our stock be held, directly or indirectly, by persons who are not U.S. citizens and that our president and at least two-thirds of the members of our board of directors and senior management be U.S. citizens. Our amended and restated certificate of incorporation and bylaws to be in effect immediately prior to the consummation of this offering provide that the failure of non-U.S. citizens to register their shares on a separate stock record, which we refer to as the “foreign stock record,” would result in a loss of their voting rights in the event and to the extent that the aggregate foreign ownership of the outstanding common stock exceeds the foreign ownership restrictions imposed by federal law. Our amended and restated 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. If it is determined that the amount registered in the foreign stock record exceeds the foreign ownership restrictions imposed by federal law, shares will be removed from the foreign stock record in reverse chronological order based on the date of registration therein, until the number of shares registered therein does not exceed the foreign ownership restrictions imposed by federal law. We are currently in compliance with these ownership restrictions. See “Business—Foreign Ownership” and “Description of Capital Stock—Anti-Takeover Provisions of Our Certificate of Incorporation and Bylaws—Limited Ownership and Voting by Foreign Owners.”

We expect to be a "controlled company" within the meaning of the , and, as a result, expect to qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Following the consummation of this offering, we expect that Indigo will continue to control approximately % of our outstanding common stock. As a result, we expect to be a "controlled company" within the meaning of the and exempt from the obligation to comply with certain corporate governance requirements, including the requirements that a majority of our board of directors consists of "independent directors," as defined under the rules of the , and that we have a compensation committee and a nominating and corporate governance committee that are composed entirely of independent directors. These exemptions do not modify the requirement for a fully independent audit committee, which is permitted to be phased-in as follows: (1) one independent committee member at the time of our initial public offering; (2) a majority of independent committee members within 90 days of our initial public offering; and (3) all independent committee members within one year of our initial public offering. Similarly, once we are no longer a "controlled company," we must comply with the independent board committee requirements as they relate to the compensation committee and the nominating and corporate governance committee, on the same phase-in schedule as set forth above, with the trigger date being the date we are no longer a "controlled company" as opposed to our initial public offering date. Additionally, we will have 12 months from the date we cease to be a "controlled company" to have a majority of independent directors on our board of directors.

If we utilize the "controlled company" exemption, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the . Our status as a controlled company could make our common stock less attractive to some investors or otherwise adversely affect its trading price.

After the consummation of this offering, we do not intend to pay cash dividends for the foreseeable future.

Immediately prior to the consummation of this offering, we intend to declare a dividend in the amount of $ per share (representing an aggregate distribution of $). Investors in this offering will not be entitled to participate in such dividend. We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our results of operations, financial condition, capital requirements, restrictions contained in current or future financing instruments, business prospects and such other factors as our board of directors deems relevant.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to:

- the competitive environment in our industry;
- changes in our fuel cost;
- changes in restrictions on, or increased taxes applicable to charges for, non-ticket products and services;
- the impact of worldwide economic conditions;
- air travel substitutes;
- threatened or actual terrorist attacks, global instability and potential U.S. military actions or activities;
- factors beyond our control, including air traffic congestion, weather, security measures, travel related taxes and outbreak of disease;
- our presence in international emerging markets;
- insurance costs;
- our ability to implement our business strategy successfully;
- our ability to keep costs low;
- our ability to grow or maintain our unit revenues or maintain our non-ticket revenues;
- increased labor costs, union disputes, employee strikes and other labor-related disruptions;
- our inability to expand or operate reliably and efficiently out of airports where we maintain a large presence;
- negative publicity regarding our customer service;
- our inability to maintain a high daily aircraft utilization rate;
- environmental and noise laws and regulations;
- our reputation and business being adversely affected in the event of an emergency, accident or similar incident involving our aircraft;
- our liquidity and dependence on cash balances and operating cash flows;
- our ability to obtain financing or access capital markets;
- our ability to maintain our liquidity in the event one or more of our credit card processors were to impose holdback restrictions;
- the long-term nature of our fleet order book and the unproven new engine technology utilized by the aircraft in our order book;
- our maintenance obligations;

- aircraft-related fixed obligations that could impair our liquidity;
- our reliance on third-party specialists and other commercial partners to perform functions integral to our operations.
- our reliance on automated systems and the risks associated with changes made to those systems;
- use of personal data;
- our sole-source supplier for our aircraft and engines;
- our reliance on the Denver market;
- governmental regulation;
- our ability to attract and retain qualified personnel;
- loss of key personnel;
- reliance on private equity sponsor;
- operational disruptions;
- lack of marketing alliances; and
- other risk factors included under “Risk Factors” in this prospectus.

In addition, in this prospectus, the words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “predict,” “potential” and similar expressions, as they relate to our company, our business and our management, are intended to identify forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date of this prospectus. You should not put undue reliance on any forward-looking statements. We assume no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable law. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $ million, based on an assumed initial public offering price of $ per share (the mid-point of the price range set forth on the cover page of this prospectus) and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from any sale of shares in this offering by the selling stockholder, whether in the firm offering or upon any exercise of the underwriters' option to purchase additional shares. Each $1.00 increase (decrease) in the assumed public offering price of $ per share would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million. We may also increase or decrease the number of shares we are offering. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming that the assumed offering price stays the same. We do not expect that a change in the offering price or the number of shares by these amounts would have a material effect on our intended uses of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

We currently expect to use the net proceeds from this offering as follows:

- approximately $ million to fund into a trust the expected cash portion of our obligations under the Pilot Phantom Equity Agreement for the benefit of the Participating Pilots in connection with the completion of this offering (assuming the mid-point of the price range set forth on the cover page of this prospectus); and
- the remainder for general corporate purposes, including cash reserves, working capital, capital expenditures, including flight equipment acquisitions, sales and marketing activities, and general and administrative matters.

Our expected use of the net proceeds to us from this offering represents our current intentions based upon our present plans and business condition. As such, our management will retain discretion over the use of the net proceeds from this offering.

Pending the use of the proceeds to be received by us from this offering, we intend to invest the net proceeds in interest-bearing, investment-grade securities, certificates of deposit or government securities.

DIVIDEND POLICY

Immediately prior to the consummation of this offering, we intend to declare a dividend in the amount of $ per share (representing an aggregate distribution of $ after giving effect to related adjustments for the benefit of holders of stock options and phantom equity units). Investors in this offering will not be entitled to participate in such dividend.

In February 2016 and February 2017, we paid cash dividends with respect to our common stock in the amounts of $18.95 and $28.85 per share, respectively (representing aggregate obligations of $108 million and $165 million, respectively, after giving effect to related adjustments for the benefit of holders of stock options and phantom equity units).

We do not presently anticipate paying cash dividends after the completion of this offering. Any future determination as to the declaration and payment of dividends, if any, will be at the discretion of our board of directors and will depend on then existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors our board of directors may deem relevant.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents, current maturities of long-term debt and capitalization as of December 31, 2016:

- on an actual basis; and
- on a pro forma as adjusted basis to give effect to (i) this offering and the application of the net proceeds to be received by us and (ii) a dividend expected to be paid immediately prior to the consummation of this offering.

You should read this capitalization table together with our financial statements and the related notes appearing at the end of this prospectus, the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section, and other financial information included in this prospectus.

	As of December 31, 2016	
	Actual	Pro Forma As Adjusted(1)(2)
	(in millions)	
Cash and cash equivalents	$ 612	$
Current maturities of long-term debt	$ 141	
Long-term debt, less current maturities	96	
Stockholders' equity:		
Common stock (voting), $0.001 par value, 12,000,000 shares of common stock (voting) authorized, 5,237,756 shares issued and outstanding; shares authorized, shares issued and outstanding pro forma as adjusted		
Common stock (non-voting), $0.001 par value, 2,000,000 shares of common stock (non-voting) authorized, no shares issued and outstanding; shares authorized, issued and outstanding pro forma as adjusted	—	
Preferred stock (non-voting), $0.001 par value, 1,000,000 shares of common stock (non-voting) authorized, no shares issued and outstanding; shares authorized, issued and outstanding pro forma as adjusted	—	
Additional paid-in capital	50	
Retained earnings	395	
Accumulated other comprehensive income	1	
Total stockholders' equity	**446**	
Total capitalization	**$ 683**	

(1) The unaudited adjusted pro forma capitalization table gives effect to (i) the receipt of the estimated net proceeds by us from the sale of shares of our common stock offered by us (based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds received by us, including the application of $ million to fund into a trust the expected cash portion of our obligations under the Pilots' Phantom Equity Agreement dated December 3, 2013, or the Pilot Phantom Equity Plan, for the benefit of certain current and former pilots, who we refer to as the Participating Pilots, in connection with the completion of this offering (based on an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover of this prospectus), and (ii) a dividend of

$ per share (representing an aggregate distribution of $) expected to be paid immediately prior to the consummation of this offering. See “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

(2) Each $1.00 increase or decrease in the assumed initial public offering price of $ per share would increase or decrease, respectively, the amount of cash and cash equivalents, additional paid-in capital, total stockholders’ equity and total capitalization by $ million (assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, the amount of cash and cash equivalents, stockholders’ equity and total capitalization by approximately $ million (based on an assumed initial public offering price of $ per share, the midpoint of the price range as set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

The outstanding share information in the table above is based on 5,237,756 shares outstanding as of December 31, 2016, and excludes:

- an aggregate of 274,781 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2016 having a weighted-average exercise price of $54.33 per share;
- an aggregate of 687,463 shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of December 31, 2016, which will become available for issuance under our 2017 Equity Incentive Annual Plan after consummation of this offering;
- an aggregate of shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- an aggregate of 231,000 shares of common stock reserved for issuance to the Participating Pilots pursuant to the Pilot Phantom Equity Plan (in connection with the offering contemplated hereby, 50% of the foregoing shares will be settled in cash through the establishment of a trust); please see “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock immediately after the offering.

The historical net tangible book value (deficit) of our common stock as of December 31, 2016 was $ million, or $ per share. Historical net tangible book value per share is determined by dividing the net tangible book value by the number of shares of outstanding common stock. If you invest in our common stock in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per share and the pro forma as adjusted net tangible book value per share of our common stock.

After giving effect to our issuance of shares of common stock at an assumed initial public offering price of $ per share of common stock, the mid-point of the range of the estimated initial offering price of between $ and $ as set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and estimated offering expenses payable by us, our pro forma net tangible book value as adjusted as of December 31, 2016 would have been approximately $ million, or approximately $ per pro forma share of common stock. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to new investors in this offering.

The following table illustrates this dilution on a per share basis to new investors:

Assumed initial public offering price		$
Historical net tangible book value per share as of December 31, 2016	$	
Pro forma decrease in net tangible book value per share		
Pro forma net tangible book value per share as of December 31, 2016		
Increase in pro forma net tangible book value per share attributable to this offering		
Pro forma net tangible book value per share, as adjusted(1)		
Dilution in pro forma net tangible book value per share to new investors in this offering		$

(1) Pro forma net tangible book value per share, as adjusted, gives effect to (i) this offering and the application of $ million of the net proceeds to be received by us to fund into a trust the cash portion of our expected obligations under the Amended and Restated Phantom Equity Investment Agreement, dated December 3, 2013, or the Pilot Phantom Equity Plan, for the benefit of certain current and former pilots, who we refer to as the Participating Pilots, in connection with the completion of this offering (based on the assumed initial public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus), and (ii) a $ million dividend expected to be paid immediately prior to the consummation of this offering. Please see "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

Each $1.00 increase or decrease in the assumed public offering price of $ per share, the mid-point of the price range set forth on the cover page of this prospectus, would increase or decrease, respectively, our pro forma net tangible book value, as adjusted to give effect to this offering, by $ million, or $ per share, and the dilution per share to investors participating in this offering by $ per share (assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. At the assumed public offering price per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, an increase of 1,000,000 in the number of shares we are offering would increase our pro forma net tangible book

value, as adjusted to give effect to this offering, by approximately $ million, or $ per share, and decrease the dilution per share to investors participating in this offering by $ per share, and a decrease of 1,000,000 in the number of shares we are offering would decrease our pro forma net tangible book value, as adjusted to give effect to this offering, by approximately $ million, or $ per share, and increase the dilution per share to investors participating in this offering by $ per share. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing. We will not receive any of the proceeds from any sale of shares of our common stock in this offering by the selling stockholder, including if the underwriters exercise their option to purchase additional shares of our common stock from the selling stockholder; accordingly, there is no dilutive impact as a result of these sales.

The table below summarizes as of December 31, 2016, on a pro forma as adjusted basis described above, the number of shares of our common stock, the total consideration and the average price per share (i) paid to us by existing stockholders, and (ii) to be paid by new investors purchasing our common stock in this offering at an assumed initial public offering price of $ per share (in thousands except per share and percentage data).

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing Stockholders		%	$	%	$
New investors		%	$	%	$
Total		100%	$	100%	

The outstanding share information in the table above is based on 5,237,756 shares outstanding as of December 31, 2016, and excludes:

- an aggregate of 274,781 shares of common stock issuable upon the exercise of outstanding stock options as of December 31, 2016 having a weighted-average exercise price of $54.33 per share;
- an aggregate of 687,463 shares of common stock reserved for issuance pursuant to future awards under our 2014 Equity Incentive Plan, as amended, as of December 31, 2016, which will become available for issuance under our 2017 Equity Incentive Annual Plan after consummation of this offering;
- an aggregate of shares of common stock reserved for issuance pursuant to future awards under our 2017 Equity Incentive Award Plan, as well as any automatic increases in the number of shares of our common stock reserved for future issuance under this plan, which will become effective immediately prior to the consummation of this offering; and
- an aggregate of 231,000 shares of common stock reserved for issuance to the Participating Pilots pursuant to the Pilot Phantom Equity Plan (in connection with the offering contemplated hereby, 50% of the foregoing shares will be settled in cash through the establishment of a trust); see “Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan.”

If the underwriters exercise in full their option to purchase additional shares of our common stock from the selling stockholder, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon completion of this offering. The total consideration paid by our existing stockholders would be approximately $ million, or %, and the total consideration paid by investors purchasing shares in this offering would be $ million, or %.

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SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

You should read the following selected consolidated historical financial and operating data below in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements, related notes and other financial information included in this prospectus. The selected consolidated financial data in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the financial statements and related notes included in this prospectus.

We derived the selected consolidated statements of operations data for the years ended December 31, 2016, 2015 and 2014 and the selected consolidated balance sheet data as of December 31, 2016 and 2015 from our audited consolidated financial statements included in this prospectus. We derived the selected consolidated statements of operations data for the one-month period ended December 31, 2013 (Successor) and 11-month period ended November 30, 2013 (Predecessor) and the selected consolidated balance sheet data as of December 31, 2014 and 2013 from our consolidated financial statements not included in this prospectus. We derived the selected consolidated statement of operations and balance sheet data for 2012 from the unaudited consolidated financial statements of our Predecessor, not included in this prospectus. The vertical line is intended to separate the predecessor and successor periods to indicate that such data may not be directly comparable. Our historical results are not necessarily indicative of the results to be expected in the future.

	Year Ended December 31,			2013 Successor (from December 1, 2013 to December 31, 2013)	2013 Predecessor (from January 1, 2013 to November 30, 2013)	Year ended December 30, 2012
	2016	2015	2014			(unaudited)
	(in millions, except for share and per share data)				(in millions)	
Consolidated Statements of Operations Data:						
Operating revenues:						
Passenger	$ 988	$ 1,203	$ 1,328	$ 118	$ 1,093	$ 1,311
Non-ticket	726	401	265	13	125	127
Total operating revenues	**1,714**	**1,604**	**1,593**	**131**	**1,218**	**1,438**
Operating expenses:						
Aircraft fuel	343	369	538	41	426	532
Salaries, wages and benefits	287	285	258	20	228	264
Station operations	228	202	162	14	132	108
Aircraft rent	209	171	147	11	160	148
Sales and marketing	72	79	87	7	78	98
Maintenance materials and repairs	48	50	39	4	61	61
Depreciation and amortization	75	54	29	2	28	29
Special charge	—	43	—	—	—	—
Other operating	135	118	105	11	103	167
Total operating expenses	**1,397**	**1,371**	**1,365**	**110**	**1,216**	**1,407**
Operating income	**317**	**233**	**228**	**21**	**2**	**31**
Other expense (income):						
Interest expense	9	8	5	—	4	7
Capitalized interest	(6)	(3)	(1)	—	(1)	—
Interest income and other	(2)	—	—	—	—	—
Total other expense	**1**	**5**	**4**	**—**	**3**	**7**
Income (loss) before income taxes	316	228	224	21	(1)	24
Income tax expense	116	82	84	9	—	7
Net income (loss)	**$ 200**	**$ 146**	**$ 140**	**$ 12**	**$ (1)**	**$ 17**
Earnings per share:						
Basic	$ 36.76	$ 26.60	$ 26.12			
Diluted	36.23	26.15	25.75			
Weighted-average shares outstanding:						
Basic	5,236,978	5,247,477	5,203,058			
Diluted	5,315,653	5,341,049	5,278,034			

	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Non-GAAP Financial Data (Unaudited):			
Adjusted net income(1)	$ 236	$ 194	$ 168
EBITDA(1)	392	287	257
Adjusted EBITDA(1)	436	345	301
Adjusted EBITDAR(1)	641	509	448

(1) Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR are included as supplemental disclosures because we believe they are useful indicators of our operating performance. Derivations of net income and EBITDA are well recognized performance measurements in the airline industry that are frequently used by our management, as well as by investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry.

Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR have limitations as analytical tools. Some of the limitations applicable to these measures include: Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect changes in, or cash requirements for, our working capital needs; EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA, Adjusted EBITDA and Adjusted EBITDAR do not reflect any cash requirements for such replacements; and other companies in our industry may calculate Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR differently than we do, limiting its usefulness as a comparative measure. Because of these limitations; Adjusted net income, EBITDA, Adjusted EBITDA and Adjusted EBITDAR should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP.

Further, we believe Adjusted EBITDAR is useful in evaluating our operating performance compared to our competitors because its calculation isolates the effects of financing in general, the accounting effects of capital spending and acquisitions (primarily aircraft, which may be acquired directly, directly subject to acquisition debt, by capital lease or by operating lease, each of which is presented differently for accounting purposes), and income taxes, which may vary significantly between periods and for different companies for reasons unrelated to overall operating performance. However, because derivations of Adjusted net income; EBITDA, Adjusted EBITDA and Adjusted EBITDAR are not determined in accordance with GAAP, such measures are susceptible to varying calculations and not all companies calculate the measures in the same manner. As a result, derivations of Net income and EBITDA as presented may not be directly comparable to similarly titled measures presented by other companies.

The following table presents the reconciliation of Net income and Adjusted net income for the periods presented below.

	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Net Income Reconciliation:			
Net income	$ 200	$ 146	$ 140
Unrealized hedging (gains) losses(a)	—	(35)	35
Lease Modification Program(b)	16	67	—
Pilot phantom equity(c)	40	43	6
Salaries, wages and benefits—severance(d)	—	—	3
Adjusted net income before income taxes	**256**	**221**	**184**
Tax benefit related to underlying adjustments	(20)	(27)	(16)
Adjusted net income	**$ 236**	**$ 194**	**$ 168**

The following table presents the reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDAR to net income for the periods indicated below:

	Year Ended December 31,		
	2016	2015	2014
	(in millions)		
EBITDA Reconciliation:			
Net income	$ 200	$ 146	$ 140
Plus (minus):			
Interest expense	9	8	5
Capitalized interest	(6)	(3)	(1)
Interest income	(2)	—	—
Provision for income taxes	116	82	84
Depreciation and amortization	75	54	29
EBITDA	**$ 392**	**$ 287**	**$ 257**
Unrealized hedging (gains) losses(a)	—	(35)	35
Lease Modification Program (excluding depreciation)(b)	4	50	—
Pilot phantom equity(c)	40	43	6
Salaries, wages and benefits—severance(d)	—	—	3
Adjusted EBITDA	**$ 436**	**$ 345**	**$ 301**
Aircraft rent(e)	205	164	147
Adjusted EBITDAR	**$ 641**	**$ 509**	**$ 448**

(a) Represents adjustments for unrealized (gains) losses on our hedging contracts for anticipated fuel purchases as a result of hedge accounting on these cash flow hedges not being achieved.

(b) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation of $12 million and $17 million in 2016 and 2015, respectively, and aircraft rent of $4 million and $7 million in 2016 and 2015, respectively, as a result of significantly shortened lease terms with respect to such aircraft.

(c) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

(d) Represents severance costs related to outsourcing of certain functions integral to our operations to third-party vendors as a part of the implementation of our new operating model.

(e) Excludes the amounts of aircraft rent of $4 million and $7 million in 2016 and 2015, respectively, included in Lease Modification Program (excluding depreciation).

The following table presents our historical consolidated balance sheet data as of the dates presented.

	As of December 31,				As of December 31,
	2016	2015	2014	2013	2012
	(in millions)				(in millions) (unaudited)
Balance Sheet Data:					
Cash and cash equivalents	$ 612	$ 419	$263	$127	$ 36
Total assets	1,341	1,128	847	682	728
Long-term debt, including current portion	237	221	157	146	147
Stockholders' equity	446	342	205	65	176

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OPERATING STATISTICS

	Year Ended December 31,				
	2016	2015	2014	2013	2012
Operating Statistics (unaudited)(A)					
Available seat miles—ASMs (millions)	18,366	15,229	12,332	10,880	11,908
Departures	99,369	97,222	92,184	81,940	85,328
Average stage length (statute miles)	1,060	1,002	897	903	976
Block hours	279,347	259,261	222,982	195,242	214,494
Average aircraft in service	61	56	54	52	55
Aircraft in service—end of period	66	61	54	53	55
Average daily aircraft utilization (hours)	12.6	12.6	11.4	10.2	11.0
Passengers (thousands)	14,937	13,184	12,203	10,783	10,700
Average seats per departure	173	154	147	145	143
Yield per passenger mile	6.17¢	8.97¢	11.91¢	12.29¢	12.39¢
Revenue passenger miles—RPMs (millions)	16,015	13,400	11,152	9,854	10,579
Load factor	87.2%	88.0%	90.4%	90.6%	88.8%
Passenger revenue per available seat mile—PRASM	5.38¢	7.90¢	10.77¢	11.13¢	11.01¢
Non-ticket revenue per available seat mile	3.95¢	2.63¢	2.15¢	1.26¢	1.03¢
Total revenue per available seat mile—RASM	9.33¢	10.53¢	12.92¢	12.39¢	12.04¢
Cost per available seat mile—CASM	7.61¢	9.01¢	11.07¢	12.19¢	11.79¢
Adjusted CASM(B)	7.30¢	8.51¢	10.71¢	12.19¢	11.79¢
CASM (excluding fuel)	5.74¢	6.58¢	6.71¢	7.89¢	7.32¢
Adjusted CASM (excluding fuel)(B)	5.43¢	5.86¢	6.63¢	7.89¢	7.32¢
Fuel cost per gallon	$1.59	$1.90	$3.26	$3.23	$3.36
Fuel gallons consumed (thousands)	215,830	194,846	164,845	144,448	158,362
Employees (FTE)	3,163	2,981	3,653	3,614	N/A

(A) See “Glossary of Airline Terms” for definitions of terms used in this table.

(B) For a reconciliation of Adjusted CASM to CASM, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations.”

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations in conjunction with the consolidated financial statements and the notes thereto included elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this prospectus, particularly in "Risk Factors."

Overview

Frontier Airlines is an ultra low-cost carrier whose business strategy is focused on *Low Fares Done Right*®. We offer flights throughout the United States and to select international destinations in Mexico and the Caribbean. Our unique and sustainable strategy is underpinned by our low cost structure and superior ULCC brand. As of December 31, 2016, we operated a fleet of 66 narrow-body Airbus A320 family aircraft, which we expect to grow to 121, including 80 A320neo (New Engine Option) family aircraft, by the end of 2021. In the year ended December 31, 2016, we served approximately 14.9 million passengers across a network of 59 airports.

In December 2013, we were acquired by an investment fund managed by Indigo Partners LLC, or Indigo, an experienced and successful global investor in ultra low-cost carriers, or ULCCs. Following the acquisition, Indigo reshaped our management team to experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique *Low Fares Done Right* strategy, which significantly reduced our unit costs, introduced low fares, provided the choice of optional services, enhanced our operational performance and improved the customer experience. Through the implementation of our new operating model, we have positioned our brand as a premier ULCC in the United States and have seen a dramatic improvement to our profitability.

The implementation of *Low Fares Done Right* has significantly reduced our cost base over the past three years by increasing aircraft utilization, transitioning to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our call center, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our adjusted cost per available seat mile, or Adjusted CASM (excluding fuel), from 7.89¢ for the year ended December 31, 2013 to 5.43¢ in the year ended December 31, 2016, an improvement of 31%. In 2016, this was one of the industry's lowest unit operating costs in the United States. We believe that we are well positioned to maintain our relatively low unit operating costs through on-going strategic initiatives, including continuing our cost optimization efforts and further realizing economies of scale.

Fleet Plan

As of December 31, 2016, we had a fleet of 66 narrow-body Airbus A320-family aircraft, which we expect to grow to 121, including 80 A320neo family aircraft, by the end of 2021. We commenced operations with the A320neo family aircraft in October 2016. The A320neo is estimated to deliver approximately 15% improved fuel efficiency as compared to the prior generation of A320 aircraft. As of December 31, 2016, we had an obligation to acquire 82 aircraft, including 76 A320neo family aircraft and six A321ceo aircraft by 2021, the first 43 of which we intend to finance with operating leases, including 11 which are currently subject to committed operating leases and 32 which are subject to non-binding letters of intent. We intend to evaluate financing options for the remaining 39 aircraft. Of the 66 aircraft in our fleet, 60 are financed with operating leases, the last of which is scheduled to expire by 2028, and the remaining six are financed with debt. The operating leases with respect to seven, 13 and three aircraft of our fleet are scheduled to terminate in 2017, 2018 and 2019,

respectively. Our fleet plan results in a reduced number of A319 aircraft, which we expect to replace with larger and higher density A320ceo aircraft (180 to 186 seats), A320neo aircraft (186 seats) and A321ceo aircraft (230 seats).

During 2015, we entered into an agreement, which we refer to as the Lease Modification Program, to amend our then-existing operating leases for 10 A319 aircraft, reducing their average remaining lease term from 41 months to 11 months, with no change in our base rent payments. As a result of the Lease Modification Program, in 2015 we incurred a one-time special charge of $43 million primarily related to aircraft maintenance deposits on aircraft to be returned earlier than we had previously planned. In addition, during 2016 and 2015, we accelerated depreciation expense of $12 million and $17 million, respectively, and rent expense of $4 million and $7 million, respectively.

We also entered into sale-leaseback transactions during 2016 and 2015 with six third-party lessors in order to finance deliveries of 30 of our A320 family aircraft purchase commitments, 14 and five of which were delivered during 2016 and 2015, respectively. Any gains on completed sale-leaseback transactions are deferred and recognized as a reduction in aircraft rent expense over the lease term for each aircraft.

Operating Revenues

Our operating revenue consists of passenger and non-ticket revenue.

Passenger Revenue. Passenger revenue consists of base fares for air travel, including miles redeemed under our frequent flyer program, unused and expired passenger credits, other redeemed or expired travel credits and revenue derived from charter flights. We had largely exited the charter business by the end of 2016.

Non-ticket Revenue. Non-ticket revenue consists primarily of revenue generated from air travel-related services such as baggage fees, seat selection fees, itinerary service fees, booking fees and on-board sales. We also include services not directly related to providing transportation such as the advertising, marketing and brand elements resulting from our *Early Returns* affinity credit card program and revenue associated with our *Discount Den* membership program.

Operating Expenses

Our operating expenses consist of the following items:

Aircraft Fuel. Aircraft fuel expense is our single largest operating expense. It includes jet fuel and associated into-plane costs, federal and state taxes, and gains and losses associated with fuel hedge contracts.

Salaries, Wages and Benefits. Salaries, wages and benefits expense includes salaries, hourly wages, bonuses, equity-based compensation and profit sharing paid to employees for their services, as well as related expenses associated with employee benefit plans, employer payroll taxes and other employee related costs.

Station Operations. Station operations expense includes the fixed and variable fees charged by airports for the use or lease of airport facilities and fees charged by third-party vendors for ground handling, interrupted trip expenses and other related services.

Aircraft Rent. Aircraft rent expense consists of monthly lease rents for aircraft and spare engines under the terms of the related operating leases and is recognized on a straight-line basis. Aircraft rent expense also includes that portion of maintenance reserves, also referred to as supplemental rent, which is paid monthly to aircraft lessors for the cost of future heavy maintenance events and which is not probable of being reimbursed to us by

the lessor during the lease term, as well as lease return costs, which consist of all costs that would be incurred at the return of the aircraft including costs incurred to return the airframe and engines to the condition required by the lease. Aircraft rent expense is recognized net of any amortization of gains and losses on sale and leaseback transactions on our flight equipment. As of December 31, 2016, 60 of our 66 aircraft and all of our eight spare engines were financed under operating leases.

Sales and Marketing. Sales and marketing expense includes credit card processing fees, travel agent commissions and related global distribution systems, or GDS, fees, advertising, sponsorship and distribution costs such as the costs of our call center and costs associated with our frequent flyer program.

Maintenance Materials and Repairs. Aircraft maintenance expense includes the cost of all parts, materials and fees for repairs performed by us and our third-party vendors to maintain our fleet, excluding heavy maintenance events. It excludes direct labor cost related to our own mechanics, which are included in salaries, wages and benefits.

Depreciation and Amortization. Depreciation and amortization expense includes depreciation of fixed assets we own and amortization of leasehold improvements and finite-lived intangible assets. It also includes the amortization of heavy maintenance expenses we defer under the deferral method of accounting for heavy maintenance events and recognize as expense on a straight-line basis until the earlier of the next estimated heavy maintenance event or the remaining lease term.

Other Operating Expenses. Other operating expenses include outside services such as our third-party call center, crew and other employee travel, information technology, property taxes and all insurance, including hull-liability insurance, supplies, legal and other professional fees, facilities and all other administrative and operational overhead expenses. In addition, other operating expenses includes the annual fee of $1.5 million plus expenses that we pay to Indigo on a quarterly basis pursuant to the Professional Services Agreement. No individual item included in this category represented more than 5% of our total operating expenses for any period presented.

Other Expense (Income)

Interest Expense. Interest expense is related to our pre-delivery payment credit facility and our fixed and floating rate equipment notes.

Capitalized Interest. We capitalize interest attributable to pre-delivery payments as an additional cost of the related asset beginning two years prior to the intended delivery date, when we estimate the related aircraft has begun to be manufactured and when pre-delivery payments are required to be paid under the terms of our existing aircraft purchase contracts until the asset is ready for its intended use. We capitalize interest at our weighted-average interest rate on long-term debt or, where applicable, the interest rate related to specific borrowings.

Interest Income and Other. Interest income and other includes interest income on our cash and cash equivalent balances, as well as activity not classified in any other area of the consolidated statements of operations.

Trends and Uncertainties Affecting Our Business

We believe our operating and business performance is driven by various factors that typically affect airlines and their markets, including trends which affect the broader travel industry, as well as trends which affect the specific markets and customer base that we target. The following key factors may affect our future performance:

Competition. The airline industry is highly competitive. The principal competitive factors in the airline industry are the fare and total price, flight schedules, number of routes served from a city, frequent flyer programs, product and passenger amenities, customer service, fleet type and reputation. The airline industry is

particularly susceptible to price discounting because, once a flight is scheduled, airlines incur only nominal incremental costs to provide service to passengers occupying otherwise unsold seats. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to increase revenue per available seat mile, or RASM. Discount fares are often prevalent when a competitor has excess capacity to sell.

During 2015 and 2016, the airline industry saw greater and more persistent price discounting than in the preceding several years. A major factor enabling price discounting was the sharp decline in oil prices on world markets, which significantly decreased airline operating costs. As a result, some of the legacy network carriers began seeking to match low-cost carrier and ULCC pricing on portions of their network. We believe that fare discounts have and will continue to stimulate demand for Frontier due to our *Low Fares Done Right* strategy.

Our *Low Fares Done Right* strategy is underpinned by our low cost structure, and we have significantly reduced our cost base over the past three years by increasing aircraft utilization and size, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our call center, enhancing our website, boosting employee productivity and contracting with leading specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our unit operating costs, as measured by our CASM (excluding fuel), from 7.89¢ in 2013 to 6.71¢ in 2014 to 6.58¢ in 2015 and to 5.74¢ in 2016, and our Adjusted CASM (excluding fuel) from 7.89¢ in 2013 to 6.63¢ in 2014 to 5.86¢ in 2015 and to 5.43¢ in 2016 and currently have one of the industry's lowest unit operating costs in the United States. For a reconciliation of CASM to Adjusted CASM (excluding fuel), see "—Results of Operations—2016 Compared to 2015—Operating Expenses." Our unit operating costs in 2016 were comparable to the other U.S. ULCCs, Spirit Airlines and Allegiant Travel Company, and were substantially lower than U.S. low-cost carriers, or LCCs, which include JetBlue Airways, Southwest Airlines and Virgin America and approximately half of the legacy airlines, which include American Airlines, Delta Air Lines, and United Airlines. See "Industry Background." Through our on-going strategic initiatives, we expect to enhance our competitive advantages, including continuing our optimization efforts and realizing economies of scale. Our cost structure has allowed us to achieve strong results from operations during these periods of competitive pricing and price discounts. To the extent that we are unable to maintain our low cost structure, our ability to compete effectively may be impaired. In addition, if our competitors engage in "fare wars" or similar behavior, our financial performance could be adversely impacted.

Aircraft Fuel. Fuel expense represents the single largest operating expense for most airlines, including ours. Jet fuel prices and availability are subject to market fluctuations, refining capacity, periods of market surplus and shortage and demand for heating oil, gasoline and other petroleum products, as well as meteorological, economic and political factors and events occurring throughout the world, which we can neither control nor accurately predict. The future cost and availability of jet fuel cannot be predicted with any degree of certainty.

We currently hedge our exposure to jet fuel prices using out-of-the-money call options, although we may utilize other instruments such as swaps and collar contracts on jet fuel or highly correlated commodities and fixed forward price contracts, or FFPs, which allow us to lock in the price of jet fuel for specific quantities and at specified locations in future periods. Although the use of collar structures and swap agreements can reduce the overall cost of hedging, these instruments carry more risk than call options in that we could end up in a liability position when the collar structure or swap agreement settles. Our fuel hedging policy considers many factors, including our assessment of market conditions for fuel, competitor hedging activity, our access to the capital necessary to purchase coverage and support margin requirements, the pricing of hedges and other derivative products in the market and applicable regulatory policies. As of December 31, 2016, we had hedges in place for approximately 73% of our projected fuel requirements in 2017 and approximately 20% of our projected fuel requirements for the month of January 2018, with all of our then existing call options expected to be exercised or expire by 2018.

Volatility. The air transportation business is volatile and highly affected by economic cycles and trends. Consumer confidence and discretionary spending, fear of terrorism or war, weakening economic conditions, fare initiatives, fluctuations in fuel prices, labor actions, changes in governmental regulations on taxes and fees, weather and other factors have resulted in significant fluctuations in revenue and results of operations in the past. We believe, however, demand for business travel historically has been more sensitive to economic conditions than demand for low-price leisure and VFR travel. Therefore, we believe our business model is more resilient through economic cycles.

Seasonality. Our results of operations for any interim period are not necessarily indicative of those for the entire year because the air transportation business and our route network are subject to seasonal fluctuations. We generally expect demand to be greater in the calendar second and third quarters compared to the rest of the year. While we are reducing our concentration in Denver to decrease the impact of seasonality in our business, approximately 45% of flights as of December 2016 had Denver International Airport as either their origin or destination.

Labor. The airline industry is heavily unionized. The wages, benefits and work rules of unionized airline industry employees are determined by collective bargaining agreements, or CBAs. Relations between air carriers and labor unions in the United States are governed by the Railway Labor Act, or RLA. Under the RLA, CBAs generally contain “amendable dates” rather than expiration dates and the RLA requires that a carrier maintain the existing terms and conditions of employment following the amendable date through a multi-stage and usually lengthy series of bargaining processes overseen by the National Mediation Board, or NMB. This process continues until either the parties have reached agreement on a new CBA or the parties have been released to “self-help” by the NMB. In most circumstances, the RLA prohibits strikes. However, after release by the NMB, carriers and unions are free to engage in self-help measures such as lockouts and strikes.

We have seven union-represented employee groups comprising approximately 85% of our employees as of December 31, 2016. Our pilots are represented by the Air Line Pilots Association, or ALPA; our flight attendants are represented by the Association of Flight Attendants, or AFA-CWA; our aircraft technicians, aircraft appearance agents, material specialists and maintenance control employees are all represented by the International Brotherhood of Teamsters, or IBT; and our dispatchers are represented by the Transport Workers Union, or TWU. Conflicts between airlines and their unions can lead to work stoppages. Except for the dispatchers, aircraft technicians and materials specialists, we are in negotiations with the union representing each group. During the fourth quarter of 2016, a new five-year collective bargaining agreement was reached with the dispatchers. Any agreements we do reach could increase our labor and related expenses. Please see “Business—Employees.”

On March 15, 2017, we entered into a Letter of Agreement, or the LOA, with the Association of Flight Attendants—CWA, AFL-CIO, or the AFA, the union representing our flight attendants. The LOA was the result of a negotiation between us and the AFA and extinguishes the flight attendants’ contingent equity participation contained in their collective bargaining agreement by providing for a $40 million aggregate cash settlement, payable by us to participating flight attendants over a six-month period commencing June 1, 2017.

Maintenance Materials and Repairs. The amount of total maintenance costs and related depreciation of heavy maintenance expense is subject to variables such as estimated usage, government regulations, the size, age and makeup of the fleet in future periods and the level of unscheduled maintenance events and their actual costs. Accordingly, we cannot reliably quantify future maintenance-related expenses for any significant period of time.

As of December 31, 2016, the average age of our aircraft was approximately six years. As of such date, our 66 aircraft fleet consisted of 60 aircraft financed under operating leases and six aircraft financed under secured debt arrangements. The operating leases with respect to seven, 13 and three aircraft of our fleet are scheduled to terminate in 2017, 2018 and 2019, respectively. We have a firm purchase commitment with Airbus to acquire 82 aircraft by the end of 2021. We also have a firm purchase commitment for 12 additional spare aircraft

engines. We expect that our new aircraft will require less maintenance when they are first placed in service because the aircraft will benefit from manufacturer warranties and also will be able to operate for a significant period of time, generally measured in years, before heavy maintenance is required. Once these maintenance holidays expire, our fleet will require more maintenance as it ages and our maintenance and repair expenses for each of our aircraft will be incurred at approximately the same intervals. When these more significant maintenance activities occur, this will result in out-of-service periods during which our aircraft are dedicated to maintenance activities and unavailable to generate revenue.

We account for heavy maintenance events under the deferral method. Accordingly, heavy maintenance is depreciated over the shorter of either the remaining lease term or the period until the next estimated heavy maintenance event. As a result, maintenance events occurring closer to the end of the lease term will generally have shorter depreciation periods than those occurring earlier in the lease term. This will create higher depreciation expense specific to any aircraft related to heavy maintenance during the final years of the lease as compared to earlier periods. Please see "—Critical Accounting Estimates—Aircraft Maintenance."

Maintenance Reserve Obligations. The terms of certain of our aircraft lease agreements require us to post deposits for future maintenance, also known as maintenance reserves, to the lessor in advance of and as collateral for the performance of heavy maintenance events, resulting in us recording significant prepaid deposits on our balance sheet. As a result, for leases requiring maintenance reserves, the cash costs of scheduled heavy maintenance events are paid in advance of the recognition of the maintenance event in our results of operations. Please see "—Critical Accounting Estimates—Aircraft Maintenance."

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. In doing so, we have to make estimates and assumptions that affect our reported amounts of assets, liabilities, revenue and expenses, as well as related disclosure of contingent assets and liabilities. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. We refer to accounting estimates of this type as critical accounting estimates, which we discuss below.

Revenue Recognition

Passenger Revenue. We generate the majority of our revenue from sales of passenger tickets. We initially defer ticket sales as an air traffic liability and recognize passenger revenue when the passenger flight occurs. An unused nonrefundable ticket expires at the date of scheduled travel and is recognized as revenue at that date. Customers may elect to change their itinerary prior to the date of departure. A service fee is assessed and recognized as non-ticket revenue on the date the change is initiated and deducted from the face value of the original purchase price of the ticket. The original ticket becomes invalid. The amount remaining after deducting the service fee is a credit that can be used towards the purchase of a new ticket. The recorded value of the credit is calculated based on the original value less the service fee and estimated breakage, which is based on historical experience and is recognized at the original date of departure. Estimating the amount of breakage involves some level of subjectivity and judgment. Charter revenue is recognized at the time of departure when transportation is provided.

Non-ticket Revenue. We recognize non-ticket revenue for baggage fees, seat selection fees and on-board sales when the associated flight occurs and change and booking fee revenue as the transactions occur. We also recognize non-ticket revenue for our bundled products, *The Works* and *The Perks*. Fees sold in advance of the flight date are initially recorded as an air traffic liability. Non-ticket revenue also includes services not directly related to providing transportation, such as revenue from our *Early Returns* affinity credit card program, as described in "—Frequent Flyer Program," and our *Discount Den* membership program.

Frequent Flyer Program

Our *Early Returns* frequent flyer program provides frequent flyer travel awards to program members based on accumulated miles. Miles are accumulated as a result of travel, purchases using the co-branded credit card and purchases from other participating partners. The program has a six-month expiration period for unused miles from the month of last account activity, excluding redemption activity. For all miles earned under the *Early Returns* program, we have an obligation to provide future travel when these reward miles are redeemed.

With respect to miles earned as a result of travel, or flown miles, we recognize a liability, representing the incremental cost associated with the obligation to provide travel in the future, as miles are earned by passengers. Incremental cost for miles to be redeemed on our flights is estimated based on historical costs, which include the cost of aircraft fuel, insurance, security, ticketing and reservation costs, net of redemption fees. We adjust our liability periodically for changes in our estimate of incremental cost, average miles to redeem and breakage estimates.

We sell award miles to participating companies, including credit card and car rental companies. We account for member miles sold to our partners as multiple-element arrangements. These arrangements consist of three elements: (i) travel miles to be awarded, (ii) licensing of brand and access to member lists, and (iii) advertising and marketing efforts. We established the estimated selling price for all deliverables that qualify for separation and allocated arrangement consideration based on relative selling price. In establishing the selling price, we first determined whether vendor-specific objective evidence of selling price or third-party evidence of selling price existed. We determined that neither vendor-specific objective evidence of selling price nor third-party evidence existed due to the uniqueness of our program. As such, we developed our best estimate of the selling price for all deliverables. For the selling price of travel, we considered a number of entity-specific factors including the number of miles needed to redeem an award, average fare of comparable segments, breakage, restrictions and other charges. For licensing of brand and access to member lists, we considered both market-specific factors and entity-specific factors, including general profit margins realized in the marketplace/industry, brand power, market royalty rates and size of customer base. For the advertising and marketing element, we considered market-specific factors and entity-specific factors including our internal costs of providing services, volume of marketing efforts and overall advertising plan. Consideration allocated based on the relative selling price to both brand licensing and advertising elements is recognized as non-ticket revenue in the month of sale.

The consideration allocated to the transportation portion of these mileage sales is deferred and recognized as passenger revenue based on the redemption method. Breakage is recorded under the redemption method using miles expected to be redeemed and the recorded deferred revenue balance to determine a weighted-average rate, which is then applied to the actual miles redeemed. Redemptions are allocated between sold and flown miles based on historical patterns. Current and future changes to the expiration policy or to program rules and program redemption opportunities may result in material changes to the frequent flyer liability balance, as well as recognized revenue from the program. In addition, there are pending significant changes in the manner in which airlines account for frequent flyer programs. For instance, see “Recent Accounting Pronouncements.”

Aircraft Maintenance

Under our aircraft operating lease agreements and FAA operating regulations, we are obligated to perform all required maintenance activities on our fleet, including component repairs, scheduled air frame checks and major engine restoration events. Heavy maintenance events include six-year and 12-year airframe checks, engine overhauls, limited life parts replacement and overhauls to major components. Certain maintenance functions are performed by third-party specialists under contracts that require payment based on a utilization measure such as flight hours.

We account for heavy maintenance under the deferral method wherein the cost of heavy maintenance is deferred in flight equipment and depreciated over the earlier of the period until the next estimated heavy

maintenance event or the remaining lease term or useful life of the aircraft. Heavy maintenance events occurring closer to the end of the lease term will be amortized over the remaining lease term rather than over the period to the next estimated heavy maintenance event. Costs incurred for maintenance and repair under flight hour maintenance contracts, where labor and materials price risks have been transferred to the third-party service provider, are expensed based on contractual payment terms. Routine cost for maintaining the airframes and engines and line maintenance are charged to maintenance materials and repairs expense as performed.

The timing and cost of the next heavy maintenance event is estimated based on assumptions including estimated usage, FAA-mandated maintenance intervals, current condition of the related component, the age of the related component and average removal times as suggested by the manufacturer. These assumptions may change based on changes in the utilization of our aircraft, changes in government regulations and suggested manufacturer maintenance intervals. In addition, these assumptions can be affected by unplanned incidents that could damage an airframe, engine or major component to a level that would require a heavy maintenance event prior to a scheduled maintenance event. To the extent the estimated timing of the next maintenance event is extended or shortened, the related depreciation period would be lengthened or shortened prospectively, resulting in lower depreciation expense over a longer period or higher depreciation expense over a shorter period, respectively.

Maintenance Reserves

Certain of our aircraft and spare engine lease agreements provide that we pay maintenance reserves to aircraft lessors to be held as collateral in advance of our required performance of heavy maintenance events. As of December 31, 2016, our scheduled lease returns and the applicability of maintenance reserves for our leased aircraft were as follows:

	A319	A320ceo	A320neo	A321	Total
Scheduled Lease Returns:					
2017	4	3	—	—	7
2018	10	3	—	—	13
2019	2	1	—	—	3
2020	2	1	—	—	3
2021	—	1	—	—	1
2022	—	4	—	—	4
Thereafter	—	12	4	13	29
Total	**18**	**25**	**4**	**13**	**60**
Maintenance Reserves:					
Not subject to maintenance reserves	—	5	—	13	18
Subject to maintenance reserves if certain thresholds are not met	—	4	4	—	8
Subject to maintenance reserves[(a)]	18	16	—	—	34
Total	**18**	**25**	**4**	**13**	**60**

(a) Leases requiring maintenance reserves to be paid are scheduled to expire at the end of 2022.

Our lease agreements with maintenance reserve requirements provide that maintenance reserves are reimbursable to us upon completion of the maintenance event in an amount equal to the lesser of either (1) the amount of the maintenance reserve held by the lessor associated with the specific maintenance event or (2) the qualifying costs related to the specific maintenance event. Substantially all of these maintenance reserve payments are calculated based on a utilization measure, such as flight hours or cycles and are used solely to collateralize the lessor for maintenance time run off the aircraft until the completion of the maintenance of the aircraft. We retain the risk for the actual cause of the event.

At lease inception and at each balance sheet date, we assess whether the maintenance reserve payments required by the lease agreements are substantively and contractually related to the maintenance of the leased asset. Maintenance reserve payments that are substantively and contractually related to the maintenance of the leased asset are accounted for as maintenance deposits. Maintenance reserves expected to be recovered from lessors are reflected as aircraft maintenance deposits on our balance sheets. When it is not probable we will recover amounts currently on deposit with a lessor, such amounts are expensed as supplemental rent.

We make various assumptions to determine the recoverability of maintenance reserves, such as the estimated time between the maintenance events, the date the aircraft is due to be returned to the lessor and the number of flight hours and cycles the aircraft is estimated to be utilized before it is returned to the lessor. Changes in estimates are accounted for on a cumulative catch-up basis.

Certain of our lease agreements also provide that some or all of the maintenance reserves held by the lessor at the expiration of the lease are nonrefundable to us and will be retained by the lessor. Consequently, we have determined that any usage-based maintenance reserve payments after the last major maintenance event are not substantively related to the maintenance of the leased asset and therefore are accounted for as supplemental rent. We expect to incur maintenance reserves after the last major maintenance events resulting in higher rent expense in the final years of applicable leases. Maintenance reserves held by lessors that are refundable to us at the expiration of the lease are accounted for as aircraft maintenance deposits on the balance sheet when they are paid and offset any related lease return costs.

Leased Aircraft Return Costs

Our aircraft lease agreements often contain provisions that require us to return aircraft airframes and engines to the lessor in a specified condition or pay an amount to the lessor based on the actual return condition of the equipment. Leased return costs are recorded as a component of aircraft rent and are characterized as maintenance reserves. Our accrual is based on the time remaining on the lease, planned aircraft usage and the provisions included in the lease agreement, although the actual amount due to any lessor upon return will not be known with certainty until lease termination.

Lease return costs include all costs that would be incurred at the return of the aircraft including costs incurred to repair the airframe and engines to the required condition as specified by the lease. Lease return costs could include, but are not limited to, redelivery cost, redelivery crew cost, final inspections, reconfiguration of the cabin, repairs to the airframe and airframe overhauls, painting, overhaul of engines, replacement of components and fuel. Such estimated costs exclude the costs of maintenance events that are covered by reserves on deposit with the relevant lessor or routine maintenance costs that are recorded in maintenance expense.

Lease return costs are recognized beginning when it is probable that such costs will be incurred and they can be estimated. Incurrence of lease return costs becomes probable and the amount of those costs can typically be estimated near the end of the lease term. When determining probability and estimated cost, there are various factors that need to be considered such as the current condition of the aircraft, the age of the aircraft at lease expiration, the number of hours run on the engines, the number of cycles run on the airframe, the projected number of hours run on the engine at the time of return, the number of projected cycles run on the airframe at the time of return, the extent of repairs needed, if any, at return, the return location, the current configuration of the aircraft, the current paint of the aircraft, the estimated escalation of cost of repairs and materials at the time of return and the current flight hour agreement rates.

In addition, typically near the lease return date, the lessors may allow reserves to be applied as return condition consideration or pass on certain return provisions if they do not align with their current plans to remarket the aircraft. When costs become both probable and estimable, they are accrued on a straight-line basis as contingent rent through the remaining lease term. Because we expect return costs to be estimable near the end of the lease term, contingent rent for related aircraft will be higher near the end of the lease term. We expect to

incur significant return costs in 2017 and 2018 because the leases with respect to seven and 13, respectively, of our aircraft that we acquired from our predecessor are scheduled to terminate. We cannot estimate such costs with precision because they depend on a number of operating and other factors, including aircraft utilization, the result of aircraft inspections and the actual cost of maintenance events or other costs related to the return of a given aircraft.

Measurement of Asset Impairment

Our indefinite-lived intangible assets consist of take-off and landing slots at LaGuardia Airport (LGA) and Ronald Reagan Washington National Airport (DCA) and trademarks. Because we have determined these are intangible assets with indefinite lives, we apply a fair value-based impairment test to the carrying value of such intangible assets annually on October 1st, or more frequently if certain events or circumstances indicate that an impairment loss may have been incurred. We assess the value of indefinite-lived assets under either a qualitative or quantitative approach. Under a qualitative approach, we consider various market factors, including applicable key assumptions listed below. These factors are analyzed to determine if events and circumstances have affected the fair value of indefinite-lived intangible assets. If we determine that it is more likely than not that the value of an indefinite-lived intangible asset is impaired, the quantitative approach is used to assess the asset's fair value and the amount of the impairment. If the asset's carrying value exceeds its fair value calculated using the quantitative approach, an impairment charge is recorded for the difference in fair value and carrying value. No impairment charges were recorded in 2015 or 2016 after we completed this analysis.

Factors which could result in future impairment of owned landing slots include, but are not limited to, an unfavorable change in competition in the slotted airport or a nearby airport and significantly higher prices for jet fuel. As part of this evaluation, we assess whether changes in macroeconomic conditions, industry and market conditions, cost factors, overall financial performance and certain events specific to us have occurred which would impact the use and/or fair value of these assets.

Finite-lived intangible assets consist primarily of our affinity credit card program relationship established in connection with our acquisition by Indigo and are amortized over their estimated economic useful lives.

We record impairment charges on long-lived assets used in operations and finite-lived intangible assets when events and circumstances indicate that the assets may be impaired, the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets and the net book value of the assets exceeds their estimated fair value. In making these determinations, we use certain assumptions, including, but not limited to, estimated fair value of the assets and estimated, undiscounted future cash flows expected to be generated by these assets, which are based on additional assumptions, such as expected asset utilization, expected length of service the asset will be used in our operations and estimated salvage values. No impairment charges were recorded in 2016 or 2015 after we completed this analysis.

Derivative Instruments

Our results of operations can vary materially due to changes in the price and availability of aircraft fuel. We may enter into derivative contracts, such as purchased call options, collars or swaps, in order to reduce our exposure to fuel price increases. Derivative instruments are stated at fair value, net of any collateral postings.

Beginning in 2015, we formally designated and accounted for the derivative instruments that met established accounting criteria under U.S. GAAP as cash flow hedges. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instruments is recorded in accumulated other comprehensive income/loss, or AOCI/L, a component of stockholders' equity in the consolidated balance sheets. In general, we recognize the associated gains or losses deferred in AOCI/L as a component of aircraft fuel expense in the period that the jet fuel is consumed. Ineffectiveness, if any, related to our changes in estimates about the forecasted transaction is recognized directly in earnings during the period

incurred. For derivative instruments that are not designated as cash flow hedges, the gain or loss on the instrument is recognized in current period earnings. We did not have any derivative instruments designated as cash flow hedges during the year-ended December 31, 2014.

Stock-Based Compensation

On December 3, 2013, to give effect to the reorganization of our corporate structure in connection with the acquisition by Indigo, an agreement was reached to amend and restate a phantom equity agreement that was in place with our predecessor and Frontier pre-acquisition. Under the terms of this agreement, our pilots employed by Frontier in June 2011, when an amendment to the underlying collective bargaining agreement was approved, who we refer to as the Participating Pilots, through their agent, FAPAInvest, LLC, received phantom equity units which were the economic equivalent of 231,000 shares of our common stock, representing 4% of our common stock as of June 30, 2014. Each unit constitutes the right to receive common stock or cash in connection with certain events, including a qualifying initial public offering, such stock to be distributed or cash paid to the Participating Pilots in installments in 2020 and 2022 based on a predetermined formula. The phantom equity units were fully vested at December 31, 2016 and are subject to adjustment for certain events, including cash dividends declared with respect to our common stock.

In August 2011, Frontier obtained concessions from its flight attendants in exchange for a contingent contractual equity participation in Frontier, which was subject to performance conditions. At December 31, 2016 and 2015, the performance conditions giving rise to the contingent equity participation in Frontier for the flight attendants had not been achieved. Therefore, no liability or corresponding stock-based compensation had been recorded for any period. On March 15, 2017, Frontier entered in to a Letter of Agreement, or LOA, with the union representing our flight attendants (AFA-CWA). The LOA was the result of a negotiation between Frontier and the AFA-CWA and extinguishes the flight attendants' contingent contractual equity participation in Frontier by providing a $40 million aggregate cash settlement of their contingent contractual equity participation in Frontier, payable by Frontier to participating flight attendants over a six-month period commencing June 1, 2017.

We also grant stock options and restricted stock awards to the members of our board of directors and certain employees and consultants. Our policy is to grant options with an exercise price equal to the fair market value of the underlying common stock on the date of grant. During 2016, 53,475 stock options were granted and 1,455 shares of restricted stock awards were issued. Generally, stock options vest over four years. At December 31, 2016, there was $5 million of total unrecognized compensation cost related to share-based grants to be recognized over approximately two years.

We measure and recognize compensation expense related to all stock-based awards, including stock options, based on their estimated fair value on the grant date for awards to employees. The fair value of each stock-based award is estimated on the grant date using the Black-Scholes option-pricing model. Restricted stock awards are valued at the fair value of the shares on the date of grant. We recognize stock-based compensation expense, net of forfeitures, on a straight-line basis over the requisite service periods of the awards, which are generally four years. Forfeitures are recognized as they occur. We account for phantom stock units using the liability method because our phantom stock units can be redeemed for either cash or common stock. Fair value is re-measured at the end of each reporting period and is based on our common stock valuation. Compensation expense for phantom stock units is recognized on a straight-line basis over the vesting period based on the award's estimated fair value.

Common Stock Valuation

We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. As described below, the exercise price of our stock-based awards was determined by our board of directors based, in part, on the most recent third-party valuation report obtained by our board of directors as of the grant date. There were significant judgments and estimates inherent in these valuations, which included assumptions regarding our future operating performance, the time to complete an initial public offering

or other liquidity event and the determinations of the appropriate valuation methods to be applied. If we had made different estimates or assumptions, our stock-based compensation expense, net income and net income per share could have been significantly different.

Given the absence of a public trading market for our common stock, and in accordance with the American Institute of Certified Public Accountants Practice Guide, Valuation of Privately-Held Company Equity Securities Issued as Compensation, our board of directors exercised judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock, including the most recent third-party valuation report obtained by our board of directors as of the grant date, the value of our tangible and intangible assets, the present value of future cash flows, the market value of similar companies engaged in substantially similar business, particularly those which are at similar stages of development, discounts for lack of common stock liquidity, our development stage and our anticipated operating results.

Our enterprise value was estimated by using market multiples and a discounted cash flow analysis based on plans and estimates used by management to manage the business. We evaluated comparable publicly-traded companies in the airline industry. We used market multiples after considering the risks associated with the strategic shift in our business, the availability of financing, labor relations and an intensely competitive industry. The estimated value was then discounted by a non-marketability factor due to the fact that stockholders of private companies do not have access to trading markets similar to those available to stockholders of public companies which impacts liquidity.

The determination of the fair values of our non-public common stock and stock-based awards are based on estimates and forecasts described above that may not reflect actual market results. These estimates and forecasts require us to make judgments that are highly complex and subjective. Additionally, past valuations relied on reference to other companies for the determination of certain inputs. After completion of this offering, future stock-based grant values will be based on quoted market prices.

Results of Operations

2016 Compared to 2015

We had net income of $200 million in 2016 as compared to net income of $146 million in 2015. In 2016, we had operating income of $317 million as compared to operating income of $233 million in 2015. Our 2016 results reflected the full year impact of our strategic decisions to change our route network and revenue management strategy by reducing our Denver concentration to mitigate seasonality, change in our pricing and fee structure, increase our seat density using lightweight, slim-line seats, execute our fleet plan, transition to third-party specialists for services such as our ground handling, call center and catering, and change our hedging strategy to use out-of-the-money call options.

Our 2016 financial results reflect the execution of our strategy to stimulate demand by passing on a portion of our cost reductions to our customers. As we executed on our strategy, we incurred a number of special charges during 2015 and 2016. Our Lease Modification Program, pursuant to which we amended the operating leases for 10 A319 aircraft, resulted in a special charge of $43 million during 2015 as well as accelerated depreciation of $12 million and $17 million and rent-related expenses of $4 million and $7 million during 2016 and 2015, respectively, due to the significantly shortened lease terms on the 10 A319 aircraft included in this program. We also incurred $40 million and $43 million in non-cash compensation expense in 2016 and 2015, respectively, related to the increased value in and incremental vesting of phantom stock units awarded to the Participating Pilots.

In 2016, we continued our disciplined and aggressive approach to cost control. Our increased seat density in 2016 resulted in lower unit costs. From 2015 to 2016, our Adjusted CASM (excluding fuel) decreased by 7% to 5.43¢ as a result of our strategic initiative implementation. In addition, we had a 16% reduction in fuel cost per gallon.

Operating Revenues

Operating revenues ($ in millions):	Year ended December 31, 2016	2015	Change	
Passenger	$ 988	$ 1,203	$ (215)	(18%)
Non-ticket	726	401	325	81%
Total operating revenues	**$ 1,714**	**$ 1,604**	**$ 110**	**7%**
Operating statistics:				
Available seat miles (millions)	18,366	15,229	3,137	21%
Revenue passenger miles (millions)	16,015	13,400	2,615	20%
Average stage length (statute miles)	1,060	1,002	58	6%
Load factor	87.2%	88.0%	(0.8) pts	N/A
Total revenue per available seat mile—RASM	9.33¢	10.53¢	(1.20)¢	(11%)
Total revenue per passenger	$ 114.72	$ 121.66	$ (6.98)	(6%)
Passengers (thousands)	14,937	13,184	1,753	13%

Total revenue increased by $110 million, or 7%, from 2015 to 2016 due to a $325 million or 81% increase in non-ticket revenue from 2015 to 2016, partially offset by a $215 million or 18% decrease in passenger revenue. Total revenue per available seat mile declined by 11% reflecting competitive pricing actions as a result of capacity growth and lower fuel prices, along with a decrease in our charter revenue due to our decision to largely exit the charter business by the end of 2016.

During 2016, we added a net of five new aircraft to the fleet, opened approximately 80 new routes and introduced routes to Colorado Springs, Columbus, San Antonio and Havana. This change has not only diversified our revenue sources but provided us with the network footprint which we believe will allow us to stimulate demand over time in underserved markets. In March 2017, we announced that we intend to discontinue service to Cuba in May 2017 due to inadequate traffic.

The increase in our non-ticket revenue was due in part to the full-year impact of changes made in 2015 to our pricing and fee structure and product offerings, such as the change to our baggage pricing structure in the first half of 2015 and the introduction of convenience booking fees in the second half of 2015. This increase was offset in part by our decision to largely exit the charter business by the end of 2016. Our capacity, as measured by ASMs, increased by 21% in 2016 as compared to 2015 as a result of changes to our seat density, a strategic shift toward larger aircraft in the fleet and an increase in our average aircraft in service from 56 in 2015 to 61 in 2016.

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Operating Expenses

Operating expenses ($ in millions):	Year Ended December 31, 2016	Year Ended December 31, 2015	Change	Change	Cost per ASM 2016	Cost per ASM 2015	Change %
Aircraft fuel	$ 343	$ 369	$ (26)	(7%)	1.87¢	2.43¢	(23%)
Salaries, wages and benefits	287	285	2	1%	1.56	1.87	(17%)
Station operations	228	202	26	13%	1.24	1.33	(7%)
Aircraft rent	209	171	38	22%	1.14	1.12	2%
Sales and marketing	72	79	(7)	(9%)	0.39	0.52	(25%)
Maintenance materials and repairs	48	50	(2)	(4%)	0.26	0.33	(21%)
Depreciation and amortization	75	54	21	39%	0.41	0.35	17%
Special charges	—	43	(43)	(100%)	—	0.28	(100%)
Other operating expenses	135	118	17	14%	0.74	0.78	(5%)
Total operating expenses	**$ 1,397**	**$ 1,371**	**$ 26**	**2%**	**7.61¢**	**9.01¢**	**(16%)**
Operating statistics:							
Available seat miles (millions)	18,366	15,229	3,137	21%			
Average stage length (statute miles)	1,060	1,002	58	6%			
Departures	99,369	97,222	2,147	2%			
CASM (excluding fuel)	5.74¢	6.58¢	(0.84)¢	(13%)			
Adjusted CASM (excluding fuel)	5.43¢	5.86¢	(0.43)¢	(7%)			
Fuel cost per gallon	$ 1.59	$ 1.90	$ (0.31)	(16%)			
Fuel gallons consumed (thousands)	215,830	194,846	20,984	11%			

Reconciliation of CASM to Adjusted CASM (excluding fuel):

	2016		2015	
	(in millions)	Per ASM	*(in millions)*	Per ASM
CASM		**7.61¢**		**9.01¢**
Aircraft fuel	$ (343)	(1.87)	$ (369)	(2.43)
CASM (excluding fuel)		**5.74¢**		**6.58¢**
Pilot phantom equity(A)	(40)	(0.22)	(43)	(0.28)
Lease Modification Program(B):				
Special charge	—	—	(43)	(0.28)
Depreciation	(12)	(0.07)	(17)	(0.11)
Aircraft rent	(4)	(0.02)	(7)	(0.05)
Adjusted CASM (excluding fuel)		**5.43¢**		**5.86¢**

(A) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

(B) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation of $12 million and $17 million in 2016 and 2015, respectively, and aircraft rent of $4 million and $7 million in 2016 and 2015, respectively, as a result of significantly shortened lease terms with respect to such aircraft.

Aircraft Fuel. Aircraft fuel expense decreased by $26 million, or 7%, from 2015 to 2016. On a per-ASM basis, aircraft fuel expense decreased by 23% from 2015 to 2016. The decrease was primarily due to a 16% decline in the fuel cost per gallon offset, in part, by an increase in our fuel consumption. Our fuel gallons consumed increased by 11%, significantly less than our 21% increase in available seat miles, due to the impact of larger aircraft, more fuel-efficient aircraft, higher seat density and lighter weight seats.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by $2 million, or 1%, from 2015 to 2016. Salaries, wages and benefits expense per ASM decreased by 17% from 2015 to 2016. We incurred charges of $40 million and $43 million during 2016 and 2015, respectively, for pilot phantom stock units based upon incremental vesting and valuation adjustments. Excluding the impact of pilot phantom equity, salaries, wages and benefits increased by $5 million, or 2%, largely reflecting new hire pilots and flight attendants to support capacity growth.

Station Operations. Station operations expense increased by $26 million, or 13%, from 2015 to 2016, primarily due to increases in passenger volume and aircraft size and changes to our route network to reduce our concentration in Denver, which resulted in an increase in the overall number of ground handlers required across our route network. Station expense per ASM decreased by 7% from 2015 to 2016.

Aircraft Rent. Aircraft rent expense increased by $38 million, or 22%, from 2015 to 2016 primarily as a result of increased lease return costs as more of our fleet approached the end of lease term along with the associated higher unrecoverable maintenance costs and higher rent associated with larger aircraft. In addition, our leased fleet size increased by five aircraft during 2016 to 66 aircraft, comprised of 27 A320s, 22 A319s, 13 A321s and four A320neos in 2016 compared to 33 A319s, 23 A320s, and five A321s in 2015. Aircraft rent expense per ASM increased by 2% from 2015 to 2016 due to our increased utilization.

Sales and Marketing. Sales and marketing expense decreased by $7 million, or 9%, and decreased on a per ASM basis by 25% from 2015 to 2016, primarily due to the full-year impact of new distribution contracts executed during 2015 and a decrease in booking fees as a result of a higher proportion of bookings on our website, our lowest cost distribution channel. These benefits were offset, in part, by credit card fees relating to higher sales. The following table presents our distribution channel mix:

Distribution Channel	Year Ended December 31, 2016	2015	Change
Our website, mobile app and other direct channels	63%	58%	5 pts
Third-party channels	37	42	(5)

Maintenance Materials and Repairs. Aircraft maintenance costs decreased by $2 million, or 4%, from 2015 to 2016 and aircraft maintenance expense per ASM decreased by 21% from 2015 to 2016. This decrease was primarily because the timing and mix of maintenance events as well as the timing of new aircraft deliveries, which resulted in lower cost events in the current year period as compared to 2015.

Depreciation and Amortization. Depreciation and amortization expense increased by $21 million, or 39%, from 2015 to 2016. Depreciation and amortization per ASM increased by 17% from 2015 to 2016. This increase was primarily due to increased heavy maintenance activity relating to aircraft being returned to our lessors. Our Lease Modification Program resulted in additional depreciation of $12 million and $17 million in 2016 and 2015, respectively, for our accelerated lease returns.

Special Charges. We incurred special charges of $43 million during 2015 related to our Lease Modification Program as described in "—Fleet Plan." Special charges were 0.28¢ per ASM in 2015.

Other Operating Expenses. Other operating expenses increased by $17 million, or 14%, from 2015 to 2016 while other operating expenses per ASM decreased by 5% from 2015 to 2016 due to higher aircraft utilization and larger and higher density aircraft.

Other Expense

Other expense decreased from $5 million in 2015 to $1 million in 2016 due to interest earned on our growing cash balance and lower net interest expense in 2016 compared to 2015 due to higher amounts of capitalized interest in 2016.

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Income Taxes

In 2016, our effective tax rate was 36.6% as compared to 36.2% in 2015. Our tax rate can vary depending on the amount of income we earn in each state and the state tax rate applicable to such income.

2015 Compared to 2014

Following the 2013 acquisition, we implemented our strategy of *Low Fares Done Right*, which significantly reduced our cost base in 2015 over 2014 by increasing aircraft utilization, transitioning our fleet to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our reservation system, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services.

Our 2015 financial results reflect the execution of our *Low Fares Done Right* strategy to stimulate demand by passing on a portion of our cost reductions to our customers. As we executed our strategic shift, we incurred a number of special charges during 2014 and 2015. Our Lease Modification Program resulted in a special charge of $43 million during 2015 as well as accelerated depreciation of $17 million and rent-related expenses of $7 million during 2015 due to the significantly shorter lease terms. We incurred $43 million in non-cash compensation expense related to the increased value in and incremental vesting of phantom stock units awarded to our pilots in 2015 as compared to $6 million in 2014.

In 2015, we continued our disciplined approach to cost control. Our increased seat density in 2015 resulted in lower unit costs. From 2014 to 2015, our Adjusted CASM (excluding fuel) decreased by 12% to 5.86¢ as a result of our strategic initiative implementation. In addition, we had a 42% reduction in fuel cost per gallon.

Operating Revenues

	Year ended December 31,			
Operating revenues ($ in millions):	**2015**	**2014**	**Change**	
Passenger	$ 1,203	$ 1,328	$ (125)	(9%)
Non-ticket	401	265	136	51%
Total operating revenues	**$ 1,604**	**$ 1,593**	**$ 11**	**1%**
Operating statistics:				
Available seat miles (millions)	15,229	12,332	2,897	23%
Revenue passenger miles (millions)	13,400	11,152	2,248	20%
Average stage length (statute miles)	1,002	897	105	12%
Load factor	88.0%	90.4%	(2.4) pts	N/A
Total revenue per available seat mile—RASM	10.53¢	12.92¢	(2.39)¢	(18%)
Total revenue per passenger	$ 121.66	$ 130.52	$ (8.86)	(7%)
Passengers (thousands)	13,184	12,203	981	8%

Total revenue remained relatively consistent from 2014 to 2015, with the $136 million, or 51%, increase in non-ticket revenue substantially offset by a $125 million, or 9%, decrease in passenger revenue. Total revenue per ASM declined by 18% reflecting competitive pricing actions, capacity growth, and lower fuel prices.

During 2015, we changed our route network to reduce our concentration in the Denver area and increase our presence in Philadelphia, Chicago O'Hare, Cleveland, Cincinnati and Washington Dulles. This change has not only diversified our revenue sources but provided us with the network footprint which we believe will allow us to stimulate demand over time in underserved markets.

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The increase in our non-ticket revenue was due in part to the changes to our pricing and fee structure and product offerings. We changed our baggage pricing structure in the first half of 2015 and introduced convenience booking fees in the second half of 2015, both of which resulted in increased non-ticket revenue in 2015. In addition, we increased our non-ticket revenue as a result of changes in our baggage, booking and *Stretch* seat fees. In 2015, we had a full-year of carry-on baggage fee revenue, which we introduced in the second half of 2014. Our capacity, as measured by ASMs, increased by 23% in 2015 as compared to 2014 as a result of changes to our seat density, a strategic shift toward larger aircraft in the fleet and an increase in our average aircraft in service from 54 in 2014 to 56 in 2015. In the second half of 2015, we began flying five 230 seat A321 aircraft. The increase was partially offset by a decrease in charter revenue from 7% of our revenue in 2014 to 5% of our revenue in 2015 due to our decision to significantly reduce our charter business.

Operating Expenses

Operating expenses ($ in millions):	Year Ended December 31, 2015	Year Ended December 31, 2014	Change	Change	Cost per ASM 2015	Cost per ASM 2014	Change %
Aircraft fuel	$ 369	$ 538	$ (169)	(31%)	2.43¢	4.36¢	(44%)
Salaries, wages and benefits	285	258	27	10%	1.87	2.09	(11%)
Station operations	202	162	40	25%	1.33	1.31	2%
Aircraft rent	171	147	24	16%	1.12	1.19	(6%)
Sales and marketing	79	87	(8)	(9%)	0.52	0.71	(27%)
Maintenance materials and repairs	50	39	11	28%	0.33	0.32	3%
Depreciation and amortization	54	29	25	86%	0.35	0.24	46%
Special charges	43	—	43	N/A	0.28	—	N/A
Other operating expenses	118	105	13	12%	0.78	0.85	(8%)
Total operating expenses	**$ 1,371**	**$ 1,365**	**$ 6**	**0%**	**9.01¢**	**11.07¢**	**(19%)**
Operating statistics:							
Available seat miles (millions)	15,229	12,332	2,897	23%			
Average stage length (statute miles)	1,002	897	105	12%			
Departures	97,222	92,184	5,038	5%			
CASM (excluding fuel)	6.58¢	6.71¢	(0.13)¢	(2%)			
Adjusted CASM (excluding fuel)	5.86¢	6.63¢	(0.77)¢	(12%)			
Fuel cost per gallon	$ 1.90	$ 3.26	$ (1.36)	(42%)			
Fuel gallons consumed (thousands)	194,846	164,845	30,001	18%			

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(1) Reconciliation of CASM to Adjusted CASM (excluding fuel):

	Year Ended December 31,			
	2015		2014	
	(in millions)	Per ASM	*(in millions)*	Per ASM
CASM		**9.01¢**		**11.07¢**
Aircraft fuel	$ (369)	(2.43)	$ (538)	(4.36)
CASM (excluding fuel)		**6.58¢**		**6.71¢**
Pilot phantom equity(A)	(43)	(0.28)	(6)	(0.05)
Salaries, wages and benefits—severance(B)	—	—	(3)	(0.03)
Lease Modification Program(C):				
Special charge	(43)	(0.28)	—	—
Depreciation	(17)	(0.11)	—	—
Aircraft rent	(7)	(0.05)	—	—
Adjusted CASM (excluding fuel)		**5.86¢**		**6.63¢**

(A) Represents the impact of the change in value and vesting of phantom stock units pursuant to the Pilot Phantom Equity Plan. See "Executive Compensation—Equity Compensation Plans—Pilot Phantom Equity Plan."

(B) Represents severance costs related to outsourcing of certain functions integral to our operations to third-party vendors as a part of the implementation of our new operating model.

(C) Represents (i) a special charge of $43 million in 2015, primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early termination of leases for 10 of our A319 aircraft and (ii) accelerated depreciation and aircraft rent of $17 million and $7 million, respectively, in 2015, as a result of significantly shortened lease terms with respect to such aircraft.

Aircraft Fuel. Aircraft fuel expense decreased by $169 million, or 31%, from 2014 to 2015. Aircraft fuel expense per ASM decreased by 44% from 2014 to 2015. The decrease was primarily due to a 42% decline in the fuel cost per gallon offset, in part, by an increase in our fuel consumption due to increased capacity. The decrease in our fuel cost per gallon was impacted by $35 million of unrealized losses on collars entered into during 2015 to hedge anticipated fuel purchases in 2016. Our fuel gallons consumed increased by 18%, less than our 23% increase in available seat miles, due to the impact of our new higher seating density, lighter weight seats and the continued introduction of larger aircraft.

Salaries, Wages and Benefits. Salaries, wages and benefits expense increased by $27 million, or 10%, from 2014 to 2015. Salaries, wages and benefits expense per ASM decreased by 11% from 2014 to 2015. We incurred a non-cash charge of $43 million for pilot phantom stock units, an increase of $37 million as compared to 2014, based upon mark-to-market adjustments and incremental vesting. Excluding the impact of pilot equity, salaries, wages and benefits decreased by $10 million, or 4%, largely as a result of using a third-party vendor for ground handling services beginning in first quarter 2015.

Station Operations. Station operations expense increased by $40 million, or 25%, from 2014 to 2015, primarily due to higher capacity and increased utilization and use of the third-party vendors in Denver for customer service and ground handling. Station expense per ASM increased by 2% from 2015 to 2016 as a result of these changes.

Aircraft Rent. Aircraft rent expense increased by $24 million, or 16%, from 2014 to 2015 primarily as a result of increased lease return costs as more of our fleet approached the end of their lease term along with the associated higher unrecoverable maintenance costs and higher rent associated with larger aircraft introduced into the fleet. In addition, our leased fleet size increased by seven aircraft to 61 aircraft, comprised of 33 A319s, 23 A320s, and five A321s. During 2014, our fleet consisted of 54 aircraft, comprised of 34 A319s and 20 A320s. Aircraft rent expense per ASM decreased by 6% from 2014 to 2015 due to our increased utilization.

Sales and Marketing. Sales and marketing expense decreased by $8 million, or 9%, from 2014 to 2015, primarily due to the conversion of our call center to a different vendor, renegotiation of certain distribution agreements and rationalization of our sponsorships and media spending. This was offset, in part, by credit card fees relating to higher sales. Sales and marketing expense per ASM decreased by 27% from 2014 to 2015.

Maintenance Materials and Repairs. Aircraft maintenance costs increased by $11 million, or 28%, from 2014 to 2015 and aircraft maintenance expense per ASM increased by 3% from 2014 to 2015. This was primarily because of our timing and mix of maintenance events resulting in higher cost events in the current year period as compared to the prior year.

Depreciation and Amortization. Depreciation and amortization expense increased by $25 million, or 86%, from 2014 to 2015. Depreciation and amortization per ASM increased by 46% from 2014 to 2015. Our Lease Modification Program resulted in an additional $17 million of accelerated depreciation for our early lease returns. Additionally, there was an increase in heavy maintenance activity and the resulting depreciation relating to our aircraft redeliveries.

Special Charges. We incurred one-time special charges of $43 million related to our Lease Modification Program as described in "—Fleet Plan." Special charges were 0.28¢ per ASM in 2015.

Other Operating Expenses. Other operating expenses increased by $13 million, or 12%, from 2014 to 2015 while other operating expenses per ASM decreased by 8% from 2014 to 2015. This was primarily due to our cost focus while the capacity in the business increased from 2014 to 2015.

Other (Income) Expense

Other (income) expense remained relatively consistent from 2014 to 2015.

Income Taxes

In 2015, our effective tax rate was 36.2% as compared to 37.5% in 2014. Our tax rate can vary depending on recurring items such as the amount of income we earn in each state and the state tax rate applicable to such income.

Liquidity and Capital Resources

As of December 31, 2016, our principal sources of liquidity were cash and cash equivalents of $612 million. In addition, we had restricted cash of $6 million as of December 31, 2016. Restricted cash includes certificates of deposit that secure letters of credit issued for particular airport authorities as required in certain lease agreements. Furthermore, as of December 31, 2016, we also had outstanding $39 million of the amount available under our $50 million pre-purchased miles facility, $143 million drawn under our $150 million pre-delivery payments facility and $59 million in secured indebtedness incurred in connection with the financing of six aircraft. We also hold a certificate of deposit to secure workers' compensation claim reserves. Primary uses of liquidity are for working capital needs, capital expenditures, aircraft pre-delivery payments, maintenance reserve deposits, and debt repayments. As of December 31, 2016, we had $141 million of short-term debt and $96 million of long-term debt.

Our single largest capital commitment relates to the acquisition of aircraft. As of December 31, 2016, we operated 60 of our 66 aircraft under operating leases. Pre-delivery payments relating to future deliveries under our agreement with Airbus are required at various times prior to each aircraft's delivery date. As of December 31, 2016, we had $197 million of pre-delivery payments held by Airbus, $143 million of which was outstanding under our pre-delivery payments facility. As of December 31, 2016, we had an obligation to acquire 82 aircraft, including 76 A320neo family aircraft and six A321ceo aircraft by 2021, the first 43 of which we

intend to finance with operating leases, including 11 which are currently subject to committed operating leases and 32 which are subject to non-binding letters of intent. We intend to evaluate financing options for the remaining 39 aircraft.

In addition, while we recently have been able to arrange aircraft sale-leaseback financing that does not require that we maintain a maintenance reserve account, we are required by some of our aircraft lessors, and could in the future be required to, fund reserves in cash in advance for scheduled maintenance to act as collateral for the benefit of lessors. Qualifying payments that are expected to be recovered from lessors are recorded as aircraft maintenance deposits in our consolidated balance sheets. A portion of our cash is, therefore, unavailable until after we have completed the scheduled maintenance in accordance with the terms of the operating leases. Based on the age of our fleet and our growth strategy, we expect these maintenance deposits to decrease as we enter into new operating leases that do not require reserves. In 2016 and 2015, we made $32 million and $23 million in net maintenance deposit payments to our lessors. As of December 31, 2016, we had $60 million in recoverable aircraft maintenance deposits on our consolidated balance sheets, of which $8 million is included in accounts receivable because the eligible maintenance had been performed.

As of December 31, 2016, we were compliant with our credit card processing agreements and not subject to any credit card holdbacks. Although as of December 31, 2016 we were not subject to any credit card holdbacks, if we fail to maintain certain liquidity and other financial metrics, our credit card processors have the right to hold back credit card reimbursements to cover our obligations to them.

We expect to meet our obligations as they become due through available cash, internally generated funds from our operating cash flows, supplemented by financing activities as necessary and as they may become available to us. However, we cannot predict what the effect on our business and financial position might be from a change in the competitive environment in which we operate or from events beyond our control, such as volatile fuel prices, economic conditions, weather-related disruptions, the impact of airline bankruptcies, restructurings or consolidations, U.S. military actions or acts of terrorism. We believe the working capital available to us will be sufficient to meet our cash requirements for at least the next 12 months.

Cash Flows

The following table presents information regarding our cash flows in 2016, 2015 and 2014:

	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Net cash provided by operating activities	$238	$ 208	$ 184
Net cash used in investing activities	(39)	(143)	(57)
Net cash (used in) provided by financing activities	(6)	91	9
Net increase in cash and cash equivalents	**193**	**156**	**136**
Cash and cash equivalents at beginning of period	419	263	127
Cash and cash equivalents at end of period	**$612**	**$ 419**	**$ 263**

Net Cash Flow Provided By Operating Activities

During 2016, cash flow provided by operating activities of $238 million reflects our growth, execution of our strategic initiatives and our improved credit position. We had net income of $200 million adjusted for the following significant non-cash items: depreciation and amortization of $75 million, stock-based compensation expense of $42 million, and deferred taxes of $(23) million. We had $13 million of payments primarily related to premiums paid for new call options for our fuel hedging program during 2016. We had net outflows of $43 million within other net operating assets and liabilities largely driven by heavy maintenance events during 2016 partly offset by a $39 million increase in our air traffic liability as a result of our growth.

During 2015, net cash flow provided by operating activities was $208 million driven by our growth, execution of our strategic initiatives and our improved credit position. We had net income of $146 million adjusted for the following non-cash items: depreciation and amortization of $54 million, stock-based compensation expense of $44 million, special charge related to our Lease Modification Program of $43 million and deferred taxes of $14 million. We had $43 million net outflows related to premiums paid for new call options and collateral returned for collars for our fuel hedging program during 2015. Due to our improved liquidity, our credit card processor reduced our holdback from 50% of air traffic liability to zero. As a result, the holdback decreased by $59 million during 2015. We had net outflows of $109 million within other net operating assets and liabilities largely driven by an increase in our costs related to heavy maintenance of $55 million, an increase in net cash paid for maintenance deposits of $23 million and a decrease in air traffic liability of $11 million.

During 2014, net cash flow provided by operating activities was $184 million. We had net income of $140 million adjusted for the following non-cash items: depreciation and amortization of $29 million, unrealized loss on fuel derivative instruments of $35 million and deferred income taxes of $22 million. Due to our improved credit position, our credit card processor reduced our holdback from 95% of air traffic liability to 50% of our air traffic liability. As a result, the holdback decreased by $55 million during 2014. We used $25 million in cash related to our hedging program. We had net outflows of $78 million within other net operating assets and liabilities largely driven by an increase in other long-term assets of $60 million, primarily driven by deferred heavy maintenance costs, a decrease in long-term liabilities of $24 million primarily due to a change in long-term frequent flyer liability, an increase in net cash paid for maintenance deposits of $15 million and a decrease in restricted cash of $10 million due to station letters of credit, which was partially offset by a decrease in accounts receivable of $29 million due to maintenance deposit refunds.

Net Cash Flows Used In Investing Activities

During 2016, net cash flow used in investing activities totaled $39 million. We invested $26 million in fixed assets, paid net $9 million in security deposits for aircraft and engine commitments, and made net pre-delivery payments of $4 million for future aircraft deliveries.

During 2015, net cash flow used in investing activities was $143 million. We invested $39 million in fixed assets for capitalized heavy maintenance and equipment upgrades, primarily related to increasing the seating density on our aircraft. We also made net pre-delivery payments of $107 million for future aircraft deliveries and $5 million net payments for security deposits for aircraft and engine commitments. We received proceeds of $8 million from the sale of fixed assets.

During 2014, net cash flow used in investing activities was $57 million. We made net pre-delivery payments of $54 million for future aircraft deliveries and invested $15 million in fixed assets. We received proceeds of $12 million from the sale of fixed assets.

Net Cash Flows (Used In) Provided By Financing Activities

During 2016, net cash flow used in financing activities was $6 million. We received $113 million in proceeds from debt primarily related to the pre-delivery payment facility to finance the pre-delivery payments for our aircraft orders. We made $97 million of principal repayments on long-term debt during the year. We also received $84 million of net proceeds from sale-leaseback transactions relating to A320-family aircraft and spare engines delivered during 2016. These net inflows were offset by a distribution of $101 million to common stockholders and others with participating rights with respect to the dividend declared in February 2016 and other items.

During 2015, net cash flow provided by financing activities was $91 million. We received $130 million in proceeds from debt, primarily the pre-delivery payment facility, to finance the pre-delivery payments for our

aircraft orders. We made $67 million of principal repayments on long-term debt during the year. We received $28 million of net proceeds from sale-leaseback transactions on five A320-family aircraft, a spare engine, and a simulator delivered during 2015.

During 2014, net cash flow provided by financing activities was $9 million. We received $39 million in proceeds from debt, primarily the pre-delivery payment facility, to finance the pre-delivery payments for our aircraft orders. We made $11 million of principal repayments on long-term aircraft debt and $18 million of principal payments to retire a short-term working capital note payable from our parent during the year.

Commitments and Contractual Obligations

Our contractual purchase commitments consist of aircraft and engine acquisitions. As of December 31, 2016, our firm aircraft and engine orders consisted of the following:

	A319neo	A320neo	A321	Total Aircraft	Engines
2017	—	11	6	17	3
2018	—	16	—	16	2
2019	—	18	—	18	2
2020	5	13	—	18	2
2021	13	—	—	13	2
Thereafter	—	—	—	—	1
Total	**18**	**58**	**6**	**82**	**12**

We have contractual obligations comprised of aircraft and engine purchases, payment of debt and lease arrangements. The following table includes our contractual obligations as of December 31, 2016 for the periods in which payments are due:

	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
			(in millions)		
Long-term debt(1)	$ 241	$ 141	$ 49	$ 51	$ —
Interest commitments(2)	12	6	5	1	—
Operating lease obligations	2,099	263	496	419	921
Flight equipment purchase obligations	4,010	799	1,684	1,512	15
Maintenance deposit obligations(3)	44	7	9	8	20
Total	**$6,406**	**$ 1,216**	**$ 2,243**	**$ 1,991**	**$ 956**

(1) Includes principal only associated with our secured pre-delivery credit facility due through 2019, our floating and fixed rate equipment notes due through 2020 and 2021 and affinity card unsecured debt due through 2020. See “Notes to Financial Statements—8 Debt.”
(2) Represents interest on long-term debt.
(3) Represents fixed maintenance reserve payments for aircraft and spare engines, including estimated amounts for contractual price escalations.

Off-Balance Sheet Arrangements

We have significant obligations for aircraft that are classified as operating leases and therefore are not reflected in our consolidated balance sheets. As of December 31, 2016, 60 of our 66 aircraft in our fleet were subject to operating leases. These leases expire between 2017 and 2028. Leases for eight of our aircraft can generally be renewed at rates based on fair market value at the end of the lease term for three years and five of

our aircraft can be renewed for four years. Aircraft rent expense related to operating leases was $209 million and $171 million in 2016 and 2015, respectively, including supplemental rent expense of $36 million and $27 million in 2016 and 2015, respectively, for maintenance-related reserves as required by our lessors that were deemed recoverable.

We have various leases with respect to real property as well as various agreements among airlines relating to fuel consortia or fuel farms at airports. Under some of these contracts, we are party to joint and several liability regarding damages. Under others, where we are a member of an LLC or other entity that contracts directly with the airport operator, liabilities are borne through the fuel consortia structure.

Our aircraft, services, equipment lease and sale and financing agreements typically contain provisions requiring us, as the lessee, obligor or recipient of services, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or such other equipment. We believe that our insurance would cover most of our exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft, services, equipment lease and sale and financing agreements described above.

Certain of our aircraft and other financing transactions include provisions that require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these financing transactions and other agreements, we also bear the risk of certain changes in tax laws that would subject payments to non-U.S. entities to withholding taxes.

Certain of these indemnities survive the length of the related financing or lease. We cannot reasonably estimate our potential future payments under the indemnities and related provisions described above because we cannot predict when and under what circumstances these provisions may be triggered and the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

We have also made certain guarantees and indemnities to other unrelated parties that are not reflected on our consolidated balance sheets which we believe will not have a significant impact on our results of operations, financial condition or cash flows.

We have no other off-balance sheet arrangements.

Quantitative and Qualitative Disclosure About Market Risk

We are subject to market risks in the ordinary course of our business. These risks include commodity price risk, specifically with respect to aircraft fuel, as well as interest and foreign exchange rate risk. The adverse effects of changes in these markets could pose a potential loss as discussed below. The sensitivity analysis provided does not consider the effects that such adverse changes may have on overall economic activity, nor does it consider additional actions we may take to mitigate our exposure to such changes. Actual results may differ.

Aircraft Fuel. Our results of operations can vary materially, due to changes in the price and availability of aircraft fuel and are also impacted by the number of aircraft in use and the number of flights we operate. Aircraft fuel expense for the years ended December 31, 2016 and 2015 represented approximately 25% and 27% of our operating expenses. Unexpected pricing of aircraft fuel or a shortage or disruption in the supply could have a material adverse effect on our business, results of operations and financial condition. Our strategy has been to purchase out-of-the-money call options which are intended to provide protection against a large upward movement in oil prices, while also allowing us to participate in any material fall in oil prices. Based on December 2016 aircraft fuel market prices and our projected 2017 fuel consumption, a 10% increase in the average price per gallon would increase our annual aircraft fuel expense, net of our hedge portfolio, by approximately $39 million. To manage economic risks associated with the fluctuations of aircraft fuel prices, we periodically enter into call options, collar or fixed forward price contracts for jet fuel or highly correlated commodities. As of December 31, 2016, we had out-of-the-money call options covering approximately 73% of

our projected aircraft fuel requirements for 2017 and approximately 20% of our projected aircraft fuel requirements for the month of January 2018, with all of our then existing fuel hedge contracts expected to be exercised or expire by the end of 2018. The fair value of our fuel derivative contracts as of December 31, 2016 and 2015 was a net asset of $15 million and $4 million, respectively. We had no collateral posted against fuel-related derivatives as of December 31, 2016 and 2015.

We measure our fuel derivative instruments at fair value, which is determined using standard option valuation models that use observable market inputs including contractual terms, market prices, yield curves, fuel price curves and measures of volatility. Changes in the related commodity derivative instrument cash flows may change by more or less than the fair value based on further fluctuations in futures prices. Outstanding financial derivative instruments expose us to credit loss in the event of non-performance by the counterparties to the agreements. As of December 31, 2016, we believe the credit exposure related to these call options was minimal and do not expect the counterparties to fail to meet their obligations.

Interest Rates. We are subject to market risk associated with changing interest rates, due to LIBOR-based interest rates on an applicable portion of our floating rate equipment notes and our PDP credit facility.

Foreign Exchange. We have *de minimis* foreign currency risks related to our station operating expenses denominated in currencies other than the U.S. dollar, primarily the Mexican peso, Jamaican dollar and Dominican Republic peso. Our revenue is U.S. dollar denominated.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or the FASB, issued ASU 2014-09, *Revenue from Contracts with Customers*, or ASU 2014-09. The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers that will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all contracts with customers except for those within the scope of other topics in the FASB Accounting Standard Codification. The new guidance for the Company is effective for annual reporting periods, and interim reporting periods within those years, beginning after December 15, 2017. Early adoption is permitted, but not before the first quarter of 2017. Entities have the option of using either a full retrospective or modified approach to adopt ASU 2014-09. We are currently evaluating the new guidance and have neither determined the method we will adopt this standard under, nor the full impact this standard may have on the financial statements. We expect this pronouncement to impact the accounting for the frequent flyer program as the standard no longer allows the use of the incremental cost method when recording revenue related to the frequent flyer program. As a result, we expect our deferred frequent flyer liability balance to increase. In addition, we expect changes related to the timing of recognition of certain non-ticket related fees such as change and cancellation fees that would further increase our revenue deferrals. Furthermore, as certain non-ticket related fees cannot be separated from the fare as a separate performance obligation under the new guidance, we expect that many of these fees will be reclassified out of non-ticket revenue into passenger revenue within the statement of operations.

In April 2015, the FASB issued ASU No. 2015-03, *Interest-Imputation of Interest*, or ASU 2015-03. The standard requires debt issuance costs to be presented on the balance sheet as a direct deduction from the related debt liability rather than as a separate asset. We have applied the new guidance in the current period and retrospectively to all prior periods presented as of December 31, 2016.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes*, or ASU 2015-17. The standard requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. We have applied the new guidance in the current period and retrospectively to all prior periods presented as of December 31, 2016.

In February 2016, the FASB issued ASU 2016-02, *Leases*, or ASU 2016-02. The new standard will require all leases with terms greater than twelve months to be recognized on the balance sheet. The ASU is effective for fiscal years beginning after December 15, 2018 and interim reporting periods within those fiscal years. Although we are currently evaluating the guidance, we expect adoption to have a significant impact on the consolidated balance sheet due to the recognition of lease liabilities, along with corresponding right-to-use assets, for aircraft and certain non-aircraft leases currently accounted for as operating leases.

In March 2016, the FASB issued ASU 2016-05, *Effect of Derivative Contract Novations on Existing Hedge Accounting Relationships*, or ASU 2016-05. This standard clarifies that a change in the counterparty to a derivative instrument that has been designated as the hedging instrument under Topic 815 does not, in and of itself, require de-designation of that hedging relationship provided that all other hedge accounting criteria continue to be met. The new guidance is effective for financial statements issued for fiscal years beginning after December 15, 2016 and interim reporting periods within those fiscal years. Early adoption of this standard is permitted. We have made the decision to early adopt this standard that has no financial statement impact during 2016, and we have not novated any options to new counterparties.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting*, or ASU 2016-09. This standard aims to simplify several aspects of the accounting for and presentation of employee share-based payment transactions. The new guidance is effective for annual periods beginning after December 15, 2016 and interim reporting periods within those annual periods. Although we are currently evaluating the guidance, we do not expect adoption to have a significant impact on our consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, or ASU 2016-13. This standard replaces the incurred loss impairment methodology in current GAAP with an “expected loss” model which requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new guidance is effective for annual periods beginning after December 15, 2019 and interim reporting periods within those fiscal years. We are evaluating this guidance but do not expect it to have a significant impact on the financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments*, or ASU 2016-15. This standard addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The amendments are effective for fiscal years beginning after December 15, 2017, and interim reporting periods within those fiscal years. We are currently evaluating this guidance but do not expect it to have a significant impact on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, or ASU 2016-18. This standard addresses diversity in practice when presenting restricted cash within the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2017 and interim reporting periods within those fiscal years. We are currently evaluating this guidance but do not expect it to have a significant impact on the financial statements assuming no material changes to the relatively insignificant restricted cash balance.

INDUSTRY BACKGROUND

There are three main categories of passenger airlines that offer scheduled airline service in the markets in which we compete: the legacy network airlines, low-cost carriers and the ultra low-cost carriers. While each major airline based in the United States competes broadly with each other for airline passengers traveling on the routes they serve, particularly customers traveling in economy or similar classes of service, these categories identify the operating strategy of these airlines. As of December 31, 2016, there were 10 scheduled airlines of significant size operating across these three categories, each with a market share as provided in the table below.

Carrier	Market Share for the year ended December 31, 2016(1)
Legacy Network Carriers	
Alaska Airlines(2)	7.1%
American Airlines	22.2%
Delta Air Lines	19.1%
United Airlines	17.5%
Hawaiian Airlines	2.3%
Low-Cost Carriers	
JetBlue Airways	6.7%
Southwest Airlines	18.2%
Ultra Low-Cost Carriers	
Frontier Airlines	**2.3%**
Allegiant Travel Company	1.5%
Spirit Airlines	3.1%

(1) Only includes the identified carriers listed above and based on total domestic revenue passenger miles for the year ended December 31, 2016 according to public filings of each respective carrier.

(2) Pro forma for acquisition of Virgin America.

As a result of a series of merger transactions, there are presently three very large legacy network carriers in the United States, American Airlines, Delta Air Lines and United Airlines. These airlines offer scheduled flights to most large cities within the United States and abroad (directly or through membership in one of the global airline alliances: **one**world, SkyTeam or Star Alliance) and also serve numerous smaller cities. These airlines operate predominantly through a “hub-and-spoke” network route system. This system concentrates most of an airline’s operations in a limited number of hub cities, serving other destinations in the system by providing one-stop or connecting service through hub airports to end destinations on the spokes. Such an arrangement permits travelers to fly from a given point of origin to more destinations without switching airlines. While hub-and-spoke systems result in low marginal costs for each additional passenger, they also result in high fixed costs. The unit costs incurred by legacy network carriers to provide the gates, airport ground operations and maintenance facilities needed to support a hub-and-spoke operation are generally higher than those of the point-to-point network typically operated by low-cost carriers and ultra low-cost carriers. Aircraft schedules at legacy network carriers also tend to be inefficient to meet the requirements of connecting banks of flights in hubs, resulting in lower aircraft utilization and crew productivity. Serving a large number of markets of different sizes requires the legacy carriers to have multiple fleets with multiple aircraft types along with the related complexities and additional costs for crew scheduling, crew training and maintenance. As a result, legacy network carriers typically have higher cost structures than other airlines due to, among other things, higher labor costs, flight crew and aircraft scheduling inefficiencies, concentration of operations in higher cost airports, and the offering of multiple classes of services, including multiple premium classes of service.

The legacy network carriers supplement their networks by contracting with regional airlines, such as Air Wisconsin Airlines, Envoy Air (formerly American Eagle), ExpressJet Airlines, Horizon Air, Mesa Airlines, Republic Airline, SkyWest Airlines and Trans States Airlines. Several regional airlines are wholly-owned

subsidiaries of legacy network carriers. Regional airlines generally enter into capacity purchase agreements with one or more major airlines under which the regional airline agrees to use its smaller aircraft to carry passengers booked and ticketed by the major airline between a city served by a major airline and a smaller outlying location. In exchange for such services, the regional airline's capacity purchase agreement with the legacy network carrier typically provides an agreed upon margin on the regional airline's fixed operating costs and passes through variable costs, such as fuel, to the major airline scheduling and selling the seats on the flight. Less commonly, regional airlines receive a pro rata portion of the total fare generated in a given market. While the use of a regional carrier provides a legacy network carrier with the ability to outsource labor at lower rates and access smaller aircraft on less traveled routes, such operations tend to operate with higher unit costs than the mainline operations of the legacy network airlines.

In addition to American Airlines, Delta Air Lines and United Airlines, Alaska Airlines and Hawaiian Airlines, while smaller, have a similar product offering to the legacy network carriers and primarily serve particular regions of the United States with a service offering that includes network hubs and multiple classes of service. On December 14, 2016, Alaska Airlines acquired Virgin America making it the fifth largest airline in the United States in terms of total domestic revenue passenger miles.

Low-cost carriers largely developed in the wake of deregulation of the U.S. airline industry in 1978, which permitted competition on many routes for the first time and thereby introduced fare competition on those routes. Low-cost carriers generally have lower cost structures than legacy network carriers, which permits them to offer flights to and from many of the same markets as the legacy network carriers, but at lower prices. As initially conceived, low-cost carriers flew direct, point-to-point flights, a system that tends to improve aircraft and crew scheduling efficiency, but results in somewhat less convenient flight schedules and services to fewer markets compared to the hub-and-spoke system used by legacy network carriers. In addition, low-cost carriers historically served major markets through secondary, lower cost airports in the same region as those major population markets, provided only a single class of service, thereby avoiding the significant incremental cost of offering premium-class services, and operated fleets with only one or at most two aircraft families in order to maximize the utilization of flight crews across the fleet, improve aircraft scheduling flexibility and minimize aircraft maintenance costs. As the low-cost carrier model has developed in the United States, carriers in this category have begun to exhibit some of the characteristics of the legacy network airlines such as, depending on the carrier, a premium class of service, schedules that accommodate connecting traffic and service to high-cost airports in major markets, including slot-controlled airports. The largest airlines based in the United States that define themselves as low-cost carriers are Southwest Airlines, JetBlue Airways and Virgin America (acquired by Alaska Airlines in December 2016).

The emerging category of airlines operating in the United States are carriers that have developed a business model as an ultra low-cost carrier, or ULCC. This operating strategy was pioneered by Ryanair in Europe and was built on the model initially adopted by the low-cost carriers, but combined with a focus on increased aircraft utilization, increased seat density and the unbundling of revenue sources aside from ticket prices with multiple products and services offered for additional cost. ULCCs have significantly lower unit costs than the legacy network carriers or the low-cost carriers. In addition, ULCCs are capable of driving significant increases in passenger volumes as a result of their low fares.

According to the DOT, the 25-year (1991 to 2016) compound annual growth rate for domestic passenger traffic in the United States was approximately 2.1%. Based on this information, we believe that over the next 25 years, low fare offerings, such as those offered by ULCCs, could stimulate growth for over 850 additional narrow body aircraft covering over 2,000 domestic and international routes we can serve with A320 family aircraft. As an additional indication of potential domestic passenger growth in North America, Boeing's "2016 Current Market Outlook" estimated that 2,620 new narrow body aircraft (net of retirements) would be added in North America by 2035, resulting in a total of 6,630 narrow body aircraft in operation.

Similarly, in Europe where the ULCC operating strategy is more mature, ULCCs have driven substantial increases in passenger volumes. Over the 15-year period from 2000 to 2014, according to World Bank and public

filings of other carriers, total passenger volumes in Europe had a compound annual growth rate of approximately 4%, of which approximately 80% was attributable to ULCC growth and stimulation. According to World Bank and other public filings, over the same 15-year period, ULCCs in Europe grew their market share from approximately 5% of total domestic passengers in 2000 to approximately 38% of total domestic passengers in 2014, whereas in the United States, ULCCs only had a market share of approximately 3% of total domestic passengers in 2014. In addition, according to each airline's most recent fiscal year public filings, European ULCCs, including Ryanair, Easyjet and Wizz Air, had 696 aircraft in operation in 2016 and have had an 9.3% compound annual growth rate since 2007. By comparison, U.S. ULCCs had 245 aircraft in 2016 and have had a higher compound growth rate of 15.3% since 2007.

The airlines executing ULCC operating strategies in the United States are Allegiant Travel Company and Spirit Airlines, in addition to ourselves. For the year ended December 31, 2016, Allegiant Travel Company had revenue of $1.4 billion and Spirit Airlines had revenue of $2.3 billion, compared to our revenue of $1.7 billion. Allegiant Travel Company, Spirit Airlines and we ended the year with fleets of 84, 95 and 66 aircraft, respectively. Of the three U.S.-based ULCCs, Spirit Airlines is the most similar operationally to our airline—for example, through the operation of a single type of aircraft in a high-utilization, point-to-point model. Allegiant Travel Company focuses on leisure travel, with less frequent service primarily linking small markets to vacation destinations, such as Las Vegas and Orlando, often with a package including lodging and other services.

BUSINESS

Overview

Frontier Airlines is an ultra low-cost carrier whose business strategy is focused on *Low Fares Done Right*®. We offer flights throughout the United States and to select international destinations in Mexico and the Caribbean. Our unique and sustainable strategy is underpinned by our low cost structure and superior ULCC brand. As of December 31, 2016, we operated a fleet of 66 narrow-body Airbus A320 family aircraft, which we expect to grow to 121, including 80 A320neo (New Engine Option) family aircraft, by the end of 2021. In the year ended December 31, 2016, we served approximately 14.9 million passengers across a network of 59 airports.

In December 2013, we were acquired by an investment fund managed by Indigo Partners LLC, or Indigo, an experienced and successful global investor in ultra low-cost carriers, or ULCCs. Following the acquisition, Indigo reshaped our management team to include experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique *Low Fares Done Right* strategy, which significantly reduced our unit costs, introduced low fares, provided the choice of optional services, enhanced our operational performance and improved the customer experience. Through the implementation of our new operating model, we have positioned our brand as a premier ULCC in the United States and have seen a dramatic improvement to our profitability.

The implementation of *Low Fares Done Right* has significantly reduced our cost base over the past three years by increasing aircraft utilization, transitioning to larger aircraft, maximizing seat density, renegotiating our distribution agreements, realigning our network, replacing our reservation system, enhancing our website, boosting employee productivity and contracting with specialists to provide us with select operating and other services. As a result of these and other initiatives, we have reduced our CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.74¢ in the year ended December 31, 2016, and our Adjusted CASM (excluding fuel) from 7.89¢ for the year ended December 31, 2013 to 5.43¢ in the year ended December 31, 2016, an improvement of 27% and 31%, respectively. In 2016, this was one of the U.S. industry's lowest unit operating costs. We believe that we are well positioned to maintain our relatively low unit operating costs through on-going strategic initiatives, including continuing our cost optimization efforts and further realizing economies of scale.

In addition to low unit costs, a key component of our *Low Fares Done Right* success was establishing Frontier as a premier ULCC in the United States by attracting customers with low fares and garnering repeat business by delivering a high-quality, family-friendly customer experience with a more upscale look and feel than historically experienced on ULCCs globally.

We currently offer flexible optional services through both unbundled and bundled service options. In 2015, we introduced *The Works*, a hassle-free option that includes a guaranteed seat assignment, carry-on and checked baggage, ticket refundability and changes, and priority boarding, all at an attractive low price and available only on our website. In 2016, we expanded our bundled product offering with *The Perks*, which enables customers to book the same amenities included in *The Works*, excluding refundability and ticket changes, through third parties. We operate a customer-friendly digital platform that includes our website and mobile app, which makes booking and travel easy and more enjoyable for our customers. Our brand and product are also family-friendly, featuring popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families. We reward our repeat customers through our *Early Returns* frequent flyer program and also offer our *Discount Den* membership program, which provides subscribers with exclusive access to some of our lowest fares.

Low Fares Done Right differentiates Frontier from the historical ULCC model by providing a dependable and higher quality customer service experience than traditionally offered by such carriers. We pioneered this

concept in the United States through our disciplined approach to operational reliability, modern fleet and comfortable cabin seating, including extra seat padding, and our *Stretch* seating option. Our focus on reliability and service allowed us to achieve the lowest ratio of cancelled flights and the highest percentage of on-time arrivals among the U.S. ULCCs according to the Department of Transportation, or DOT, for the year ended December 31, 2016. This high level of operational performance has led to a reduction in the rate of our customers' complaints for the year ended December 31, 2016 as compared to 2015, according to DOT data. Our commitment to operational reliability is also reflected in our approach to recruiting, workforce training and employee engagement, which we believe enables us to offer a standardized and predictable travel experience. We believe the association of our brand with a high level of operational performance differentiates us from the other U.S. ULCCs and enables us to generate greater customer loyalty. In addition, as a result of our *Low Fares Done Right* strategy of distinguishing our service offering from other airlines, including other ULCC airlines, we were able to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the year ended December 31, 2016.

The low unit cost, high quality of service and dependability that make *Low Fares Done Right* successful have enabled us to implement a network strategy that primarily targets high fare or underserved markets, where our low fares stimulate new traffic flows. In addition, we also focus on providing air transportation from medium-sized markets (population between one and 4.7 million) to a wide range of VFR (visiting friends and relatives) and leisure destinations. As of December 2016, we served 28 of the 43 medium-sized markets in the United States, including Denver. Through this network strategy, we have built our current network around flights to and from airports that complement our Denver franchise, including Orlando, Las Vegas, Philadelphia, Cincinnati, Cleveland, Atlanta, Trenton, Chicago and Phoenix. This current network reflects significant diversification and a proactive effort to reduce our concentration in Denver. We reduced the number of our flights with either an origin or destination in Denver from over 90% as of December 2013 to approximately 45% as of December 2016. The diversification of our network since the beginning of 2014 has enabled us to reduce the impact of seasonality, increase revenue, increase utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016.

We believe that our business model, including our focus on medium-sized markets and the use of low fares to stimulate demand, positions us to benefit from significant growth opportunities in the United States. According to the DOT, there were over 500 million domestic passengers in the United States during the 12 months ended September 30, 2016. Of these passengers, over 300 million paid a fare that was at least 30% above our cost basis per passenger during the same period for the stage length associated with such fares. As a result, we believe that there are a significant number of markets in which we could operate profitably with our low fares, and we believe our entry into such markets could drive substantial passenger volume growth in those markets. For example, according to the DOT, in markets we entered in March and April 2015, industry passenger volumes increased by an average of approximately 41% in the six months ended September 30, 2016 as compared to the same period in 2014.

According to the DOT, the 25-year (1991 to 2016) compound annual growth rate for domestic passenger traffic in the United States was approximately 2.1%. Based on this information, we believe that over the next 25 years, low fare offerings, such as those offered by ULCCs, could stimulate growth for over 850 additional narrow body aircraft covering over 2,000 domestic and international routes we can serve with A320 family aircraft. Of these routes, we believe there is an opportunity for over 650 new routes from medium-sized markets in the United States. As an additional indication of potential domestic passenger growth in North America, Boeing's "2016 Current Market Outlook" estimated that 2,620 new narrow body aircraft (net of retirements) would be added in North America by 2035, resulting in a total of 6,630 narrow body aircraft in operation.

Similarly, in Europe where the ULCC operating strategy is more mature, ULCCs have driven substantial increases in passenger volumes. Over the 15-year period from 2000 to 2014, according to World Bank and public filings of other carriers, total passenger volumes in Europe had a compound annual growth rate of approximately 4%, of which approximately 80% was attributable to ULCC growth and stimulation. According to World Bank

and other public filings, over the same 15-year period, ULCCs in Europe grew their market share from approximately 5% of total domestic passengers in 2000 to approximately 38% of total domestic passengers in 2014, whereas in the United States, ULCCs only had a market share of approximately 3% of total domestic passengers in 2014.

Our History

We were incorporated in September 2013 as a newly-formed corporation initially wholly-owned by an investment fund managed by Indigo to facilitate the acquisition of Frontier and its holding company from Republic. That acquisition was completed on December 3, 2013. Following the acquisition, Indigo reshaped our management team to include experienced veterans of the airline industry. Working with Indigo, our management team developed and implemented our unique strategy, *Low Fares Done Right*.

Indigo is a private equity fund focused on investing in air transportation companies, with past or current investments in six other ULCC airlines, including Spirit Airlines based in the United States, Tiger Airways based in Singapore and Australia, Volaris based in Mexico, Wizz Air based in Central and Eastern Europe, Avianova which operated in Russia from 2009 to 2011, and Mandala Airlines which operated in Indonesia until 2011. In February 2017, Indigo announced an investment in JetSMART, a start-up airline that plans to provide air transportation services in South America.

Our Business Model

Our business model is based on our unique *Low Fares Done Right* strategy. While our strategy is similar to the business models utilized by other ULCCs, including with respect to low cost structure, low fares and flexible optional services, we believe *Low Fares Done Right* differentiates us from other U.S. ULCCs as a result of our focus on delivering a higher quality, family-friendly customer experience with a more upscale look and feel than traditionally than historically experienced on ULCCs globally. From the perspective of our customers, our business model provides a product offering that combines low base fares with dependable customer service, a customer-friendly digital platform, a modern fleet, comfortable cabin seating, flexible optional services and operational reliability.

Our Competitive Strengths

Our competitive strengths include:

Our Low-Cost Structure. Our low-cost structure has allowed us to reduce our unit operating costs, measured by our Adjusted CASM (excluding fuel), from 7.89¢ for the year ending December 31, 2013 to 5.43¢ for the year ending December 31, 2016, which is among the lowest of all airlines operating in the United States and compares to an average of 9.08¢ for legacy network carriers, which include American Airlines, Delta Air Lines, United Airlines, Alaska Airlines and Hawaiian Airlines, an average of 7.85¢ for LCCs, which include JetBlue Airways and Southwest Airlines, and 5.94¢ and 5.45¢ for Allegiant Travel Company and Spirit Airlines, respectively. Our low-cost structure is driven by several factors:

- *High Aircraft Utilization*. We have high aircraft utilization, which during 2016 averaged 12.6 hours per day. This compares to an average during 2016 of 9.8 hours per day for legacy network carriers, an average of 10.5 hours per day for LCCs, and 12.4 and 6.3 hours per day for Spirit Airlines and Allegiant Travel Company, respectively.
- *Modern Fleet and Attractive Order Book*. We operate a modern fleet composed solely of Airbus A320 family aircraft, which are recognized as having high reliability and low operating costs. Operating a single family of aircraft provides us with several operational and cost advantages, including the ability to optimize crew scheduling and training, and maintenance. Since 2013, we have steadily reduced the number of A319 aircraft in our fleet, replacing them with larger and more cost-efficient A320ceo and

A320neo aircraft (180 to 186 seats) and A321ceo aircraft (230 seats). As of December 31, 2016, the average age of our fleet was approximately six years. In addition, we have an attractive order book of new, fuel-efficient aircraft, including, as of December 31, 2016, 76 A320neo family aircraft. We believe, once all A320neo aircraft are delivered through 2021, we will have the fastest adoption rate of A320neo aircraft (as a percentage of total fleet) among U.S. carriers.

- *Fuel Efficient Fleet.* In 2015, we were named one of the industry's most fuel-efficient airlines operating in 2014 by The International Council on Clean Transportation as a result of superior technology and operational efficiencies. Furthermore, the A320neo family aircraft that we have begun to place in service are estimated to deliver approximately 15% improved fuel efficiency compared to the prior generation of A320 aircraft.
- *High Capacity Fleet*. We have increased the seat density on our A319ceo aircraft from 138 seats to 150 seats and the seat density on our prior generation of A320 aircraft from 168 seats to 180 seats during 2015. Across our entire fleet, we have grown from an average of 145 seats per aircraft in 2013 to 173 seats per aircraft in 2016, a 19% growth in the average number of seats per aircraft. Our fleet features new and lightweight slim-line seats, which eliminate excess weight and reduce fuel consumption per seat. As of March 31, 2017, we had the highest seat density per A320ceo/neo and A321ceo aircraft operated by any U.S. airline.
- *Low Cost Distribution Model*. For the years ended December 31, 2016 and 2015, approximately 63% and 58%, respectively, of our tickets were sold directly to customers through our direct distribution channels, including our website and mobile app, our lowest cost distribution channels, versus approximately 51% for the year ended December 31, 2014. We also reduced our distribution costs per passenger following the renegotiation of our distribution agreements.
- *Highly Productive Workforce and Specialist Providers*. We have a highly productive workforce with 4,723 passengers per full-time equivalent employee for the fiscal year ended December 31, 2016. Where it is efficient for us to do so, we contract with third-party specialists to provide us with select operating and other services.

Our Superior Brand. We believe establishing our brand as a premier ULCC positions us to generate greater customer loyalty, which enabled us to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the year ended December 31, 2016. Our superior brand is demonstrated by our significant number of repeat customers. According to a survey we conducted in February 2017, over 85% of our passengers surveyed were repeat customers and 61% had flown with us two or more times during the previous 12 months. The key features of our brand include:

- Significant customer value delivered through low fares with the choice of reasonably priced unbundled and bundled options, including *The Works* and *The Perks*.
- Family-friendly elements that appeal to a large audience, such as an attentive staff, popular animals on our aircraft tails, novelty cards for children and amenity packages tailored for families.
- A carefully designed look and feel, which is more upscale than traditional ULCCs, including our livery, our website and mobile applications, uniforms, seat design, on-board products and other graphical brand marketing components.
- A strong online presence with a customer-friendly digital platform that includes a new passenger reservation system, improved website and our mobile app.
- Our modern fleet with amenities such as extra seat padding, the widest economy middle seat on a narrow-body aircraft of any U.S. ULCC or LCC and our *Stretch* seating option, which provides a comfortable 33 inch seat pitch.
- The best operational performance among U.S. ULCCs for the year ended December 31, 2016 in terms of on-time performance and completion factor, according to the DOT.

Our Network Management. We plan our route network and airport footprint to focus on profitable existing routes and new routes where we believe our business model will stimulate demand and grow profitability. This has enabled us to reduce the seasonality of our revenue, increase revenues, improve utilization, lower unit costs and enhance profitability in each of 2014, 2015 and 2016. The key features of our network include:

- A broad geographic footprint, which enables us to service a wide range of VFR and leisure destinations.
- A strong presence in medium-sized markets.
- A disciplined and methodical approach to both route selection and the removal of underperforming routes.
- An operational platform that includes nationwide crew and maintenance bases, creating access to lower risk growth opportunities while maintaining high operational standards and enabling high utilization.

Our Talented ULCC Leadership Team. Our management team has extensive day-to-day experience operating ULCCs and other airlines.

- Barry L. Biffle, our President and Chief Executive Officer, previously served as Chief Executive Officer of VivaColombia, Executive Vice President for Spirit Airlines and held various management roles with US Airways and American Eagle Airlines, a regional airline subsidiary of American Airlines, Inc.
- James G. Dempsey, our Chief Financial Officer, previously served as Treasurer and Head of Investor Relations for Ryanair after serving in management roles with PricewaterhouseCoopers.
- James E. Nides, our acting Chief Operating Officer, previously served as Chief Operating Officer of Volaris and has extensive prior experience at Continental Express.
- Daniel M. Shurz, our Senior Vice President, Commercial, previously served in various roles with United Airlines and Air Canada.

Low Fares Done Right—Our Business Strategy

Our goal is to offer the most attractive option for air travel with a compelling combination of value, product and service, and, in so doing, to grow profitably and enhance our position among airlines in the United States. Through the key elements of our business strategy, we seek to achieve:

Low Unit Costs. We intend to maintain our cost advantage, including by:

- Maintaining the high utilization levels we achieved in 2016.
- Utilizing new generation, fuel-efficient aircraft that deliver lower operating costs compared to prior generation aircraft.
- Increasing the average size and seat capacity of the aircraft in our fleet through the continued introduction and operation of new 186-seat A320neo and 230-seat A321ceo aircraft and the retirement of additional A319 aircraft.
- Taking a disciplined approach to our operational performance in order to reduce disruption.

A Superior ULCC Brand and High Unit Revenues. In order to enhance our brand and drive revenue growth, we intend to continue to deliver a higher-quality flight experience than historically offered by ULCCs globally and generate customer loyalty by:

- Continuing to offer attractive low fares.
- Expanding our marketing efforts, including through the addition of new animals for each of our new aircraft, to position our brand as a family-friendly ULCC.

- Continuing to improve penetration of our bundling options, including *The Works* and *The Perks*.
- Enhancing our *Early Returns* offering to improve reward opportunities for our branded credit card customers.
- Providing our customers a dependable, reliable, on-time and friendly experience.

Strong Growth Driven by an Expanding and Efficient Network. We intend to continue to utilize our disciplined and methodical approach to expand our network in an efficient manner, including by:

- Continuing to exploit overpriced and/or underserved markets across the U.S. and select international destinations in the Americas, including medium-sized markets, where a majority of our seat capacity was deployed during 2016.
- Leveraging our diverse geographic footprint and existing crew and maintenance base infrastructure to take advantage of lower risk network growth opportunities while maintaining high operational standards.
- Utilizing our low cost structure to offer low fares which organically drive growth through market stimulation.
- Continuing to rebalance our network to mitigate seasonality fluctuations.

Strong Capital Structure. We intend to maintain our strong capital structure to support our growth strategies and expansion of our fleet and network by utilizing:

- Our $150 million pre-delivery financing facility, which we recently extended to 2019 and from which we had drawn $143 million as of December 31, 2016.
- Continued financing of aircraft with attractive operating leases.
- Our $50 million pre-purchased miles facility, from which we had drawn $39 million of the amount available as of December 31, 2016.

Our Fares and the Choices We Offer

We provide low-fare passenger airline service primarily to travelers or VFRs and leisure travelers. Our low fares are designed to stimulate demand from price-sensitive travelers and consist of a base fare, plus taxes and governmental fees. For the year ended December 31, 2016, our total revenue per passenger was approximately $114.72.

We combine our low fares with flexible optional services for an additional cost. Such additional options include carry-on and checked baggage, advance seat selection, our extended-legroom *Stretch* seats, ticket changes and cancellations, refundability, and commissions from the sale of hotel rooms, rental cars and trip insurance. In 2015, we introduced *The Works*, a hassle-free option that includes a guaranteed seat assignment, carry-on and checked baggage, ticket refundability and changes and priority boarding, all at an attractive low price and available only on our website. In 2016, we expanded our bundled product offering with *The Perks*, which enables customers to book the same amenities included in *The Works*, excluding refundability and ticket changes, through third parties. We also promote and sell products in flight to enhance the customer experience, including snacks and alcoholic and non-alcoholic beverages. In 2016, we introduced a new convenient onboard payment system that enables customers to make multiple purchases with a single credit card transaction. Our other revenues also include services such as our *Early Returns* affinity credit card program and our *Discount Den* ultra low-fare subscription service. For the years ended December 31, 2016, 2015 and 2014, our average non-ticket revenue per passenger was $48.57, $30.45 and $21.69, respectively, and non-ticket revenue represented 42%, 25% and 17%, respectively, of our total revenue.

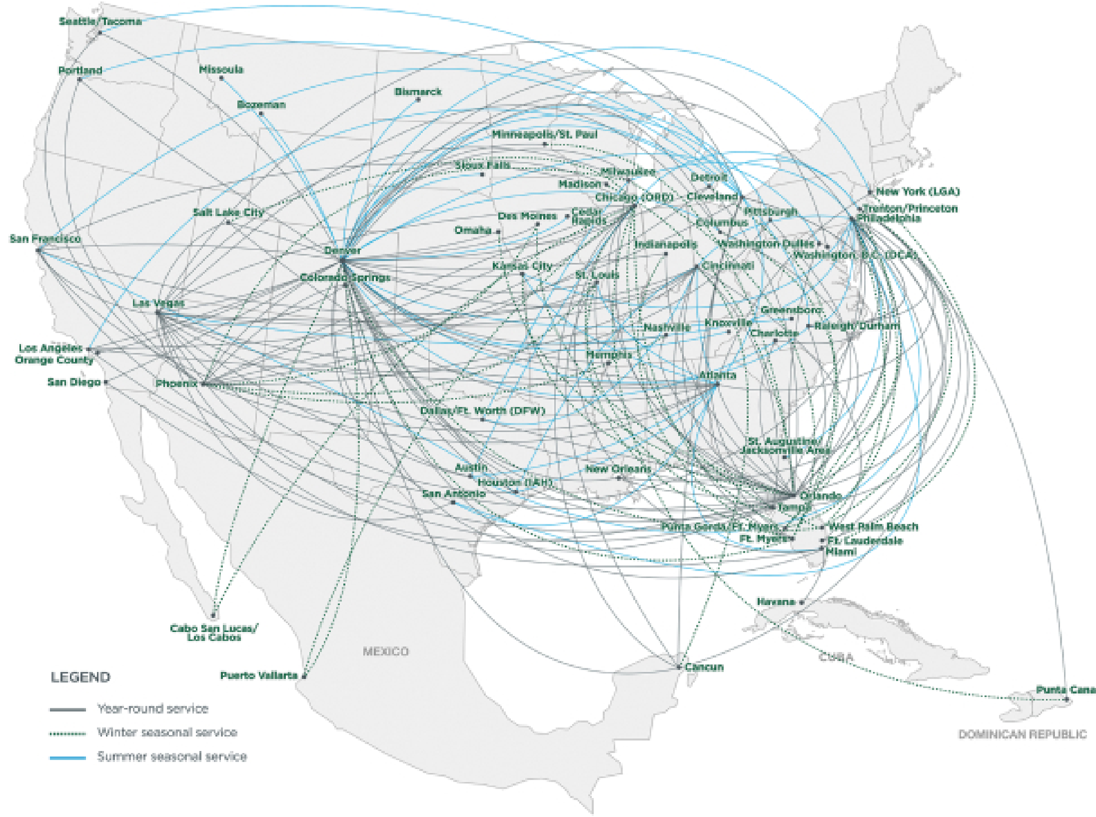
Route Network

The low unit cost, high quality of service and dependability that make *Low Fares Done Right* successful have enabled us to implement a network strategy that primarily targets high fare or underserved markets, where

our low fares stimulate new traffic flows. In addition, we also focus on providing air transportation from medium-sized markets (as categorized by the Office of Management and Budget) to a wide range of VFR and leisure destinations.

As of December 2016, we served 59 airports throughout the United States, the Caribbean and Mexico, and we served 28 of the 43 medium-sized markets in the United States, including Denver. Approximately 45% of our flights had Denver International Airport as its origin or destination at such time. Five other domestic markets make up the majority of our departures outside of Denver, including Orlando, Las Vegas, Chicago, Phoenix and Philadelphia, which accounted for 9.5%, 7.2%, 4.4%, 3.6% and 3.2% of our departures, respectively, as of December 2016.

Below is a map of routes we operated in 2016 (including routes we operate on a seasonal basis):



We use publicly available data related to existing traffic, fares and capacity in domestic markets as well as other data sources to identify growth opportunities. To monitor the profitability of each route, we analyze monthly profitability reports as well as actual and forecast advanced bookings. We routinely make capacity adjustments within our network based on the financial performance of our markets, and we discontinue service in markets where we determine that long-term profitability is not likely to meet our expectations.

Since our acquisition in December 2013, we have significantly diversified our markets exposure by expanding our presence in U.S. markets that complement our Denver franchise, including Orlando, Las Vegas, Philadelphia, Cincinnati, Cleveland, Atlanta, Trenton, Chicago and Phoenix. By continuing to add routes between other markets, we expect to leverage our brand and our existing base of loyal customers in these markets

to enable us to grow our share of revenue in such markets, We expect to utilize our current footprint to further diversify our route network, provide growth into additional strategic markets and expand our customer base as we gain new customers in such markets.

Competition

The airline industry is highly competitive. The principal competitive factors in the airline industry are fare pricing, total price, flight schedules, aircraft type, passenger amenities, number of routes served from a city, customer service, safety record and reputation, code-sharing relationships, and frequent flyer programs and redemption opportunities. Our competitors and potential competitors include legacy network carriers, low-cost carriers, ULCCs and new entrant airlines. We typically compete in markets served by traditional network airlines, low-cost carriers, the other U.S. ULCCs and regional airlines.

Our principal competitors on domestic routes are Alaska Airlines, Allegiant Travel Company, American Airlines, Delta Air Lines, JetBlue Airways, Southwest Airlines, Spirit Airlines, United Airlines and Virgin America (acquired by Alaska Airlines in December 2016). With respect to the legacy network carriers and LCCs, our principal competitive advantage is our low cost structure, low base fares and our focus on the VFR and leisure traveler. We believe our low cost structure allows us to price our fares at levels where we can be profitable while the legacy network carriers and our LCC competitors cannot. We believe the association of our brand with a high level of operational performance differentiates us from the other U.S. ULCCs and enables us to generate greater customer loyalty. In addition, as a result of our *Low Fares Done Right* strategy of distinguishing our service offering from other airlines, including other ULCC airlines, we have been able to generate a unit revenue premium over Spirit Airlines, the largest ULCC in the United States, during the year ended December 31, 2016.

The following table summarizes the RASM and Adjusted CASM (excluding fuel) of the legacy network airlines, LCCs and ULCCs of significant size in the United States for the year ended December 31, 2016:

Carrier	RASM(1)	Adj. CASM (Ex. Fuel)(1)(3)
Legacy Network Carriers		
Alaska Airlines (pro forma for acquisition of Virgin America)(2)	12.51¢	8.04¢
American Airlines(2)	13.86¢	9.54¢
Delta Air Lines(2)	15.08¢	9.75¢
United Airlines(2)	13.58¢	9.38¢
Hawaiian Airlines	13.33¢	8.71¢
Low-Cost Carriers		
JetBlue Airways	12.37¢	7.59¢
Southwest Airlines	13.75¢	8.10¢
Ultra Low-Cost Carriers		
Frontier Airlines	**9.33¢**	**5.43¢**
Allegiant Travel Company	11.01¢	5.94¢
Spirit Airlines	9.11¢	5.45¢

(1) See “Glossary of Airline Terms.”
(2) Mainline only.
(3) As formulated by each carrier in its public reports, excluding, among other things, special charges, third-party business expenses, fuel and profit sharing. These measures may not be comparable across all airlines.

The airline industry is particularly susceptible to price discounting because, once a flight is scheduled, airlines incur only nominal incremental costs to provide service to passengers occupying otherwise unsold seats. Price competition occurs on a market-by-market basis through price discounts, changes in pricing structures, fare

matching, target promotions and frequent flyer initiatives. Airlines typically use discount fares and other promotions to stimulate traffic during normally slower travel periods to generate cash flow and to maximize RASM. The prevalence of discount fares can be particularly acute when a competitor has excess capacity that it is under financial pressure to sell. A key element of our competitive strategy is to maintain very low unit costs in order to permit us to compete successfully in price-sensitive markets. See also “Risk Factors—Risks Related to Our Industry—The airline industry is exceedingly competitive, and we compete against legacy network carriers, low-cost carriers and other ultra low-cost carriers; if we are not able to compete successfully in our markets, our business will be materially adversely affected.”

Many airlines have marketing alliances with other airlines, under which they market and advertise their status as marketing alliance partners. Such alliances generally provide for code-sharing, frequent flyer program reciprocity, coordinated scheduling of flights to permit convenient connections and other joint marketing activities. We currently do not have any alliances with U.S. or foreign airlines. Please see “Risk Factors—Risks Related to Our Industry—Our lack of membership in a marketing alliance could harm our business and competitive position.”

Distribution

We primarily sell our product through direct distribution channels, including our website, mobile app and our call center with our website and mobile app serving as the primary platforms for ticket sales. Approximately 63% and 58% of our total tickets sold for the years ended December 31, 2016 and 2015, respectively, were sold directly to our customers through these distribution channels. Sales through our website and mobile app represent our lowest cost distribution channels.

We also offer the option to purchase tickets through third parties, such as travel agents who access us through GDS companies (e.g., Amadeus, Galileo, Sabre and Worldspan) and select online travel agents, or OTAs (e.g., Priceline and websites owned by Expedia, including Orbitz and Travelocity). Third-party channels represented approximately 37% and 42% of sales the years ended December 31, 2016 and 2015, respectively. We maintain a zero percent standard commission policy for travel agency bookings worldwide unless local regulations mandate that we pay a commission. We also have agreements with all the leading GDS companies. GDSs provide flight schedules and pricing information and allow travel agents to electronically book a flight reservation without separately contacting our reservations facility.

Marketing and Brand

We are focused on direct-to-consumer marketing targeted at our core VFR and leisure travelers. According to a survey we conducted in February 2017, leisure, VFRs and business travelers represented 51%, 42% and 7% of our total passengers over the previous 12 months. Our principal marketing message to our customers is our *Low Fares Done Right* strategy. Consistent with our ULCC business model, we use a simple marketing message to keep marketing costs low and we regularly offer promotional base fares of $29 or less.

Our principal marketing tools are our proprietary email distribution list consisting of over seven million email addresses, our *Early Returns* frequent flyer program and our *Discount Den* subscription service as well as advertisements in online, television, radio and other channels. Our objective is to use our low prices, superior customer service, price-based promotions and creativity to produce viral marketing programs that are cost effective.

In 2014, we redesigned the livery of our aircraft in order to enhance our brand. Our new and improved livery includes our unique and Frontier stylized “F” that was first introduced in 1978, our website address, a large arrow that was first adopted on a fleet of our predecessor’s DC-3s and signature Frontier green color scheme. In addition, each of our aircraft features one of our widely-recognized animals on its tail and is named after such bird or animal. We utilize these animals in several of our online marketing campaigns and on the novelty cards we distribute to children onboard.

We spent approximately 4.2% and 4.9% as a percentage of total revenues on marketing, brand and distribution for the years ended December 31, 2016 and 2015, respectively.

Loyalty and Membership Programs

Our *Early Returns* frequent flyer program rewards and encourages customer loyalty and enables sales of miles to marketing partners. In 2015, we enhanced the *Early Returns* program by adding a new elite tier, Frontier Elite, and retiring our legacy tier structure. The *Early Returns* MasterCard is the primary vehicle whereby customers earn miles and our frequent flyer program is geared specifically towards supporting adoption and continued use of the credit card.

Early Returns offers award travel on every flight without blackout dates. All award tickets are subject to redemption fees, which are waived for all Frontier Elite Members, all Frontier MasterCard holders (if they redeem 21 days prior to departure) and *Early Returns* Base Members who purchase tickets 180 days prior to departure. There are three types of travel awards: Economy Award Tickets require the lowest mileage, Choice Award Tickets are more widely available at double the mileage requirement and Last Seat Availability Award Tickets are exclusively available to Frontier Elite Members. One-way awards require as few as 10,000 miles. The program also calculates a year-end status level, and currently miles never expire as long as a customer earns miles at least every six months.

The *Discount Den* is an annual subscription based service that allows members exclusive access to the lowest fares on offer and first access to seats when our selling schedule is extended. Members pay $49.99 per year to become a member of the *Discount Den*.

Customers

We believe our product appeals to price-sensitive customers because we give them the choice to pay only for the products and services they want. In addition, we believe our product is particularly attractive to families because our fleet features popular and widely-recognized animals on our aircraft tails, we provide children with novelty cards on each flight, we offer amenity packages tailored for families on board and our staff are committed to our goal of providing excellent customer service. Overall, our business model is designed to deliver what we believe our customers want: low fares and a high quality flight experience. While we are not focused on stimulating business travel, we believe our low fares do attract a significant number of small business travelers who bear their own travel costs.

Operational Performance

We are committed to delivering excellent operational performance, which we believe will strengthen customer loyalty and attract new customers. The DOT publishes statistics regarding measures of customer satisfaction for domestic airlines and can assess civil penalties for failure to comply with certain customer service obligations. We are also periodically subject to audit by the DOT and an audit is currently ongoing. Our performance under operational performance measures for the years ended December 31, 2016, 2015 and 2014 was as follows:

	Year Ended December 31,		
	2016	2015	2014
On-Time Performance(1)	76.0%	73.2%	74.1%
Completion Factor(2)	98.8%	99.4%	99.6%

(1) Percentage of our scheduled flights that were operated by us that were on-time (within 15 minutes).
(2) Percentage of our scheduled flights that were operated by us, whether or not delayed (i.e., not cancelled), derived from DOT cancellation statistics.

In the year ended December 31, 2016, we achieved the best operational performance among U.S. ULCCs in terms of on-time performance and completion factor, according to the DOT. Our significantly improved operational performance has led to a 25% reduction in the rate of DOT customer complaints for the year ended December 31, 2016 as compared to 2015.

Fleet

We fly only Airbus A320 family aircraft, which provides us significant operational and cost advantages compared to airlines that operate multiple fleet types. Flight crews are entirely interchangeable across all of our aircraft, and maintenance, spare parts inventories and other operational support are highly simplified relative to more complex fleets. Due to this commonality among Airbus single-aisle aircraft, we can retain the benefits of a fleet composed of a single type of aircraft while still having the flexibility to match the capacity and range of the aircraft to the demands of each route.

As of December 31, 2016, we had a fleet of 66 Airbus single-aisle aircraft, consisting of 22 A319s, 27 A320s, four A320neos and 13 A321s. The average age of the fleet was approximately six years as of December 31, 2016. Of the existing aircraft, 60 were financed under operating leases. The operating leases with respect to seven, 13 and three aircraft of our fleet are scheduled to terminate in 2017, 2018 and 2019, respectively. We intend to replace those 23 aircraft with A320neo family aircraft. Our current fleet plan calls for growth to 121 aircraft by the end of 2021. We have a firm purchase commitment with Airbus to acquire 76 A320neo family aircraft and six A321ceo aircraft by 2021. We also have a firm purchase commitment for 12 additional spare aircraft engines. We may elect to supplement these deliveries by additional acquisitions from the manufacturer or in the open market if demand conditions merit. We are also assessing our potential needs in 2021 and beyond to replace aircraft scheduled to come off of lease and provide additional capacity. Our order book as of December 31, 2016 was comprised of the following aircraft:

	A319neo	A320neo	A321	Total Aircraft	Engines
2017	—	11	6	17	3
2018	—	16	—	16	2
2019	—	18	—	18	2
2020	5	13	—	18	2
2021	13	—	—	13	2
Thereafter	—	—	—	—	1
Total	**18**	**58**	**6**	**82**	**12**

Consistent with our ULCC business model, each of our aircraft is configured with a high density seating configuration. Our A319s equipped with two over-wing exits accommodate 150 passengers (compared to 145 on Spirit Airlines, 119 on Virgin America, 128 on United Airlines and up to 128 on American Airlines), our A320s accommodate up to 186 passengers (compared to up to 182 on Spirit Airlines, 149 on Virgin America and 150 on United Airlines, JetBlue Airways and American Airlines) and our A321s accommodate 230 passengers (compared to up to 228 on Spirit Airlines, up to 200 on JetBlue Airways and up to 187 on American Airlines).

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Aircraft Fuel

Aircraft fuel is our largest expense representing 25%, 27% and 39% of our total operating costs for the years ended December 31, 2016, 2015 and 2014, respectively. The price and availability of jet fuel are volatile due to global economic and geopolitical factors as well as domestic and local supply factors. Our historical fuel consumption and costs were as follows:

	Year Ended December 31,		
	2016	2015	2014
Gallons consumed (millions)	216	195	165
Average price per gallon	$ 1.59	$ 1.90	$ 3.26

Average price per gallon includes related fuel fees and taxes as well as effective fuel-hedging gains and losses.

We maintain an active hedging program designed to reduce our exposure to sudden, sharp increases in fuel prices. We regularly review our fuel hedging program and, accordingly, the specific hedging instruments we use, the amount of our future hedges and the time period covered by our hedge portfolio vary from time to time depending on our view of market conditions and other factors. Among the hedging instruments we have used in the past and may use in the future include options and collar contracts on jet fuel, fixed forward price contracts, or FFPs, which allow us to lock in the price of jet fuel for specified quantities and at specified locations in future periods, and call options. As of December 31, 2016, we had hedges in place for approximately 73% of our projected fuel requirements in 2017 at an average strike price of $1.78 per gallon and approximately 20% of our projected fuel requirements for the month of January 2018 at a strike price of $1.75 per gallon, with all of our then existing call options expected to be exercised or expire by 2018.

Maintenance and Repairs

We have a FAA mandated and approved maintenance program, which is administered by our technical operations department. Our maintenance technicians undergo extensive initial and recurrent training. Aircraft maintenance and repair consists of routine and non-routine maintenance, and work performed is divided into three general categories: line maintenance, heavy maintenance and component service.

Line maintenance consists of routine daily and weekly scheduled maintenance checks on our aircraft. We categorize our line maintenance into four stations and each line maintenance station is categorized by the scope and complexity of work performed. Line maintenance is performed in Denver, Chicago, Cleveland, Orlando and Atlanta and represents the majority of and most extensive maintenance we perform.

Major airframe maintenance checks consist of a series of more complex tasks that can take from one to four weeks to accomplish and typically are required approximately every 20 months. Engine overhauls and engine performance restoration events are quite extensive and can take two months. We maintain an inventory of spare engines to provide for continued operations during engine maintenance events. We expect to begin the initial planned engine maintenance overhauls on our new engine fleet approximately four to six years after the date of manufacture and introduction into our fleet, with subsequent engine maintenance every four to six years thereafter. Due to our relatively small fleet size and projected fleet growth, we believe outsourcing all of our heavy maintenance, engine restoration and major part repair, is more economical. We have entered into a long-term flight hour agreement for our engine overhaul services and an hour-by-hour basis agreement for component services. We also outsource heavy airframe maintenance. These contracts cover the majority of our aircraft component inventory acquisition, replacement and repairs, thereby eliminating the need to carry expensive spare parts inventory.

The operating leases with respect to seven, 13 and three aircraft of our fleet are scheduled to terminate in 2017, 2018 and 2019, respectively. Prior to such aircraft being returned, we will incur costs to restore these aircraft to the condition required by the terms of the underlying operating leases.

We currently have an obligation to purchase 82 aircraft by the end of 2021. We expect that these new aircraft will require less maintenance when they are first placed in service (sometimes called a "maintenance holiday") because the aircraft will benefit from manufacturer warranties and also will be able to operate for a significant period of time, generally measured in years, before the most expensive scheduled maintenance obligations, known as heavy maintenance, are required. Once these maintenance holidays expire, these aircraft will require more maintenance as it ages and our maintenance and repair expenses for each of our aircraft will be incurred at approximately the same intervals. See "Risk Factors—Risks Relating to Our Business—Our maintenance costs will increase over the near term, and we will periodically incur substantial maintenance costs due to the maintenance schedules of our aircraft fleet."

Employees

As of December 31, 2016, we had 3,412 employees, consisting of 1,105 pilots, 1,593 flight attendants, 20 flight dispatchers, 94 maintenance, 40 aircraft appearance agents, 24 material specialists, 13 maintenance controllers and 523 employees in administrative roles.

FAA regulations require pilots to have commercial licenses with specific ratings for the aircraft to be flown, and to be medically certified as physically fit to fly. FAA and medical certifications are subject to periodic renewal requirements including recurrent training and recent flying experience. Mechanics, quality-control inspectors, and flight dispatchers must be certificated and qualified for specific aircraft. Flight attendants must have initial and periodic competency training and qualification. Training programs are subject to approval and monitoring by the FAA. Management personnel directly involved in the supervision of flight operations, training, maintenance, and aircraft inspection must also meet experience standards prescribed by FAA regulations. All safety-sensitive employees are subject to pre-employment, random, and post-accident drug testing.

We focus on hiring highly productive employees and, where feasible, designing systems and processes around automation and the utilization of third-party specialists in order to maintain our low-cost base. With respect to pilots, given the pilot shortage being experienced by parts of the industry, particularly regional airlines, one of our operational priorities is to maintain a robust pipeline of qualified pilot candidates. In 2016, we received approximately 10 pilot applications for every one pilot hired. This pipeline is partially the result of recruiting and selection arrangements we have recently entered into with several regional airlines that are not affiliated with any of the legacy network airlines. Under these mutual recruiting and selection arrangements, we jointly recruit, interview and select candidates to become Frontier pilots after successfully meeting defined training and flight experience requirements with one of the feeder regional airlines. We have found these arrangements to be beneficial to our company because we are able to identify an attractive flow of pilot candidates and to be beneficial to the feeder regional airline because it is better able to recruit entry level pilots if it is able to offer those candidates an opportunity to graduate to a mainline airline, such as Frontier. In addition, we believe we are an attractive employer for pilots as a result of our strong growth, which provides our pilots with career progression opportunities and enables them to achieve substantial pay increases within the first three years of employment under the collective bargaining agreement with our pilots. For example, as a result of our continuing fleet expansion, all of our First Officers hired since late-2013 have been eligible for upgrade to Captain within 24 to 36 months of joining the company.

As of December 31, 2016, approximately 85% of our employees were represented by labor unions under collective-bargaining agreements, as follows:

Employee Groups	Number of Employees	Representative	Status of Agreement/Amendable Date
Pilots	1,105	Air Line Pilots Association (ALPA)	Became amendable in March 2016. In negotiation.
Flight Attendants	1,593	Association of Flight Attendants (AFA-CWA)	Became amendable in July 2015. In negotiation.
Dispatchers	20	Transport Workers Union (TWU)	New Contract ratified in December 2016.
Material Specialists	24	International Brotherhood of Teamsters (IBT)	New Contract ratified in March 2017.
Aircraft Appearance Agents	40	IBT	Became amendable in July 2015. In negotiation.
Maintenance Controllers	13	IBT	Became amendable in August 2014. In negotiation.
Maintenance	94	IBT	New Contract ratified in February 2017

The Railway Labor Act, or RLA, governs our relations with labor organizations. Under the RLA, the collective bargaining agreements generally do not expire, but instead become amendable as of a stated date. If either party wishes to modify the terms of any such agreement, they must notify the other party in the manner agreed to by the parties. Under the RLA, after receipt of such notice, the parties must meet for direct negotiations, and if no agreement is reached, either party may request the National Mediation Board, or NMB, to appoint a federal mediator. The RLA prescribes no set timetable for the direct negotiation and mediation process. It is not unusual for those processes to last for many months, and even for a few years. If no agreement is reached in mediation, the NMB in its discretion may declare at some time that an impasse exists, and if an impasse is declared, the NMB proffers binding arbitration to the parties. Either party may decline to submit to arbitration. If arbitration is rejected by either party, a 30-day “cooling off” period commences. During that period (or after), a Presidential Emergency Board, or PEB, may be established, which examines the parties’ positions and recommends a solution. The PEB process lasts for 30 days and is followed by another “cooling off” period of 30 days. At the end of a “cooling off” period, unless an agreement is reached or action is taken by Congress, the labor organization may strike and the airline may resort to “self-help,” including the imposition of any or all of its proposed amendments and the hiring of new employees to replace any striking workers. Congress and the President have the authority to prevent “self-help” by enacting legislation that, among other things, imposes a settlement on the parties. The table above sets forth our employee groups and status of the collective bargaining agreements.

Safety and Security

We are committed to the safety and security of our passengers and employees. Some of the safety and security measures we have taken include: aircraft security and surveillance, positive bag matching procedures, enhanced passenger and baggage screening and search procedures, and securing of cockpit doors. We strive to comply with or exceed health and safety regulation standards. In pursuing these goals, we maintain an active aviation safety program and all of our personnel are expected to participate in the program and take an active role in the identification, reduction and elimination of hazards.

Our ongoing focus on safety relies on training our employees to proper standards and providing them with the tools and equipment they require so they can perform their job functions in a safe and efficient manner.

Safety in the workplace targets several areas of our operation including: flight operations, maintenance, in-flight, dispatch, and station operations.

The Transportation Security Administration, or TSA, is charged with aviation security for both airlines and airports. We maintain active, open lines of communication with the TSA at all of our locations to ensure proper standards for security of our personnel, customers, equipment and facilities are exercised throughout the operation. In September 2016, we introduced TSA Precheck for our flights to improve our customers' airport experiences.

Facilities

We lease or rent all of our facilities at the airports we serve. Our leases for our terminal passenger service facilities, which include ticket counter and gate space, operations support area and baggage service office, generally contain provisions for periodic adjustments of lease rates. We are typically responsible for maintenance, insurance and other facility-related expenses and services under these agreements. We also have entered into use agreements at many of the airports we serve that provide for the non-exclusive use of runways, taxiways and other facilities. Landing fees under these agreements are based on the number of landings and weight of the aircraft.

We primarily operate out of Concourse A, at Denver International Airport under an operating lease that expires in December 2018. We currently use up to 10 gates within Concourse A. We have preferential access to eight of the Concourse A gates and common use access to the remaining two Concourse A gates. Our operating lease also includes a 154,900 square foot hangar, which includes office space and is where we provide certain maintenance on our aircraft.

Our second largest operation is at Terminal A at Orlando International Airport, where we operate under an airport lease agreement that provides us with the preferential use of five airport gates and access to up to two additional common-use gates. Our lease agreement extends through September 2019. We believe that our leased gates are capable of handling our expected growth in operations.

Our principal executive offices and headquarters are presently located in leased premises at 7001 Tower Rd, Denver, Colorado 80249, consisting of approximately 70,000 square feet, under a lease which expires in 2020. In the fourth quarter of 2017, we expect to relocate our headquarters to owned premises located at 4545 Airport Way, Denver, Colorado 80239.

Insurance

We maintain insurance policies we believe are of types customary in the airline industry and as required by the DOT, lessors and other financing parties. The policies principally provide liability coverage for public and passenger injury; damage to property; loss of or damage to flight equipment; fire; auto; directors' and officers' liability; advertiser and media liability; cyber risk liability; fiduciary; workers' compensation and employer's liability; and war risk (terrorism). Although we currently believe our insurance coverage is adequate, we cannot assure you that the amount of such coverage will not be changed or that we will not be forced to bear substantial losses from accidents.

Foreign Ownership

Under DOT regulations and federal law, we must be owned and controlled by U.S. citizens. The restrictions imposed by federal law and regulations currently require that at least 75% of our voting stock must be owned and controlled, directly and indirectly, by persons or entities who are U.S. citizens, as defined in the Federal Aviation Act, that our president and at least two-thirds of the members of our board of directors and other managing officers be U.S. citizens, and that we be under the actual control of U.S. citizens. In addition, at least 51% of our

total outstanding stock must be owned and controlled by U.S. citizens and no more than 49% of our stock may be held, directly or indirectly, by persons or entities who are not U.S. citizens and are from countries that have entered into "open skies" air transport agreements with the U.S. which allow unrestricted access between the United States and the applicable foreign country and to points beyond the foreign country on flights serving the foreign country. We are currently in compliance with these ownership provisions. For a discussion of the procedures we instituted to ensure compliance with these foreign ownership rules, please see "Description of Capital Stock—Anti-Takeover Provisions of Our Certificate of Incorporation and Bylaws—Limited Ownership and Voting by Foreign Owners."

Government Regulation

Aviation Regulation

The DOT and FAA have regulatory authority over air transportation in the United States. The DOT has authority to issue certificates of public convenience and necessity, exemptions and other economic authority required for airlines to provide domestic and foreign air transportation. International routes and international code-sharing arrangements are regulated by the DOT and by the governments of the foreign countries involved. A U.S. airline's ability to operate flights to and from international destinations is subject to the air transport agreements between the United States and the foreign country and the carrier's ability to obtain the necessary authority from the DOT and the applicable foreign government.

The U.S. government has negotiated "open skies" agreements with many countries, which allow unrestricted access between the United States and the applicable foreign country and to points beyond the foreign country on flights serving the foreign country. With certain other countries, however, the United States has a restricted air transportation agreement. Our international flights to Mexico are governed by a recently implemented liberalized bilateral air transport which the DOT has determined has all of the attribute of an "open skies" agreement. Our flights to the Dominican Republic and any service we may provide to Cuba are governed by bilateral air transport agreements between the United States and such countries. Changes in U.S., Mexico, the Dominican Republic or Cuba aviation policies could result in the alteration or termination of the corresponding air transport agreement, diminish the value of our international route authorities or otherwise affect our operations to/from these countries.

The FAA is responsible for regulating and overseeing matters relating to the safety of air carrier flight operations, including the control of navigable air space, the qualification of flight personnel, flight training practices, compliance with FAA airline operating certificate requirements, aircraft certification and maintenance requirements and other matters affecting air safety. The FAA requires each commercial airline to obtain and hold an FAA air carrier certificate. We currently hold an FAA air carrier certificate.

Airport Access

Flights at three major domestic airports are regulated through allocations of landing and takeoff authority (i.e., "slots" and "operating authorizations") or similar regulatory mechanisms, which limit take-offs and landings at those airports. Each slot represents the authorization to land at or take off from the particular airport during a specified time period.

In the United States, the FAA currently regulates the allocation of slots, slot exemptions, operating authorizations or similar capacity allocation mechanisms at two of the airports we serve, Ronald Reagan Washington National Airport (DCA) in Washington, D.C. and New York's LaGuardia Airport (LGA). In addition, John Wayne Airport (SNA) in Orange County, California, has a locally imposed slot system. Our operations at these airports generally require the allocation of slots or analogous regulatory authorizations. We currently have sufficient slots or operating authorizations to operate our existing flights, but there is no assurance that we will be able to do so in the future because, among other reasons, such allocations are subject to changes in governmental regulations and policies. Our ability to retain slots or operating authorizations is subject to

"use-or-lose" provisions of the governing regulations, and our ability to expand service at slot-controlled airports similarly is limited. The DOT also regulates slot transactions between airlines.

Consumer Protection Regulation

The DOT also has jurisdiction over certain economic issues affecting air transportation and consumer protection matters, including unfair or deceptive practices and unfair methods of competition, lengthy tarmac delays, air carriers, airline advertising, denied boarding compensation, ticket refunds, baggage liability, contracts of carriage, customer service commitments, customer complaints and transportation of passengers with disabilities. The DOT frequently adopts new consumer protection regulations, such as rules to protect passengers addressing lengthy tarmac delays, chronically delayed flights, codeshare disclosure and undisclosed display bias, and is reviewing new guidelines to address the transparency of airline non-ticket fees and refunding baggage fees for delayed checked baggage. The DOT also has authority to review certain joint venture agreements, code-sharing agreements (where an airline places its designator code on a flight operated by another airline) and wet-leasing agreements (where one airline provides aircraft and crew to another airline) between carriers and regulates other economic matters such as slot transactions.

Security Regulation

The U.S. Transportation Security Administration and the U.S. Customs and Border Protection, each a division of the U.S. Department of Homeland Security, are responsible for certain civil aviation security matters, including passenger and baggage screening at U.S. airports, and international passenger prescreening prior to entry into or departure from the U.S. International flights are subject to customs, border, immigration and similar requirements of equivalent foreign governmental agencies. We are currently in compliance with all directives issued by such agencies.

Environmental Regulation

We are subject to various federal, state, foreign and local laws and regulations relating to the protection of the environment and affecting matters such as air emissions (including greenhouse gas, or GHG, emissions), noise emissions, discharges to surface and subsurface waters, safe drinking water, and the use, management, release, discharge and disposal of, and exposure to, materials and chemicals.

In particular, in June 2015, the EPA issued revised underground storage tank regulations that could affect airport fuel hydrant systems and reissued the Multi-Sector General Permit for Stormwater Discharges from Industrial Activities. Among other revisions, the reissued permit incorporates the EPA's previously issued Airport Deicing Effluent Limitation Guidelines and New Source Performance Standards. In addition, California adopted a revised State Industrial General Permit for Stormwater Discharges on April 1, 2014, which became effective July 1, 2015. This permit places additional reporting and monitoring requirements on permittees and requires implementation of mandatory best management practices. Cost estimates to comply with the above permitting requirements have not been defined, but we, along with other airlines, would share a portion of these costs at applicable airports. In addition to the EPA and state regulations, several U.S. airport authorities are actively engaged in efforts to limit discharges of de-icing fluid to the environment, often by requiring airlines to participate in the building or reconfiguring of airport de-icing facilities. Such efforts are likely to impose additional costs and restrictions on airlines using those airports.

We are also subject to environmental laws and regulations that require us to investigate and remediate soil or groundwater to meet certain remediation standards. Under certain laws, generators of waste materials, and current and former owners or operators of facilities, can be subject to liability for investigation and remediation costs at locations that have been identified as requiring response actions. Liability under these laws may be strict, joint and several, meaning that we could be liable for the costs of cleaning up environmental contamination regardless of fault or the amount of wastes directly attributable to us.

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GHG Emissions

Concern about climate change and greenhouse gases may result in additional regulation or taxation of aircraft emissions in the United States and abroad. In particular, in June 2015, the EPA announced a proposed endangerment finding that aircraft engine GHG emissions cause or contribute to air pollution that may reasonably be anticipated to endanger public health or welfare. If the EPA makes a final, positive endangerment finding, the EPA is obligated under the Clean Air Act to set GHG emissions standards for aircraft. Several states are also considering or have adopted initiatives to regulate emissions of GHGs, primarily through the planned development of GHG emissions inventories and/or regional cap-and-trade programs. On March 6, 2017, ICAO adopted new carbon dioxide certification standards for new aircraft beginning in 2020. The new CO2 standards will apply to new aircraft type designs from 2020, and to aircraft type designs already in production as of 2023. In-production aircraft that do not meet the standard by 2028 will no longer be able to be produced unless their designs are modified to meet the new standards.

In the event that such legislation or regulation is enacted in the United States or in the event similar legislation or regulation is enacted in jurisdictions where we operate or where we may operate in the future, it could result in significant costs for us and the airline industry. In addition to direct costs, such regulation may have a greater effect on the airline industry through increases in fuel costs that could result from fuel suppliers passing on increased costs that they incur under such a system.

Noise

Federal law recognizes the right of airport operators with special noise problems to implement local noise abatement procedures so long as those procedures do not interfere unreasonably with interstate and foreign commerce and the national air transportation system. These restrictions can include limiting nighttime operations, directing specific aircraft operational procedures during take-off and initial climb and limiting the overall number of flights at an airport. While we have had sufficient scheduling flexibility to accommodate local noise restrictions in the past, our operations could be adversely impacted if ICAO or locally imposed regulations become more restrictive or widespread.

Other Regulations

Airlines are also subject to various other federal, state, local and foreign laws and regulations. For example, the U.S. Department of Justice has jurisdiction over certain airline competition matters. Labor relations in the airline industry are generally governed by the Railway Labor Act. The privacy and security of passenger and employee data is regulated by various domestic and foreign laws and regulations.

Future Regulations

The U.S. government and foreign governments may consider and adopt new laws, regulations, interpretations and policies regarding a wide variety of matters that could directly or indirectly affect our results of operations. We cannot predict what laws, regulations, interpretations and policies might be considered in the future, nor can we judge what impact, if any, the implementation of any of these proposals or changes might have on our business.

Legal Proceedings

We are subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. We currently believe that the ultimate outcome of such lawsuits, proceedings and reviews will not, individually or in the aggregate, have a material adverse effect on our financial position, liquidity or results of operations.

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MANAGEMENT

The following table provides information regarding our executive officers and directors as of March 31, 2017:

Name	Age	Position(s)
Non-Employee Directors		
William A. Franke	79	Chairman of the Board
Josh T. Connor	43	Director
Brian H. Franke	53	Director
Robert J. Genise	69	Director
Bernard L. Han	52	Director
C.A. Howlett	73	Director
Michael R. MacDonald	65	Director
Patricia Salas Pineda	65	Director
John R. Wilson	52	Director
Executive Officers and Employee Director		
Barry L. Biffle	45	Director, President and Chief Executive Officer
James G. Dempsey	42	Chief Financial Officer
James E. Nides	66	Acting Chief Operating Officer
Howard M. Diamond	50	General Counsel and Secretary
Mark C. Mitchell	43	Chief Accounting Officer
Daniel M. Shurz	41	Senior Vice President, Commercial

(1) Member of the audit committee.
(2) Member of the compensation committee.
(3) Member of the nominating and corporate governance committee.

The following are brief biographies for each current non-employee director and each executive officer and employee director. When we refer to any of such persons' service, to our company we are referring to service to Frontier Group Holdings, Inc. as well as our wholly-owned subsidiaries, Frontier Airlines Holdings, Inc. ("FAH") and Frontier Airlines, Inc.

Non-Employee Directors

William A. Franke has served as Chairman of our Board of Directors since December 2013. Mr. Franke has served as managing partner of Indigo Partners LLC, a private equity fund focused on air transportation, since 2002. Mr. Franke was the chairman and chief executive officer of America West Airlines from 1993 to 2001 and has served on the boards of directors of Wizz Air Hungary Airlines Ltd., an airline based in Europe, and its parent company, Wizz Air Holdings Plc, since February 2005, Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, since July 2011, and JetSMART SpA, an airline planning to commence operations in South America, since February 2017. He also served as chairman of Spirit Airlines Inc. from 2006 to 2013 and Tiger Aviation Pte. Ltd, a Singapore-based airline, from 2004 to 2009, and held directorships in Alpargatas S.A.I.C., an Argentina-based footwear and textiles manufacturer, from 1996 to 2007, and Phelps Dodge Corporation, a mining company, where he served as the lead outside director for several years, from 1980 to 2007. He has in the past served on a number of other publicly listed company boards of directors, including ON Semiconductor, Valley National Corporation, Southwest Forest Industries and the Circle K Corporation. Mr. Franke holds a B.A. and a LLB from Stanford University and an honorary doctorate from Northern Arizona University. We believe Mr. Franke is qualified to serve on our Board of Directors due to his private equity experience in the air transportation industry, his prior directorships, his financial literacy and his general and airline business experience.

Josh T. Connor has served as a member of our Board of Directors since August 2015. Mr. Connor is the founding partner of Connor Capital SB, LLC, an investment firm founded in December 2015. Mr. Connor has also served as strategic adviser of Oaktree Capital Management's Infrastructure Fund, an asset management firm specializing in alternative investment strategies, since September 2015. Mr. Connor has served on the board of Copa Holdings SA, the parent company of Panamanian airline Copa Airlines, since January 2016. From October 2013 to July 2015, Mr. Connor served as a managing director and co-head of the industrials banking group at Barclays Capital Inc., an international investment bank. While at Barclays, Mr. Connor also served as global head of transportation banking from April 2011 to October 2013. Prior to joining Barclays, Mr. Connor was with Morgan Stanley, an international investment bank, for 15 years, where he served as co-head of the global transportation & infrastructure investment banking group. Mr. Connor holds a B.A. in Economics from Williams College. We believe Mr. Connor is qualified to serve on our Board of Directors due to his private equity experience, his financial expertise and general business experience.

Brian H. Franke has served as a member of our Board of Directors since December 2013. Mr. Franke has been a principal of Indigo Partners LLC, a private equity fund focused on air transportation, since April 2004. Mr. Franke has served on the boards of directors of Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, since July 2011, and JetSMART SpA, an airline planning to commence operations in South America, since February 2017. Mr. Franke holds a B.S. from the University of Arizona and a Masters of International Management from the Thunderbird School of Global Management. We believe Mr. Franke is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Robert J. Genise has served as a member of our Board of Directors since March 2014. Mr. Genise has served as a board member of Aergen Aviation Finance Limited, a Dublin, Ireland aircraft leasing company, since 2014 and has served as CEO of its wholly-owned subsidiary, Aergen Management Services, Inc. Mr. Genise has served on the board of directors of Avioserve San Diego, Inc., a late-life aircraft engine parts management company, since June 2012. Mr. Genise served as chief executive officer of DAE Capital, the aircraft leasing division of Dubai Aerospace Enterprise (DAE) Ltd., a global aerospace corporation, from 2007-2011. Prior to this, Mr. Genise was involved in the creation of two large aircraft leasing companies, Boullioun Aviation Services, Inc. and Singapore Aircraft Leasing Pte. Mr. Genise holds a B.S. from New York University, an M.B.A. from the University of Connecticut and a J.D. from Pace University. We believe Mr. Genise is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Bernard L. Han has served as a member of our Board of Directors since March 2014. Mr. Han has served as executive vice president of strategic planning at Dish Network Corp., a broadcast satellite service provider, since December 2015. Prior to that, Mr. Han served as the chief operating officer of Dish Network Corp. from April 2009 to December 2015 and as the chief financial officer of EchoStar Corporation, a global satellite services provider, from September 2006 to April 2009. He also served on the board of ON Semiconductor Corporation, a semiconductor manufacturer, from March 2012 to April 2015. From 2002 to 2005, Mr. Han served as the chief financial officer and executive vice president of Northwest Airlines Corp., an airline later absorbed into Delta Air Lines, Inc. From 1996 to 2002, Mr. Han held several executive positions at America West Airlines, Inc., an airline later absorbed into the US Airways Group, including executive vice president and chief financial officer and senior vice president of marketing and planning. From 1988 to 1995, Mr. Han held various finance and marketing positions at Northwest Airlines Corp. and American Airlines. Mr. Han holds a B.S., M.S. and M.B.A., all from Cornell University. We believe Mr. Han is qualified to serve on our Board of Directors due to his experience in the airline industry, financial expertise and general and airline business experience.

C.A. Howlett has served as a member of our Board of Directors since December 2013. Mr. Howlett has been a principal of Indigo Partners LLC, a private equity fund focused on air transportation, since July 2011. Mr. Howlett has served as a member of the executive board of Phoenix Theater since 1999, as chairman of the Phoenix Symphony Association since 2008, as a board member of the Arizona Chamber of Commerce since

2002 and as a board member of the U.S. Chamber of Commerce since 1996. Mr. Howlett has also served on the board of the Valley of Sun Convention and Visitor's Bureau since 2014. Mr. Howlett served as senior vice president of public affairs at US Airways Group, Inc., from 2005 to 2011. Prior to that, Mr. Howlett served as senior vice president of public affairs of America West Airlines, an airline later absorbed into US Airways Group Inc., from 1995 to 2005. Mr. Howlett holds a B.A. in Political Science and Economics and an M.A. in Public and Business Administration from the University of Colorado. We believe Mr. Howlett is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Michael R. MacDonald has served as a member of our Board of Directors since March 2017. Mr. MacDonald served as the president and chief executive officer and a member of the board of directors of DSW Inc., a publicly traded footwear retailer, from April 2009 to December 2015. Prior to joining DSW, Mr. MacDonald served as chairman and chief executive officer of Shopko Stores, a retail company, from May 2006 to March 2009. Prior to that time, Mr. MacDonald held executive positions at Saks Incorporated from 1998 to 2006, most recently as chairman and chief executive officer of the Northern Department Stores Group for six years. Prior to serving in that capacity, Mr. MacDonald held executive positions at Carson Pirie Scott, including the position of chairman and chief executive officer. Mr. MacDonald has served as a member of the Board of Directors of Ulta Beauty, Inc., a public company, since 2012. Mr. MacDonald holds a B.B.A. from the University of Notre Dame and an M.B.A. from the University of Detroit. We believe Mr. MacDonald is qualified to serve on our Board of Directors due to his business experience.

Patricia Salas Pineda has served as a member of our Board of Directors since March 2017. Ms. Pineda served as group vice president of Hispanic business strategy for Toyota Motor North America, Inc. from 2013 to October 2016. Previously, Ms. Pineda served Toyota Motor North America as group vice president, national philanthropy and the Toyota USA Foundation from 2004 until 2013. During this period, Ms. Pineda also served as general counsel and group vice president of administration from 2006 to 2008 and as group vice president of corporate communications and general counsel from 2004 to 2006. Prior to that, Ms. Pineda was vice president of legal, human resources and government relations, and corporate secretary of New United Motor Manufacturing, Inc. with which she had been associated since 1984. Ms. Pineda has served on the board of directors of Levi Strauss & Co., an apparel maker, since 1991. Ms. Pineda previously served on the boards of directors of Anna's Linens, a specialty retailer of discounted home furnishings, and Eller Media Company (now known as Clear Channel Outdoor), an outdoor advertising company. Ms. Pineda is currently a member of the corporate advisory board of the National Council of La Raza and chairwoman and member of the board of directors of the Latino Corporate Directors Association. Ms. Pineda holds a B.A. in Government from Mills College and a J.D. from Boalt Hall School of Law at the University of California, Berkeley. We believe Ms. Pineda is qualified to serve on our Board of Directors due to her expertise in governmental relations and regulatory oversight, corporate governance and human resources matters.

John R. Wilson has served as a member of our Board of Directors since December 2013. Mr. Wilson has been a principal of Indigo Partners LLC, a private equity fund focused on air transportation, since 2004. Mr. Wilson has served on the boards of directors of Wizz Air Hungary Airline, Ltd., an airline based in Europe and its parent company, Wizz Air Holdings Plc, since February 2005, Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, since July 2011, and JetSMART SpA, an airline planning to commence operations in South America, since February 2017. Mr. Wilson served on the board of directors of Spirit Airlines, Inc., from April 2009 to July 2013. Previously, Mr. Wilson held positions at America West Airlines, an airline later absorbed into US Airways Group, Inc., and Northwest Airlines Corp., an airline later absorbed into Delta Air Lines, Inc. Mr. Wilson holds a B.B.A. from Texas Tech University and an M.B.A. from the University of Virginia Darden Graduate School of Business. We believe Mr. Wilson is qualified to serve on our Board of Directors due to his experience in the airline industry and general and airline business experience.

Executive Officers and Employee Director

Barry L. Biffle has served as a member of our Board of Directors since March 2017, as our Chief Executive Officer since March 2016 and as our President since July 2014. From July 2013 to April 2014, Mr. Biffle served as chief executive officer of VivaColombia, an airline based in Medellín, Colombia. From February 2005 to July 2013, Mr. Biffle served as chief marketing officer of Spirit Airlines. From 2003 to 2005, Mr. Biffle served as managing director of marketing at US Airways. Mr. Biffle also held other key positions in network planning, sales and marketing while at US Airways. Prior to joining US Airways, Mr. Biffle held several management positions at American Eagle Airlines, a regional airline subsidiary of American Airlines, Inc. Mr. Biffle holds a B.A. degree from the University of Alabama. We believe Mr. Biffle is qualified to serve on our Board of Directors due to his experience in the air transportation industry and his general airline and business experience.

James G. Dempsey has served as our Chief Financial Officer since May 2014. From July 2006 to April 2014, Mr. Dempsey served as treasurer at Ryanair Holdings PLC. From 2003 to 2006, Mr. Dempsey served as head of investor relations at Ryanair. Prior to this, Mr. Dempsey served in various management roles with PricewaterhouseCoopers from 2000 to 2003. Mr. Dempsey holds a Bachelor of Commerce Degree from the University College Dublin and is a fellow of the Institute of Chartered Accountants in Ireland.

James E. Nides has served as our Acting Chief Operating Officer since January 2017. Mr. Nides served as our Vice President Flight Operations from April 2015 until December 2017. Mr. Nides served as chief operating officer of Concesionaria Vuela Compañía de Aviación, S.A. de C.V., an airline based in Mexico doing business as Volaris, from July 2011 to April 2015. Mr. Nides served as vice president of flight operations & maintenance of Express Jet Holdings Inc., a regional U.S. airline, from 1998 to 2011. Mr. Nides holds a B.S. in Economics from the University of Cincinnati.

Howard M. Diamond has served as our General Counsel and Secretary since July 2014. Mr. Diamond served as vice president, general counsel and corporate secretary of Thales USA, Inc., a diversified aerospace, defense and transportation company, from January 2008 to July 2014. Mr. Diamond holds a B.A. degree from Wesleyan University and a J.D. from the University of Virginia Law School.

Mark C. Mitchell has served as our Chief Accounting Officer since September 2015. Mr. Mitchell served in various leadership capacities for Starwood Hotels and Resorts Worldwide, Inc., or SHRW, a hotel and leisure company, from February 2007 to September 2015, including serving as the Vice President, Accounting (SHRW) during 2013 to 2015 and as the corporate controller for Starwood Vacation Ownership, Inc., the timeshare brand of SHRW, during 2007 to 2015. Mr. Mitchell is a CPA and holds a B.S. in Accounting from Indiana University and an M.B.A. from the University of Florida.

Daniel M. Shurz has served as our Senior Vice President, Commercial since January 2012. Mr. Shurz also served as our Vice President, Strategy and Planning from June 2009 to February 2012. Prior to that, Mr. Shurz served as vice president, network planning from August 2006 to April 2009 and director, business development from May 2005 to August 2006 at Air Canada. Mr. Shurz holds a B.A. from Cambridge University and an M.B.A. from the University of Chicago Booth School of Business.

Board Composition

Our board of directors is presently comprised of 10 members. In accordance with our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering, our board of directors will be divided into three classes with staggered three-year terms effective immediately prior to the completion of this offering. At each annual general meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- The Class I directors are , , and , and their terms will expire at the annual general meeting of stockholders to be held in 2018;

- The Class II directors are , and , and their terms will expire at the annual general meeting of stockholders to be held in 2019; and
- The Class III directors are , and , and their terms will expire at the annual general meeting of stockholders to be held in 2020.

Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors.

Until such time as Indigo beneficially owns shares of our common stock representing less than a majority of the voting rights of our outstanding common stock, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering require a majority stockholder vote for the removal of a director with or without cause. From and after such time as Indigo holds less than a majority of the voting rights of our outstanding common stock, a majority stockholder vote will be required for removal of a director with cause (and a director may only be removed for cause). The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

An investment fund managed by Indigo owns more than 50% of our outstanding voting securities and we are therefore considered a “controlled company” within the meaning of the rules. Following the consummation of this offering, we expect to remain a “controlled company” and we intend to rely upon the “controlled company” exception to the board of directors and committee independence requirements under the rules. Pursuant to this exception, we will be exempt from the rules that would otherwise require that our board of directors be comprised of a majority of independent directors and that our compensation and nominating and corporate governance committees be composed entirely of independent directors. The “controlled company” exception does not modify the independence requirements for the audit committee, and we expect to rely on certain phase-in provisions to comply with the requirements of the Sarbanes-Oxley Act and the rules, requiring that our audit committee be comprised exclusively of independence directors within one year of this offering.

Our board of directors has undertaken a review of the independence of each director and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. As a result of this review, our board of directors determined that are , and , representing of our 10 directors, are “independent directors” as defined under the applicable rules and regulations of the SEC and the .

Family Relationships

William A. Franke is the father of Brian H. Franke. Otherwise, there are no family relationships among any of our directors or executive officers.

Leadership Structure

We have historically separated the roles of CEO and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting our strategic direction and our day-to-day leadership and performance, while the Chairman of the Board provides guidance to the CEO, sets the agenda for board meetings and presides over meetings of the full board of directors. In addition, our amended and restated bylaws to be in effect immediately prior to the consummation of this offering provide that the independent directors may appoint a lead director from among them to perform such duties as may be assigned by our board of directors.

Board Committees

Our board of directors has the following committees: an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each committee are

described below. Members serve on these committees until their resignation or until otherwise determined by our board.

Audit Committee

Our audit committee oversees our corporate accounting and financial reporting process and the audits of our financial statements. Among other matters, the audit committee evaluates the independent auditors' qualifications, independence and performance; determines the engagement of the independent auditors; reviews and approves the scope of the annual audit and the audit fee; discusses with management and the independent auditors the results of the annual audit and the review of our quarterly financial statements; approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors on the company's engagement team as required by law; reviews our critical accounting policies and estimates; oversees our internal audit function and annually reviews the audit committee charter and the committee's performance. The current members of our audit committee are , who is the chair of the committee, and . All members of our audit committee meet the requirements for financial literacy under the applicable rules and regulations of the SEC and the . Our board has determined that is an audit committee financial expert as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the .. , and are independent directors as defined under the applicable rules and regulations of the SEC and the . The audit committee operates under a written charter that satisfies the applicable standards of the SEC and the . Our audit committee will consist of at least one member that is independent upon the effectiveness of our registration statement of which this prospectus forms a part, a majority of members that are independent within 90 days thereafter and all members that are independent within one year thereafter.

Compensation Committee

Our compensation committee reviews and recommends policies relating to compensation and benefits of our officers and employees. The compensation committee reviews the compensation philosophy of the Company, reviews and approves corporate goals and objectives relevant to compensation of our Chief Executive Officer and other executive officers, evaluates our performance in light of those goals and objectives, and sets the compensation of these officers based on such evaluations. The compensation committee also considers market trends in executive compensation with respect to the compensation of these officers. The compensation committee also administers the issuance of stock options and other awards under our stock plans. The compensation committee reviews and evaluates, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter. The current members of our compensation committee are , and , with serving as the chair of the committee.

In order for our compensation committee to continue to make recommendations or determinations with respect to executive compensation, such committee must be composed of a majority of independent directors within ninety days from the date our common stock is listed on the and entirely of independent directors within one year from the date our common stock is listed on the . However, if we remain or become a "controlled company," we will qualify for, and expect to rely on, exemptions from the corporate governance requirements that require such committee to be composed entirely of independent directors. Our board of directors has affirmatively determined that each of , and meets the definition of "independent director" for purposes of the listing rules and is and will be a "non-employee director" as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and an "outside director" as that term is defined in Section 162(m) of the U.S. Internal Revenue Code of 1986, as amended, or Section 162(m).

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, the nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The nominating and corporate governance committee reviews and evaluates, at least annually, the performance of the nominating and corporate governance committee and its members, including compliance of the nominating and corporate governance committee with its charter. The current members of our nominating and corporate governance committee are , and , with serving as the chair of the committee.

In order for our nominating and corporate governance committee to continue to make recommendations or determinations with respect to the composition of our board, such committee must be composed of a majority of independent directors within ninety days from the date our common stock is listed on the and entirely of independent directors within one year from the date our common stock is listed on the . However, if we remain or become a "controlled company," we will qualify for, and expect to rely on, exemptions from the corporate governance requirements that require such committee to be composed entirely of independent directors. Our board of directors has affirmatively determined that each of , and meets the definition of "independent director" for purposes of the listing rules.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves or in the past year has served as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board or compensation committee.

Code of Ethics

Our board of directors has adopted a Code of Ethics. The Code of Ethics is applicable to all members of the board, officers and other employees, including our chief executive officer, chief financial officer and principal accounting officer. The Code of Ethics will be available under the Investor Relations section on our website at www.FlyFrontier.com under "Code of Ethics" at or around the time of this offering. The Code of Ethics addresses, among other things, issues relating to conflicts of interests, including internal reporting of violations and disclosures, and compliance with applicable laws, rules and regulations. The purpose of the Code of Ethics is to deter wrongdoing and to promote, among other things, honest and ethical conduct and to ensure to the greatest possible extent that our business is conducted in a legal and ethical manner. We intend to promptly disclose (1) the nature of any amendment to our code of ethics that applies to our directors, executive officers or other principal financial officers, or an immediate family member of a director, executive officer or other principal financial officer, and (2) the nature of any waiver, including an implicit waiver, from a provision of our code of ethics that is granted to one of these specified directors, officers or other principal financial officers, or an immediate family member of a specified director, executive officer or other principal financial officer, the name of such person who is granted the waiver and the date of the waiver on our website in the future.

Limitation of Liability and Indemnification

Our amended and restated certificate of incorporation, which will be in effect upon the completion of this offering, contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to us or our stockholders;

- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering provides that we shall indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws to be in effect immediately prior to the consummation of this offering also provide that we shall indemnify our directors and officers to the fullest extent permitted by Delaware law and advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. With specified exceptions, these agreements provide for indemnification for judgments, fines and settlement amounts as well as for related expenses including, among other things, attorneys' fees incurred by any of these individuals in any action or proceeding. We believe these limitation of liability provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation, amended and restated bylaws and indemnification agreements may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. Our amended and restated certificate of incorporation provides that any such lawsuit must be brought in the Court of Chancery of the State of Delaware. The foregoing provisions may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable. At present, there is no pending litigation or proceeding involving any of our directors, officers or employees for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The following discussion and analysis of compensation arrangements of our named executive officers, or NEOs, should be read together with the compensation tables and related disclosures set forth below. This discussion contains forward looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt may differ materially from currently planned programs as summarized in this discussion. Our employees, including the NEOs, are employed with Frontier and all employee compensation matters have historically been decided by the board of directors of Frontier and its compensation committee, except for grants of equity awards, which have been made by our board of directors. Following the closing of this offering, all compensation matters in respect to our NEOs will be determined by the compensation committee of our board of directors. All references to "we," "us" or "our" in this Executive Compensation section will refer to Frontier and Frontier's board of directors and its compensation committee for actions taken in respect of cash compensation prior to the completion of this offering and to FGHI and FGHI's board of directors and its compensation committee for actions taken in respect of equity awards at any time and in respect of cash compensation on and after the completion of this offering.

Our compensation committee, which is appointed by our board of directors, is responsible for establishing, implementing and monitoring our compensation philosophy and objectives. We seek to ensure that the total compensation paid to our executive officers is reasonable and competitive. Compensation of our executives is structured around the achievement of individual performance and near-term corporate targets as well as long-term business objectives.

Our NEOs for fiscal year 2016 were as follows:

- Barry L. Biffle, President and Chief Executive Officer;
- James G. Dempsey, Chief Financial Officer;
- Howard M. Diamond, General Counsel and Secretary;
- Daniel M. Shurz, Senior Vice President, Commercial; and
- William A. Meehan, former Chief Operating Officer.

Mr. Meehan's employment with us ended effective as of January 4, 2017. Mr. Biffle served as our President for all of fiscal year 2016, but he was not appointed as our President and Chief Executive Officer until March 2016.

Compensation Philosophy and Objectives

We strive to find the best talent, resources and infrastructure to better serve our customers. Our goal is to attract and retain the most highly qualified executives to manage and oversee each of our business functions. We seek out individuals who we believe will be able to contribute to our business and our vision of future success, our culture and values, and who will promote the long-term interests and growth of our company. Our philosophy is that executive officer compensation should be structured to be straightforward and evolve alongside our company, provide incentive compensation to motivate and reward executive officers to attain established company and individual goals, supply competitive base salaries and benefits to attract and retain superior employees and utilize equity-based compensation that is consistent with increasing stockholder value and encourages an ownership mentality by our executives.

In determining the form and amount of compensation payable to the NEOs, we are guided by the following objectives and principles:

- ***Compensation programs should be straightforward, clear and evolve with our business.*** As part of our development as business, we aim to ensure our compensation programs are straightforward and

clear in order to provide transparency to our stakeholders. Our executive compensation program should give strong, clear incentives to our executives and adapt and evolve to reflect the growth and development of our company to ensure we remain competitive in the marketplace.

- ***Compensation should relate directly to performance, and variable compensation should constitute a significant portion of total compensation.*** We believe that our compensation programs foster an environment of innovation that rewards outstanding performance. Accordingly, a significant portion of total compensation should be based on variable compensation that is tied to and varies with our financial, operational and strategic performance, as well as individual performance. Executives with greater roles and the ability to directly impact our company's goals and long-term results should bear a greater proportion of the risk if these goals and results are not achieved.
- ***Compensation levels should be designed to attract, motivate and retain exceptional executives in the markets in which we operate.*** The market for talented management is highly competitive in our industry. We aim to provide an executive compensation program that attracts, motivates and retains high-performing talent and rewards them for our achieving and maintaining a competitive position in our industry. Total compensation should increase with position and responsibility.
- ***Long-term equity-based compensation should align executives' interests with our stockholders' interests.*** Long-term incentive awards, including equity-based compensation, incentivize executives to manage the company from a perspective that is beneficial to our stockholders, promoting the long-term growth of our company. Equity-based compensation should be utilized to foster an ownership mentality among our executives and to align the interests of our executives with our stockholders.

Determination of Compensation

Our compensation committee meets periodically to review and consider recommendations from Mr. Biffle with respect to each NEO's base salary, annual bonus compensation and long-term equity awards, other than with respect to himself. At the same time, our compensation committee reviews and determines adjustments, if necessary, to Mr. Biffle's compensation, including his base salary, annual bonus compensation and long-term equity awards. Our compensation committee annually evaluates our company-wide performance against the approved performance targets for the prior fiscal year. Our committee also meets periodically to discuss compensation-related matters as they arise during the year. For fiscal year 2016, our compensation committee determined each individual component of compensation for our NEOs. Mr. Biffle evaluates each other NEO's individual performance and contributions to our company at the end of each fiscal year and reports his recommendations regarding each element of the other NEOs' compensation to our compensation committee. Mr. Biffle does not participate in any formal discussion with our compensation committee regarding decisions on his own compensation and he recuses himself from meetings when his compensation is discussed. Following the completion of this offering, our compensation committee will oversee the annual compensation review process for all NEOs.

We generally rely on a flexible compensation program that allows us to adapt components and levels of compensation to motivate and reward individual executives to attain certain company-wide and individual goals. Subjective factors considered in compensation determinations include an executive's experience and capabilities, contributions to the executive's business unit or department, contributions to our overall company performance and whether the total compensation structure is sufficient to ensure the retention of the executive after taking into account the compensation potential that may be available elsewhere.

In early fiscal year 2016, our compensation committee began with a review of the primary aspects of our compensation programs for our named executive officers, including base salaries, performance-based bonuses and equity grants. As part of this process, our compensation committee consulted compensation surveys and gained a general understanding of current compensation practices through its compensation consultant, Willis Towers Watson. The surveys provided by Willis Towers Watson reported statistics on the total compensation,

position and responsibilities of executives employed by similarly situated companies in our industry and other companies based on revenue. Willis Towers Watson led our compensation committee through a detailed review of recent executive compensation trends, including as to the form and amount of cash compensation and equity grants. For fiscal year 2016, Willis Towers Watson recommended, and our compensation committee approved, the following peer group (the "Compensation Peer Group"), consisting of competitor airlines, for compensation market comparison purposes:

- Alaska Air Group, Inc.
- Allegiant Travel Company
- Hawaiian Holdings Inc.
- JetBlue Airways Corporation
- Republic Airways Holdings Inc.
- Sky West Inc.
- Spirit Airlines, Inc.
- Virgin America Inc.

The selection of companies for the Compensation Peer Group focused on small to medium-sized passenger carriers as an appropriate population for assessing the amounts and percentile rankings of compensation elements for NEOs, including base salaries, short-term incentives (bonuses) and long-term equity-based incentives. Our compensation committee determined that our competition for executive talent came significantly from these carriers. Willis Towers Watson primarily used the Compensation Peer Group to assess the competitiveness of our Chief Executive Officer's and Chief Operating Officer's compensation, as these positions would normally be recruited from other passenger airlines.

In assessing the compensation of our Chief Financial Officer, Senior Vice President, General Counsel and Secretary, and Senior Vice President, Commercial, Willis Towers Watson used a blended approach consisting of both Compensation Peer Group proxy data and broader survey data, adjusted for revenue size, as these positions could also be recruited from companies in other industries. Willis Towers Watson weighted the general industry companies at 25% and the airline peer group companies at 75% when evaluating our executive compensation and recommending adjustments. For its 2016 analysis, the survey data were pulled from the following three executive pay surveys:

- Seabury Airline Industry Compensation Survey Analysis;
- Willis Towers Watson Compensation Data Bank (CDB) General Industry Executive Compensation Survey Report; and
- William M. Mercer Executive Compensation Survey.

The data from the two general industry executive surveys were cut in scope to focus on companies with revenues approximating the Company's revenues of approximately $1.75 billion. Our compensation committee was not aware of the individual companies participating in the surveys and reviewed the data in a summarized fashion.

Our compensation committee has historically approved an overall guideline of total direct compensation for our senior management generally around the market median. Our executive compensation philosophy contemplates that our compensation committee would annually select a mix of base salary, annual target incentive compensation and long-term target incentive compensation intended to deliver total target direct compensation for our executive officers, in the aggregate, at approximately the market 50th percentile. However, our compensation committee reserved discretion to deviate from the above guidelines as necessary to account for

changing industry characteristics, our particular business model, individual performance and other factors. Willis Towers Watson's February 2016 analysis indicated that, in the aggregate, our NEOs' 2015 total target cash compensation (base salary plus target bonus opportunity) was slightly below the desired pay positioning, approximating the 50th percentile of the market.

Components of Compensation for Fiscal Year 2016

Our performance-driven compensation program for our NEOs consists of the following main components:

- base salary;
- performance-based cash incentives;
- equity-based incentives;
- benefits;
- perquisites; and
- termination-based compensation.

We will continue to build our executive compensation program around each of these elements because each individual component is useful in furthering our compensation philosophy and we believe that, collectively, they are effective in achieving our overall objectives.

Base Salary. We provide our NEOs with a base salary to compensate them for their service to our company during each fiscal year. The base salary payable to each NEO is intended to provide a fixed component of compensation that adequately reflects the executive's qualifications, experience, role and responsibilities. Base salary amounts are established based on consideration of, among other factors, the scope of the NEO's position, responsibilities and years of service and our compensation committee's general knowledge of the competitive market, based on, among other things, experience with other similarly situated companies and our industry and market data provided by Willis Towers Watson.

In March 2016, Mr. Biffle's base salary was increased from $425,000 to $475,000 in connection with Mr. Biffle's promotion to serve as our President and Chief Executive Officer and, after consultation with Mr. Biffle and Willis Towers Watson, Mr. Meehan's base salary was increased from $325,000 to $350,000 and Mr. Shurz's base salary was increased from $225,000 to $265,000 in order to better align Messrs. Meehan's and Shurz's total direct compensation with the 50th percentile of the market. In addition, after consulting with Mr. Biffle, effective April 2016, we increased Mr. Dempsey's base salary from $350,000 to $365,000 and Mr. Diamond's base salary from $325,000 to $333,000 in order to reward Messrs. Dempsey and Diamond for their outstanding performance and dedication to our company. The following table represents our NEOs' base salaries in effect for fiscal year 2016 after taking into account each NEO's increases.

Name	Base Salary for 2016 ($)
Barry L. Biffle, President & Chief Executive Officer	475,000
James G. Dempsey, Chief Financial Officer	365,000
Howard M. Diamond, General Counsel and Secretary	333,000
Daniel M. Shurz, Senior Vice President, Commercial	265,000
William A. Meehan, Former Chief Operating Officer	350,000

Performance-Based Cash Incentives. As a cornerstone of our compensation policy, we aim to create a direct correlation between the executive's role and responsibilities and the ability to earn variable pay. We provide cash bonuses to reward and incentivize superior individual and business performance, resulting in a performance-based organizational culture. Our performance-based cash incentive plans are designed to reward our executives for innovation and motivate them to achieve both corporate targets and individual goals, thereby tying the executives' goals and interests to those of our company and its stockholders.

Each of our NEOs was eligible for performance-based cash incentives under our Fiscal Year 2016 Management Bonus Plan. Mr. Meehan did not receive a performance bonus under this plan because he resigned his employment with us prior to payment of the performance bonuses in early 2017; although he received a cash severance payment equal to his target annual performance bonus pursuant to his separation agreement (see the description of Mr. Meehan's separation agreement in "Employment and Separation Agreements with Named Executive Officers" below). The Management Bonus Plan is reviewed and approved annually by our compensation committee. The determination of the amount of bonuses paid to our NEOs generally reflects a number of considerations, including our costs and revenues among other corporate targets and, when relevant, individual targets. The formula used to calculate a participating executive's performance-based bonus amount is the sum of the amount calculated for each performance goal, which is found by multiplying the overall target bonus opportunity times weighting for such performance goal times the achievement level for such performance goal.

Our compensation committee expresses each executive's target bonus opportunity as a percentage of base salary. Our compensation committee did not follow a formula but rather used the factors as general background information prior to determining the target bonus opportunity rates for our participating NEOs. Our compensation committee set these rates based on each participating executive's experience in his role with the company and the level of responsibility held by each executive, which our compensation committee believes directly correlates to his ability to influence corporate results. For fiscal year 2016, based on market data provided by Willis Towers Watson, our compensation committee used a guideline target bonus opportunity of 100% for Mr. Biffle, 75% for Messrs. Dempsey and Meehan and 65% for Messrs. Diamond and Shurz.

When determining the bonus amounts for our NEOs under the Management Bonus Plan, our compensation committee sets certain performance goals, using a mixture of corporate and individual performance. The individual performance under our Management Bonus Plan is not based on any specific performance targets, but rather is determined by our compensation committee in its sole discretion after evaluating overall individual performance in a fiscal year and after receiving recommendations from Mr. Biffle, other than for himself. Our compensation committee's determinations of the individual performance of our NEOs are not expected to result in payments of the annual bonus based on average or below average performance by the NEOs. Corporate goals and performance targets and individual performance are reviewed and approved by our compensation committee prior to any allocation of the bonus. For fiscal year 2016, our compensation committee determined the weighting of the performance goals was comprised of 75% corporate performance and 25% individual performance for each NEO.

In early fiscal year 2016, our compensation committee established corporate performance targets for each NEO. Our compensation committee does not establish any specific individual performance targets, instead our compensation committee reviews at the end of each fiscal year each NEO's individual performance overall and determines any satisfaction of individual performance based on their review of each NEO's overall contributions to us during the fiscal year.

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The corporate performance targets established by our compensation committee were as follows:

Performance Metric	Weighting	Definition
Full Year Ex-Fuel Stage Adjusted CASM	40%	Operating costs per available seat mile as adjusted to exclude fuel for fiscal year 2016
Full Year Net Income (YoY Growth %)	30%	Annual consolidated net income based on year over year percentage change, calculated in in accordance with GAAP and as reported in our audited 2016 financials
Full Year Completion DOT Rank	10%	Rank among other domestic airlines of completion factor, the measure of flights completed as scheduled, as published by the Department of Transportation for fiscal year 2016
Full Year A14 DOT Rank	10%	Rank among other domestic airlines of A14 factor, the measure of the number of arrivals within 14 minutes of the published arrival time, as published by the Department of Transportation for fiscal year 2016
Full Year DOT Compliant Rate per 100k	10%	Number of passenger complaints to the Department of Transportation per 100,000 passenger for fiscal year 2016

For each of these performance goals under the Management Bonus Plan, our compensation committee sets a threshold, target, stretch and maximum achievement level. A component of performance must be achieved at no less than 50% before it is taken into account in calculating an executive's bonus amount and measurement of achievement does not exceed 200% of the target for such component. The threshold goals are satisfied with an achievement level of 50%, the target goals are satisfied with an achievement level of 100%, the stretch goals are satisfied with an achievement level of 150% and the maximum goals are satisfied with an achievement level of 200%. The threshold, target, stretch and maximum achievement levels for fiscal year 2016 are included in the table below. In early 2017, our compensation committee reviewed our fiscal year 2016 company-wide performance with respect to determining bonuses to executive officers, as well as individual performance achievements. Our compensation committee determined the corporate performance goal achievement set forth in the table below and achievement of the individual performance goals for Messrs. Biffle and Dempsey at 113%, for Mr. Diamond at 104% and for Mr. Shurz at 109% based on our compensation committee's determination, in its discretion, that each NEO had outstanding individual performance in their various roles with us and showed continued dedication to us throughout the year.

Performance Metric	2016 Threshold	2016 Target	2016 Stretch	2016 Maximum	2016 Actual Result	Percent Achieved (Achievement Level x Weighting)
Full Year Ex-Fuel Stage Adjusted CASM	5.54 ¢	5.44 ¢	5.39 ¢	5.34 ¢	5.447 ¢	38.6%
Full Year Adjusted Net Income (YoY Growth %)	20%	30%	40%	50%	21.7%	17.6%
Full Year Completion DOT Rank	6	5	4	3	8	0%
Full Year A14 DOT Rank	8	7	6	5	9	0%
Full Year DOT Compliant Rate per 100k	5.0	4.5	4.25	3.9	5.91	0%
Total Achievement						56.2%

Following its review and determinations, our compensation committee awarded cash bonuses to each NEO, except Mr. Meehan, as set forth in the table below. Mr. Meehan was not eligible for a performance bonus because his employment with us ended on January 4, 2017, prior to payment of any bonuses, but he received a cash severance payment equal to his target level bonus as discussed in more detail below. The NEOs' 2016 bonuses are set forth under the "Summary Compensation Table" below.

NEO	Bonus Target (salary paid in 2016 x target bonus percentage) ($)	Corporate Performance Bonus (equal to 75% x bonus target x 56.2%) ($)	Individual Performance Bonus (equal to 25% x bonus target x 56.2% x individual achievement level) ($)	Annual Performance Bonus Paid (corporate + individual) ($)
Barry L. Biffle	466,667	196,700	74,090	270,790
James G. Dempsey	270,938	114,200	43,015	157,215
Howard M. Diamond	215,150	90,686	31,438	122,124
Daniel M. Shurz	167,917	70,777	25,716	96,493

For fiscal year 2017, our compensation committee has approved the Fiscal Year 2017 Management Bonus Plan for all executives. The 2017 Management Bonus Plan for our executives is similar to our current annual cash incentive plan. Going forward, we expect to continue to use a similar performance-based incentive framework in deciding cash bonuses for our executives.

Equity-based incentives. Our compensation committee fosters an environment of executive ownership that encourages and incentivizes long-term investment and engagement by our NEOs through the use of equity-based awards. Our aim is to promote long-term, sustainable growth and align executive performance and behaviors to create a culture conducive to stockholder investment.

In order to attract and retain the best available management and other personnel with the training, experience and ability to make substantial contributions to the success of our business and to motivate and provide additional incentives to our employees, non-employee board members and consultants, we maintain the 2014 Equity Incentive Plan (the "2014 Plan"). The 2014 Plan provides for the grant of options, restricted stock, restricted stock units and other stock-based award. We intend to adopt a 2017 Equity Incentive Award Plan (the "2017 Plan"), which will be effective immediately prior to the consummation of this offering. The 2017 Plan will replace the 2014 Plan and no further grants will be made under the 2014 Plan, and the 2014 Plan will terminate, except with regard to grants then outstanding under the 2014 Plan.

We have granted options to each of our NEOs under the 2014 Plan, which is administered by our full board of directors. When determining the size of the grants for NEOs, our board of directors takes into account the size of past equity grants, the NEO's position (level) in our company, compensation, the NEO's value for our company based on their experience, innovation, expertise and leadership capabilities and the recommendation of our compensation committee. The philosophy behind the option grants is to provide the NEO with a strong incentive to build long-term value in our company. Generally, an option granted under the 2014 Plan to our executives vests in equal annual installments over four years, subject to continued service with our company. In addition, the exercise price of options granted under the 2014 Plan is equal to the fair market value of our common stock on the date of grant as determined by our board of directors.

In February 2016, our board of directors approved a dividend payable to our stockholders of $18.95 per share of our common stock (the "Dividend"). Pursuant to the terms of the 2014 Plan, to equitably reflect the impact of the Dividend on the holders of outstanding equity awards, our board of directors approved: (1) cash payments in an amount equal to the Dividend per share amount to be made with respect to options where the exercise price less than the Dividend amount would be equal to or less than 25% of the fair market value of our common stock on the date the Dividend was approved (which, for unvested options, will not be made unless and until the related option has vested) and (2) a reduction in the per share exercise price equal to the Dividend amount for all other options where the exercise price less than the Dividend amount would be greater than 25% of the fair market value of our common stock on the date the Dividend was approved. As a result of the cash

payments to our optionholders, in fiscal year 2016, Messrs. Biffle, Dempsey, Diamond, Shurz and Meehan each received a cash payment equal to $711,345, $314,608, $163,918, $158,697 and $163,918, respectively, in connection with the Dividend for their vested options and Messrs. Biffle, Dempsey, Diamond and Shurz will receive additional cash payments equal to $711,364, $314,665, $163,917, and $158,723, respectively, in the aggregate in connection with the Dividend for their unvested options that will vest in later years. Mr. Meehan forfeited his unvested options in January 2017 in connection with separation of employment, and, as a result, is not eligible to receive any continued cash payments for his option in connection with the Dividend.

In March 2016, our board of directors granted Mr. Biffle an option to purchase 39,900 shares of our common stock in connection with his promotion to our President and Chief Executive Officer. The size of Mr. Biffle's option grant was set at an amount such that, together with the option previously granted to him, he would hold two percent of our shares, calculated on a fully-diluted basis. The option was granted with an exercise price equal to the fair market value of our common stock on the date of approval, as determined by our board of directors and vests in four equal installments on March 15, 2017, 2018, 2019 and 2020, subject to Mr. Biffle's continued service to us. No other NEOs were granted equity awards in fiscal year 2016.

Equity forms an integral part of the overall compensation for each executive officer and will be considered each year as part of the annual performance review process and incentive payout calculation. In the future, we may consider awarding additional forms of equity incentives, such as grants of restricted stock, restricted stock units and performance-based awards, and may also determine to seek additional input from compensation consultants. We expect that our equity awards we make to our executive officers will be driven by our sustained performance and growth, our executive officers' ability to impact our results that influence stockholder value, their organization level and their potential to take on roles of increasing responsibility.

Benefits. We provide the following benefits to all our employees, including our NEOs:

- medical, dental and vision insurance;
- life insurance, accidental death and dismemberment and business travel and accident insurance;
- employee assistance program;
- health and dependent care flexible spending accounts;
- short and long-term disability; and
- 401(k) plan, which includes an employer matching contribution of 50% of the applicable employee's first 6% of plan contributions.

Our compensation committee, in its discretion, may revise, amend or add to any executive's benefits if it deems necessary. Consistent with our overall compensation philosophy, we intend to continue to maintain our current benefits plans for executives as well as other employees.

Perquisites. We determine perquisites on a case-by-case basis and will provide a perquisite to a NEO when we believe it is necessary to attract or retain the executive officer. Any perquisites we supply are reasonable and consistent with market trends. We believe that providing these benefits is a relatively inexpensive way to enhance the competitiveness of the executive's compensation package. As is common in the airline industry, we provide a Universal Air Travel Plan, or UATP, to our officers and members of the board of directors, whereby each individual receives a yearly dollar value that they may use for personal travel on our flights for themselves and certain qualifying friends and family. Each one-way flight they take is valued at $75, which is the average cost to us of a one-way flight for us. For fiscal year 2016, each NEO received a travel bank under the UATP equal to $11,000 for Mr. Biffle and $8,250 for Messrs. Diamond, Meehan, Shurz and Dempsey. Mr. Meehan received $8,250 for continued flight benefits under the UATP for one year following his separation in accordance with his separation agreement described below. We do not provide any other significant perquisites or personal benefits to our named executive officers.

Termination-Based Compensation. We believe that terminations of employment are causes of great concern and uncertainty for our senior executives. We aim to alleviate these concerns and allow executives to remain focused on their duties and responsibilities to our company by providing protections to our executives in the termination context. As such, each of our NEOs is eligible for severance benefits under his employment agreement.

Each of our NEOs is eligible for severance benefits, both in connection with and outside of a change in control, under his respective employment agreement with our company. Our compensation committee and/or our board approves of termination benefits to our NEOs based on its general knowledge of severance practices in our industry and as the result of arms' length negotiations at the time our executives enter into employment with us or at the time they are requested to take on additional responsibilities. The level of benefits varies from executive to executive based on the level of responsibility of the executive and accommodations made through arms' length negotiations. Severance payments are typically comprised of a cash payment in lieu of salary, continuation of flight benefits under the UATP for a limited period of time and coverage of health benefits for a limited period of time. Executives whose employment is terminated by us are required to sign a general release of all claims to receive any severance benefits. For more detailed descriptions of the benefits provided to our named NEOs upon a termination of employment, please see "Employment and Separation Agreements with Named Executive Officers" below.

Tax and Accounting Considerations. While our board of directors and our compensation committee generally consider the financial accounting and tax implications of their executive compensation decisions, neither element has been a material consideration in the compensation awarded to our NEOs historically. In addition, our board of directors has considered the potential future effects of Section 162(m) of the Internal Revenue Code on the compensation paid to our NEOs. Section 162(m) of the Internal Revenue Code imposes a limit on the amount of compensation that we may deduct in any one year with respect to certain "covered employees," unless certain specific and detailed criteria are satisfied. Pursuant to applicable regulations, Section 162(m) will not apply to compensation paid or stock options or restricted stock granted under the compensation agreements and plans in existence prior to the completion of this offering during the reliance transition period ending on the earlier of the date the agreement or plan is materially modified or the first stockholders meeting at which directors are elected during or after 2021. While we will continue to monitor our compensation programs in light of Section 162(m), our compensation committee considers it important to retain the flexibility to design compensation programs that are in the best long-term interests of our company and our stockholders, particularly as we continue our transition from a private to a public company. As a result, we have not adopted a policy requiring that all compensation be deductible and our compensation committee may conclude that paying compensation at levels that are not deductible under Section 162(m) is nevertheless in the best interests of our company and our stockholders.

Other provisions of the Internal Revenue Code can also affect compensation decisions for our NEOs. Section 409A of the Internal Revenue Code, which governs the form and timing of payment of deferred compensation, imposes sanctions, including a 20% penalty and an interest penalty, on the recipient of deferred compensation that does not comply with Section 409A. Our compensation committee will take into account the implications of Section 409A in determining the form and timing of compensation awarded to our executives and will strive to structure any nonqualified deferred compensation plans or arrangements to be exempt from or to comply with the requirements of Section 409A.

Section 280G of the Internal Revenue Code disallows a company's tax deduction for payments received by certain individuals in connection with a change in control to the extent that the payments exceed an amount approximately three times their average annual compensation and Section 4999 of the Internal Revenue Code imposes a 20% excise tax on those payments. Our compensation committee will take into account the implications of Section 280G in determining potential payments to be made to our executives in connection with a change in control. Nevertheless, to the extent that certain payments upon a change in control are classified as excess parachute payments, such payments may not be deductible pursuant to Section 280G.

2016 Summary Compensation Table

The following table sets forth all of the compensation awarded to, earned by or paid to our NEOs during the past fiscal year.

Name and Principal Position	Year	Salary ($)	Option Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Barry L. Biffle President & Chief Executive Officer	2016	466,667	3,576,207	270,791	1,430,825	5,744,490
James G. Dempsey Chief Financial Officer	2016	361,250	—	157,216	634,534	1,153,000
Howard M. Diamond General Counsel and Secretary	2016	331,000	—	122,123	339,854	792,977
Daniel M. Shurz Senior Vice President, Commercial	2016	258,333	—	96,492	324,455	679,280
William A. Meehan(1) Former Chief Operating Officer	2016	345,096	—	—	335,881	680,977

(1) Mr. Meehan terminated his employment with us effective as of January 4, 2017. Please see the description of Mr. Meehan's separation agreement in "Employment and Separation Agreements with Named Executive Officers" below.

(2) For the option awards column, amounts shown represent the grant date fair value of options granted by us during fiscal year 2016, as calculated in accordance with ASC Topic 718. See Note 9 of the financial statements included in this registration statement for the assumptions used in calculating this amount. In February 2016, in connection with a cash dividend paid to our stockholders of record as of February 23, 2016, our board of directors approved a cash payment of $18.95 per share, the same as the Dividend amount paid to holders of our common stock, which (1) was paid as a one-time cash bonus in an amount equal to the Dividend per share amount to holders of our options where the exercise price less than the Dividend amount would be equal to or less than 25% of the fair market value of our common stock on February 23, 2016 (which, for unvested options, will not be made unless and until such option has vested) and (2) resulted in a reduction in the per share exercise price equal to the Dividend amount for all other of our options where the exercise price less than the Dividend amount would be greater than 25% of the fair market value of our common stock on February 23, 2016. Please see the descriptions of the Dividend modifications of outstanding options held by our NEOs in "Compensation Discussion and Analysis—Equity-Based Incentives" above.

(3) Represents amounts paid for performance in fiscal year 2016 under our Management Bonus Plan, which were paid to our NEOs in early 2017. Please see the description of the 2016 Management Bonus Plan in "Compensation Discussion and Analysis—Performance-Based Cash Incentives" above.

(4) For each of our NEOs, the amounts under the "All Other Compensation" column for fiscal year 2016 represent (a) the flight benefits under our UATP based on our calculation of the incremental cost to the company providing the flight benefits to the NEOs based on each one-way flight they take being valued at the lesser of (i) the actual cost of the ticket and (ii) $75, which is the average cost to us of a one-way flight plus (b) the cash payments equal to $1,422,709, $629,273, $327,835, $317,413 and $327,835 which were paid to each of Messrs. Biffle, Dempsey, Diamond, Shurz and Meehan, respectively, in connection with the Dividend (which, for unvested options, will not be made unless and until such option has vested) plus (c) $3,975, $2,764, $7,950, $5,692 and $7,746 for each of Messrs. Biffle, Dempsey, Diamond, Shurz and Meehan, respectively, pursuant to our matching employer contributions under our 401(k) plan. Please see the descriptions of the UATP in "Compensation Discussion and Analysis—Perquisites" above. Please see the descriptions of the Dividend modifications of outstanding options held by our NEOs in "Compensation Discussion and Analysis—Equity-Based Incentives" above. Mr. Meehan forfeited the portion of the cash payment related to his unvested option in connection with the Dividend ($163,918) upon the termination of his employment in early 2017.

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Grants of Plan-Based Awards in Fiscal Year 2016

The following table represents our grants of non-equity and equity incentive plan-based awards made to our NEOs for the past fiscal year.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Award(1)			All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards ($)
		Threshold ($)	Target ($)	Maximum ($)			
Barry L. Biffle	—	233,334	466,667	933,334	—	—	—
	3/15/2016	—	—	—	39,900	216.11	3,576,207
James G. Dempsey	—	135,469	270,938	541,876	—	—	—
Howard M. Diamond	—	107,575	215,150	430,300	—	—	—
Daniel M. Shurz	—	83,959	167,917	335,834	—	—	—
William A. Meehan(2)	—	129,411	258,822	517,644	—	—	—

(1) Amounts in the “Estimated Future Payouts Under Non-Equity Incentive Plan Awards” column relate to amounts payable under our 2016 Management Bonus Plan. The threshold column assumes the achievement of the corporate and individual goals at the threshold level. The threshold bonus amount can be calculated by multiplying the target bonus of each named executive officer times the threshold percentage of 50%. The target column assumes the target achievement for both corporate and individual goals. The target bonus amount can be calculated by multiplying the base salary of each named executive officer actually paid in 2016 times target bonus percentage established by our compensation committee times the target percentage of 100%. The stretch column assumes the maximum achievement for both corporate and individual goals. The maximum bonus amount can be calculated by multiplying the target bonus of each named executive officer times the maximum percentage of 200%.

(2) Mr. Meehan terminated his employment with us in January 4, 2017 and as a result he did not receive a payment under our 2016 Management Bonus Plan, but he did receive a cash payment equal to his target bonus opportunity as part of his separation package.

Outstanding Equity Awards at Fiscal Year End

The following table lists all outstanding equity awards held by our NEOs as of December 31, 2016.

Name(1)	Vesting Commencement Date(2)	Option Awards			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number Of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date
Barry L. Biffle	4/27/2014	37,538	37,539	10.00	4/27/2024
	3/15/2016	—	39,900	216.11	3/15/2026
James G. Dempsey	5/12/2014	16,603	16,604	10.00	5/12/2024
Howard M. Diamond	7/28/2014	8,650	8,650	10.00	7/28/2024
Daniel M. Shurz	4/18/2014	8,375	8,375	10.00	4/18/2024
William A. Meehan(1)	6/2/2014	8,650	8,650	10.00	6/2/2024

(1) Mr. Meehan terminated his employment with us effective as of January 4, 2017. In connection with his separation, he forfeited all unvested shares subject to the option and we exercised its call right with respect to the vested shares subject to his option.

(2) Options vest and become exercisable with respect to 25% of shares of our common stock subject to the award on each anniversary of the vesting commencement date, such that all shares will be vested on the

fourth anniversary of the vesting commencement date, subject to the holder continuing to provide services to us through each such vesting date. The options granted to Mr. Diamond will also vest in full upon a Change in Control (as defined in the 2014 Plan).

Option Exercises and Shares Vested in 2016

None of our NEOs exercised any options or had any shares vest during fiscal year 2016.

Pension Benefits

None of our NEOs participates in or has account balances in qualified or non-qualified defined benefit plans sponsored by us.

Nonqualified Deferred Compensation

None of our NEOs participate in or have account balances in non-qualified defined contribution plans or other deferred compensation plans maintained by us.

Employment and Separation Agreements with Named Executive Officers

Barry L. Biffle. We entered into an employment agreement with Mr. Biffle on July 16, 2014 to serve as our President on substantially the same terms and conditions as the employment agreement described below for Mr. Dempsey (including termination payments and benefits), except that Mr. Biffle received certain reimbursements for legal costs incurred by Mr. Biffle in connection with the negotiation of his employment agreement. In addition, upon a termination without Cause apart from a Change in Control (each, as defined under Mr. Biffle's agreement), he would also remain eligible to receive his annual bonus on the regularly scheduled payment date under our incentive bonus program and payable at the same time as other continuing executive officers.

In March 2016, we entered into a new employment agreement with Mr. Biffle in connection with his promotion to our President and Chief Executive Officer, which is terminable by us at any time and by Mr. Biffle upon 30 days' notice. The term of his employment agreement is through March 15, 2021 and renews for successive one year periods unless either party gives the other notice of non-extension at least 90 days before the expiration of the applicable term. Mr. Biffle's new employment agreement entitles him to an increase in his base salary and his same target bonus opportunity as part of our Management Bonus Plan, a performance-based program that allows for a cash bonus based upon achievement of certain objectives. Mr. Biffle's new employment agreement provides that he will serve on our board of directors and be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above). It also contains certain confidential information covenants and Mr. Biffle must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter (or 24 months in the event he is terminated without Cause, as defined below, or resigns for Good Reason, as defined below). Pursuant to the new employment agreement, our board of directors also granted Mr. Biffle an option to purchase 39,900 shares of our common stock with an exercise price equal to $216.11, which our board of directors determined was the fair market value of a share of our common stock on the date of board approval and which vests in four equal installments on March 15, 2017, 2018, 2019 and 2020, subject to Mr. Biffle's continued service through such vesting dates.

Mr. Biffle's new employment agreement also provides him with severance in the event of termination of his employment without Cause or a resignation by him for Good Reason, both within and apart from a Change in Control (as defined below). Mr. Biffle's employment agreement provides that in the event of the termination of his employment by us without Cause or a resignation by Mr. Biffle for Good Reason, Mr. Biffle is entitled to (a) lump sum payment equal to one times the sum of his base salary plus his target annual performance bonus,

(b) the payment of continued health, dental and vision insurance premiums for Mr. Biffle and any covered dependents for 12 months, (c) continued flight benefits under the UATP for one year and (d) a pro-rated annual performance bonus with respect to the year in which the termination occurs based on actual performance and payable at the same as other continuing executive officers. Mr. Biffle's new employment agreement provides that in the event of the termination of his employment with us by us without Cause or a resignation by him for Good Reason, in each case, within 12 months following a Change in Control, Mr. Biffle is entitled to (a) lump sum payment equal to two times the sum of his base salary plus his target annual performance bonus, (b) the payment of continued health, dental and vision insurance premiums for Mr. Biffle and any covered dependents for 24 months, (c) continued flight benefits under the UATP for two years, (d) a pro-rated annual performance bonus with respect to the year in which the termination occurs based on actual performance and payable at the same as other continuing executive officers, and (d) 100% accelerated vesting of all of his equity awards. Mr. Biffle must execute, and not revoke, a general release of all claims against us and our affiliates to receive of the severance payments described above, and any payments are subject to Mr. Biffle continuing to abide by the confidentiality, non-competition and non-solicitation provisions of his new employment agreement.

For purposes of Mr. Biffle's employment agreement, "Cause" (i) Mr. Biffle's gross negligence or willful misconduct in the performance of the duties and services required of him pursuant to the new employment agreement or any other written agreement between Mr. Biffle and us; (ii) Mr. Biffle's conviction of, or plea of guilty or *nolo contendere* to, a felony or crime involving moral turpitude (or any similar crime in any jurisdiction outside the United States); (iii) Mr. Biffle's willful refusal to perform the duties and responsibilities required of him under the new employment agreement or as lawfully directed by our board which remains uncorrected for thirty (30) days following written notice; (iv) Mr. Biffle's material breach of any material provision of the employment agreement, any confidential information or restrictive covenant agreement with us or corporate code or policy which remains uncorrected for thirty (30) days following written notice; (v) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Mr. Biffle against us; or (v) any acts, omissions or statements by Mr. Biffle which we determine to be materially detrimental or damaging to our reputation, operations, prospects or business relations; provided that an act or failure to act shall be considered "willful" only if done or omitted to be done without a good faith reasonable belief that such act or failure to act was in our best interests. "Change in Control" means that (i) the acquisition by any person or group of affiliated or associated persons of more than 50% of the outstanding capital stock of us or Frontier or voting securities representing more than 50% of the total voting power of outstanding securities of us or Frontier (other than such an acquisition by a person or group that holds more than 50% of the outstanding capital stock of us or Frontier or voting securities representing more than 50% of the total voting power of outstanding securities of us or Frontier, in each case, as of either the March 15, 2016 or immediately prior to such acquisition); (ii) the consummation of a sale of all or substantially all of our assets to a third party; (iii) the consummation of any merger involving us or Frontier in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then beneficially owned in the aggregate by the stockholders of us or Frontier, as applicable, immediately prior to such merger; provided, however, in no event will a transaction constitute a "Change in Control" if: (w) its sole purpose is to change the form of our ownership or the state of our incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held our securities immediately before such transaction; (y) it is effected primarily for the purpose of financing us with cash; or (z) it constitutes, or includes sales of shares in connection with, the initial public offering of our common stock or the common stock of any of our affiliates. Finally, "Good Reason" means a resignation from employment that is effective within 120 days after the occurrence, without Mr. Biffle's written consent, of any of the following: (i) a material diminution in Mr. Biffle's base salary that is not proportionately applicable to other officers and key employees generally; (ii) a material diminution in Mr. Biffle's job responsibilities or duties inconsistent in any material respect with his duties or responsibilities in effect immediately prior to such change, *provided*, that any change made solely as the result of our company becoming a subsidiary or business unit of a larger company in a Change in Control shall not provide for Good Reason; (iii) the relocation of Mr. Biffle's direction to a facility or a location more than 50 miles from his then-present location; or (iv) the failure by any successor entity or corporation following a Change in Control to assume the obligations under the new employment agreement. Notwithstanding the foregoing, a resignation is not for Good Reason unless the condition giving rise to such resignation continues uncured by us more than 30 days following Mr. Biffle's written notice of such condition

provided within 60 days of the first occurrence of such condition and such resignation is effective within 30 days following the end of such notice period.

James G. Dempsey. We entered into an employment agreement with Mr. Dempsey on March 12, 2014 as our Chief Financial Officer, which is terminable by us at any time and by Mr. Dempsey upon 30 days' notice. The term of his employment agreement is through March 12, 2018 and renews for successive one year periods unless either party gives the other notice of non-extension at least 120 days before the expiration of the applicable term. Mr. Dempsey's employment agreement entitles him to a base salary and a target bonus opportunity as part of our Management Bonus Plan. Mr. Dempsey's employment agreement provides that he will be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above) and also contains certain confidential information covenants. In addition, Mr. Dempsey must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter.

Mr. Dempsey's employment agreement provides him with severance in the event of termination of his employment without Cause (as defined below) or a resignation by him for Good Reason (as defined below), both within and apart from a Change in Control (as defined below). Mr. Dempsey's employment agreement provides that in the event of the termination of his employment by us without Cause, Mr. Dempsey is entitled to (a) lump sum payment equal to one times the sum of his base salary plus his target annual performance bonus, (b) the payment of continued health, dental and vision insurance premiums for Mr. Dempsey and any covered dependents for 12 months and (c) continued flight benefits under the UATP for one year. Mr. Dempsey's employment agreement provides that in the event of the termination of his employment with us by us without Cause or a resignation by him for Good Reason, in each case, within 12 months following a Change in Control, Mr. Dempsey is entitled to (a) lump sum payment equal to two times the sum of his base salary plus his target annual performance bonus, (b) the payment of continued health, dental and vision insurance premiums for Mr. Dempsey and any covered dependents for 24 months, (c) continued flight benefits under the UATP for two years and (d) a pro-rated annual performance bonus with respect to the year in which the termination occurs based on actual performance and payable at the same as other continuing executive officers. Under the employment agreement, Mr. Dempsey must execute, and not revoke, a general release of all claims against us and our affiliates to receive of the severance payments described above, and any payments are subject to Mr. Dempsey continuing to abide by the confidentiality, non-competition and non-solicitation provisions of his employment agreement.

For purposes of Mr. Dempsey's employment agreement, "Cause" means any action or inaction involving his moral turpitude, misfeasance, malfeasance, willful misconduct, gross negligence or material breach of fiduciary duty or a breach of any non-competition, non-solicitation or confidentiality obligations to us or Frontier. In the event we give Mr. Dempsey a notice of non-extension of his employment agreement and he services as our Chief Financial Officer until the end of the term, Mr. Dempsey's employment will have been deemed terminated by us without Cause. "Change in Control" means that (i) the acquisition by any person or group of affiliated or associated persons of more than 50% of the outstanding capital stock of us or Frontier or voting securities representing more than 50% of the total voting power of outstanding securities of us or Frontier; (ii) the consummation of a sale of all or substantially all of our assets to a third party; (iii) the consummation of any merger involving us or FGHI in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then beneficially owned in the aggregate by the stockholders of us or FGHI, as applicable, immediately prior to such merger; provided, however, in no event will a transaction constitute a "Change in Control" if: (w) its sole purpose is to change the state of our incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held our securities immediately before such transaction; (y) it is effected primarily for the purpose of financing us with cash; or (z) it constitutes, or includes sales of shares in connection with, the initial public offering of our common stock or the common stock of any of our affiliates. Finally, "Good Reason" will be deemed to have occurred if, in conjunction with the closing of a Change in Control or within 12 months after the closing of a Change in Control, (i) our board of directors effectively terminates, or substantially curtails the scope of, Mr. Dempsey's authority as Chief Financial Officer, (ii) we fail

to provide Mr. Dempsey with a reasonable compensation package that is, as determined at the discretion of the board, at least comparable to the level of his compensation package as of immediately prior to the Change in Control, (iii) we default in any material obligation owed to him, or (iv) we relocate our principal office to any place that is more than 100 miles from both Denver, Colorado and Mr. Dempsey's then principal residence, provided, that, in each case, Mr. Dempsey will not be deemed to have resigned for Good Reason unless (x) he first provides the board with written notice of the condition giving rise to Good Reason within 30 days of its initial occurrence, (y) we fail to cure such condition within 30 days after receiving such written notice and (z) his resignation based on such Good Reason is effective within 30 days after the expiration of such cure period.

Howard M. Diamond. We entered into an offer letter agreement with Mr. Diamond on June 30, 2014 as our Senior Vice President, General Counsel and Secretary. Mr. Diamond's offer letter agreement entitles him to a base salary and a target bonus opportunity as part of our Management Bonus Plan. Mr. Diamond's offer letter agreement provides that he will be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above) and also contains certain confidential information covenants. In addition, Mr. Diamond must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter (or 24 months in the event he is terminated without Cause, as defined in the 2014 Plan, or resigns for Good Reason, as defined below, within 12 months following a Change in Control, as defined in the 2014 Plan). We also reimbursed Mr. Diamond for his moving expenses in connection with his relocation to Denver, Colorado in 2014. Mr. Diamond's offer letter agreement also provided for the grant of an option to purchase our common stock, as detailed in the table "Outstanding Equity Awards at Fiscal Year End" above, and such option grant will vest in full upon a Change in Control.

Mr. Diamond's offer letter agreement provides him with severance in the event of termination of his employment without Cause or, within 12 months following a Change in Control, a resignation by him for Good Reason. Mr. Diamond's offer letter agreement provides that in the event of the termination of his employment with us by us without Cause, Mr. Diamond is entitled to (a) lump sum payment equal to one times the sum of his base salary plus his target annual performance bonus (or two times such sum if such termination occurs or Mr. Diamond resigns for Good Reason, in each case, within 12 months following a Change in Control) and (b) continued flight benefits under the UATP for one year (or two years if such termination occurs or Mr. Diamond resigns for Good Reason, in each case, within 12 months following a Change in Control). Under the offer letter agreement, Mr. Diamond must execute and not revoke a general release of claims against us and our affiliates. For purposes of his offer letter agreement, "Good Reason" means Mr. Diamond's duties are substantially diminished within 12 months following a Change in Control and Mr. Diamond resigns within such 12-month period.

Daniel M. Shurz. We entered into an employment agreement with Mr. Shurz, as amended in September 2013. Mr. Shurz's employment agreement provides that Mr. Shurz will be our Senior Vice President, Commercial, and is terminable by us at any time and by Mr. Shurz upon 30 days' notice. Mr. Shurz's employment agreement entitles him to a base salary and a target bonus opportunity as part of our Management Bonus Plan. Mr. Shurz's employment agreement provides that he will be eligible to participate in all employee benefit plans made available to executive officers (including the flight benefits discussed above) and also contains certain confidential information covenants. In addition, Mr. Shurz must abide by non-competition and non-solicitation restrictive covenants during the term of his employment and for 12 months thereafter.

Mr. Shurz's employment agreement provides him with severance in the event of termination of his employment without Cause (as defined below), because of death or disability or a resignation by him for Good Reason (as defined below), both within and apart from a Change in Control (as defined below). Mr. Shurz's employment agreement provides that in the event of the termination of his employment (1) as a result of his death or permanent disability, (2) by us without Cause or (3) by him for Good Reason, Mr. Shurz is entitled to (a) a lump sum payment of one times his base salary, (b) the payment of continued health, dental and vision insurance premiums for Mr. Shurz and any covered dependents for 12 months (unless his resignation with Good Reason is a result of subsection (ii) or (iii) in the below definition of Good Reason, in which case this will be 24

months) and (c) continued flight benefits under the UATP for one year (unless his resignation with Good Reason is a result of subsection (ii) or (iii) in the below definition of Good Reason, in which case this will be two years). Mr. Shurz's employment agreement provides that in the event of the termination of his employment with us by us without Cause or a resignation by him for Good Reason, in each case, within 12 months following a Change in Control, Mr. Shurz is entitled to (a) a lump sum payment of two times his base salary, (b) the payment of continued health, dental and vision insurance premiums for Mr. Shurz and any covered dependents for 24 months and (c) continued flight benefits under the UATP for two years. Under the employment agreement, Mr. Shurz must execute, and not revoke, a general release of all claims against us and our affiliates to receive of the severance payments described above.

For purposes of Mr. Shurz's employment agreement, "Cause" means that Mr. Shurz has (i) willfully or materially refused to perform a material part of his duties under the employment agreement, (ii) materially breached the restrictive covenants contained in the employment agreement, (iii) acted fraudulently or dishonestly in his relations with us, (iv) committed larceny, embezzlement, conversion or any other act involving the misappropriation of our funds or assets in the course of his employment, or (v) been indicted or convicted of any felony or other crime involving an act of moral turpitude. "Change in Control" means that (i) any person or group of affiliated or associated persons acquires a majority of more of our voting power, (ii) the consummation of a sale of all or substantially all of our assets, (iii) our dissolution or (iv) the consummation of any merger, consolidation or reorganization involving us in which, immediately after giving effect to such merger consolidation or reorganization, less than majority of the total voting power of outstanding stock of the surviving or resulting entity is then beneficially owned in the aggregate by our stockholders immediately prior to such merger, consolidation or reorganization. In no event will an initial public offering of our common stock or the common stock of any of our affiliates or any sales by shareholders in connection with such initial public offering constitute a Change in Control. Finally, "Good Reason" means that (i) we have materially diminished the duties and responsibilities of Mr. Shurz in comparison to his title and salary immediately prior to the changes, (ii) we relocate our principal offices more than 25 miles from Denver to another location without Mr. Shurz's consent or (iii) we have materially breached the terms of Mr. Shurz's employment agreement.

William A. Meehan. Prior to his separation, Mr. Meehan was party to an offer letter agreement on substantially similar to terms to those described above for Mr. Diamond's offer letter agreement. Effective as of January 4, 2017, Mr. Meehan resigned as our Chief Operating Officer. In connection with Mr. Meehan's resignation, we entered into a release agreement where we paid Mr. Meehan an aggregate separation payment of $612,500 in exchange for a general release of all claims against us and our affiliates and his agreement to abide by the non-competition and non-solicitation provisions of his employment agreement for the twelve (12)-month period commencing on January 4, 2017. Mr. Meehan also receives (i) the continuation of his travel privileges under the UATP until January 4, 2018, with a travel bank under the UATP of $8,250 and (ii) payment of continued health, dental and vision insurance premiums for himself and any covered dependents for 18 months, or, if earlier, until Mr. Meehan is covered under similar plans of a new employer. In addition, all of Mr. Meehan's unvested shares subject to his option as of his separation date were terminated for no consideration, and we paid to Mr. Meehan $3,177,318 to exercise its call right with respect to Mr. Meehan's vested shares subject to his option in February 2017. The separation benefits set forth in Mr. Meehan's separation agreement are in full satisfaction of his separation benefits under his offer letter agreement. In addition, we entered into a consulting agreement with Mr. Meehan, pursuant to which we agreed to pay Mr. Meehan a guaranteed payment of $100,000 in exchange for Mr. Meehan continuing to provide services to us until January 4, 2018.

Potential Payments upon Termination or Change in Control

The information below describes and quantifies certain compensation and benefits that would have become payable to each of our NEOs if our NEO's employment had terminated on December 31, 2016 (and that a Change in Control occurred on December 31, 2016, as applicable) as a result of each of the termination scenarios described below, taking into account the named executive's compensation as of that date. All of the below

payments and benefits are subject to the NEO executing and not revoking a general release of claims against us and our affiliates, except for the equity acceleration for Mr. Diamond upon a Change in Control, and, for Messrs. Biffle. Dempsey and Meehan, continuing to comply with the restrictive covenants set forth in each of their employment agreements. The information below does not generally reflect compensation and benefits available to all salaried employees upon termination of employment with us under similar circumstances. Capitalized terms used below are as defined above in the applicable NEO's employment agreement or offer letter agreement.

Name	Termination Scenario	Severance ($)	Severance Bonus ($)	Value of Unvested Option Awards ($)	Value of Continued Health Care Coverage Premiums ($)	Other ($)	Total ($)
Barry L. Biffle	Termination without Cause or for Good Reason	475,000(1)	745,791(2)	—	13,984(3)	11,000(4)	1,245,775
	Change in Control	—	—	—	—	—	—
	Termination without Cause or for Good Reason in Connection with a Change in Control	850,000(5)	1,220,791(6)	20,221,104(7)	27,968(8)	22,000(9)	22,341,863
James G. Dempsey	Termination without Cause	365,000(1)	273,750(2)	—	13,984(3)	8,250(4)	660,984
	Change in Control	—	—	—	—	—	—
	Termination without Cause or for Good Reason in Connection with a Change in Control	730,000(5)	704,716(6)	—	27,968(8)	16,500(9)	1,479,184
Howard M. Diamond	Termination without Cause	333,000(1)	216,450(2)	—	— (3)	8,250(4)	557,700
	Change in Control	—	—	3,177,318(10)	—	—	3,177,318
	Termination without Cause or for Good Reason in Connection with a Change in Control	666,000(5)	432,900(6)	—	— (8)	16,500(9)	1,115,400
Daniel M. Shurz	Termination without Cause, for Good Reason or as a result of Death or Disability	265,000(1)	— (2)	—	13,984(11)	8,250(12)	287,234
	Change in Control	—	—	—	—	—	—
	Termination without Cause or for Good Reason in Connection with a Change in Control	530,000(5)	— (6)	—	27,968(8)	16,500(9)	574,468
William A. Meehan(13)	Termination without Cause	350,000	262,500	—	19,833	3,285,568	3,917,901

(1) Represents a lump sum cash payment of 12 months of base salary in the event of a termination (i) without Cause, (ii) for Messrs. Biffle and Shurz only, for Good Reason or (iii) for Mr. Shurz only, as a result of his death or disability.

(2) Represents a lump sum cash payment of one times a NEO's target annual performance bonus amount in the event of termination (i) without Cause or (ii) for Mr. Biffle only, for Good Reason. In addition, for Mr. Biffle, represents a pro-rated annual performance bonus for the year in which the termination occurs (based on actual performance and payable at the same time other continuing executives) in the event of a termination without Cause or for Good Reason. For Mr. Biffle's pro-rated bonus, we included the full amount he was paid for fiscal year 2016 under the Management Bonus Plan since the assumed termination date would be December 31, 2016. Mr. Shurz is not eligible for any severance bonus payment.

(3) Represents continued coverage under COBRA for 12 months for each NEO based on the incremental cost of our contribution as of December 31, 2016 to provide this coverage in the event of a termination (i) without Cause or (ii) for Mr. Biffle only, for Good Reason. Mr. Diamond is not eligible for any continued coverage under COBRA.

(4) Represents the value of continued UATP flight benefits for one year following the NEOs' termination of employment (i) without Cause or (ii) for Mr. Biffle only, for Good Reason, which must be used in the year following termination, based on the values each NEO received under the UATP for fiscal 2016.
(5) Represents a lump sum cash payment of 24 months of base salary in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control.
(6) Represents a lump sum cash payment of two times a NEO's target annual performance bonus amount in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control. In addition, for Messrs. Biffle and Dempsey, represents a pro-rated annual performance bonus for the year in which the termination occurs (based on actual performance and payable at the same time other continuing executives) in the event of a termination without Cause or for Good Reason. For Messrs. Biffle's and Dempsey's pro-rated bonuses, we included the full amount each was paid for fiscal year 2016 under the Management Bonus Plan since the assumed termination date would be December 31, 2016. Mr. Shurz is not eligible for any severance bonus payment.
(7) Mr. Biffle receives 100% accelerated vesting of his equity awards in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control. Represents the aggregate value of Mr. Biffle's unvested option awards that would have vested on an accelerated basis immediately prior to a qualifying termination following the consummation of a Change in Control, based on the spread between the fair market value of our common stock ($377.32) as of December 31, 2016 and the options' exercise prices.
(8) Represents continued coverage under COBRA for 24 months for each NEO based on the incremental cost of our contribution as of December 31, 2016 to provide this coverage in the event of a termination without Cause or for Good Reason, in each case, within 12 months following a Change in Control. Mr. Diamond is not eligible for any continued coverage under COBRA.
(9) Represents the value of continued UATP flight benefits for two years following the NEOs' termination of employment without Cause or for Good Reason, in each case, within 12 months following a Change in Control, which must be used in the two years following termination, based on the values each NEO received under the UATP for fiscal 2016.
(10) Represents the aggregate value of Mr. Diamond's unvested option awards that would have vested on an accelerated basis on the consummation of a Change in Control, based on the spread between the fair market value of our common stock ($377.32) as of December 31, 2016 and the options' exercise prices. Mr. Meehan would have received 100% accelerated vesting of his equity awards upon a Change in Control under his employment agreement, but his employment agreement is no longer in effect on January 4, 2017 in connection with his resignation of employment.
(11) For Mr. Shurz, he receives 12 months of COBRA premiums upon a termination (i) without Cause, (ii) as a result of his death or disability or (iii) for Good Reason, where Good Reason is limited to material diminution in his duties and responsibilities; and he receives 24 months of COBRA premiums upon a termination for Good Reason (not in connection with a Change in Control), where Good Reason results from a relocation of our principal offices more than 25 miles from Denver or material breach of Mr. Shurz's employment agreement by us.
(12) For Mr. Shurz, he receives one year of flight benefits upon a termination (i) without Cause, (ii) as a result of his death or disability or (iii) for Good Reason, where Good Reason is limited to material diminution in his duties and responsibilities; and he receive two years of flight benefits upon a termination for Good Reason (not in connection with a Change in Control), where Good Reason results from a relocation of our principal offices more than 25 miles from Denver or material breach of Mr. Shurz's employment agreement by us.
(13) Mr. Meehan resigned from our company effective January 4, 2017. In connection with Mr. Meehan's resignation, we paid Mr. Meehan a lump sum cash payment of $612,500, which represented one times his base salary of $350,000 plus his target annual performance bonus for the 2016 fiscal year of $262,500. We also entered into a one-year consulting agreement with him with a guaranteed payment of $100,000. Mr. Meehan also receives COBRA healthcare premium continuation coverage through the earlier of March 4, 2018 or the date he becomes eligible for another employer's benefits. The "Other" column for Mr. Meehan represents (i) $8,250 for UATP flight benefits for one year following his termination of employment (which must be used by January 4, 2018) plus (ii) the $100,000 payment under his consulting agreement plus (iii) $3,177,318 paid by us to him to exercise its call right with respect to the shares of common stock subject to his vested option held by Mr. Meehan. For further details, please see "Employment and Separation Agreements with Named Executive Officers—William Meehan" above.

Equity Compensation Plans

The principal features of our equity incentive plans and our stockholder agreements are summarized below. These summaries are qualified in their entirety by reference to the text of the plans or agreements, which are filed as exhibits to the registration statement.

2014 Plan

We currently maintain the 2014 Plan, which became effective on April 18, 2014. The principal purpose of the 2014 Plan is to enhance our ability to attract, retain and motivate our service providers by providing such

individuals with equity ownership opportunities and aligning their interests with those of our stockholders. We have granted stock options to our NEOs and restricted stock to Frontier's board of directors under the 2014 Plan, as described in more detail above. In connection with the closing of this offering, we intend to adopt the 2017 Equity Incentive Award Plan (the "2017 Plan"). We expect that, upon the effectiveness of the 2017 Plan, no further awards will be made under the 2014 Plan. The material terms of the 2014 Plan are summarized below.

Share Reserve. The aggregate number of shares of common stock reserved for issuance pursuant to awards granted under the 2014 Plan is 1,000,000.

Administration. Our board of directors is authorized to administer the 2014 Plan, but consistent with its authority under the 2014 Plan, the board has delegated some of its administrative authority to our compensation committee. Subject to the terms and conditions of the 2014 Plan, the plan administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2014 Plan. The administrator is also authorized to adopt, amend or repeal rules relating to administration of the 2014 Plan.

Eligibility. Options, restricted stock, restricted stock units and other stock-based awards under the 2014 Plan may be granted to officers, employees, consultants and directors of us and our subsidiaries.

Awards. The 2014 Plan provides for the grant of non-qualified stock options (or NSOs), restricted stock, restricted stock units (or RSUs), other stock-based awards, or any combination thereof. No determination has been made as to the types or amounts of awards that will be granted to specific individuals in the future pursuant to the 2014 Plan (and, as noted above, following the effectiveness of this offering, we will not make any further awards under the 2014 Plan). Each award will be set forth in a separate agreement and will indicate the type and terms and conditions of the award.

- *Stock Options*. Stock options provide for the right to purchase shares of our common stock in the future at a specified price that is established on the date of grant. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant, except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.
- *Restricted Stock*. Restricted stock is an award of shares of our common stock that remains forfeitable unless and until specified vesting conditions are met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Holders of restricted stock will have voting rights and, except with respect to performance vesting awards, will have the right to receive dividends, if any, prior to the time when the restrictions lapse.
- *Restricted Stock Units*. RSUs are contractual promises to deliver shares of our common stock (or the fair market value of such shares in cash) in the future, which may also remain forfeitable unless and until specified vesting conditions are met. RSUs generally may not be sold or transferred until vesting conditions are removed or expire. The shares underlying RSUs will generally not be issued until the RSUs have vested, and recipients of RSUs generally will have no voting or dividend rights prior to the time when the RSUs are settled in shares, unless the RSU includes a dividend equivalent right (in which case the holder may be entitled to dividend equivalent payments under certain circumstances). Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral.
- *Other Stock-Based Awards*. Other stock-based awards are awards denominated in shares of our common stock and other awards that are valued by reference to, or are based on, shares of our common stock or other property. Other stock-based awards may be paid in shares, cash or other property, as determined by the plan administrator. The plan administrator will determine the terms and conditions of other stock-based awards, including any purchase price, transfer, vesting and/or other conditions.

Certain Transactions. The plan administrator has broad discretion to take action under the 2014 Plan, as well as to make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and to facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, extraordinary dividends, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the 2014 Plan and outstanding awards.

Call Rights. Under agreements entered into with employees and directors who we granted equity awards under the 2014 Plan, we have the right to repurchase options and our common stock from terminated service providers for a price equal to fair market value on the date of repurchase. Our right to repurchase options and shares of our common stock expires upon the completion of this offering.

Transferability and Restrictions. With limited exceptions for the laws of descent and distribution, awards under the 2014 Plan are generally non-transferable prior to vesting unless otherwise determined by the plan administrator, and are exercisable only by the participant. Additionally, awards granted under the 2014 Plan are subject to a right of first refusal in favor of us.

Section 280G. The 2014 Plan includes a cutback provision under Section 280G of the Code, pursuant to which any payment or benefit under the 2014 Plan that would not be deductible by us or the payor as a result of Section 280G of the Code (relating to "excess parachute payments") will be reduced to the extent necessary so that any such payments and benefits will remain deductible to the maximum extent possible. The 2014 Plan also provides that we will seek shareholder approval of any amounts under the 2014 Plan that would constitute "parachute payments" under Section 280G of the Code.

Amendment and Termination. The plan administrator may terminate, amend or modify the 2014 Plan at any time. However, we must generally obtain stockholder approval to the extent required by applicable law In addition, no amendment of the 2014 Plan may, without the consent of the holder, materially and adversely affect any award previously granted. No award may be granted pursuant to the 2014 Plan after the tenth anniversary of the date on which the 2014 Plan was adopted by our board of directors (or, if later, approved by our stockholders); however, we expects to cease granting any awards under the 2014 Plan upon the effectiveness of the 2017 Plan. Any award that is outstanding on the termination date of the 2014 Plan will remain in force according to the terms of the 2014 Plan and the applicable award agreement.

2017 Equity Incentive Award Plan

Prior to the completion of this offering, our board of directors adopted, and our stockholders approved, the 2017 Plan, under which we are authorized to grant cash and equity incentive awards to eligible service providers in order to attract, motivate and retain the talent for which we compete. The material terms of the 2017 Plan are summarized below.

Share Reserve. Under the 2017 Plan, shares of our common stock have been initially reserved for issuance pursuant to a variety of stock-based compensation awards, including stock options, stock appreciation rights, or SARs, restricted stock awards, restricted stock unit awards, deferred stock awards, dividend equivalent awards, stock payment awards, performance awards and other stock-based awards. The number of shares initially reserved for issuance or transfer pursuant to awards under the 2017 Plan will be increased by an annual increase on the first day of each fiscal year beginning in 2018 and ending in 2027, equal to the lesser of (A) percent (%) of the shares of stock outstanding (on an as converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of shares of stock as determined by our board of directors; provided, however, that no more than shares of stock may be issued upon the exercise of incentive stock options.

The following counting provisions will be in effect for the share reserve under the 2017 Plan:

- to the extent that an award terminates, expires or lapses for any reason or an award is settled in cash without the delivery of shares, any shares subject to the award at such time will be available for future grants under the 2017 Plan;
- to the extent shares are tendered or withheld to satisfy the grant, exercise price or tax withholding obligation with respect to any award under the 2017 Plan, such tendered or withheld shares will be available for future grants under the 2017 Plan;
- to the extent that shares of our common stock are repurchased by us prior to vesting so that shares are returned to us, such shares will be available for future grants under the 2017 Plan;
- the payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the 2017 Plan; and
- to the extent permitted by applicable law or any exchange rule, shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by us or any of our subsidiaries will not be counted against the shares available for issuance under the 2017 Plan.

Administration. Our board of directors administers the 2017 Plan with respect to awards granted to non-employee directors and our compensation committee administers the 2017 Plan with respect to awards granted to other participants. The board or compensation committee may delegate their duties and responsibilities to committees of directors and/or officers, subject to certain limitations that may be imposed under Section 162(m) of the Code, Section 16 of the Exchange Act and/or applicable stock exchange rules. The plan administrator must consist of at least two members of our board of directors, each of whom is intended to qualify as an "outside director," within the meaning of Section 162(m) of the Code, a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and an "independent director" within the meaning of the rules of the applicable stock exchange on which shares of common stock are traded. Subject to the terms and conditions of the 2017 Plan, the plan administrator has the authority to select the persons to whom awards are to be made, to determine the number of shares to be subject to awards and the terms and conditions of awards, and to make all other determinations and to take all other actions necessary or advisable for the administration of the 2017 Plan. The administrator is also authorized to adopt, amend or rescind rules relating to administration of the 2017 Plan.

Eligibility. Options, SARs, restricted stock and all other stock-based and cash-based awards under the 2017 Plan may be granted to our officers, employees, consultants and directors and the officers, employees, consultants and directors of our subsidiaries. Only our employees and the employees of our subsidiaries may be granted incentive stock options.

Awards. The 2017 Plan provides for the grant of stock options (including incentive stock options, or ISOs, and NSOs), SARs, restricted stock, RSUs, dividend equivalents, performance awards and stock payments, or any combination thereof. No determination has been made as to the types or amounts of awards that will be granted to specific individuals pursuant to the 2017 Plan. Each award will be set forth in a separate agreement and will indicate the type and terms and conditions of the award.

- *Stock Options*. Stock options provide for the right to purchase shares of our common stock in the future at a specified price that is established on the date of grant. ISOs, by contrast to NSOs, may provide tax deferral beyond exercise and favorable capital gains tax treatment to their holders if certain holding period and other requirements of the Code are satisfied. The exercise price of a stock option may not be less than 100% of the fair market value of the underlying share on the date of grant (or 110% in the case of ISOs granted to certain significant stockholders), except with respect to certain substitute options granted in connection with a corporate transaction. The term of a stock option may not be longer than ten years (or five years in the case of ISOs granted to certain significant stockholders). Vesting conditions determined by the plan administrator may apply to stock options and may include continued service, performance and/or other conditions.

- *Restricted Stock*. Restricted stock is an award of nontransferable shares of our common stock that remains forfeitable unless and until specified vesting conditions are met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Holders of restricted stock will have voting rights and, except with respect to performance vesting awards, will have the right to receive dividends, if any, prior to the time when the restrictions lapse.
- *Restricted Stock Units*. RSUs are contractual promises to deliver shares of our common stock (or the fair market value of such shares in cash) in the future, which may also remain forfeitable unless and until specified vesting conditions are met. RSUs generally may not be sold or transferred until vesting conditions are removed or expire. The shares underlying RSUs will not be issued until the RSUs have vested, and recipients of RSUs generally will have no voting or dividend rights prior to the time when the RSUs are settled in shares, unless the RSU includes a dividend equivalent right (in which case the holder may be entitled to dividend equivalent payments under certain circumstances). Delivery of the shares underlying RSUs may be deferred under the terms of the award or at the election of the participant, if the plan administrator permits such a deferral.
- *Stock Appreciation Rights*. SARs entitle their holder, upon exercise, to receive an amount equal to the appreciation of the shares subject to the award between the grant date and the exercise date. The exercise price of any SAR granted under the 2017 Plan must be at least 100% of the fair market value of a share of our common stock on the date of grant (except with respect to certain substitute SARs granted in connection with a corporate transaction) and the term of a SAR may not be longer than ten years. Vesting conditions determined by the plan administrator may apply to SARs and may include continued service, performance and/or other conditions. SARs under the 2017 Plan will be settled in cash or shares of our common stock, or in a combination of both, as determined by the administrator.
- *Dividend Equivalents*. Dividend equivalents represent the value of the dividends, if any, per share paid by us, calculated with reference to the number of shares covered by the award. Dividend equivalents generally are credited as of dividend record dates during the period between the date an award is granted and the date such award vests, is exercised, is distributed or expires, as determined by the plan administrator, and may be settled in cash or shares as determined by the plan administrator. Dividend equivalents with respect to an award with performance-based vesting that are based on dividends paid prior to the vesting of such award shall only be paid out to the extent that the performance-based vesting conditions are subsequently satisfied and the award vests.
- *Performance Awards*. Performance shares are contractual rights to receive shares of our common stock in the future based on the attainment of specified performance goals, in addition to other conditions which may apply to these awards.
- *Stock Payments*. Stock payments are awards of fully-vested shares of our common stock that may, but need not, be granted in lieu of all or any part of compensation, including base salary, bonus or fees that would otherwise be payable in cash to the recipient.

Performance Awards. Performance awards include any of the foregoing awards that are granted subject to vesting and/or payment based on the attainment of specified performance goals. The plan administrator will determine whether performance awards are intended to constitute “qualified performance-based compensation,” or QPBC, within the meaning of Section 162(m) of the Code, in which case the applicable performance criteria will be selected from the list below in accordance with the requirements of Section 162(m) of the Code.

Section 162(m) of the Code imposes a $1,000,000 cap on the compensation deduction that a publicly-held corporation may take in respect of compensation paid to its “covered employees” (which generally includes the corporation’s chief executive officer and next three most highly compensated employees other than the chief financial officer), but excludes from the calculation of amounts subject to this limitation any amounts that constitute QPBC. Under a special transition rule for private companies that become publicly held, we do not expect Section 162(m) of the Code to apply to certain awards under the 2017 Plan until the earliest to occur of

(1) the annual stockholders' meeting at which members of its board of directors are to be elected that occurs after the close of the first calendar year following the calendar year in which occurred the first registration of its equity securities under Section 12 of the Exchange Act; (2) a material modification of the 2017 Plan; (3) the exhaustion of the share supply under the 2017 Plan; or (4) the expiration of the 2017 Plan. However, QPBC performance criteria may be used with respect to performance awards that are not intended to constitute QPBC. In addition, we may issue awards that are not intended to, or that otherwise do not, constitute QPBC even if such awards might be non-deductible as a result of Section 162(m) of the Code.

In order to constitute QPBC under Section 162(m) of the Code, in addition to certain other requirements, the relevant amounts must be payable only upon the attainment of pre-established, objective performance goals set by our compensation committee and linked to stockholder-approved performance criteria. For purposes of the 2017 Plan, one or more of the following performance criteria will be used in setting performance goals applicable to QPBC, and may be used in setting performance goals applicable to other performance awards: (1) earnings before interest, taxes, depreciation, rent and amortization expenses, or EBITDAR; (2) earnings before interest, taxes, depreciation and amortization, or EBITDA; (3) earnings before interest and taxes, or EBIT; (4) EBITDAR, EBITDA, EBIT or earnings before taxes and unusual, special or nonrecurring items as measured either against the annual budget or as a ratio to revenue or return on total capital; (5) net earnings; (6) earnings per share; (7) net income (before or after taxes); (8) profit margin; (9) operating margin; (10) operating income; (11) net operating income; (12) net operating income after taxes; (13) growth; (14) net worth; (15) cash flow; (16) cash flow per share; (17) total stockholder return; (18) return on capital, assets, equity or investment; (19) stock price performance; (20) revenues; (21) revenues per available seat mile; (22) costs; (23) costs per available seat mile; (24) working capital; (25) capital expenditures or statistics; (26) improvements in capital structure; (27) economic value added; (28) industry indices; (29) regulatory ratings; (30) customer satisfaction ratings; (31) expenses and expense ratio management; (32) debt reduction; (33) profitability of an identifiable business unit or product; (34) levels of expense, cost or liability by category, operating unit or any other delineation; (35) implementation or completion of projects or processes; (36) combination of airline operating certificates within a specified period; (37) measures of operational performance (including, without limitation, U.S. Department of Transportation performance rankings in operational areas), quality, safety, productivity or process improvement; (38) measures of employee satisfaction or employee engagement, any of which may be measured either in absolute terms or as compared to any incremental increase or decrease or as compared to results of a peer group or to market performance indicators or indices or, where applicable, on a per-share or per seat-mile basis.

The 2017 Plan also permits the plan administrator to provide for objectively determinable adjustments to the applicable performance criteria in setting performance goals for QPBC awards. Such adjustments may include one or more of the following: (1) items related to a change in accounting principle; (2) items relating to financing activities; (3) expenses for restructuring or productivity initiatives; (4) other non-operating items; (5) items related to acquisitions; (6) items attributable to the business operations of any entity acquired by us during the applicable performance period; (7) items related to the sale or disposition of a business or segment of a business; (8) items related to discontinued operations that do not qualify as a segment of a business under applicable accounting standards; (9) items attributable to any stock dividend, stock split, combination or exchange of stock occurring during the applicable performance period; (10) any other items of significant income or expense which are determined to be appropriate adjustments; (11) items relating to unusual or extraordinary corporate transactions, events or developments, (12) items related to amortization of acquired intangible assets; (13) items that are outside the scope of our core, on-going business activities; (14) items related to acquired in-process research and development; (15) items relating to changes in tax laws; (16) items relating to major licensing or partnership arrangements; (17) items relating to asset impairment charges; (18) items relating to gains or losses for litigation, arbitration and contractual settlements; (19) items attributable to expenses incurred in connection with a reduction in force or early retirement initiative; (20) items relating to foreign exchange or currency transactions and/or fluctuations; or (21) items relating to any other unusual or nonrecurring events or changes in applicable laws, accounting principles or business conditions.

Certain Transactions. The plan administrator has broad discretion to take action under the 2017 Plan, as well as make adjustments to the terms and conditions of existing and future awards, to prevent the dilution or enlargement of intended benefits and facilitate necessary or desirable changes in the event of certain transactions and events affecting our common stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In addition, in the event of certain non-reciprocal transactions with our stockholders known as "equity restructurings," the plan administrator will make equitable adjustments to the 2017 Plan and outstanding awards.

Foreign Participants, Claw-Back Provisions, Transferability, and Participant Payments. The plan administrator may modify award terms, establish subplans and/or adjust other terms and conditions of awards, subject to the share limits described above, in order to facilitate grants of awards subject to the laws and/or stock exchange rules of countries outside of the United States. All awards will be subject to the provisions of any claw-back policy implemented by us to the extent set forth in such claw-back policy and/or in the applicable award agreement. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the 2017 Plan are generally non-transferable prior to vesting unless otherwise determined by the plan administrator, and are exercisable only by the participant. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the 2017 Plan, the plan administrator may, in its discretion, accept cash or check, shares of our common stock that meet specified conditions, a market sell order or such other consideration as it deems suitable.

Amendment and Termination. Our board of directors may terminate, amend or modify the 2017 Plan at any time. However, we must generally obtain stockholder approval to increase the number of shares available under the 2017 Plan (other than in connection with certain corporate events, as described above) or to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule). In addition, no amendment, suspension or termination of the 2017 Plan may, without the consent of the holder, materially and adversely affect any rights or obligations under any award previously granted, unless the award itself otherwise expressly so provides. No award may be granted pursuant to the 2017 Plan after the tenth anniversary of the effective date of the 2017 Plan. Any award that is outstanding on the termination date of the 2017 Plan will remain in force according to the terms of the 2017 Plan and the applicable award agreement.

Pilot Phantom Equity Plan

On December 3, 2013, to give effect to the reorganization of our corporate structure in connection with the acquisition by Indigo, an agreement was reached to amend and restate a phantom equity agreement that was in place with our predecessor and Frontier pre-acquisition. Under the terms of this agreement, our pilots employed by Frontier in June 2011, when an amendment to the underlying collective bargaining agreement was approved, who we refer to as the Participating Pilots, through their agent, FAPAInvest, LLC, received phantom equity units which were the economic equivalent of 231,000 shares of our common stock, representing 4% of our common stock as of June 30, 2014. Each unit constitutes the right to receive common stock or cash in connection with certain events, including a qualifying initial public offering, such stock to be distributed or cash paid to the Participating Pilots in installments in 2020 and 2022 based on a predetermined formula. The phantom equity units were fully vested at December 31, 2016 and are subject to adjustment for certain events, including cash dividends declared with respect to our common stock. Upon the completion of this offering, the foregoing phantom equity units will represent the right to receive:

- (a) 115,500 shares of our common stock (the "Share Component"), plus (b) an amount in cash equal to $ (which represents the sum of $18.95, the per share dividend we declared in February 2016, $28.85 the per share dividend we declared in February 2017, and $ the per share dividend we intend to declare and pay immediately prior to the completion of this offering, multiplied by 115,500) (the "Share Component Dividend Adjustment"); and
- $ million (the "Cash Component"), representing an amount in cash equal to the sum of (a) the product of 115,500 multiplied by the initial public offering price in this offering (assumed to be $ per share based on the midpoint of the price range set forth on the cover page of this

prospectus and (b) $______ (which represents the sum of $18.95, the per share dividend we declared in February 2016, $28.85 the per share dividend we declared in February 2017, and $ the per share dividend we intend to declare and pay immediately prior to the completion of this offering), multiplied by 115,500, which aggregate Cash Component will be funded into a trust for the benefit of the Participating Pilots.

The Share Component Dividend Adjustment will be increased to reflect adjustment for certain events, including cash dividends declared with respect to our common stock between the consummation of this offering and the date the underlying Share Component is distributed to the Participating Pilots.

The Share Component (along with the related Share Component Dividend Adjustment) and the Cash Component will generally be issued or paid to the Participating Pilots, as the case may be, in June 2020, provided, that % of such Share Component (along with the related Share Component Dividend Adjustment) and Cash Component will be issued and paid in June 2022. In the event of a change in control of our company that occurs prior to June 2020 or June 2022, as the case may be, our obligations under the Pilots' Phantom Equity Plan, as adjusted pursuant to the terms of plan, generally will be accelerated to the date of the closing of such change in control. The portion of the Share Component (along with the related Share Component Dividend Adjustment) and Cash Component to be issued and paid to each individual Participating Pilot is generally proportionate to the amount of wages earned by the Participating Pilot from June 2011 through December 2016 versus the total wages paid to all Participating Pilots during the same time period, as calculated by FAPAInvest, LLC.

Stockholders Agreements

Each executive officer has entered into a Stockholders Agreement with us and our controlling stockholder, Indigo Frontier Holdings Company, LLC, or Indigo Fund, in connection with the executive's holdings of shares of our common stock under the 2014 Plan. Each Stockholders Agreement provides us with certain rights that effectively restrict the transfer of shares of our common stock until the end of the 180-day period following the consummation of an underwritten initial public offering. The restrictive rights provided to us include a call right whereby we may repurchase shares upon a termination of employment and a bring along right whereby Indigo can require participants to sell shares alongside Indigo Fund. Each executive holds a tag-along right whereby each executive may require Indigo successor to allow the executive to sell alongside Indigo in certain transactions. Generally, our restrictive rights lapse on the closing of this offering.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend or terminate the plan in some circumstances. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material, nonpublic information.

DIRECTOR COMPENSATION

Compensation Arrangements for our Non-Employee Directors

Prior to the completion of this offering, we have not compensated any members of our board of directors. Rather, we have compensated our directors for their service on the Frontier board of directors pursuant to our non-employee director compensation policy. We do not pay director fees to Frontier directors who are employees. All references to director compensation in this section prior to the completion of this offering are to service on Frontier's board of directors. After the completion of this offering, the director compensation policy described below will apply to service on our board, and no additional compensation will be paid for service on the Frontier board of directors. In addition, from and after the completion of this offering, all non-employee directors, whether or not affiliated with Indigo, will receive the same director compensation.

Prior to this offering, each non-employee Frontier director received an annual fee of $100,000 if such director was affiliated with Indigo, or an Indigo Director, and $70,000 if such director was not affiliated with Indigo, or a Non-Indigo Director. In addition, the chairperson of the audit committee received an additional annual fee of $17,000 and the chairperson for our compensation committee would have received an additional annual fee of $12,000 had such chairperson not been an Indigo Director. Non-Indigo Directors also received a grant of restricted shares of our common stock with an annual fair market value equal to $75,000 as of July 1, 2016. The restricted shares vest and all restrictions thereon lapse on the first anniversary of the date of grant subject to continued service.

As is common in the airline industry, we provide flight benefits to the members of Frontier's board of directors under the UATP, whereby each individual receives a yearly dollar value that they may use for personal travel on Frontier's flights for themselves and certain qualifying friends and family. Each one-way flight they take is valued at $75, which is the average cost to Frontier of a one-way flight for us. For fiscal year 2016, each non-employee director received a travel bank under the UATP equal to $5,500 (except for Mr. W. Franke who received a travel bank under the UATP equal to $13,750 as the chairman of Frontier's board of directors). In addition, Frontier provides reimbursement to the non-employee directors for their reasonable expenses incurred in attending meetings. Non-employee directors are not entitled to receive any additional director fees.

In early 2017, Frontier approved an increase in the annual fee for all non-employee, non-Indigo directors to $75,000, and increased the annual restricted share award to have a grant date fair value of $100,000, pursuant to the terms discussed above (provided that following the consummation of this offering, the awards will be restricted stock units). Accordingly, from and after the completion of this offering, all non-employee directors will be compensated as follows:

- annual fee of $75,000 payable in cash;
- annual restricted share units to have a grant date fair value of $100,000 to vest on the first anniversary of the date of grant (subject to continued service);
- additional annual fee to the chairperson of the audit committee of $17,000 payable in cash;
- additional annual fee to the chairpersons for our compensation committee and nominating and corporate governance committee of $12,000 in cash each; and
- travel benefits as discussed above.

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Director Compensation Table

The following table sets forth information regarding compensation earned by the non-employee directors who served on the board of directors of Frontier during the fiscal year ended December 31, 2016. None of the directors who serve on the our board of directors received any compensation for their service in fiscal year 2016.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	All other Compensation ($)(2)	Total ($)
Josh T. Connor	67,500	74,965	750	143,215
Brian H. Franke	100,000	—	—	100,000
William A. Franke	100,000	—	300	100,300
Robert J. Genise	67,500	74,965	—	142,465
Bernard L. Han	84,500	74,965	4,869	164,334
C.A. Howlett	100,000	—	3,183	103,183
Patricia Salas Pineda	38,036	74,965	300	113,301
John R. Wilson	100,000	—	2,398	102,398
Michael R. MacDonald	35,000	74,965	—	109,965

(1) Amounts shown represent the grant date fair value of stock awards granted by our during fiscal year 2016 as calculated in accordance with ASC Topic 718. See note 9 to the financial statements included in this registration statement for the assumptions used in calculating this amount. As of December 31, 2016, Messrs. Connor, Genise and Han and Ms. Pineda each held 291 restricted shares of our common stock. No other non-employee director held any equity awards.

(2) Amounts shown represent the flight benefits under our UATP for fiscal year 2016 based on our calculation of the incremental cost to the company providing the flight benefits to the directors based on each one-way flight they take being valued at the lesser of (i) the actual cost of the ticket and (ii) $75, which is the average cost to us of a one-way flight.

Director Stock Ownership Guidelines

In early 2017, we implemented stock ownership guidelines for our directors. Pursuant to these stock ownership guidelines, each current non-employee director and any newly appointed non-employee director is required to, by the later of five years from the guidelines' implementation date or, for newly elected directors, the date five years from the date of his or her election to the board, own shares of our common stock having an aggregate value at least equal to $200,000. For purposes of this calculation, shares of our common stock held directly or indirectly by the non-employee director are included, including restricted stock units (vested or unvested) and deferred stock units, if any, while any outstanding and unvested or vested but unexercised stock option awards are excluded. We will continue to periodically review best practices and re-evaluate our position with respect to stock ownership guidelines.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We describe below transactions and series of similar transactions, during our last three fiscal years, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers, holders of more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

Each agreement described below is filed as an exhibit to the registration statement of which this prospectus forms a part, and the following descriptions are qualified by reference to such agreements.

Management Services

We pay a quarterly fee of $375,000 to Indigo Partners LLC, or Indigo, for consulting services and reimburse Indigo for out of pocket expenses pursuant to a Professional Services Agreement, dated December 3, 2013. For the years ended December 31, 2016, 2015 and 2014, we paid an aggregate of approximately $1.7 million, $1.6 million, and $1.8 million, respectively. Our engagement of Indigo pursuant to the Professional Services Agreement will continue until the date that Indigo and its affiliates own less than 10% of the 5.2 million shares of our common stock acquired by an affiliate of Indigo in December 2013.

Payments to Aergen Aviation Finance Limited Related to Previously Leased Aircraft

In September 2003, our predecessor entered into a lease agreement for a single A319 aircraft with an unrelated third party. In May 2016, the aircraft subject to this lease agreement was acquired by Aergen Aviation Finance Limited, or Aergen. We were not involved in this transaction and no substantive change was made to the lease agreement in connection with Aergen's acquisition of the aircraft. Mr. Genise, a member of our board of directors, is a director of Aergen and the Chief Executive Officer of Aergen Management Services, a wholly-owned U.S. subsidiary of Aergen. This lease expired on February 28, 2017, at which time we redelivered the aircraft to Aergen. Pursuant to the lease agreement, we paid an aggregate of $0.7 million of rent during portion of 2016 that Aergen owned the aircraft, $0.2 million of rent during the portion of 2017 that we operated the aircraft, and $0.6 million to the lessor in connection with the return of the aircraft to satisfy our contractual obligations related to the condition of the aircraft at the end of the lease.

Registration Rights Agreement

Immediately prior to the consummation of this offering, we intend to grant the registration rights described below to an affiliate of Indigo, which holds 5.2 million shares of our common stock, pursuant to the terms of a Registration Rights Agreement, to be entered into by us at such time. This agreement will be entered into pursuant to the terms of the Subscription Agreement, dated December 3, 2013, pursuant to which Indigo funded the equity component of the acquisition from Republic Airways Holdings, Inc. For a description of the Registration Rights Agreement, please see "Description of Capital Stock—Registration Rights."

Policies and Procedures for Related Party Transactions

Our board of directors intends to adopt a written related party policy to set forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we (or any of our subsidiaries) are to be a participant, the amount involved exceeds $120,000 and a related party had or will have a direct or indirect material interest, including purchases of goods or services by or from the related party or entities in which the related party has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related party.

PRINCIPAL AND SELLING STOCKHOLDER

The following table sets forth, as of December 31, 2016, information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our voting securities;
- each of our named executive officers;
- each of our directors;
- all of our executive officers and directors as a group; and
- the selling stockholder.

Beneficial ownership is determined according to the rules of the SEC and generally means that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power of that security, including options and warrants that are currently exercisable or exercisable within 60 days. Except as indicated by the footnotes below, we believe, based on the information furnished to us, that the persons named in the table below have sole voting and investment power with respect to all shares of common stock shown that they beneficially own, subject to community property laws where applicable.

Common stock subject to stock options and warrants currently exercisable or exercisable within 60 days of December 31, 2016, are deemed to be outstanding for computing the percentage ownership of the person holding these options and warrants and the percentage ownership of any group of which the holder is a member but are not deemed outstanding for computing the percentage of any other person.

We have based our calculation of the percentage of beneficial ownership prior to the offering on 5,237,756 shares of common stock outstanding on December 31, 2016. We have based our calculation of the percentage of beneficial ownership after the offering on   shares of our common stock outstanding immediately after the completion of this offering (assuming no exercise of the underwriters' option to purchase additional shares of our common stock from the selling stockholder).

Unless otherwise noted below, the address for each of the stockholders in the table below is c/o Frontier Group Holdings, Inc., Frontier Center One, 7001 Tower Road, Denver CO, 80249.

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The information in the table below with respect to each selling stockholder has been obtained from that selling stockholder. When we refer to the "selling stockholder" in this prospectus, we mean the entity listed in the table below as offering shares, as well as the pledgees, donees, assignees, transferees, successors and others who may hold any of the selling stockholder's interest.

	Beneficial Ownership Prior to the Offering					Beneficial Ownership After the Offering		Beneficial Ownership After the Offering if the Option to Purchase Shares is Exercised	
Name and Address of Beneficial Owner	**Common Stock**	**Options Exercisable within 60 days**	**Number of Shares Beneficially Owned**	**Percent**	**Shares Offered in the Offering**	**Number of Shares Beneficially Owned**	**Percent**	**Number of Shares Beneficially Owned**	**Percent**
5% Stockholder and Selling Stockholder:									
Indigo Frontier Holdings Company, LLC(1)	5,200,000	0	5,200,000	99.3%			%		%
Named Executive Officers and Directors:									
William A. Franke(1)	5,200,000	0	5,200,000	99.3%			%		%
Josh T. Connor(2)	1,741	0	1,741	*		1,741	*	1,741	*
Brian H. Franke	0	0	0	*		0	*	0	*
Robert J. Genise(3)	8,091	0	8,091	*		8,091	*	8,091	*
Bernard L. Han(4)	8,091	0	8,091	*		8,091	*	8,091	*
C.A. Howlett	0	0	0	*		0	*	0	*
Michael R. MacDonald(5)	291	0	291	*		291	*	291	*
Patricia Salas Pineda(6)	291	0	291	*		291	*	291	*
John R. Wilson	0	0	0	*		0	*	0	*
Barry L. Biffle(7)	0	37,538	37,538	*		37,538	*	37,538	*
James G. Dempsey(8)	0	16,603	16,603	*		16,603	*	16,603	*
Howard M. Diamond(9)	0	8,650	8,650	*		8,650	*	8,650	*
Daniel M. Shurz(10)	0	8,375	8,375	*		8,375	*	8,375	*
William A. Meehan(11)	0	8,650	8,650	*		8,650	*	8,650	*
All executive officers and directors as a group (16 persons)	5,218,505	83,128	5,301,633	99.6%			%		%

* Represents beneficial ownership of less than one percent (1%) of the outstanding common stock.

(1) Consists of 5,200,000 shares held by Indigo Frontier Holdings Company LLC. William A. Franke is the sole member of Indigo Denver Management Company, LLC, which is the managing member of Indigo Frontier Holdings Company LLC, and as such, Mr. Franke has voting and dispositive power over these shares. Mr. Franke disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein. The address for Mr. Franke and Indigo Frontier Holdings, LLC is c/o Indigo Partners, 2525 East Camelback Road, Suite 900, Phoenix, Arizona 85016.

(2) Consists of 1,741 shares of common stock, of which 291 are subject to future vesting.

(3) Consists of 8,091 shares of common stock, of which 291 are subject to future vesting.

(4) Consists of 8,091 shares of common stock, of which 291 are subject to future vesting.

(5) Consists of 291 shares of common stock, which are subject to future vesting.

(6) Consists of 291 shares of common stock, which are subject to future vesting.

(7) Consists of 37,538 shares of common stock underlying stock options exercisable within 60 days of December 31, 2016.

(8) Consists of 16,603 shares of common stock underlying stock options exercisable within 60 days of December 31, 2016.

(9) Consists of 8,650 shares of common stock underlying stock options exercisable within 60 days of December 31, 2016.

(10) Consists of 8,375 shares of common stock underlying stock options exercisable within 60 days of December 31, 2016.
(11) Consists of 8,650 shares of common stock underlying stock options exercisable within 60 days of December 31, 2016.

DESCRIPTION OF PRINCIPAL INDEBTEDNESS

Pre-Delivery Deposits Financing

Our direct subsidiary, Frontier Airlines Holdings, Inc., or Holdings, and our operating subsidiary, Frontier Airlines, Inc., or Frontier, are party to a debt facility that is available to finance a portion of certain pre-delivery payments, or PDP Payments, that Frontier is required to pay to Airbus S.A.S., or Airbus, with respect to future deliveries of specific Airbus A320 family aircraft that we have on order, collectively, the PDP Aircraft. In connection with entering into this facility, Holdings and Frontier established an unaffiliated Cayman Islands exempted company, or Vertical Horizons, to act as borrower thereunder, and Frontier transferred certain of its rights and obligations under the purchase agreements, or the Assigned Purchase Agreements, between it and Airbus relating to the PDP Aircraft to Vertical Horizons, including the obligation to make pre-delivery payments.

In August 2015, Vertical Horizons, as borrower, and Citibank, N.A., or Citibank, as facility agent and lender, entered into an amended and restated loan agreement, or the PDP Financing Facility, which increased the commitment under the PDP Financing Facility to $125 million and increased the number of PDP Aircraft with respect to which PDP Payments could be financed thereunder. On January 14, 2016, the PDP Financing Facility was further amended to increase the commitment thereunder to $150 million and on December 16, 2016 amended and restated to increase the number of PDP Aircraft with respect to which PDP Payments could be financed thereunder. Vertical Horizons' obligations under the PDP Financing Facility are secured primarily by a first priority lien on the Assigned Purchase Agreements including the proceeds and payments thereunder, and a charge over the shares of Vertical Horizons. Vertical Horizons' obligations with respect to the PDP Financing Facility are guaranteed by Holdings and by Frontier. The PDP Financing Facility contains affirmative and negative covenants and events of default that are typical in the industry for similar financings. The PDP Financing Facility consists of separate loans for each PDP Aircraft. The separate loans mature upon the earlier of (i) delivery of that aircraft to us by Airbus, (ii) the date one month following the last day of the scheduled delivery month of such aircraft and (iii) if there is a delay in delivery of aircraft, depending on the cause of the delivery delay, up to six months following the last day of the scheduled delivery month of such aircraft. The facility will be repaid periodically according to the preceding sentence with the last scheduled delivery of aircraft contemplated in the PDP Financing Facility to be in the fourth quarter of 2019. As of December 31, 2016, $143 million of borrowings were outstanding under this facility.

Funds available under the PDP Financing Facility are subject to certain administrative and commitment fees, and funds drawn under the facility bear interest at the London Interbank Offered Rate, or LIBOR, plus a margin.

Pre-Purchased Mileage Facility

We entered into an agreement with Barclays Bank Delaware (formerly known as Juniper Bank), or Barclays Bank, in 2003 to provide for joint marketing, grant certain benefits to co-branded credit card holders, or Cardholders, and allow Barclays Bank to market using our customer database. Cardholders earn miles under the *Early Returns* program and we sell mileage awards at agreed-upon rates to Barclays Bank and earn fees from Barclays Bank for the acquisition, retention and use of the co-branded credit card by consumers. In addition, Barclays Bank will pre-purchase miles if we meet certain conditions precedent. During 2013, we amended our agreements with Barclays Bank to modify the products and services provided under the agreements, re-establish the pre-purchased miles facility at an initial amount of $39 million and extend the agreement to 2020. The dollar amount of the pre-purchased miles facility, or the Facility Amount, is subject to adjustment for the then-current year on each January 15, beginning on January 15, 2015 through and including January 15, 2019 based on the aggregate amount of fees payable by Barclays Bank to us on a calendar year basis, up to an aggregate maximum Facility Amount of $50 million. During 2016 and 2015, the Facility Amount ranged from $39 million to $47 million. We pay interest on the outstanding Facility Amount on a monthly basis based on one-month LIBOR plus a margin. Beginning December 2019, the facility will be repaid in 12 equal monthly installments. If the

facility is required to be decreased prior to December 2019, any amounts due to reduce the facility would be repaid over six months.

Barclays Bank has agreed that for each month that specified conditions are met it will pre-purchase additional miles on a monthly basis in an amount equal to the difference between the Facility Amount and the amount of unused miles then outstanding and held by Barclays Bank. Among the conditions to this monthly purchase of miles is a requirement that Frontier Airlines maintain a balance of unrestricted cash, as defined in the agreement, or maintain a minimum amount of earnings before interest, taxes, depreciation, amortization and rent (excluding any non-cash, non-operating expense) measured on a rolling four month basis. The Company may repurchase any or all of the pre-purchased miles at any time, from time to time, without penalty. Prior to December 31, 2019, or the Repurchase Commencement Date, the Facility Amount may be reduced in each month in which such specified conditions are not met, which Facility Amount may be subsequently increased after three consecutive months of compliance with such conditions. Commencing on the Repurchase Commencement Date, the Facility Amount will be reduced by one-twelfth of the Facility Amount as measured on the Repurchase Commencement Date each month until such time as no pre-purchased mileage credits remain outstanding under the facility. The pre-purchased miles facility expires in December 2020.

Fixed and Floating Rate Equipment Notes

As of December 31, 2016, we had six aircraft in our fleet financed with debt:

- the debt on the first aircraft was originated during May 2006 with a loan balance of $17 million, a fixed interest rate of 7.33% and a maturity date in May 2021;
- the debt on the second aircraft was originated during June 2005 with a loan balance of $25 million, floating interest rate of three-month LIBOR plus 2.00% and a maturity date in June 2017;
- the debt on the third aircraft was originated during July 2005 with a loan balance of $25 million, floating interest rate of three-month LIBOR plus 1.85% and a maturity date in July 2017;
- the debt on the fourth aircraft was originated on August 2006 with a loan balance of $26 million, floating interest rate of three-month LIBOR plus 1.95% and a maturity date in August 2018;
- the debt on the fifth aircraft was originated during February 2008 with a loan balance of $32 million, floating interest rate of three-month LIBOR plus 1.75% and a maturity date in February 2020; and
- the debt on the sixth aircraft was originated during March 2008 with a loan balance of $32 million, floating interest rate of three-month LIBOR plus 1.75% and a maturity date in March 2020.

The fixed and floating rate equipment notes are secured by the respective aircraft, which had a net book value of $104 million as of December 31, 2016. The weighted-average effective interest rate the fixed and floating rate equipment notes at December 31, 2016 and 2015, was 3.06% and 2.76%, respectively.

DESCRIPTION OF CAPITAL STOCK

The following summary describes our capital stock and our amended and restated certificate of incorporation and our amended and restated bylaws to be in effect immediately prior to the consummation of this offering, the Registration Rights Agreement to which we and Indigo Partners, or Indigo, are parties and of certain relevant provisions of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering and the Registration Rights Agreement, copies of which are incorporated by reference as exhibits to the registration statement of which this prospectus is part, and to the applicable provisions of the Delaware General Corporation Law.

General

Upon the completion of this offering, our amended and restated certificate of incorporation will authorize us to issue up to   shares of common stock, $0.001 par value per share,   shares of non-voting common stock, $0.001 par value per share, and 10,000,000 shares of preferred stock, $0.001 par value per share. See"—Limited Voting by Foreign Owners."

As of December 31, 2016, there were outstanding 5,237,756 shares of our capital stock held by seven stockholders of record.

Also as of December 31, 2016, there were outstanding no shares of non-voting common stock and no shares of preferred stock.

In connection with this offering, we will consummate a   -for-   stock split of our outstanding common stock and preferred stock which will occur prior to the effectiveness of the registration statement of which this prospectus is a part.

Common Stock

Dividend Rights. Holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds ratably with shares of our non-voting common stock, subject to preferences that may be applicable to any then outstanding Preferred Stock and limitations under Delaware law.

Voting Rights. Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors properly up for election at any given stockholders' meeting.

Liquidation. In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably with shares of our non-voting common stock in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of Preferred Stock.

Rights and Preferences. Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our Preferred Stock that we may designate in the future.

Fully Paid and Nonassessable. All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable

Non-Voting Common Stock

Our board of directors has the authority, without further action by our stockholders, to issue up to shares of non-voting common stock with the rights, preferences, privileges and restrictions set forth below. Among other circumstances, shares of our non-voting common stock may be issued if and when required to comply with restrictions imposed by federal law on foreign ownership of U.S. airlines. Upon the closing of this offering, there will be no shares of non-voting stock outstanding, and we have no present plan to issue any such shares of non-voting stock. See "—Limited Voting by Foreign Owners."

Dividend Rights. Holders of our non-voting common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds ratably with shares of our common stock, subject to preferences that may be applicable to any then outstanding Preferred Stock and limitations under Delaware law.

Voting Rights. Shares of our non-voting common stock are not entitled to vote on any matters submitted to a vote of the stockholders, including the election of directors, except to the extent required under Delaware law.

Conversion Rights. Shares of our non-voting common stock will be convertible on a share-for-share basis into common stock at the election of the holder.

Liquidation. In the event of our liquidation, dissolution or winding up, holders of our non-voting common stock will be entitled to share ratably with shares of our common stock in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of Preferred Stock.

Rights and Preferences. Holders of our non-voting common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our non-voting common stock. The rights, preferences and privileges of the holders of our non-voting common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of our Preferred Stock that we may designate in the future.

Preferred Stock

Our board of directors has the authority, without further action by our stockholders, to issue up to 10,000,000 shares of Preferred Stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. Our issuance of Preferred Stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of Preferred Stock could have the effect of delaying, deferring or preventing a change of control of our company or other corporate action. Upon the closing of this offering, there will be no shares of Preferred Stock outstanding, and we have no present plan to issue any such shares of Preferred Stock.

Registration Rights

Immediately prior to the consummation of this offering, we intend to grant the registration rights described below to an affiliate of Indigo, which holds 5.2 million shares of our common stock, pursuant to the terms of a Registration Rights Agreement to be entered into by us at such time. This agreement will be entered into pursuant to the terms of the Subscription Agreement, dated December 3, 2013, pursuant to which Indigo funded the equity component of the acquisition from Republic Airways Holdings, Inc.

The following description of the terms of Registration Rights Agreement is intended as a summary only and is qualified in its entirety by reference to the Registration Rights Agreement filed as an exhibit to the registration statement of which this prospectus is a part.

Demand and Short-Form Registration Rights

At any time following the consummation of this offering, Indigo may request that we initiate up to eight registrations of its shares (and the shares of any other parties that may become a party to the Registration Rights Agreement) on Form S-1 or any similar or successor long-form registration and, if available, an unlimited number of registrations of its shares (and the shares of any other parties that may become a party to the Registration Rights Agreement) on Form S-3 or any successor or similar short-form registration.

Piggyback Registration Rights

At any time that we propose to register any of our securities under the Securities Act, including in connection with this offering, Indigo and any other parties that may become a party to the Registration Rights Agreement will be entitled to certain "piggyback" registration rights allowing such parties to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act (other than with respect to our initial public offering, pursuant to a demand or short-form registration, or pursuant to a registration on Form S-4 or S-8 or any successor or similar forms), the holders of these shares are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration.

Expenses of Registration, Restriction and Indemnification

We will pay all registration expenses, including the legal fees of one counsel for all holders under the Registration Rights Agreement. The demand, short-form and piggyback registration rights are subject to customary restrictions such as limitations on the number of shares to be included in the underwritten offering imposed by the managing underwriter. The Registration Rights Agreement also contains customary indemnification and contribution provisions.

Anti-Takeover Provisions of Our Certificate of Incorporation and Bylaws

Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering provides that our board of directors will be divided into three classes, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, holders of common stock representing a majority of the voting rights of our common stock will be able to elect all of our directors up for election at any given stockholders' meeting. Accordingly, until such time as Indigo beneficially owns shares of our common stock representing less than a majority of the voting rights of our common stock, Indigo will elect our entire board of directors. Our amended and restated bylaws to be in effect immediately prior to the consummation of this offering includes advance notice procedures and other content requirements applicable to stockholders other than Indigo for proposals to be brought before a meeting of stockholders, including proposed nominations of persons for election to the board of directors.

Until such time as Indigo beneficially owns shares of our common stock representing less than a majority of the voting rights of our common stock, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering require a majority stockholder vote for the removal of a director with or without cause, and for the amendment, repeal or modification of certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws including, among other things, relating to the classification of our board of directors. From and

after such time as Indigo holds less than a majority of the voting rights of our common stock, a majority stockholder vote is required for removal of a director only for cause (and a director may only be removed for cause), and a 66 ⅔% stockholder vote is required for the amendment, repeal or modification of certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws.

Our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering also provide that, until such time as Indigo beneficially owns shares of our common stock representing less than a majority of the voting rights of our common stock, Indigo will have the ability to take stockholder action by written consent without calling a stockholder meeting and to approve amendments to our amended and restated certificate of incorporation and amended and restated bylaws and to take other actions without the vote of any other stockholder. From and after such time as Indigo beneficially owns shares of our common stock representing less than a majority of the voting rights of our common stock, all stockholder action must be effected at a duly called meeting of stockholders and not by a consent in writing, and further provide that, from and after such time as Indigo beneficially owns shares of our common stock representing less than a majority of the voting rights of our common stock, only our corporate secretary, upon the direction of our board of directors, or the Chairman of the Board may call a special meeting of stockholders.

The combination of the classification of our board of directors (from and after such time as Indigo holds less than a majority of the voting rights of our common stock), lack of cumulative voting rights, prohibitions on stockholder actions by written consent and stockholder ability to call a special meeting by a stockholder other than Indigo, and supermajority voting requirements make it more difficult for stockholders other than Indigo (for so long as it holds sufficient voting rights) to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for stockholders other than Indigo (for so long as it holds sufficient voting rights) or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions may have the effect of deterring hostile takeovers or delaying changes in our control or management. These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal. The provisions also are intended to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and, as a consequence, they also may inhibit fluctuations in the market price of our shares that could result from actual or rumored takeover attempts. Such provisions may also have the effect of preventing changes in our management.

Section 203 of the Delaware General Corporation Law

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an "interested stockholder" as an entity or person who, together with the person's affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Corporate Opportunity

Our amended and restated certificate of incorporation, to be in effect immediately prior to the consummation of this offering, will provide that, to the fullest extent permitted by law, the doctrine of "corporate opportunity" will not apply to Indigo, any of our non-employee directors who are employees, affiliates or consultants of Indigo or its affiliates (other than us or our subsidiaries) or any of their respective affiliates in a manner that would prohibit them from investing in competing businesses or doing business with our customers. See "Risk Factors—Risks Related to Owning Our Common Stock—Our certificate of incorporation will contain a provision renouncing our interest and expectancy in certain corporate opportunities."

Limited Ownership and Voting by Foreign Owners

To comply with restrictions imposed by federal law on foreign ownership of U.S. airlines, our amended and restated certificate of incorporation and amended and restated bylaws to be in effect immediately prior to the consummation of this offering restrict voting of shares of our capital stock by non-U.S. citizens. The restrictions imposed by federal law currently require that no more than 24.9% of our voting stock be voted, directly or indirectly, by persons who are not U.S. citizens, as defined in the Federal Aviation Act), that no more than 49.0% of our outstanding stock be owned (beneficially or of record) by persons who are not U.S. citizens and that our president and at least two-thirds of the members of our board of directors and senior management be U.S. citizens. Our amended and restated certificate of incorporation and bylaws to be in effect immediately prior to the consummation of this offering provide that the failure of non-U.S. citizens to register their shares on a separate stock record, which we refer to as the "foreign stock record," would result in a loss of their voting rights in the event and to the extent that the aggregate foreign ownership of the outstanding common stock exceeds the foreign ownership restrictions imposed by federal law. Our amended and restated 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. If it is determined that the amount registered in the foreign stock record exceeds the foreign ownership restrictions imposed by federal law, shares will be removed from the foreign stock record in reverse chronological order based on the date of registration therein, until the number of shares registered therein does not exceed the foreign ownership restrictions imposed by federal law. We are currently in compliance with these ownership restrictions.

Delaware as Sole and Exclusive Forum

Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering provides that the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf us, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors or officers to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws or (iv) any action asserting a claim against us governed by the internal affairs doctrine. As a result, any action brought by any of our stockholders with regard to any of these matters will need to be filed in the Court of Chancery of the State of Delaware and cannot be filed in any other jurisdiction.

Limitations of Liability and Indemnification

Please see "Management—Limitation of Liability and Indemnification."

Market Listing

We have applied to have our common stock approved for quotation on the under the symbol "FRNT."

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is and its telephone number is .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Based on the number of shares outstanding as of December 31, 2016 and giving effect to the completion of this offering, million shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options. Of these shares, the shares sold in this offering, which includes both the shares sold by us and any shares sold by the selling stockholder, plus any shares sold upon exercise of the underwriters' option to purchase additional shares of our common stock from the selling stockholder, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 of the Securities Act.

After this offering, million shares of common stock will be restricted as a result of securities laws or lock-up agreements as described below. Following the expiration of the various lock-up periods, all shares will be eligible for resale in compliance with Rule 144 or Rule 701, if then available, to the extent such shares have been released from any repurchase option that we may hold. "Restricted securities" as defined under Rule 144 were issued and sold by us in reliance on exemptions from the registration requirements of the Securities Act. These shares may be sold in the public market only if registered pursuant to an exemption from registration, such as Rule 144 or Rule 701 under the Securities Act.

The share amounts set forth in this section are subject to change and will depend primarily on the price per share at which our common stock is sold in this offering and the total size of the offering. Please see "Use of Proceeds" elsewhere in this prospectus.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreements referred to below, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreements referred to below, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately shares of common stock immediately after this offering (calculated on the basis of the number of shares of our common stock outstanding as of December 31, 2016, the assumptions described above and assuming no exercise of the underwriter's option to purchase additional shares and no exercise of outstanding options); or

- the average weekly trading volume of our common stock on the during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced below and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares in reliance on Rule 144. Accordingly, subject to any applicable lock-up agreements, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreement referred to below, if applicable).

Lock-Up Agreements

In connection with this offering, we, the selling stockholder, our officers, directors and holders of substantially all of our outstanding shares of capital stock and other securities have agreed with the underwriters, subject to specified exceptions, not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus. See "Underwriting."

Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC may, in their sole discretion and at any time or from time to time before the termination of the 180-day period, without public notice, release all or any portion of the securities subject to lock-up agreements. There are no existing agreements between the underwriters and any of our stockholders who will execute a lock-up agreement which provide consent to the sale of shares prior to the expiration of the lock-up period.

Registration Rights

On the date beginning 180 days after the date of this prospectus, an affiliate of Indigo, which holds 5.2 million shares of our common stock, or its transferees, will be entitled to certain rights with respect to the registration of those shares under the Securities Act. For a description of these registration rights, please see "Description of Capital Stock—Registration Rights." After these shares are registered, they will be freely tradable without restriction under the Securities Act.

Registration Statements

As soon as practicable after the completion of this offering, we intend to file a Form S-8 registration statement under the Securities Act to register shares of our common stock subject to options outstanding or reserved for issuance under our 2014 Stock Incentive Plan and the Frontier Group Holdings, Inc. 2017 Equity Incentive Award Plan. This registration statement will become effective immediately upon filing, and shares covered by this registration statement will thereupon be eligible for sale in the public markets, subject to vesting restrictions, the lock-up agreements described above and Rule 144 limitations applicable to affiliates. For a more complete discussion of our stock plans, please see “Executive Compensation—Equity Compensation Plans.”

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service, or the IRS, in each case in effect as of the date hereof. These authorities may change or be subject to differing interpretations. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders that hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies,” and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code; and
- tax-qualified retirement plans.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is neither a "U.S. person" nor an entity treated as a partnership for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and all substantial decisions of which are subject to the control of one or more "United States persons" (within the meaning of Section 7701(a)(30) of the Code), or (2) has a valid election in effect to be treated as a United States person for U.S. federal income tax purposes.

Distributions

As described in the section entitled "Dividend Policy," we do not anticipate declaring or paying any cash dividends on our common stock. However, if we do make distributions of cash or property on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and first be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its common stock, but not below zero. Any excess will be treated as capital gain and will be treated as described below under "— Sale or Other Taxable Disposition."

Subject to the discussion below on effectively connected income, dividends paid to a Non-U.S. Holder will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty, provided the Non-U.S. Holder furnishes a valid IRS Form W-8BEN or W-8BEN-E (or other applicable documentation) certifying qualification for the lower treaty rate). A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable tax treaties.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such dividends are attributable), the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussions below under "—Information Reporting and Backup Withholding" and "—Additional Withholding Tax on Payments Made to Foreign Accounts," a Non-U.S. Holder will not be subject

to U.S. federal income or withholding tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the Non-U.S. Holder maintains a permanent establishment in the United States to which such gain is attributable);
- the Non-U.S. Holder is a non-resident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- our common stock constitutes a U.S. real property interest, or USRPI, by reason of our status as a U.S. real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our USRPIs relative to the fair market value of our non-U.S. real property interests and our other business assets, there can be no assurance we currently are not a USRPHC or will not become one in the future. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a Non-U.S. Holder of our common stock will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market, and such Non-U.S. Holder owned, actually and constructively, 5% or less of our common stock throughout the shorter of the five-year period ending on the date of the sale or other taxable disposition or the Non-U.S. Holder's holding period.

Non-U.S. Holders should consult their tax advisors regarding any applicable tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

Payments of dividends on our common stock will not be subject to backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know the Non-U.S. Holder is a United States person and the Non-U.S. Holder either certifies its non-U.S. status, such as by furnishing a valid IRS Form W-8BEN, W-8BEN-E or W-8ECI, or otherwise establishes an exemption. However, information returns are required to be filed with the IRS in connection with any dividends on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other taxable disposition of our common stock within the United States or conducted through certain U.S.-related brokers generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the certification described above and does not have actual knowledge or reason to know that such Non-U.S. Holder is a United States person, or the Non-U.S. Holder otherwise establishes an exemption. Proceeds of a disposition of our common stock conducted through a non-U.S. office of a non-U.S. broker that does not have certain enumerated relationships with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or gross proceeds from the sale or other disposition of, our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our common stock, and will apply to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2019.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

UNDERWRITING

Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus, each underwriter named below has severally and not jointly agreed to purchase, and we have agreed to sell to that underwriter, the number of shares set forth opposite the underwriter's name.

Underwriter	Number of Shares
Citigroup Global Markets Inc.	
Deutsche Bank Securities Inc.	
Evercore Group L.L.C.	
J.P. Morgan Securities LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Barclays Capital Inc.	
Cowen and Company, LLC	
Credit Suisse Securities (USA) LLC	
Goldman, Sachs & Co.	
Raymond James & Associates, Inc.	
UBS Securities LLC	
Total	

The underwriting agreement provides that the obligations of the underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the shares (other than those covered by the option to purchase additional shares described below) if they purchase any of the shares. Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC are acting as representatives of the underwriters.

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount from the initial public offering price not to exceed $ per share. If all the shares are not sold at the initial offering price, the underwriters may change the offering price and the other selling terms. The representatives have advised us that the underwriters do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

The selling stockholder has granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional shares of common stock at the public offering price less the underwriting discounts and commissions set forth on the cover of this prospectus. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment. The selling stockholder will be obligated, pursuant to the option, to sell these additional shares of common stock to the underwriters to the extent the option is exercised. Any shares issued or sold under the option will be issued and sold on the same terms and conditions as the other shares that are the subject of this offering.

The following table shows the underwriting discounts that we and the selling stockholder are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Paid by Company		Paid by the Selling Stockholder	
	No Exercise	Full Exercise	No Exercise	Full Exercise
Per share	$	$	$	$
Total	$	$	$	$

We estimate that our portion of the total expenses of this offering, excluding underwriting discounts and commissions, will be approximately $. We have agreed to reimburse the underwriters for expenses of up to $ related to the clearance of this offering with the Financial Industry Regulatory Authority, Inc. and compliance with state securities or "blue sky" laws.

In connection with this offering, we have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, without, in each case, the prior written consent of Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus, other than any shares of our common stock issued upon the exercise of options granted under our existing equity incentive plans and any shares of our common stock issued upon the conversion of or exercise of any securities outstanding as of the date of this prospectus.

In connection with this offering, the selling stockholder, our officers, directors and holders of substantially all of our outstanding shares of capital stock and other securities have agreed with the underwriters not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common stock or securities convertible into or exchangeable or exercisable for shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Citigroup Global Markets Inc., Deutsche Bank Securities Inc., Evercore Group L.L.C. and J.P. Morgan Securities LLC for a period of 180 days after the date of this prospectus.

The foregoing restrictions are subject to specified exceptions, including, without limitation, the following:

- open market transactions related to shares acquired after the completion of this offering, provided that no filing under Section 16(a) of the Exchange Act, or other public announcement, shall be required or shall be made voluntarily in connection with any such transaction;
- the exercise of stock options or other similar awards granted pursuant to our equity incentive plans described in this prospectus solely for cash, provided that the shares received upon exercise shall continue to be subject to the restrictions on transfer set forth in the lock-up agreement, any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option or similar award, that no shares were sold by the reporting person and that the shares received upon exercise of the stock option are subject to a lock-up agreement with the underwriters, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction;
- the withholding of shares of our common stock by us or sale of such shares to us in connection with a vesting event of stock options or other similar awards granted pursuant to our equity incentive plans described in this prospectus to cover tax withholding obligations or the payment of taxes in connection with the vesting event, provided that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the purpose of such transfer is to cover such tax withholding obligations or the payment of taxes due in connection with the vesting event and that no other shares were sold, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction;
- transfers to us upon the exercise of stock options or other similar awards granted pursuant to our equity incentive plans described in this prospectus on a "cashless" or "net exercise" basis, provided that the

shares received upon exercise shall continue to be subject to the restrictions on transfer set forth in the lock-up agreement and that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that the filing relates to the exercise of a stock option or similar award, that no shares were sold by the reporting person and that the shares received upon exercise of the stock option are subject to a lock-up agreement with the underwriters, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction; and

- transfers by operation of law or court order pursuant to a domestic relations order or a negotiated divorce settlement, provided that the recipient agrees to be bound in writing by the restrictions set forth in the lock-up agreement, that any public report or filing required to be made under Section 16(a) of the Exchange Act shall clearly indicate in the footnotes thereto that such transfer is pursuant to such court order or settlement and that the shares are subject to a lock-up agreement with the underwriters, and that no other public announcement shall be required or shall be made voluntarily in connection with any such transaction.

Prior to this offering, there has been no public market for our shares. Consequently, the initial public offering price for the shares will be determined by negotiations between us, the selling stockholder and the representatives. Among the primary factors that we expect to consider in determining the initial public offering price are:

- the information set forth in this prospectus and otherwise available to the representatives;
- our revenues, results of operations and certain other financial and operating information in recent periods;
- our future prospects and estimates of our business potential including the economic conditions in and future prospects for the industry in which we compete;
- the present stage of our development;
- the market capitalizations and stages of development of other companies that we and the representatives of the underwriters believe to be comparable to our business;
- our management;
- currently prevailing general conditions in the equity securities markets; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure you, however, that the price at which the shares will trade in the public market after this offering will not be lower than the initial public offering price or that an active trading market in our shares will develop and continue after this offering.

We intend to apply to have our shares listed on the   under the symbol “FRNT.”

We and the selling stockholder have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

In order to facilitate the offering of the shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the shares. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option to purchase additional shares. The underwriters can close out a covered short sale by exercising the option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares

compared to the price available under the option to purchase additional shares. The underwriters may also sell shares in excess of the option to purchase additional shares, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the shares above independent market levels or prevent or retard a decline in the market price of the shares. The underwriters are not required to engage in these activities and may end any of these activities at any time.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters participating in this offering. The representatives may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

Other Relationships

Certain of the underwriters have performed commercial banking services for us from time to time for which they have received customary fees and reimbursement of expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. Citigroup Global Markets Inc. is the arranger and Citibank N.A., an affiliate of Citigroup Global Markets Inc., is the facility agent and lender under our PDP financing facility that is guaranteed by our subsidiaries, Frontier Airlines Holdings, Inc. and Frontier Airlines, Inc. Barclays Bank Delaware, an affiliate of Barclays Capital Inc., issues and services a co-branded credit card program for Frontier Airlines, Inc. and also provides a pre-purchased frequent flyer miles facility. Additionally, affiliates of Barclays Capital Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co. and Merrill Lynch, Pierce, Fenner & Smith Incorporated also provide us with hedging contracts related to aircraft fuel.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

General

Other than in the U.S., no action has been taken by us or the underwriters that would permit a public offering of the shares of common stock offered by this prospectus in any jurisdiction where action for that purpose is required. The shares offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such shares be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any shares offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area, each a "Member State," no offer of the shares of common stock which are the subject of the offering has been, or will be made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the shares of common stock referred to in (a) to (c) above shall result in a requirement for us or any representative to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a Member State to whom any offer of shares of our common stock is made or who receives any communication in respect of an offer of shares of our common stock, or who initially acquires any of our shares of common stock will be deemed to have represented, warranted, acknowledged and agreed to and with each representative and us that (1) it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (2) in the case of any shares of common stock acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale; or where shares of our common stock have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those shares of common stock to it is not treated under the Prospectus Directive as having been made to such persons.

We, the representatives and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus has been prepared on the basis that any offer of shares of our common stock in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Member State of shares of our common stock which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the representatives have authorized, nor do they authorize, the making of any offer of shares of our common stock in circumstances in which an obligation arises for us or the representatives to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer of shares of our common stock to the public" in relation to any shares of our common stock in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares of our common stock to be offered so as to enable an investor to decide to purchase or subscribe the shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons").

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Notice to Prospective Investors in Switzerland

The shares of our common stock may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, or the shares of our common stock have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares of our common stock will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares of our common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act"), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares of our common stock applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares of our common stock offered in this prospectus may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The shares of our common stock offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of our common stock may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in

Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where shares of our common stock are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Canada

The shares of our common stock offered in this prospectus may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts*, or NI 33-105, the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

LEGAL MATTERS

Certain legal matters with respect to the legality of the issuance of the shares of common stock offered by us by this prospectus will be passed upon for us by Latham & Watkins LLP, Menlo Park, California. The underwriters are being represented by Davis Polk & Wardwell LLP, Menlo Park, California, in connection with the offering.

EXPERTS

The consolidated financial statements of Frontier Group Holdings, Inc. at December 31, 2016 and 2015 and for each of the three years in the period ended December 31, 2016 appearing in this prospectus and registration statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to this offering of our common stock. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some items of which are contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The exhibits to the registration statement should be referenced for the complete contents of these contracts and documents. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Securities Exchange Act and, in accordance with this law, will file periodic reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC’s public reference facilities and the website of the SEC referred to above.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of
Frontier Group Holdings, Inc.

We have audited the accompanying consolidated balance sheets of Frontier Group Holdings, Inc. ("the Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Frontier Group Holdings, Inc. as of December 31, 2016 and 2015, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Denver, Colorado
March 31, 2017

FRONTIER GROUP HOLDINGS, INC.
Consolidated Balance Sheets
(in millions, except for share and per share data)

	December 31, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 612	$ 419
Restricted cash	6	6
Accounts receivable, net	47	50
Supplies, net	19	10
Other current assets	38	50
Total current assets	**722**	**535**
Total property and equipment, net	**276**	**265**
Pre-delivery deposits for flight equipment	197	193
Aircraft maintenance deposits	52	47
Intangible assets, net	35	37
Other assets	59	51
Total assets	**$1,341**	**$1,128**
Liabilities and stockholders’ equity		
Current liabilities:		
Accounts payable	$ 46	$ 25
Air traffic liability	159	120
Frequent flyer liability	14	22
Other current liabilities	193	222
Current maturities of long-term debt	141	103
Total current liabilities	**553**	**492**
Long-term debt	96	118
Long-term frequent flyer liability	40	42
Other long-term liabilities	206	134
Total liabilities	**895**	**786**
Stockholders’ equity:		
Common stock, no par value, stated value of $.001 per share, with 5,237,756 and 5,255,551 shares issued and outstanding in 2016 and 2015, respectively	—	—
Additional paid-in capital	50	53
Retained earnings	395	299
Accumulated other comprehensive income (loss)	1	(10)
Total stockholders’ equity	**446**	**342**
Total liabilities and stockholders’ equity	**$1,341**	**$1,128**

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Operations
(in millions, except for per share data)

	Year Ended December 31,		
	2016	2015	2014
Operating revenues			
Passenger	$ 988	$ 1,203	$ 1,328
Non-ticket	726	401	265
Total operating revenues	**1,714**	**1,604**	**1,593**
Operating expenses			
Aircraft fuel	343	369	538
Salaries, wages and benefits	287	285	258
Station operations	228	202	162
Aircraft rent	209	171	147
Sales and marketing	72	79	87
Maintenance materials and repairs	48	50	39
Depreciation and amortization	75	54	29
Special charges	—	43	—
Other operating	135	118	105
Total operating expenses	**1,397**	**1,371**	**1,365**
Operating income	**317**	**233**	**228**
Other expense (income)			
Interest expense	9	8	5
Capitalized interest	(6)	(3)	(1)
Interest income and other	(2)	—	—
Total other expense	**1**	**5**	**4**
Income before income taxes	316	228	224
Income tax expense	116	82	84
Net income	**$ 200**	**$ 146**	**$ 140**
Earnings per share to common stockholders			
Basic	$ 36.76	$ 26.60	$ 26.12
Diluted	$ 36.23	$ 26.15	$ 25.75
Shares used for computation			
Basic	5,236,978	5,247,477	5,203,058
Diluted	5,315,653	5,341,049	5,278,034
Cash Dividend declared per share	$ 18.95	$ —	$ —

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Comprehensive Income
(in millions)

	Year Ended December 31,		
	2016	2015	2014
Net income	**$ 200**	**$ 146**	**$ 140**
Unrealized gain (loss) on fuel cash flow hedges, net of deferred taxes of ($6), $6, and $0	11	(10)	—
Other comprehensive income (loss)	**11**	**(10)**	**—**
Comprehensive income	**$ 211**	**$ 136**	**$ 140**

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Cash Flows
(in millions)

	December 31, 2016	2015	2014
Cash flows from operating activities			
Net income	$ 200	$ 146	$ 140
Deferred income taxes	(23)	14	22
Depreciation and amortization	75	54	29
Stock-based compensation	42	44	6
Unrealized loss on fuel derivative instruments	—	—	35
Cash flows from fuel hedging	(13)	(43)	(25)
Special charges	—	43	—
Reduction in credit card holdback	—	59	55
Changes in operating assets and liabilities			
Accounts receivable	28	15	29
Supplies and other current assets	20	(5)	(1)
Aircraft maintenance deposits	(32)	(23)	(15)
Other long-term assets	(65)	(58)	(60)
Accounts payable	20	6	2
Restricted cash	—	2	(10)
Air traffic liability	39	(11)	4
Other current liabilities	(78)	5	(3)
Other long-term liabilities	25	(40)	(24)
Cash provided by operating activities	**238**	**208**	**184**
Cash flows from investing activities			
Capital expenditures	(26)	(39)	(15)
Pre-delivery deposits for flight equipment, net of refunds	(4)	(107)	(54)
Proceeds from sale of property and equipment	—	8	12
Other	(9)	(5)	—
Cash used in investing activities	**(39)**	**(143)**	**(57)**
Cash flows from financing activities			
Proceeds from issuance of long-term debt	113	130	39
Principal repayments on long-term debt	(97)	(67)	(11)
Principal repayments on short-term note payable from related party	—	—	(18)
Proceeds from sale-leaseback transactions	84	28	—
Dividend	(101)	—	—
Other	(5)	—	(1)
Cash (used in) provided by financing activities	**(6)**	**91**	**9**
Net increase in cash and cash equivalents	193	156	136
Cash and cash equivalents at beginning of period	419	263	127
Cash and cash equivalents at end of period	**$ 612**	**$ 419**	**$ 263**

See Notes to Consolidated Financial Statements.

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FRONTIER GROUP HOLDINGS, INC.
Consolidated Statements of Stockholders' Equity
(in millions, except for share data)

	Common Stock		Additional paid-in capital	Retained earnings	Accumulated other comprehensive income (loss)	Total
	Shares	Amount				
Balance at December 31, 2013	**5,238,501**	**$ —**	**$ 52**	**$ 13**	**$ —**	**$ 65**
Net income	—	—	—	140	—	140
Restricted stock issued	12,700	—	—	—	—	—
Stock compensation	—	—	—	—	—	—
Balance at December 31, 2014	**5,251,201**	**—**	**52**	**153**	**—**	**205**
Net income	—	—	—	146	—	146
Unrealized loss from cash flow hedges, net of tax	—	—	—	—	(10)	(10)
Restricted stock issued	4,350	—	—	—	—	—
Stock compensation	—	—	1	—	—	1
Balance at December 31, 2015	**5,255,551**	**—**	**53**	**299**	**(10)**	**342**
Net income	—	—	—	200	—	200
Dividend	—	—	—	(101)	—	(101)
Dividend equivalent rights	—	—	—	(3)	—	(3)
Restricted stock issued	1,455	—	—	—	—	—
Redemption of restricted stock	(19,250)	—	(5)	—	—	(5)
Unrealized gain from cash flow hedges, net of tax	—	—	—	—	11	11
Stock compensation	—	—	2	—	—	2
Balance at December 31, 2016	**5,237,756**	**$ —**	**$ 50**	**$ 395**	**$ 1**	**$ 446**

See Notes to Consolidated Financial Statements.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and include the accounts of Frontier Group Holdings, Inc. ("FGHI," the "Company", or "we") and its wholly-owned subsidiaries, including Frontier Airlines Holdings, Inc. ("FAH") and Frontier Airlines, Inc. ("Frontier"). All wholly-owned subsidiaries are consolidated, with all intercompany transactions and balances being eliminated. Prior to December 3, 2013, FAH was a wholly-owned subsidiary of Republic Airways Holdings, Inc. ("Republic"). On December 3, 2013, FGHI, formerly known as Falcon Acquisition Group, Inc., purchased from Republic all of FAH's common stock for $52 million in cash and assumed all of its obligations. As a result of the acquisition, all of FAH's assets and liabilities were remeasured to fair value as of the acquisition date.

The Company, headquartered in Denver, Colorado, is an ultra low-cost, low-fare airline that offers flights throughout the United States and to select destinations in the Caribbean and Mexico.

The Company is managed as a single business unit that primarily provides air transportation for passengers. Management has concluded there is only one reportable segment.

Use of Estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of acquisition to be cash equivalents. Additionally, any items with maturities greater than three months that are readily convertible to known amounts of cash are considered cash and cash equivalents. Investments included in this category primarily consist of money market funds and time deposits.

Restricted Cash

Restricted cash includes certificates of deposit that secure letters of credit issued for particular airport authorities as required in certain lease agreements. The Company also holds a certificate of deposit to secure workers' compensation claim reserves. Restricted cash may also include funds held as collateral for future travel paid with a credit card. These funds are held by credit card processors directly under contracts that require a holdback of funds equal to a certain percentage of the related air traffic liability, which was 0% as of year-end in 2016 and 2015. Although the Company's credit card processors currently do not have a right to hold back credit card receipts to cover repayments to customers, if the Company fails to maintain certain liquidity and other financial covenants, their rights to holdback would apply, which would result in a reduction of unrestricted cash that could be material. Restricted cash is carried at cost, which management believes approximates fair value.

Accounts Receivable, net

Receivables primarily consist of amounts due from credit card companies associated with the sale of tickets and amounts to be reimbursed from aircraft lessors for maintenance performed. The Company records an allowance for doubtful accounts for amounts not expected to be collected. The Company estimates the allowance based on aging trends. The allowance for doubtful accounts is $2 million and $0 as of 2016 and 2015, respectively.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

Supplies, net

Supplies consist of expendable aircraft spare parts, aircraft fuel and other supplies and are stated at the lower of cost or market. Supplies are accounted for on a first-in, first-out basis and are charged to expense as they are used. An allowance for obsolescence on aircraft spare parts is provided over the remaining useful life of the related aircraft fleet and is based on the remaining useful lives of the corresponding fleet type and salvage values. The obsolescence allowance is $2 million and $1 million at December 31, 2016 and 2015, respectively.

Property and Equipment, net

Property and equipment is stated at cost and depreciated on a straight-line basis over their estimated useful lives to their estimated residual values. The Company capitalizes additions, modifications enhancing the operating performance of its assets, and the interest related to payments used to acquire new aircraft and the construction of its facilities. The Company capitalizes interest attributable to pre-delivery payments ("PDPs") as an additional cost of the related asset beginning two years prior to the intended delivery date, when its estimates the related aircraft has begun to be manufactured and when PDPs are required to be paid under the terms of its existing aircraft purchase contract.

Estimated useful lives and residual values for the Company's property and equipment are as follows:

	Estimated Useful Life	Residual Value
Aircraft	25 years	10%
Flight equipment leasehold improvements	Lesser of lease term or economic life	0%
Aircraft parts	Fleet life	10%
Ground property and equipment	3 – 10 years	0%
Ground equipment leasehold improvements	Lesser of lease term or 10 years	0%
Internal use software	3 – 10 years	0%
Capitalized maintenance	Lesser of lease term or economic life	0%

The components of depreciation and amortization expense are as follows:

	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Depreciation	$ 73	$ 51	$ 27
Intangible amortization	2	3	2
Total depreciation and amortization	**$ 75**	**$ 54**	**$ 29**

The Company capitalizes certain internal and external costs associated with the acquisition and development of internal-use software for new products and enhancements to existing products that have reached the application development stage and are deemed feasible. Capitalized costs include external direct costs of materials and services utilized in developing or obtaining internal-use software, and labor cost for employees who are directly associated with, and devote time to, internal-use software projects. Capitalized computer software, net is included within the ground and other equipment which is a component of property and equipment, net in the accompanying consolidated balance sheets and totaled $7 million and $6 million at December 31, 2016 and 2015, respectively.

Measurement of Asset Impairment

The Company applies a fair value based impairment test to the carrying amount of indefinite-lived intangible assets annually, or more frequently if certain events or circumstances indicate impairment. The Company

assesses the value of indefinite-lived assets under a qualitative and quantitative approach, if needed. Under a qualitative approach, the Company considers various market factors, including applicable key assumptions listed below. These factors are analyzed to determine if events and circumstances have affected the fair value of indefinite-lived intangible assets. If the Company determines that it is more likely than not that an indefinite-lived intangible asset is impaired, the quantitative approach is used to assess the asset's fair value and the amount of the impairment. If the asset's carrying amount exceeds its fair value calculated using the quantitative approach, an impairment charge is recorded for the difference in fair value and carrying amount.

Factors which could result in future impairment of owned landing slots, holding other assumptions constant, could include, but are not limited to: (i) increased competition in the slotted airport; (ii) a change in competition in the slotted airport; (iii) significantly higher prices for jet fuel; and (iv) increased competition at a nearby airport. As part of this evaluation, the Company assesses whether changes in (i) macroeconomic conditions; (ii) industry and market conditions; (iii) cost factors; (iv) overall financial performance; and (v) certain events specific to us, have occurred which would impact the use and/or fair value of these assets.

Resulting from its qualitative analyses performed during 2016, the Company concluded it is more likely than not that the fair values of its indefinite-lived intangible assets are greater than the carrying amount. Therefore, a quantitative assessment was not necessary and no impairment was recorded.

Finite-lived intangible assets are comprised of the Company's affinity credit card program relationship recognized in connection with acquisition accounting and are amortized over their estimated economic useful life.

The Company records impairment charges on long-lived assets used in operations and finite-lived intangible assets when events and circumstances indicate that the assets may be impaired, the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of those assets, and the net book value of the assets exceeds their estimated fair value. In making these determinations, the Company uses certain assumptions, including, but not limited to: (i) estimated fair value of the assets; and (ii) estimated, undiscounted future cash flows expected to be generated by these assets, which are based on additional assumptions such as asset utilization, length of service the asset will be used in the Company's operations, and estimated salvage values.

Resulting from its qualitative analyses performed during 2016, the Company concluded it is more likely than not that the fair values of its long-lived assets and finite-lived intangible assets are greater than the carrying amount. Therefore, a quantitative assessment was not necessary and no impairment was recorded.

Passenger Revenue

Tickets sold in advance of the flight date are initially recorded as air traffic liability. Passenger revenue is recognized at the time of departure when transportation is provided. If a nonrefundable ticket expires, it is recognized as revenue at the date of scheduled travel.

Customers may elect to change their itinerary prior to the date of departure. A service fee is assessed and recognized as non-ticket revenue on the date the change is initiated and deducted from the face value of the original purchase price of the ticket, and the original ticket becomes invalid. The amount remaining after deducting the service fee can be used towards the purchase of a new ticket. The recorded value of the credit is calculated based on the original purchase price of the ticket less the service fee and estimated breakage, which is based on historical experience and is recognized at the original date of departure. Estimating the amount of breakage involves some level of subjectivity and judgment.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

The Company is required to collect certain taxes and fees from customers on behalf of government agencies and airports and remit these back to the applicable governmental entity or airport on a periodic basis. These taxes and fees include U.S. federal transportation taxes, federal security charges, airport passenger facility charges, and foreign arrival and departure taxes. These items are collected from customers at the time they purchase their tickets, but are not included in passenger revenue. The Company records a liability upon collection from the customer and reduces the liability when payments are remitted to the applicable governmental agency or airport.

Charter revenue is recognized at time of departure when transportation is provided. By the end of 2016, the Company had largely exited charter flight services.

Frequent Flyer Program

The Company records a liability for miles earned by passengers under its *Early Returns* program based on the estimated incremental cost of providing free travel for miles that are expected to be redeemed. Incremental costs include aircraft fuel, insurance, security, ticketing and reservation costs, net of redemption fees, but does not include any contribution to fixed overhead costs or profit.

Award miles are also sold to participating companies, including credit card and car rental companies. These sales are accounted for as multiple-element arrangements. Under the Company’s affinity card program, the Company evaluates all deliverables in the arrangement to determine whether they represent separate units of accounting using the criteria set forth in multiple-element arrangement guidance. The Company determined the arrangement has three separate units of accounting: (i) travel miles to be awarded; (ii) licensing of brand and access to member lists; and (iii) advertising and marketing efforts. Total arrangement consideration is allocated to each deliverable on the basis of the deliverable’s relative selling price. For award miles, the Company considers a number of entity-specific factors when developing the best estimate of the selling price, including the number of miles needed to redeem an award, average fare of comparable segments, breakage, restrictions and other charges. For licensing of brand and access to member lists, the Company considers both market-specific factors and entity-specific factors, including general profit margins realized in the marketplace/industry, brand power, market royalty rates and size of customer base. For the advertising element, the Company considers market-specific factors and entity-specific factors, including the Company’s internal costs of providing services, volume of marketing efforts and overall advertising plan.

Consideration allocated based on the relative selling price to both brand licensing and advertising elements is recognized as non-ticket revenue on a periodic basis as earned. The consideration allocated to the transportation portion of these mileage sales is deferred and recognized as passenger revenue in the Company’s consolidated statements of operations based on the redemption method. Breakage is recorded under the redemption method using points expected to be redeemed and the recorded deferred revenue balance to determine a weighted-average rate, which is then applied to the actual points redeemed. Redemptions are allocated between sold and flown miles based on historical patterns. Current and future changes to the expiration policy or to program rules and program redemption opportunities may result in material changes to the frequent flyer liability balance as well as recognized revenue from the program.

Non-ticket Revenue

Non-ticket revenues are generated from air travel-related services for baggage, bookings through the Company’s call center or third-party vendors, seat selections, itinerary changes and on-board sales. The Company recognizes revenue for these services generally at the time of departure, with the service charges for changes or cancellations recognized at the time of the transaction. Fees sold in advance of the flight date are initially recorded as air traffic liability. Non-ticket revenue also includes services not directly related to providing transportation, such as the

advertising, marketing and brand elements of the *Early Returns* affinity credit card program and revenue associated with the *Discount Den* membership program.

Aircraft Maintenance

The Company accounts for heavy maintenance and major overhauls under the deferral method, whereby the cost of heavy maintenance and major overhauls is deferred and recorded as flight equipment and depreciated over the lesser of the remaining lease term or the period until the next scheduled heavy maintenance event. All other costs for routine maintenance of airframes and engines are charged to expense as performed, unless covered by a third-party flight hour service agreement, in which case costs are expensed based on contractual payment terms unless labor and materials price risks have not been transferred to the service provider.

Depreciation of heavy maintenance costs is recorded as part of depreciation and amortization expense. During 2016 and 2015, the Company deferred $58 million and $55 million, respectively, of costs for heavy maintenance. The Company's deferred heavy maintenance balance, net is $65 million and $60 million at December 31, 2016 and 2015, respectively, and is included as a part of flight equipment in Note 3.

Certain of the Company's aircraft and spare engine lease agreements require the Company to pay maintenance reserves to aircraft lessors to be held as collateral in advance of the Company's required performance of major maintenance activities. At lease inception and at each balance sheet date, the Company assesses whether the maintenance reserve payments required by its leases are substantively and contractually related to the maintenance of the leased asset. Maintenance reserve payments that are determined to be related to the maintenance of the leased asset are accounted for as maintenance deposits, to the extent they are expected to be recoverable, and are reflected as aircraft maintenance deposits in the accompanying consolidated balance sheets. When it is not probable that the Company will recover amounts currently on deposit with a lessor, such amounts are expensed as supplemental rent.

The Company makes certain assumptions at the inception of the lease and at each balance sheet date to determine the recoverability of maintenance deposits. These assumptions are based on various factors, such as the estimated time between the maintenance events, the date the aircraft is due to be returned to the lessor and the number of flight hours and cycles the aircraft is estimated to be utilized before it is returned to the lessor. Changes in estimates are accounted for on a cumulative catch-up basis.

Certain of the Company's lease agreements provide that maintenance reserves held by the lessor at the expiration of the lease are nonrefundable to the Company and will be retained by the lessor. Consequently, any usage-based maintenance reserve payments after the last major maintenance event are not substantively related to the maintenance of the leased asset and, therefore, are accounted for as supplemental rent.

Leased Aircraft Return Costs

The Company's aircraft lease agreements often contain provisions that require the Company to return aircraft airframes and engines to the lessor in a specified condition or pay an amount to the lessor based on the airframe and engine's actual return condition. Lease return costs include all costs that would be incurred at the return of the aircraft, including costs incurred to repair the airframe and engines to the condition required by the lease. Lease return costs could include, but are not limited to, redelivery cost, redelivery crew cost, fuel, final inspections, reconfiguration of the cabin, repairs to the airframe, painting, overhaul of engines, replacement of components and checks. Costs associated with returning leased aircraft are accrued when it is probable that an obligation has been incurred and that amount is reasonably estimable. When determining probability and estimated cost there are various other factors which need to be considered such as current condition of the

aircraft, the age of the aircraft at lease expiration, number of hours run on the engines, number of cycles run on the airframe, projected number of hours run on the engine at the time of return, the projected number of cycles run on the airframe at the time of return, the extent of repairs needed, if any, upon return, return locations, current configuration of the aircraft, current paint of the aircraft, estimated escalation of cost of repairs and materials at the time of return, current flight hour agreement rates and future flight hour agreement rates. In addition, typically near the lease return date, the lessors may allow maintenance reserves to be applied as return condition consideration or pass on certain return provisions if they do not align with their current plans to remarket the aircraft. When costs become both probable and estimable, they are accrued on a straight-line basis as contingent rent, a component of aircraft rent, through the remaining lease term.

Derivative Instruments

Variability in jet fuel prices impacts the Company's results of operations. In order to reduce the risk of exposure to fuel price increases, the Company may enter into derivative contracts such as swaps, call options and collars. Derivative instruments are stated at fair value net of any collateral postings.

Beginning in 2015, the Company formally designated and accounted for the derivative instruments that met established accounting criteria under ASC 815, *Derivatives and Hedging*, as cash flow hedges. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instruments is recorded in accumulated other comprehensive income/loss ("AOCI/L"), a component of stockholders' equity in the consolidated balance sheets. In general, the Company recognizes the associated gains or losses deferred in AOCI/L as a component of aircraft fuel expense in the period that the jet fuel is consumed. Ineffectiveness, if any, related to the Company's changes in estimates about the forecasted transaction are recognized directly in earnings during the period incurred. For derivative instruments that are not designated as cash flow hedges, the gain or loss on the instrument is recognized in current period earnings. Refer to Note 6 for additional information regarding the Company's hedge accounting and derivative instruments.

Aircraft Fuel

Aircraft fuel expense includes jet fuel and associated into-plane costs, federal and state taxes and gains and losses associated with fuel hedge contracts.

Advertising

Advertising and the related production costs, which are included in sales and marketing, are expensed as incurred. Advertising expense totaled $4 million, $4 million and $8 million in 2016, 2015 and 2014, respectively.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred income taxes are recognized for the tax consequences of temporary differences between the tax and financial statement reporting bases of assets and liabilities. The Company records a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management determined that no valuation allowances were required as of December 31, 2016 and 2015.

Stock-Based Compensation

The Company recognizes cost of employee services received in exchange for awards of equity instruments based on the fair value of each instrument at the date of grant. Compensation expense is recognized over the period

during which an employee is required to provide service in exchange for an award. The fair value of stock option awards is estimated on the date of grant using the Black-Scholes valuation model. Restricted stock awards are valued at the fair value of the stock on the date of grant. The exercise price of our stock-based awards was determined by the Company's board of directors based, in part, on the most recent third-party valuation report obtained by the Company's board of directors as of the grant date. There were significant judgments and estimates inherent in these valuations, which included assumptions regarding the Company's future operating performance, the time to complete an initial public offering or other liquidity event and the determinations of the appropriate valuation methods to be applied.

Concentrations of Risk

The Company's business has been, and may continue to be, adversely affected by increases in the price of aircraft fuel, the volatility of the price of aircraft fuel, or both. Aircraft fuel was the Company's single largest expenditure, representing approximately 25%, 27% and 39% of its operating expenses in 2016, 2015 and 2014, respectively. Gulf Coast Jet indexed fuel is the Company's basis for the majority of aircraft fuel purchases. Any disruption to the oil production or refinery capacity in the Gulf Coast, as a result of weather or any other disaster, or disruptions in supply of jet fuel, dramatic escalations in the cost of jet fuel and/or the failure of fuel providers to perform under fuel arrangements for other reasons could have a material adverse effect on the Company's financial condition and results of operations.

The air transportation business is volatile and highly affected by economic cycles and trends. Consumer confidence and discretionary spending, fear of terrorism or war, weakening economic conditions, fare initiatives, fluctuations in fuel prices, labor actions, changes in governmental regulations on taxes and fees, weather and other factors have resulted in significant fluctuations in revenue and results of operations in the past.

As of December 31, 2016 the Company has seven union-represented employee groups that together represented approximately 85% of all employees. Additional disclosure relating to the Company's union represented employee groups is included in Note 12.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers that will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 applies to all contracts with customers except for those within the scope of other topics in the FASB Accounting Standard Codification. The new guidance for the Company is effective for annual reporting periods, and interim reporting periods within those years, beginning after December 15, 2017. Early adoption is permitted, but not before the first quarter of 2017. Entities have the option of using either a full retrospective or modified approach to adopt ASU 2014-09. The Company is currently evaluating the new guidance and have neither determined the method the Company will adopt this standard under, nor the full impact this standard may have on the financial statements. The Company expects this pronouncement to impact the accounting for the frequent flyer program as the standard no longer allows the use of the incremental cost method when recording revenue related to the frequent flyer program. As a result, the Company expects its deferred frequent flyer liability balance to increase. In addition, the Company expects changes related to the timing of recognition of certain non-ticket related fees such as change and cancellation fees that would further increase its revenue deferrals. Furthermore, as certain non-ticket related fees cannot be

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separated from the fare as a separate performance obligation under the new guidance, the Company expects that many of these fees will be reclassified out of non-ticket revenue into passenger revenue within the statement of operations.

In April 2015, the FASB issued ASU No. 2015-03, *Interest-Imputation of Interest* (“ASU 2015-03”). The standard requires debt issuance costs to be presented on the balance sheet as a direct deduction from the related debt liability rather than as a separate asset. The Company has applied the new guidance in the current period and retrospectively to all prior periods presented as of December 31, 2016.

In November 2015, the FASB issued ASU 2015-17, *Balance Sheet Classification of Deferred Taxes* (“ASU 2015-17”). The standard requires that deferred tax liabilities and assets be classified as noncurrent on the balance sheet. The Company has applied the new guidance in the current period and retrospectively to all prior periods presented as of December 31, 2016.

In February 2016, the FASB issued ASU 2016-02, *Leases* (“ASU 2016-02”). The new standard will require all leases with terms greater than twelve months to be recognized on the balance sheet. The ASU is effective for fiscal years beginning after December 15, 2018 and interim reporting periods within those fiscal years. Although the Company is currently evaluating the guidance, the Company expects adoption to have a significant impact on the consolidated balance sheet due to the recognition of lease liabilities, along with corresponding right-to-use assets, for aircraft and certain non-aircraft leases currently accounted for as operating leases and thus not reflected on the consolidated balance sheet.

In March 2016, the FASB issued ASU 2016-05, *Effective of Derivative Contract Novations on Existing Hedge Accounting Relationships* (“ASU 2016-05”). This standard clarifies that a change in the counterparty to a derivative instrument that has been designated as the hedging instrument under Topic 815 does not, in and of itself, require de-designation of that hedging relationship provided that all other hedge accounting criteria continue to be met. The new guidance is effective for financial statements issued for fiscal years beginning after December 15, 2016 and interim reporting periods within those fiscal years. Early adoption of this standard is permitted. The Company has made the decision to early adopt this standard that has no financial statement impact during 2016, and it has not novated any options to new counterparties.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* (“ASU 2016-09”). This standard aims to simplify several aspects of the accounting for and presentation of employee share-based payment transactions. The new guidance is effective for annual periods beginning after December 15, 2016, including interim reporting periods within those fiscal years. Although the Company is currently evaluating the guidance, it does not expect adoption to have a significant impact on its consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Measurement of Credit Losses on Financial Instruments*, (“ASU 2016-13”). This standard replaces the incurred loss impairment methodology in current GAAP with an “expected loss” model which requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The new guidance is effective for annual periods beginning after December 15, 2019 and interim reporting periods within those fiscal years. The Company is evaluating this guidance but does not expect it to have a significant impact on the financial statements.

In August 2016, the FASB issued ASU 2016-15, *Classification of Certain Cash Receipts and Cash Payments* (“ASU 2016-15”). This standard addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice. The amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company is currently evaluating this guidance but does not expect it to have a significant impact on the financial statements.

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In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, (“ASU 2016-18”). This standard addresses diversity in practice when presenting restricted cash within the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2017 and interim reporting periods within those fiscal years. The Company is currently evaluating this guidance but does not expect it to have a significant impact on the financial statements assuming no material changes to the relatively insignificant restricted cash balance.

2. Other Current Assets

Other current assets consist of the following:

	As of December 31, 2016	As of December 31, 2015
	(in millions)	
Prepaid expenses	$ 23	$ 24
Fuel hedging derivative	15	—
Income tax receivable	—	26
Total other current assets	**$ 38**	**$ 50**

3. Property and Equipment, net

The components of property and equipment, net are as follows:

	As of December 31, 2016	As of December 31, 2015
	(in millions)	
Flight equipment	$ 367	$ 308
Ground and other equipment	39	27
Less: accumulated depreciation	(130)	(70)
Total property and equipment, net	**$ 276**	**$ 265**

4. Intangible Assets, net

The following table summarizes the Company’s intangible assets:

		As of December 31,					
		2016			2015		
	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
		(in millions)					
Indefinite-lived:							
Airport slots	Indefinite	$ 20		$20	$ 20		$20
Trademarks	Indefinite	6		6	6		6
		26		26	26		26
Finite-lived:							
Affinity credit card program	7 years	16	(7)	9	16	(5)	11
		16	(7)	9	16	(5)	11
Total intangible assets, net		**$ 42**	**$ (7)**	**$35**	**$ 42**	**$ (5)**	**$37**

Expected future amortization expense of finite-lived intangibles is approximately $2 million per year over the next four years.

5. Maintenance Deposits and Operating Leases

The Company leases aircraft, spare engines, other equipment, office space, and all of its facilities at the airports it serves under leases which expire in various years through 2028. Aircraft rent expense is $209 million, $171 million and $147 million during 2016, 2015 and 2014, respectively. Aircraft rent expense includes supplemental rent, which is made up of maintenance reserves paid or to be paid that are not probable of being reimbursed or are probable lease return condition obligations. Supplemental rent expense in 2016, 2015 and 2014 totaled $36 million, $27 million and $36 million, respectively. Supplemental rent expense is net of a $3 million and a $9 million change in estimate in 2016 and 2015, respectively. Other lease expense, which primarily relates to station operations, totaled $85 million, $76 million and $64 million during 2016, 2015 and 2014, respectively.

As reflected in Note 1, some of the Company's aircraft and spare engine lease agreements require the Company to pay maintenance reserves to aircraft lessors to be held as collateral in advance of the Company's required performance of major maintenance activities. These agreements provide that maintenance reserves are reimbursable to the Company upon completion of the maintenance event in an amount equal to the lesser of (1) the amount of the maintenance reserves held by the lessor associated with the specific maintenance event or (2) the qualifying costs related to the specific maintenance event. At December 31, 2016 and 2015, the Company has recoverable aircraft maintenance deposits of $60 million and $66 million, respectively, in its consolidated balance sheets, of which $8 million and $19 million, respectively, are included in accounts receivable, net as the eligible maintenance has been performed. The remaining $52 million and $47 million is included within aircraft maintenance deposits in the consolidated balance sheets.

A majority of these maintenance reserve payments are calculated based on a utilization measure, such as flight hours or cycles. Maintenance reserves collateralize the lessor for maintenance time run off the aircraft until the completion of the maintenance of the aircraft. Certain maintenance reserve payments are fixed contractual amounts, and all maintenance reserve payments are subject to annual escalation.

Fixed maintenance reserve payments for aircraft and spare engines, including estimated amounts for contractual price escalations, will be approximately $7 million in 2017, $5 million in 2018, $4 million in 2019, $4 million in 2020, $4 million in 2021, and $20 million in 2022 and beyond, before consideration of reimbursements. Certain maintenance reserve payments will not be required if the Company meets minimum financial thresholds specified in the lease agreements.

As of December 31, 2016, 60 of the 66 aircraft in the Company's fleet were leased under operating leases, with lease expiration dates ranging from 2017 to 2028. Leases for eight of the Company's aircraft can generally be renewed at rates based on fair market value at the end of the lease term for three years, and five of its aircraft can be renewed for four years. The Company has purchase options at fair market value for eight of its aircraft leases at the end of the lease term.

During 2015, the Company executed an agreement with one of its lessors for the early return of ten A319 aircraft. This agreement resulted in a charge of $43 million primarily relating to aircraft maintenance obligations that, as a result of the early return, have become probable, with little to no future benefit to the Company based on historic usage of the aircraft. In addition, the early return resulted in the acceleration of depreciation of $12 million and $17 million and rent related expenses of $4 million and $7 million during 2016 and 2015, respectively, due to the significantly shortened lease terms.

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During 2016 and 2015, the Company executed sale-leaseback transactions with third-party lessors for 30 new Airbus A320 family aircraft, five of which were delivered during 2015, 14 of which were delivered in 2016 with the remaining aircraft scheduled for delivery in 2017. The Company also completed sale-leaseback transactions on one A320 family simulator and one engine during 2015 and three engines in 2016. All of the leases from the sale-leaseback transactions are accounted for as operating leases. Under the terms of the lease agreements, the Company will continue to operate and maintain the equipment. Payments under the lease agreements are fixed for the term of the lease. Deferred gain balances of $75 million and $27 million at December 31, 2016 and 2015, respectively, related to sale-leaseback transactions are included in other liabilities in the accompanying consolidated balance sheets. Deferred gains are recognized as a decrease to rent expense on a straight-line basis over the term of the respective operating leases.

Future minimum payments under noncancelable operating leases, excluding amounts for fixed maintenance reserves, are as follows:

	Aircraft	Other	Total
		(in millions)	
Year Ending			
2017	$ 216	$ 47	$ 263
2018	211	43	254
2019	199	43	242
2020	184	39	223
2021	181	15	196
Thereafter	896	25	921
Total minimum lease payments	**$1,887**	**$212**	**$2,099**

6. Financial Derivative Instruments and Risk Management

The Company is exposed to variability in jet fuel prices. Aircraft fuel currently represents the Company's largest operating expense. Increases in jet fuel prices may adversely impact its financial performance, operating cash flow and financial position. As part of its risk management program, the Company enters into derivative contracts in order to limit exposure to the fluctuations in jet fuel prices. The types of instruments the Company utilized in its hedging program during 2016 and 2015 included call options and collars (which consist of a purchased call option and a sold put option). The Company does not enter into derivative instruments for speculative purposes.

The Company formally designates and accounts for the derivative instruments that meet established accounting criteria under ASC 815, *Derivatives and Hedging*, as cash flow hedges. The Company has elected to apply cash flow hedge accounting. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative instruments is recorded in AOCI/L, a component of stockholders' equity in the consolidated balance sheets. In general, the Company recognizes the associated gains or losses deferred in AOCI/L as a component of aircraft fuel expense in the period that the jet fuel is consumed. Hedge ineffectiveness results when the change in the fair value of the derivative instrument exceeds the change in the value of the Company's expected future cash outlay to purchase aircraft fuel. To the extent that the periodic changes in the fair value of the derivatives are not effective, that ineffectiveness is immediately recognized in aircraft fuel expense in the consolidated statements of operations. For derivative instruments that are not designated as cash flow hedges, the change in fair value is recorded in current period earnings.

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Amounts that are paid or received in connection with the purchase or sale of financial derivative instruments (i.e., premium costs of option contracts) are recognized as a component of aircraft fuel expense in the consolidated statement of operations in the period in which the fuel is consumed.

During July 2016, the Company voluntarily de-designated the existing portfolio of call options that were designated as hedging instruments beginning January 1, 2015 through the date of de-designation. The portfolio of options was subsequently re-designated in July 2016 to better align the economics of the Company's purchases to the hedging instruments and to expand the airport locations included within its hedged portfolio. There was no material financial statement impact as a result of this decision.

As of December 31, 2016, the Company holds derivative instruments having a notional amount of approximately 187 million U.S. gallons.

The Company presents its fuel derivative instruments net in the accompanying consolidated balance sheets. The following table presents the assets and liabilities associated with its fuel derivative instruments and where these amounts are recorded on its consolidated balance sheets as of December 31, 2016 and December 31, 2015:

	Balance Sheet Classification	December 31, 2016	December 31, 2015
		(in millions)	
Derivatives designated as cash flow hedges:			
Fuel hedging derivative	Other current assets	$ 15	$ —
Fuel hedging derivative	Other assets	$ —	$ 4

The following table summarizes the effect of fuel derivative instruments reflected in aircraft fuel expense in the consolidated statements of operations:

	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Derivatives designated as cash flow hedges(1)			
Losses on derivative contracts	$ 15	$ —	$ —
Derivatives not designated as cash flow hedges(2)			
Losses on derivative contracts	$ —	$ 16	$ 35

(1) There were no derivative instruments that settled during the year ended December 31, 2016 which were not designated as cash flow hedges.
(2) There were no derivative instruments that settled during the years ended December 31, 2015 and 2014 which were designated as cash flow hedges.

The following table presents the net of tax impact of the effective portion of derivative instruments designated as cash flow hedging instruments under ASC 815 to the consolidated statement of comprehensive income:

	Year Ended December 31,		
	2016	2015	2014
		(in millions)	
Derivatives designated as cash flow hedges			
Other comprehensive income (loss)	$ 11	$(10)	$ —

At December 31, 2016, the amount of net derivative gains related to fuel hedging instruments included in AOCI/L that will be reclassified into earnings within the next 12 months is insignificant.

The Company is exposed to credit losses in the event of nonperformance by counterparties to its derivative instruments, but it does not expect any of its counterparties will fail to meet their obligations. The amount of such credit exposure is generally the fair value of the Company's outstanding contracts in a receivable position. To manage credit risks, the Company selects counterparties based on credit assessments, limits its overall exposure to any single counterparty and monitors the market position with each counterparty. Based on the fair value of the Company's fuel derivative instruments, its counterparties may require it to post collateral when the price of the underlying commodity decreases, and the Company may require its counterparties to provide it with collateral when the price of the underlying commodity increases. The amount of collateral posted, if any, is periodically adjusted based on the fair value of the hedge contracts. The Company's policy is to offset the liabilities represented by these contracts with any cash collateral paid to the counterparties. The Company had no collateral posted as of December 31, 2016 and December 31, 2015 as no collateral is required for call options.

7. Other Current Liabilities

Other current liabilities consist of the following:

	As of December 31,	
	2016	2015
	(in millions)	
Passenger taxes and fees payable	$ 45	$ 40
Salaries, wages and benefits	34	36
Leased aircraft return costs	34	53
Station obligations	33	27
Fuel	12	14
Aircraft and facility lease obligations	9	12
Current portion of deferred gain on sale-leaseback transactions	7	3
Aircraft maintenance	6	26
Other	13	11
Total other current liabilities	**$ 193**	**$ 222**

Included within leased aircraft return costs as of December 31, 2015 was an accrual of $39 million relating to the execution of an agreement by the Company with one of its lessors for the early return of 10 A319 aircraft. As reflected in Note 5, the agreement resulted in a special charge of $43 million primarily relating to aircraft maintenance obligations and non-recoverable maintenance deposits associated with the early return of the aircraft.

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8. Debt

Debt consists of the following:

	As of December 31, 2016	As of December 31, 2015
	(in millions)	
Secured debt:		
Pre-delivery credit facility due through 2019(1)	$ 143	$ 115
Floating rate equipment notes due through 2020(2)	52	64
7.33% fixed rate equipment note due through 2021(2)	7	8
Unsecured debt:		
Affinity card advance purchase of miles, principal due monthly for 12 months beginning in 2019(3)	39	39
Total debt	241	226
Less current maturities	(141)	(103)
Less debt acquisition costs	(1)	(1)
Less unamortized discount, net	(3)	(4)
Long-term debt	**$ 96**	**$ 118**

(1) The Company entered into a pre-delivery credit facility (the “PDP Facility”) with Citibank, N.A. in December 2014, with an original total commitment of $77 million, which has been increased to $150 million. Interest is paid every 90 days based on a three-month London Interbank Offered Rate (“LIBOR”), plus a margin for each individual tranche. As of December 2016, the PDP Facility was amended and extended to add all of the Company’s committed deliveries through 2019, with a total committed facility size of $150 million. The PDP Financing Facility consists of separate loans for each PDP Aircraft. Each separate loan matures upon the earlier of (i) delivery of that aircraft to the Company by Airbus, (ii) the date one month following the last day of the scheduled delivery month of such aircraft and (iii) if there is a delay in delivery of aircraft, depending on the cause of the delivery delay, up to six months following the last day of the scheduled delivery month of such aircraft. The facility will be repaid periodically according to the preceding sentence with the last scheduled delivery of aircraft contemplated in the PDP Facility to be in the fourth quarter of 2019. The PDP credit facility is collateralized by the Company’s purchase agreements (including proceeds and payments thereof) with Airbus for certain undelivered aircraft.

(2) Interest rate for one equipment note is fixed at 7.33%, and the interest rates for the remaining five equipment notes adjust quarterly based on LIBOR, plus a margin. The weighted-average effective interest rate at December 31, 2016 and 2015, was 3.06% and 2.76%, respectively. Six aircraft with a net book value of $104 million were pledged as security under the above equipment notes at December 31, 2016.

(3) The Company entered into an agreement with Barclays Bank Delaware (formerly known as Juniper Bank) (“Barclays Bank”) in 2003 to provide for joint marketing, grant certain benefits to co-branded credit card holders (“Cardholders”), and allow Barclays Bank to market using the Company’s customer database. Cardholders earn miles under the *Early Returns* program and the Company sells mileage awards at agreed-upon rates to Barclays Bank and earns fees from Barclays Bank for the acquisition, retention and use of the co-branded credit card by consumers. In addition, Barclays Bank will pre-purchase miles if the Company meets certain conditions precedent. During 2013, the Company amended its agreements with Barclays Bank to modify the products and services provided under the agreements, re-establish the pre-purchased miles facility at an initial amount of $39 million and extend the agreement to 2020. The dollar amount of the pre-purchased miles facility (the “Facility Amount”) is subject to adjustment for the then-current year on

each January 15, beginning January 15, 2015 through and including January 15, 2019 based on the aggregate amount of fees payable by Barclays Bank to the Company on a calendar year basis, up to an aggregate maximum Facility Amount of $50 million. During 2016 and 2015, the Facility Amount ranged from $39 million to $47 million. The Company pays interest on the outstanding Facility Amount on a monthly basis based on one-month LIBOR plus a margin. Beginning December 31, 2019, the facility will be repaid in 12 equal monthly installments. If the facility is required to be decreased prior to December 2019, any amounts due to reduce the facility would be repaid over six months.

Cash payments for interest related to debt aggregated to $6 million for each of 2016 and 2015 and $4 million for 2014. The discount on debt is due to the application of purchase accounting from the acquisition of FAH by FGHI. The discount will be amortized to interest expense through May 2021.

The Company has issued standby letters of credit to various airport authorities and vendors that are collateralized by restricted cash of $5 million and $4 million at December 31, 2016 and 2015, respectively.

The Company is required to comply quarterly with certain financial and information covenants under certain of its financing arrangements. As of December 31, 2016, the Company is in compliance with all of its covenants.

Future maturities of debt are payable as follows:

	As of December 31, 2016 *(in millions)*
2017	$ 141
2018	38
2019	11
2020	50
2021	1
Total debt principal payments	**$ 241**

9. Stock-Based Compensation

On December 3, 2013, to give effect to the reorganization of our corporate structure in connection with the acquisition by Indigo, an agreement was reached to amend and restate a phantom equity agreement that was in place with Frontier pre-acquisition. Under the terms of this agreement, our pilots employed by Frontier in June 2011, when an amendment to the underlying collective bargaining agreement was approved, who we refer to as the Participating Pilots, through their agent, FAPAInvest, LLC, received phantom equity units which were the economic equivalent of 231,000 shares of our common stock, representing 4% of our common stock as of June 30, 2014. Each unit represents the right to receive common stock or cash in connection with certain events, including a qualifying initial public offering, such stock to be distributed or cash paid to the Participating Pilots in installments in 2020 and 2022 based on a predetermined formula. Phantom equity units are liability classified awards, which were subject to vesting and are remeasured at the end of each reporting period. Phantom equity award expense reflects the vesting of the liability classified award, any dividend declared in the period, and changes to our common stock valuation. The phantom equity units were fully vested at December 31, 2016. Stock-based compensation expense of $40 million, $43 million and $6 million was recognized during 2016, 2015 and 2014, respectively, as a result of both vesting and an increase in the valuation of FAPAInvest, LLC’s equity interest. The associated liability of $91 million and $51 million as of December 31, 2016 and 2015, respectively, is included in other long-term liabilities.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

In August 2011, Frontier obtained concessions from its flight attendants in exchange for a contingent contractual equity participation in Frontier, which was subject to performance conditions, and profit sharing. At December 31, 2016 and 2015, the performance conditions giving rise to the equity participation in Frontier for the flight attendants had not been achieved. Therefore no liability or corresponding stock-based compensation had been recorded for any period. On March 15, 2017, Frontier entered into a Letter of Agreement, or LOA, with the union representing our flight attendants (AFA-CWA). The LOA was the result of a negotiation between Frontier and the AFA-CWA and extinguishes the flight attendants' contingent equity participation by providing a $40 million aggregate cash settlement of their equity participation in Frontier, payable by Frontier to participating flight attendants over a six month period commencing June 1, 2017.

FGHI also approved the 2014 Equity Incentive Plan (the "Plan") in April 2014. The Company has reserved one million shares of its common stock for issuance under the Plan. The Plan provides for restricted stock, restricted stock awards, nonqualified stock options, and other stock-based awards to be granted to members of the Board of Directors and certain employees and consultants. All options issued under the Plan expire ten years from the date of grant. FGHI's policy is to grant options with an exercise price equal to the fair market value of the underlying common stock on the date of grant.

Restricted Stock Awards

Restricted stock awards in FGHI are valued at the fair value of the shares on the date of grant. Generally, granted shares vest on a one-year anniversary of issuance. Vesting of restricted stock is based on time-based service conditions. In order to vest, the participant must still be employed by the Company, with certain contractual exclusions, at each vesting event. Generally, within 30 days after vesting, the shares underlying the award will be issued to the participant. If there is a change of control, the restricted stock awards will automatically vest in full as of immediately prior to the consummation of such a change in control. In the event of death or permanent disability of a participant, the restricted stock awards will automatically vest in full. Compensation expense, net of forfeitures, is recognized on a straight-line basis over the requisite service period.

A summary of the status of restricted stock shares in FGHI issued to employees of the Company as of December 31, 2016 and changes during the year ended December 31, 2016 is presented below:

	Number of Shares	Weighted-Average Grant Fair Value
Outstanding at December 31, 2015	4,350	$ 51.69
Issued	1,455	257.56
Vested	(4,350)	51.69
Forfeited	—	—
Outstanding at December 31, 2016	**1,455**	**$ 257.56**

The weighted-average grant date fair value of restricted stock issued during 2016, 2015 and 2014 was $257.56, $51.69 and $10, respectively.

Stock Options

Stock option awards are granted with an exercise price equal to the fair market value of the FGHI's common stock on the date of grant, and generally vest over four years of continuous service. The fair value of each stock option award is estimated on the date of grant using the Black Scholes model. There were 53,475 and 42,725 options granted during the years ended December 31, 2016 and December 31, 2015, respectively.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

The Company's weighted-average assumptions for expected volatility, dividends, and term were 40%, 0%, and 6.25 years for the years ended December 31, 2016 and 2015. The risk-free rate for options issued was between 1.21% and 2.02% for 2016, 1.55% to 1.67% for 2015, and 1.81% and 2.03% for 2014. Expected volatilities are based on the historical volatility of a group of peer entities within the same industry. The expected term of options is based upon the simplified method, which represents the average of the vesting term and the contractual term. The risk-free interest rate is based on U.S. Treasury yields for securities with terms approximating the expected term of the option.

The fair value of the FGHI's common stock was estimated using a discounted cash flow analysis and market multiples, based on management's estimates of revenue, driven by assumed market growth rates, and estimated costs as well as appropriate discount rates. These estimates were consistent with the plans and estimates management used to manage the Company's business.

A summary of stock option activity during the year ended December 31, 2016 is presented below:

	Number of Options	Weighted-Average Exercise Price	Aggregate Intrinsic Value *(in millions)*
Outstanding at December 31, 2015	234,206	$ 17.60	$ 2
Issued	53,475	219.67	5
Exercised	—	—	—
Forfeited, expired, or repurchased	(12,900)	72.89	(1)
Outstanding at December 31, 2016	**274,781**	**$ 54.33**	**$ 6**
Exercisable at December 31, 2016	106,294	$ 14.54	
Vested or expected to vest at December 31, 2016	274,781	$ 54.33	

The weighted-average exercise price of options granted during 2015 and 2014 was $51.69 and $10.00, respectively. There were no options exercised during 2015 and 2014.

10. Employee Retirement Plans

The Company sponsors The Frontier Airlines, Inc. 401(k) Retirement Plan under Section 401(k) of the Internal Revenue Code. Under this plan, the Company matches 50% of each participant's contribution up to 2% of each eligible maintenance employees' compensation and up to 6% of all other employees, including flight attendants (effective January 1, 2016), and excluding pilots, who are covered under a separate plan discussed below. Contributions for employees begin after one year of employment and vest 25% per year over four years. Participants are entitled to receive distributions of all vested amounts beginning at age 59 1/2. Matching contributions included within salaries, wages, and benefits in the accompanying consolidated statements of operations are $5 million, $4 million and $3 million in 2016, 2015 and 2014, respectively. Assets were transferred into The Frontier Airlines, Inc. 401(k) Retirement Plan from the Republic 401(k) plan shortly after the purchase of the Company in 2013. The plan is subject to the annual IRS elective deferral limit of $18,000 for 2016.

The Company also established the Frontier Airlines, Inc. Pilots Retirement Plan (the "FAPA Plan") for pilots covered under the collective bargaining agreement with FAPA. The FAPA Plan is a defined contribution retirement plan. Effective June 1, 2016 pilots are represented by the Air Line Pilots Association ("ALPA") though the plan is still covered under FAPA. The Company immediately matches 50% of each participant's contribution up to 10% of each eligible and active participant's compensation. Contributions vest 25% per year

over four years. Participants are entitled to receive distributions of all vested amounts beginning at age 59 1/2. Contributions expensed were $6 million, $5 million and $6 million in 2016, 2015 and 2014, respectively. The plan is subject to the annual IRS elective deferral limit which was $18,000 for 2016.

11. Other Long-Term Liabilities

Other long-term liabilities consist of the following:

	As of December 31,	
	2016	2015
	(in millions)	
Phantom equity interest	$ 91	$ 51
Deferred gain on sale-leaseback transactions	68	24
Leasehold incentives	18	5
Deferred tax liability, net	14	28
Lease fair value adjustment	10	20
Other	5	6
Total other long-term liabilities	**$ 206**	**$ 134**

12. Commitments and Contingencies

Flight Equipment Commitments

The Company’s contractual purchase commitments consist of aircraft and engine acquisitions. As of December 31, 2016, the Company’s firm aircraft and engine orders consisted of the following:

	A319neo	A320neo	A321	Total Aircraft	Engines
2017	—	11	6	17	3
2018	—	16	—	16	2
2019	—	18	—	18	2
2020	5	13	—	18	2
2021	13	—	—	13	2
Thereafter	—	—	—	—	1
Total	**18**	**58**	**6**	**82**	**12**

Purchase commitments for these aircraft and engines, including estimated amounts for contractual price escalations and PDPs, will be approximately $799 million in 2017, $783 million in 2018, $901 million in 2019, $896 million in 2020, $616 million in 2021, and $15 million in 2022 and beyond. The Company has committed sale-leaseback agreements with third-parties for five A320neo aircraft and the six remaining A321 aircraft scheduled for delivery in 2017.

Litigation

The Company is subject to commercial litigation claims and to administrative and regulatory proceedings and reviews that may be asserted or maintained from time to time. The Company believes the ultimate outcome of such lawsuits, proceedings, and reviews will not, individually or in the aggregate, have a material adverse effect on its consolidated financial position, liquidity, or results of operations.

FRONTIER GROUP HOLDINGS, INC.
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Employees

The Company has seven union-represented employee groups that together represent 85% of all employees at December 31, 2016. The table below sets forth the Company's employee groups and status of the collective bargaining agreements as of December 31, 2016:

Employee Group	Representative	Amendable Date
Pilots	Air Line Pilots Association ("ALPA")	March 2016
Flight Attendants	Association of Flight Attendants ("AFA-CWA")	July 2015
Maintenance	International Brotherhood of Teamsters ("IBT")	March 2012
Aircraft Appearance Agents	International Brotherhood of Teamsters	July 2015
Material Specialists	International Brotherhood of Teamsters	March 2012
Maintenance Controllers	International Brotherhood of Teamsters	August 2014
Dispatchers	Transport Workers Union ("TWU")	December 2021

The Company is self-insured for health care claims, subject to a stop-loss policy, for eligible participating employees and qualified dependent medical and dental claims, subject to deductibles and limitations. The Company's liabilities for claims incurred but not reported are determined based on an estimate of the ultimate aggregate liability for claims incurred. The estimate is calculated from actual claim rates and adjusted periodically as necessary. The Company has accrued $2 million and $3 million for health care claims as of December 31, 2016 and 2015, respectively.

On February 20, 2017 and March 17, 2017, subsequent to December 31, 2016, the maintenance and material specialists contracts, respectively, were ratified to include new amendable dates of February 2022 and March 2022, respectively.

General Indemnifications

The Company has various leases with respect to real property as well as various agreements among airlines relating to fuel consortia or fuel farms at airports. Under some of these contracts, the Company is party to joint and several liability regarding environmental damages. Under others, where FGHI is a member of an LLC or other entity that contracts directly with the airport operator, liabilities are borne through the fuel consortia structure.

The Company's aircraft, services, equipment lease and sale and financing agreements typically contain provisions requiring us, as the lessee, obligor or recipient of services, to indemnify the other parties to those agreements, including certain of those parties' related persons, against virtually any liabilities that might arise from the use or operation of the aircraft or such other equipment. The Company believes that its insurance would cover most of its exposure to liabilities and related indemnities associated with the commercial real estate leases and aircraft, services, equipment lease and sale and financing agreements described above.

Certain of the Company's aircraft and other financing transactions include provisions that require us to make payments to preserve an expected economic return to the lenders if that economic return is diminished due to certain changes in law or regulations. In certain of these financing transactions and other agreements, the Company also bears the risk of certain changes in tax laws that would subject payments to non-U.S. entities to withholding taxes.

Certain of these indemnities survive the length of the related financing or lease. The Company cannot reasonably estimate its potential future payments under the indemnities and related provisions described above because it

cannot predict (1) when and under what circumstances these provisions may be triggered and (2) the amount that would be payable if the provisions were triggered because the amounts would be based on facts and circumstances existing at such time.

13. Stockholders' Equity

The Company had 5,237,756 and 5,255,551 shares of common stock outstanding in 2016 and 2015, respectively. All of the Company's issued and outstanding shares of common stock are duly authorized, validly issued, fully paid and nonassessable. Each holder of the Company's common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Holders of the Company's common stock have no preemptive, conversion, subscription or other rights, and no redemption or sinking fund provisions applicable to the Company's common stock exist. During 2016, the Company declared a dividend of $108 million ($18.95 per share), of which $101 million was distributed to common stockholders and those with other participating rights and the remaining amount was payable to others with dividend equivalent rights and phantom equity units (see Note 9) as of December 31, 2016. Additionally, on February 22, 2017, the Company declared a dividend of $165 million ($28.85 per share).

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

14. Net Income per Share

Basic and diluted earnings per share are computed pursuant to the two-class method. Under the two-class method, the Company attributes net income to common stock and other participating rights. Basic net income per share is calculated by taking net income, less earnings allocated to participating rights, divided by the basic weighted-average common stock outstanding. Diluted net income per share is calculated using the more dilutive of the treasury-stock method and the two-class method. The following table sets forth the computation of net income per share on a basic and diluted basis pursuant to the two-class method for the periods indicated:

	Years Ended December 31,		
	2016	2015	2014
	(in millions, except for share and per share amounts)		
Basic:			
Net income	$ 200	$ 146	$ 140
Less: net income attributable to participating rights	(8)	(6)	(4)
Net income attributable to common stockholders	$ 192	$ 140	$ 136
Weighted-average common shares outstanding, basic	5,236,978	5,247,477	5,203,058
Net income per share, basic	$ 36.76	$ 26.60	$ 26.12
Diluted:			
Net income	$ 200	$ 146	$ 140
Less: net income attributable to participating rights	(8)	(6)	(4)
Net income attributable to common stockholders	$ 192	$ 140	$ 136
Weighted-average common shares outstanding, basic	5,236,978	5,247,477	5,203,058
Effect of dilutive potential common shares	78,675	93,572	74,976
Weighted-average common shares outstanding, diluted	5,315,653	5,341,049	5,278,034
Net income per share, diluted	$ 36.23	$ 26.15	$ 25.75

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

15. Income Taxes

The components of income tax expense are as follows:

	Year Ended December 31,		
	2016	2015	2014
	(in millions)		
Current:			
Federal	$ 131	$ 63	$ 56
State and local	8	5	6
Current income tax expense	139	68	62
Deferred:			
Federal	(22)	13	20
State and local	(1)	1	2
Deferred income tax (benefit) expense	(23)	14	22
Total income tax expense	**$ 116**	**$ 82**	**$ 84**

The income tax provision differs from that computed at the federal statutory corporate tax rate are as follows:

	Year Ended December 31,		
	2016	2015	2014
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
State taxes, net of federal benefit	1.7	2.2	2.5
Other	(0.1)	(1.0)	—
Total income tax expense	**36.6%**	**36.2%**	**37.5%**

The Company paid income taxes of $101 million in 2016, $101 million in 2015 and $64 million in 2014. The Company's tax rate can vary depending on recurring items such as the amount of income it earns in each state and the state tax rate applicable to such income.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial statement and income tax purposes. The following table shows the components of the Company's deferred tax assets and liabilities as of December 31:

	As of December 31,	
	2016	2015
	(in millions)	
Deferred tax assets:		
Nondeductible accruals	$ 54	$ 43
Deferred revenue	16	15
Leasehold interests	6	12
Other	1	4
Unrealized losses on fuel derivatives	—	6
Deferred tax assets	**77**	**80**
Deferred tax liabilities:		
Property and equipment	(58)	(72)
Maintenance deposits	(19)	(19)
Intangibles	(13)	(14)
Other	(1)	(3)
Deferred tax liabilities	**(91)**	**(108)**
Net deferred tax liabilities	**$ (14)**	**$ (28)**

The amount of unrecognized tax benefit at December 31, 2016 and 2015 is $0 and $3 million, respectively. The Company estimates that the unrecognized tax benefit will not change significantly within the next 12 months. The Company accrues interest related to unrecognized tax benefits in its provision for income taxes, and any associated penalties are recorded in other operating expenses. Interest and penalties are not material in any period presented.

The Company files consolidated tax returns in the United States as prescribed by the tax laws of the jurisdictions in which it operates. The Company's tax years from 2013 are still subject to examination in the United States due to net operating loss carryovers generated in such years which were retained by Republic. The 2014 tax year is currently under a routine audit by the IRS that was initiated in 2017. In addition, the 2015 tax year is open for examination. Various state and foreign jurisdiction tax years remain open to examination, and the Company believes that the effect of any additional assessment(s) will be immaterial to the financial statements.

16. Fair Value

Under ASC 820, *Fair Value Measurements and Disclosures*, disclosures relating to how fair value is determined for assets and liabilities are required, and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs, as follows:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes several valuation techniques in order to assess the fair value of the Company's financial assets and liabilities.

Cash and cash equivalents and restricted cash

Cash and cash equivalents at December 31, 2016 and December 31, 2015 are comprised of liquid money market funds, time deposits and cash, and are categorized as Level 1 instruments. The Company maintains cash with various high-quality financial institutions. Within restricted cash the Company also maintains certificates of deposit that secure certain letters of credit issued for workers' compensation claim reserves and certain airport authorities. Restricted cash is carried at cost, which management believes approximates fair value.

Fuel Derivative Instruments

Option contracts are valued under an income approach using option pricing models based on data either readily observable in public markets, derived from public markets or provided by counterparties who regularly trade in public markets; therefore, they are classified as Level 2 inputs. Volatilities used in these valuations ranged from 28% to 41% depending on the maturity dates, underlying commodities and strike prices of the option contracts.

Pilot Phantom Equity

The estimated fair value of the pilot phantom stock unit liability, described in Note 9, has been determined to be Level 3 as certain inputs used to determine the fair value of FGHI are unobservable.

Debt

The estimated fair value of the Company's debt agreements has been determined to be Level 3, as certain inputs used to determine the fair value of these agreements are unobservable. The Company utilizes a discounted cash flow method to estimate the fair value of the Level 3 long-term debt.

The carrying amounts and estimated fair values of the Company's debt are as follows:

	As of December 31, 2016		As of December 31, 2015		
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value	Fair Value Level Hierarchy
	(in millions)				
Secured debt:					
Pre-delivery credit facility	$ 143	$ 140	$ 115	$ 114	Level 3
Floating rate equipment notes	52	51	64	61	Level 3
Fixed rate equipment note	7	7	8	9	Level 3
Unsecured debt:					
Affinity card advance	39	38	39	35	Level 3
Total debt	**$ 241**	**$ 236**	**$ 226**	**$ 219**	

FRONTIER GROUP HOLDINGS, INC.
Notes to Consolidated Financial Statements

The table below presents disclosures about the fair value of assets and liabilities measured at fair value on a recurring basis in the Company's financial statements:

	Fair Value Measurements as of December 31, 2016			
	Total	Level 1	Level 2	Level 3
	(in millions)			
Cash and cash equivalents	$ 612	$ 612	$ —	$ —
Restricted cash	6	6	—	—
Fuel derivative option contracts	15	—	15	—
Pilot phantom stock unit liability	(91)	—	—	(91)

	Fair Value Measurements as of December 31, 2015			
	Total	Level 1	Level 2	Level 3
	(in millions)			
Cash and cash equivalents	$ 419	$ 419	$ —	$ —
Restricted cash	6	6	—	—
Fuel derivative option contracts	4	—	4	—
Pilot phantom stock unit liability	(51)	—	—	(51)

The Company had no transfers of assets or liabilities between any of the above levels during the years ended December 31, 2016 and 2015.

17. Geographic Information

The Company is managed as a single business unit that provides air transportation for passengers. Operating revenue by principal geographic region (as defined by the U.S. Department of Transportation) is presented in the table below:

	Year Ended December 31,		
	2016	2015	2014
	(in millions)		
Domestic	$1,650	$1,480	$1,438
Latin America and the Caribbean	64	124	155
Total operating revenues	**$1,714**	**$1,604**	**$1,593**

The Company's tangible assets consist primarily of flight equipment, which are mobile across geographic markets and, therefore, have not been allocated.

18. Related Parties

The Company pays a quarterly fee to Indigo Partners for management services. Indigo Partners manages an investment fund that is the controlling stockholder in FGHI. During each 2016, 2015 and 2014, $1.5 million was paid in management fees. During the first half of 2014, the Company repaid in full the principal on a short-term working capital note payable from an investment fund managed by Indigo Partners totaling $18 million.

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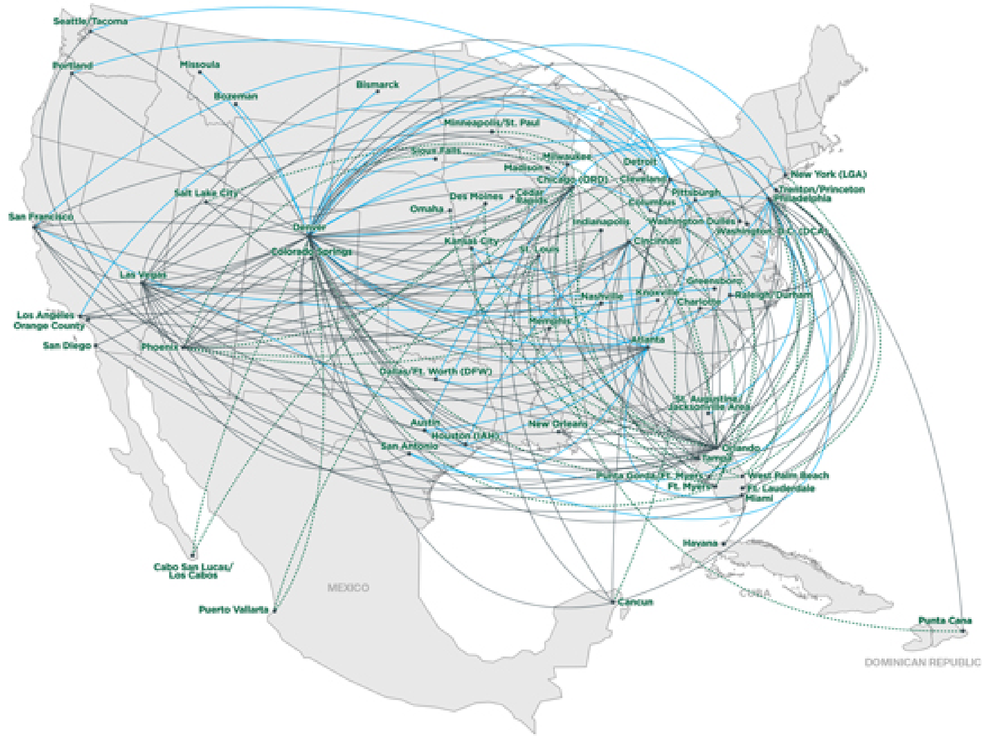

LEGEND

Year-round service

Winter seasonal service

Summer seasonal service

Routes operated in 2016.

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Shares

Common Stock

Citigroup
Deutsche Bank Securities
Evercore ISI
J.P. Morgan

BofA Merrill Lynch
Barclays
Cowen and Company
Credit Suisse
Goldman, Sachs & Co.
Raymond James
UBS Investment Bank

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PART II

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth the costs and expenses, other than underwriting discounts, payable in connection with the sale and distribution of the securities being registered. All amounts are estimated except the SEC registration fee and the FINRA filing fee. All the expenses below will be paid by Frontier Group Holdings, Inc.

Item	Amount
SEC Registration fee	$ 11,590
FINRA filing fee	15,500
Initial listing fee	*
Legal fees and expenses	*
Accounting fees and expenses	*
Printing and engraving expenses	*
Transfer Agent and Registrar fees	*
Blue Sky fees and expenses	*
Miscellaneous fees and expenses	*
Total	**$** *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers

Frontier Group Holdings, Inc., Inc. is a Delaware corporation. Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended. Our amended and restated certificate of incorporation to be in effect immediately prior to the consummation of this offering compels indemnification of our directors and officers and permits indemnification of our employees and other agents, in each case to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws to be in effect immediately prior to the consummation of this offering provide for indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law. In addition, we have entered into indemnification agreements with our directors, officers and some employees containing provisions which are in some respects broader than the specific indemnification provisions contained in the Delaware General Corporation Law. The indemnification agreements may require us, among other things, to indemnify our directors against certain liabilities that may arise by reason of their status or service as directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. Reference is also made to Section 8 of the underwriting agreement to be filed as Exhibit 1.1 hereto, which provides for indemnification by the underwriter of our officers and directors against certain liabilities.

Item 15. Recent Sales of Unregistered Securities

During the last three years, we granted equity awards for an aggregate of 397,246 shares of our common stock to employees and directors under our 2014 Equity Incentive Plan, which includes 114,599 shares that were subsequently forfeited and 7,866 shares that were subsequently repurchased.

The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided

under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed upon the stock certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us.

There were no underwriters employed in connection with any of the transactions set forth in Item 15.

Item 16. Exhibits and Financial Statements

See the Exhibit Index beginning on page II-5, which follows the signature pages hereof and is incorporated herein by reference.

Item 17. Undertakings

The undersigned registrant hereby undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective;

(2) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(3) the undersigned will provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, we have duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on the 31st day of March, 2017.

FRONTIER GROUP HOLDINGS, INC.

By: /s/ Barry L. Biffle
Barry L. Biffle
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Barry L. Biffle, James G. Dempsey and Howard M. Diamond, and each of them acting individually, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution, for him or her in any and all capacities, to sign any and all amendments to this Registration Statement, including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, with full power of each to act alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or his or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated below on the dates indicated.

Signature	Title	Date
/s/ Barry L. Biffle **Barry L. Biffle**	President and Chief Executive Officer (principal executive officer)	March 31, 2017
/s/ James G. Dempsey **James G. Dempsey**	Chief Financial Officer (principal financial officer)	March 31, 2017
/s/ Mark C. Mitchell **Mark C. Mitchell**	Chief Accounting Officer (principal accounting officer)	March 31, 2017
/s/ William A. Franke **William A. Franke**	Director (Chairman of the Board)	March 31, 2017
/s/ Josh T. Connor **Josh T. Connor**	Director	March 31, 2017
/s/ Brian H. Franke **Brian H. Franke**	Director	March 31, 2017

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Signature	Title	Date
/s/ Robert J. Genise **Robert J. Genise**	Director	March 31, 2017
/s/ Bernard L. Han **Bernard L. Han**	Director	March 31, 2017
C.A. Howlett	Director	
/s/ Michael R. MacDonald **Michael R. MacDonald**	Director	March 31, 2017
/s/ Patricia Salas Pineda **Patricia Salas Pineda**	Director	March 31, 2017
/s/ John R. Wilson **John R. Wilson**	Director	March 31, 2017

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EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed Herewith
1.1*	Form of Underwriting Agreement.	
3.1(a)	Amended and Restated Certificate of Incorporation, currently in effect.	X
3.1(b)	Certificate of Amendment of the Amended and Restated Certificate of Incorporation.	X
3.2*	Form of Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the consummation of this offering.	
3.3	Amended and Restated Bylaws, currently in effect.	X
3.4*	Form of Amended and Restated Bylaws, to be in effect immediately prior to the consummation of this offering.	
4.1	Reference is made to exhibits 3.1 through 3.4.	
4.2*	Form of Common Stock Certificate.	
4.3*	Registration Rights Agreement, to be in effect immediately prior to the consummation of this offering, by and among Frontier Group Holdings, Inc. and Indigo Frontier Holdings Company, LLC.	
5.1*	Opinion of Latham & Watkins LLP.	
10.1(a)*	Airport Use and Lease Agreement, dated as of January 1, 2012, by and between Frontier Airlines, Inc. and the City and County of Denver.	
10.1(b)*	First Amendment to the Airport Use and Lease Agreement, dated as of July 1, 2015, by and between Frontier Airlines, Inc. and the City and County of Denver.	
10.1(c)*	Second Amendment to the Airport Use and Lease Agreement, dated as of December 22, 2016, by and between Frontier Airlines, Inc. and the City and County of Denver.	
10.2(a)#	2014 Equity Incentive Plan.	X
10.2(b)#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2014 Equity Incentive Annual Plan.	X
10.2(c)#	Form of Stock Purchase Right Grant Notice and Restricted Stock Purchase Agreement for Non-Employee Directors.	X
10.3(a)*#	2017 Equity Incentive Annual Plan.	
10.3(b)*#	Form of Stock Option Grant Notice and Stock Option Agreement under the 2017 Equity Incentive Annual Plan.	
10.3(c)*#	Form of Restricted Stock Award Agreement and Restricted Stock Unit Award Grant Notice under the 2017 Equity Incentive Annual Plan.	
10.4#	Form of Indemnification Agreement for directors and officers.	X
10.5#	Employment Agreement, dated as of March 15, 2016, by and between Frontier Airlines, Inc. and Barry L. Biffle.	X
10.6#	Employment Agreement, dated as of March 12, 2014, by and between Frontier Airlines, Inc. and James G. Dempsey.	X
10.7#	Employment Letter, dated as of February 23, 2015, by and between Frontier Airlines, Inc. and James E. Nides.	X

Exhibit Number	Exhibit Description	Filed Herewith
10.8#	Employment Letter, dated as of June 30, 2014, by and between Frontier Airlines, Inc. and Howard M. Diamond.	X
10.9#	Employment Letter, dated as of September 2, 2015, by and between Frontier Airlines, Inc. and Mark C. Mitchell.	X
10.10(a)#	Employment Agreement, dated as of June 25, 2012, by and between Frontier Airlines, Inc. and Daniel M. Shurz.	X
10.10(b)#	Amendment to Employment Agreement, dated as of September 13, 2013, by and between Frontier Airlines, Inc. and Daniel M. Shurz.	X
10.11*#	Non-Employee Director Compensation Program.	
10.12#	Amended and Restated Phantom Equity Investment Agreement, dated as of December 3, 2013, by and among, Frontier Airlines, Inc., Falcon Acquisition Group, Inc. and FAPAInvest, LLC.	X
10.13#	Professional Services Agreement, dated December 3, 2013, by and among Indigo Partners LLC, Frontier Airlines Holdings, Inc. and Frontier Airlines, Inc.	X
10.14#	Subscription Agreement, dated as of December 3, 2013, by and between, Falcon Acquisition Group, Inc. and Indigo Frontier Holdings Company, LLC.	X
10.15(a)*	Airbus A320 Family Aircraft Purchase Agreement, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(b)*	Letter Agreement No. 1, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(c)*	Letter Agreement No. 2, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(d)*	Letter Agreement No. 3, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(e)*	Letter Agreement No. 4, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(f)*	Letter Agreement No. 5, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(g)*	Letter Agreement No. 6A, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(h)*	Letter Agreement No. 6B, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(i)*	Letter Agreement No. 7, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(j)*	Letter Agreement No. 8, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(k)*	Letter Agreement No. 9, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(l)*	Financing Letter Agreement, dated as of September 30, 2011, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	

Exhibit Number	Exhibit Description	Filed Herewith
10.15(m)*	Amendment No. 1 to Airbus A320 Family Aircraft Purchase Agreement, dated as of January 10, 2013, by and between Airbus S.A.S. and Republic Airways Holdings Inc.	
10.15(n)*	Amendment No. 2 to Airbus A320 Family Aircraft Purchase Agreement, dated as of December 3, 2013, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.15(o)*	Amendment No. 3 to Airbus A320 Family Aircraft Purchase Agreement, dated as of September 30, 2011, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(a)*	Airbus A321 Aircraft Purchase Agreement, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(b)*	Letter Agreement No. 1, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(c)*	Letter Agreement No. 2, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(d)*	Letter Agreement No. 3, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(e)*	Letter Agreement No. 4, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(f)*	Letter Agreement No. 5, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(g)*	Letter Agreement No. 6A, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(h)*	Letter Agreement No. 6B, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(i)*	Letter Agreement No. 7, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(j)*	Letter Agreement No. 8, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(k)*	Letter Agreement No. 9, dated as of October 31, 2014, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(l)*	Amendment No. 1 to Airbus A321 Aircraft Purchase Agreement, dated as of May 18, 2015, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.16(m)*	Amendment No. 2 to Airbus A321 Aircraft Purchase Agreement, dated as of May 18, 2015, by and between Airbus S.A.S. and Frontier Airlines, Inc.	
10.17(a)*	Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 12, 2003, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(b)*	First Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 12, 2003, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(c)*	Second Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of April 1, 2005, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	

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Exhibit Number	Exhibit Description	Filed Herewith
10.17(d)*	Third Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of March 27, 2006, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(e)*	Fourth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of May 8, 2007, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(f)*	Fifth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of May 25, 2007, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(g)*	Sixth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of September 9, 2009, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(h)*	Seventh Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of July 23, 2010, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(i)*	Eighth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of October 29, 2010, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.17(j)*	Ninth Amendment to the Frontier Airlines, Inc. Credit Card Affinity Agreement, dated as of November 5, 2013, by and between Frontier Airlines, Inc. and Barclays Bank Delaware, formerly known as Juniper Bank.	
10.20(a)*	General Terms Agreement No. 6-13616, dated as of June 30, 2000, by and between Frontier Airlines, Inc.; CFM International, Inc. and Societe Nationale D'Etude et de Construction de Monteurs d'Aviation	
10.20(b)*	Letter Agreement No. 1, dated as of June 30, 2000, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.20(c)*	Letter Agreement No. 2, dated as of November 20, 2002, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.20(d)*	Letter Agreement No. 3, dated as of August 1, 2003, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.20(e)*	Letter Agreement No. 4, dated as of March 26, 2004, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.20(f)*	Letter Agreement No. 5, dated as of April 11, 2006, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.20(g)*	Letter Agreement No. 7, dated as of October 25, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.20(h)*	Letter Agreement No. 8, dated as of December 23, 2014, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.21(a)*	General Terms Agreement No. CFM-1 1-2576101711, dated as of October 17, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.21(b)*	Letter Agreement No. 1 to General Terms Agreement No. CFM-1 1-2576101711, dated as of October 26, 2011, by and between Frontier Airlines, Inc. and CFM International, Inc.	

Exhibit Number	Exhibit Description	Filed Herewith
10.21(c)*	Amendment No. 1 to Letter Agreement No. 1, dated as of December 23, 2014, by and between Frontier Airlines, Inc. and CFM International, Inc.	
10.22(a)*	Agreement on Technical Services for A320 Family Aircraft, dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	
10.22(b)*	Total Component Support Attachment, dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	
10.22(c)*	Attachment on Aircraft Production Inspection, dated as of April 30, 2015, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	
10.23*	Purchase Terms Agreement (Material-Single Event), dated as of November 5, 2014, by and between Frontier Airlines, Inc. and Lufthansa Technik AG.	
10.24(a)*	Navitaire Hosted Services Agreement, dated as of June 20, 2014, by and between Frontier Airlines, Inc. and Navitaire LLC.	
10.24(b)*	Amendment No. 1 to Navitaire Hosted Services Agreement, dated as of March 1, 2015, by and between Frontier Airlines, Inc. and Navitaire LLC.	
10.24(c)*	Amendment No. 2 to Navitaire Hosted Services Agreement, dated as of April 10, 2015, by and between Frontier Airlines, Inc. and Navitaire LLC.	
10.24(d)*	Amendment No. 3 to Navitaire Hosted Services Agreement, dated as of January 1, 2016, by and between Frontier Airlines, Inc. and Navitaire LLC.	
10.25(a)*	Terms and Conditions for Worldwide Acceptance of the American Express Card by Airlines, dated as of March 1, 2007, by and between Frontier Airlines, Inc. and American Express Travel Related Services Company, Inc.	
10.25(b)*	Amendment to the Terms and Conditions for Worldwide Acceptance of the American Express Card by Airlines, dated as of October 1, 2009, by and between Frontier Airlines, Inc. and American Express Travel Related Services Company, Inc.	
10.26*	Second Amended and Restated Credit Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Citibank, N.A., Citigroup Global Markets, Inc., Bank of Utah and each lender identified on Schedule I thereto.	
10.27*	Second Amended and Restated Mortgage and Security Agreement, dated as of December 16, 2016, by and among Vertical Horizons, Ltd., Citibank, N.A. and Bank of Utah.	
10.28*	Second Amended and Restated Guarantee, dated as of December 16, 2016, by Frontier Airlines, Inc. in favor of Bank of Utah.	
10.29*	Second Amended and Restated Guarantee, dated as of December 16, 2016, by Frontier Airlines Holdings, Inc. in favor of Bank of Utah.	
14.1*	Code of Ethics	
21.1	List of subsidiaries	X
23.1	Consent of independent registered public accounting firm.	X
23.2*	Consent of Latham & Watkins LLP (included in Exhibit 5.1).	
24.1	Power of Attorney. Reference is made to the signature page to the Registration Statement.	X

* To be filed by amendment.
\# Indicates management contract or compensatory plan.

Exhibit 3.1(a)

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
FALCON ACQUISITION GROUP, INC.

It is hereby certified that:

1. The name of the corporation is Falcon Acquisition Group, Inc.

2. The date of filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware was September 11, 2013.

3. This Amended and Restated Certificate of Incorporation of the Corporation has been duly adopted by the Board of Directors and stockholders of the Corporation in accordance with Sections 242 and 245 of the Delaware General Corporation Law and by the written consent of its stockholders in accordance with Section 228 of the Delaware General Corporation Law.

4. The Amended and Restated Certificate of Incorporation of the Corporation, as amended, is hereby amended and restated in its entirety to read as follows:

ARTICLE I
NAME

The name of the corporation is Falcon Acquisition Group, Inc. (the "Corporation").

ARTICLE II
REGISTERED OFFICE AND AGENT

The address of the Corporation's registered office in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE AND DURATION

The purpose of the Corporation is to engage in any lawful activity for which corporations may be organized under the General Corporation Law of the State of Delaware, as amended (the "DGCL"). The Corporation is to have a perpetual existence.

ARTICLE IV
CAPITAL STOCK

Section 1. Authorized Shares. The total number of shares of stock which the Corporation is authorized to issue is 15,000,000 shares, of which 12,000,000 shares shall be

shares of Common Stock, par value $0.001 per share (the "Voting Common Stock"), 2,000,000 shares shall be shares of Non-Voting Common Stock, par value $0.001 per share (the "Non-Voting Common Stock", and together with the Voting Common Stock, the "Common Stock"), and 1,000,000 shares shall be shares of Preferred Stock, par value $0.001 per share (the "Preferred Stock").

Section 2. Preferred Stock. Shares of Preferred Stock may be issued from time to time in one or more series, each of such series to have such terms as stated in the resolution or resolutions providing for the establishment of such series adopted by the Board of Directors of the Corporation (the "Board of Directors") as hereinafter provided. Authority is hereby expressly granted to the Board of Directors to issue, from time to time, shares of Preferred Stock in one or more series, and, in connection with the establishment of any such series by resolution or resolutions, to determine and fix such voting powers, full or limited, or no voting powers, and such other powers, designations, preferences and relative, participating, optional, and other special rights, and the qualifications, limitations, and restrictions thereof, if any, including, without limitation, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be stated in such resolution or resolutions, all to the fullest extent permitted by the DGCL. Without limiting the generality of the foregoing, the resolution or resolutions providing for the establishment of any series of Preferred Stock may, to the extent permitted by law, provide that such series shall be superior to, rank equally with or be junior to the Preferred Stock of any other series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may be different from those of any and all other series at any time outstanding. Except as otherwise expressly provided in the resolution or resolutions providing for the establishment of any series of Preferred Stock, no vote of the holders of shares of Preferred Stock or Common Stock shall be a prerequisite to the issuance of any shares of any series of the Preferred Stock authorized by and complying with the conditions of this Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation").

Section 3. Common Stock. The holders of shares of Common Stock shall have such rights as are set forth in the DGCL and, to the extent consistent therewith, such rights as are set forth below:

(a) Mandatory Conversion. Each share of Non-Voting Common Stock shall be mandatorily convertible, at the sole option of the Corporation at any time and from time to time, into one fully paid and non-assessable share of Voting Common Stock. The Corporation shall exercise such right by delivering written notice (the "Mandatory Conversion Notice") of such conversion to each holder of Non-Voting Common Stock to be so converted stating (i) the Corporation's intention to convert the shares of Non-Voting Common Stock held by such holder and (ii) the date or event upon which such conversion shall be effective (the "Mandatory Conversion Date"), which such Mandatory Conversion Date shall be no less than one calendar day after the date upon which the Corporation delivers the Mandatory Conversion Notice and no more than 180 days thereafter; provided that such conversion may be designated as the occurrence of a given event (for example, completion of a public offering or sale transaction) provided that such event does not occur less than one day or more than 180 calendar days after

the related Mandatory Conversion Notice. Following the Corporation's delivery of the Mandatory Conversion Notice, each share of Non-Voting Common Stock held by such holder shall be converted automatically and without further action on the part of such holder into an equal number of shares of Voting Common Stock on the Mandatory Conversion Date. Immediately upon conversion of shares of Non-Voting Common Stock hereunder, the rights of the holders of shares of Non-Voting Common Stock as such shall cease, and such holders shall be treated for all purposes as having become the record holder or holders of such shares of Voting Common Stock. The issuance of certificates, if any, for shares of Voting Common Stock upon conversion of shares of Non-Voting Common Stock hereunder shall be made without charge to the holders of such shares for any stamp or other similar tax in respect of such issuance; provided, however, that if any such certificate is to be issued in a name other than that of the holder of the share or shares of Non-Voting Common Stock converted, then the individual, entity or other person requesting the issuance thereof shall pay to the Corporation the amount of any tax that may be payable in respect of any transfer involved in such issuance or shall establish to the satisfaction of the Corporation that such tax has been paid or is not payable. Except as otherwise provided hereinabove in this Section 3(a), the Non-Voting Common Stock shall not be convertible into any other securities of the Company or under any other circumstances.

(b) Voting. Except as otherwise provided by applicable law, the holders of Voting Common Stock shall be entitled to one vote per share on all matters to be voted on by the stockholders of the Corporation, and the holders of Non-Voting Common Stock shall have no right to vote on any matters to be voted on by the stockholders of the Corporation.

(c) Dividends. Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock outstanding at any time, the holders of Voting Common Stock and the holders of Non-Voting Common Stock shall be entitled to share equally, on a per share basis, in such dividends and other distributions of cash, property or shares of stock of the Corporation as may be declared by the Board of Directors from time to time with respect to the Common Stock out of assets or funds of the Corporation legally available therefor; provided, however, that (i) if dividends are declared or paid in shares of Common Stock, the dividends payable to holders of Voting Common Stock shall be payable in Voting Common Stock and the dividends payable to the holders of Non-Voting Common Stock shall be payable in Non-Voting Common Stock and (ii) if the dividends consist of other voting securities of the Corporation, the Corporation shall make available to each holder of Non-Voting Common Stock dividends consisting of non-voting securities (except as otherwise required by law) of the Corporation which are otherwise identical to the voting securities.

(d) Liquidation, Dissolution, etc. Except as may be provided in a resolution or resolutions of the Board of Directors providing for any series of Preferred Stock outstanding at any time, in the event of a voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of the Corporation, the holders of Voting Common Stock and the holders of Non-Voting Common Stock shall be entitled to share equally, on a per share basis, in all assets of the Corporation of whatever kind available for distribution to the holders of Common Stock.

(e) Subdivision or Combination. If the Corporation in any manner subdivides or combines the outstanding shares of one class of Common Stock, the outstanding shares of the other class of Common Stock will be subdivided or combined in the same manner.

(f) Equal Status. Except as expressly provided in this Article IV, shares of Voting Common Stock and Non-Voting Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respect as to all matters. In any merger, consolidation, reorganization or other business combination, the consideration received per share by the holders of the Voting Common Stock and the holders of the Non-Voting Common Stock in such merger, consolidation, reorganization or other business combination shall be identical; provided, however, that if such consideration consists, in whole or in part, of shares of capital stock of, or other equity interests in, the Corporation or any other corporation, partnership, limited liability company or other entity, then the powers, designations, preferences and relative, common, participating, optional or other special rights and qualifications, limitations and restrictions of such shares of capital stock or other equity interests may differ to the extent that the powers, designations, preferences and relative, common, participating, optional or other special rights and qualifications, limitations and restrictions of the Voting Common Stock and Non-Voting Common Stock differ as provided herein (including, without limitation, with respect to the voting rights and conversion provisions hereof); and provided further, that, if the holders of the Voting Common Stock or the holders of the Non-Voting Common Stock are granted the right to elect to receive one of two or more alternative forms of consideration, the foregoing provision shall be deemed satisfied if holders of the other class are granted identical election rights. Any consideration to be paid to or received by holders of Voting Common Stock or holders of Non-Voting Common Stock pursuant to any employment, consulting, severance, non-competition or other similar arrangement approved by the Board of Directors, or any duly authorized committee thereof, shall not be considered to be "consideration received per share" for purposes of the foregoing provision, regardless of whether such consideration is paid in connection with, or conditioned upon the completion of, such merger, consolidation, reorganization or other business combination.

(g) No Preemptive or Subscription Rights. No holder of shares of Common Stock shall be entitled to preemptive or subscription rights.

Section 4. Power to Sell and Purchase Shares. Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class of stock herein or hereafter authorized to such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class, and as otherwise permitted by law. Subject to the requirements of applicable law, the Corporation shall have the power to purchase any shares of any class of stock herein or hereafter authorized from such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class, and as otherwise permitted by law.

ARTICLE V
RESTRICTIONS ON OWNERSHIP

Section 1. Limitations of Ownership by Non-Citizens. At no time shall either (a) the percentage of voting interest of the Corporation or (b) the percentage of the Corporation's capital stock (including Voting Common Stock and Non-Voting Common Stock), owned or controlled by persons who are not "citizens of the United States" (as such term is defined in Title 49, United States Code, Section 40102 and administrative interpretations thereof issued by the Department of Transportation or its successor, or as the same may be from time to time amended, supplemented or succeeded, "Applicable Laws") ("Non-Citizens") exceed the limitations provided under Applicable Laws (which, as of the date hereof and for informational purposes only, is 24.9% and 49.0%, respectively). In the event that Non-Citizens shall own (beneficially or of record) or have voting control over any shares of capital stock of the Corporation, the voting rights of such persons shall be subject to automatic suspension to the extent required to ensure that the Corporation is in compliance with applicable provisions of law and regulations relating to ownership or control of a U.S. air carrier. The Bylaws of the Corporation shall contain provisions to implement this Article V, including, without limitation, provisions restricting or prohibiting transfer of shares of voting stock to Non-Citizens and provisions restricting or removing voting rights as to shares of voting stock owned or controlled by Non-Citizens. Any determination as to ownership, control or citizenship made by the Board of Directors shall be conclusive and binding as between the Corporation and any stockholder for purposes of this Article V.

Section 2. Legend. Each certificate or other representative document for capital stock of the Corporation with voting rights (including each such certificate or representative document for such capital stock issued upon any permitted transfer of capital stock) shall contain a legend in substantially the following form:

THE SECURITIES OF FALCON ACQUISITION GROUP, INC. REPRESENTED BY THIS CERTIFICATE OR DOCUMENT ARE SUBJECT TO VOTING RESTRICTIONS WITH RESPECT TO CERTAIN SECURITIES HELD BY PERSONS OR ENTITIES THAT FAIL TO QUALIFY AS "CITIZENS OF THE UNITED STATES" AS THE TERM IS DEFINED IN SECTION 40102(a)(15) OF SUBTITLE VII OF TITLE 49 OF THE UNITED STATES CODE, AS AMENDED, IN ANY SIMILAR LEGISLATION OF THE UNITED STATES ENACTED IN SUBSTITUTION OR REPLACEMENT THEREFOR, AND AS INTERPRETED BY THE DEPARTMENT OF TRANSPORTATION, ITS PREDECESSORS AND SUCCESSORS, FROM TIME TO TIME. SUCH VOTING RESTRICTIONS ARE CONTAINED IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND THE BYLAWS OF FALCON ACQUISITION GROUP, INC., AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME. A COMPLETE AND CORRECT COPY OF SUCH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND THE BYLAWS SHALL

BE FURNISHED FREE OF CHARGE TO THE HOLDER OF THE SECURITIES REPRESENTED HEREBY UPON WRITTEN REQUEST TO THE SECRETARY OF FALCON ACQUISITION GROUP, INC.

ARTICLE VI
BOARD OF DIRECTORS

Section 1. Powers of the Board. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authority expressly conferred upon them by applicable law or by the Certificate of Incorporation or the Bylaws of the Corporation, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

Section 2. Non-Citizens. Notwithstanding anything to the contrary in this Certificate of Incorporation or the Corporation's Bylaws, the number of Non-Citizens who can serve as members of the Board of Directors shall at no time exceed the limitations provided under Applicable Laws (which, as of the date hereof and for informational purposes only, is one-third ($^1/_3$) of the total number of members then serving on the Board of Directors).

Section 3. Bylaws. The Board of Directors is expressly authorized to make, alter or repeal Bylaws of the Corporation.

Section 4. Elections of Directors. Elections of directors need not be by ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VII
STOCKHOLDERS

Section 1. Meeting Location. Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

ARTICLE VIII
LIABILITY AND INDEMNIFICATION

Section 1. Director Liability. To the maximum extent permitted by the DGCL, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the DGCL is amended after approval by the stockholders of this Article VIII to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

Section 2. Indemnification. The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by the DGCL, and such right to

indemnification shall continue as to a person who has ceased to be director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or administrators) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this paragraph shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

Section 3. Right to Indemnify. To the fullest extent authorized or permitted by the DGCL, the Corporation shall have the express authority to enter into such agreements as the Board of Directors deems appropriate for the indemnification of directors and officers of the Corporation. Such agreements may contain provisions relating to, among other things, the advancement of expenses, a person's right to bring suit against the Corporation to enforce his or her right to indemnification, the establishment of a trust to assure the availability of funds to satisfy the Corporation's indemnification obligations to such person and other matters as the Board of Directors deems appropriate or advisable.

Section 4. Non-Exclusive. The rights to indemnification and to the advancement of expenses conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under this Certificate of Incorporation, the Bylaws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Section 5. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 6. Amendment or Repeal. Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VIII, shall eliminate or reduce the effect of this Article VIII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VIII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

* * * *

IN WITNESS WHEREOF, the undersigned have executed this Amended and Restated Certificate of Incorporation on this 2nd day of December, 2013.

FALCON ACQUISITION GROUP, INC.

By: /s/ John R. Wilson
Name: John R. Wilson
Title: Vice President and Assistant Secretary

CERTIFICATE OF AMENDMENT
OF THE
AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
FALCON ACQUISITION GROUP, INC.,
a Delaware corporation

Falcon Acquisition Group, Inc. (the “Corporation”), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, hereby certifies that:

1. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on September 11, 2013.

2. The Amended and Restated Certificate of Incorporation (the “Amended and Restated Certificate of Incorporation”) of the Corporation was filed with the Secretary of State of the State of Delaware on December 2, 2013.

3. The amendment of the Amended and Restated Certificate of Incorporation of the Corporation herein certified was duly adopted by the Corporation’s Board of Directors in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

4. The amendment of the Amended and Restated Certificate of Incorporation of the Corporation herein certified was duly adopted by the Corporation’s stockholders in accordance with the applicable provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

5. Article I of the Amended and Restated Certificate of Incorporation of the Corporation shall be amended to read in its entirety as follows:

“The name of the corporation (the “Corporation”) is Frontier Group Holdings, Inc.”

6. Except as provided in the immediately preceding paragraph, all other provisions of the Amended and Restated Certificate of Incorporation of the Corporation shall remain in full force and effect.

(Signature Page Follows)

IN WITNESS WHEREOF, Falcon Acquisition Group, Inc. has caused this Certificate of Amendment to be signed by William A. Franke, its Chairman, this 7th day of December, 2015.

FALCON ACQUISITION GROUP, INC.

By: /s/ William A. Franke
William A. Franke
Chairman

Exhibit 3.3

AMENDED AND RESTATED BYLAWS

OF

FRONTIER GROUP HOLDINGS, INC.

(a Delaware corporation)

Adopted as of December 2, 2013

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AMENDED AND RESTATED BYLAWS

OF

FRONTIER GROUP HOLDINGS, INC.
(a Delaware corporation)

Adopted as of December 2, 2013

ARTICLE I.
IDENTIFICATION; OFFICES

Section 1. NAME. The name of the corporation is Frontier Group Holdings, Inc. (the "Corporation").

Section 2. PRINCIPAL AND BUSINESS OFFICES. The Corporation may have such principal and other business offices, either within or outside of the State of Delaware, as the Board of Directors may designate or as the Corporation's business may require from time to time.

Section 3. REGISTERED AGENT AND OFFICE. The Corporation's registered agent may be changed from time to time by or under the authority of the Board of Directors. The address of the Corporation's registered agent may change from time to time by or under the authority of the Board of Directors, or the registered agent. The business office of the Corporation's registered agent shall be identical to the registered office. The Corporation's registered office may be but need not be identical with the Corporation's principal office in the State of Delaware. The Corporation's initial registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 4. PLACE OF KEEPING CORPORATE RECORDS. The records and documents required by law to be kept by the Corporation permanently shall be kept at the Corporation's principal office or as the Board of Directors may designate.

ARTICLE II.
STOCKHOLDERS

Section 1. ANNUAL MEETING. An annual meeting of the stockholders shall be held on such date as may be determined by resolution of the Board of Directors unless directors are elected by written consent in lieu of an annual meeting in accordance with Section 211 of the General Corporation Law of the State of Delaware ("DGCL"). At each annual meeting, the stockholders shall elect directors to hold office for the term provided in Section 1 of Article III of these Bylaws.

Section 2. SPECIAL MEETING. A special meeting of the stockholders may be called by the President of the Corporation, the Board of Directors, or by such other officers or persons as the Board of Directors may designate.

Section 3. PLACE OF STOCKHOLDER MEETINGS. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting. If no such place is designated by the Board of Directors, the place of meeting will be the principal business office of the Corporation or the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but will instead be held solely by means of remote communication as provided under Section 211 of the DGCL.

Section 4. NOTICE OF MEETINGS. Unless waived as herein provided, whenever stockholders are required or permitted to take any action at a meeting, written notice of the meeting shall be given stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Such written notice shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at the meeting or in the event of a merger, consolidation, share exchange, dissolution or sale, lease or exchange of all or substantially all of the Corporation’s property, business or assets not less than twenty (20) days before the date of the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at the stockholder’s address as it appears on the records of the Corporation. If electronically transmitted, then notice is deemed given when transmitted and directed to a facsimile number or electronic mail address at which the stockholder has consented to receive notice. An affidavit of the secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

When a meeting is adjourned to reconvene at the same or another place, if any, or by means of remote communications, if any, in accordance with Section 5 of Article II of these Bylaws, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

Section 5. QUORUM AND ADJOURNED MEETINGS. Unless otherwise provided by law or the Corporation’s Certificate of Incorporation, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders. If a majority of the shares entitled to vote at a meeting of stockholders is present in person or represented by proxy at such meeting, such stockholders may continue to transact business until adjournment, notwithstanding the withdrawal of such number of stockholders as may leave less than a quorum. If less than a majority of the shares entitled to vote at a meeting of stockholders is present in person or represented by proxy at such meeting, a majority of the shares so represented may adjourn the meeting from time to time, to reconvene at the same or another place, if any, or by means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and notice need not be given of any such adjourned meeting if the time, date, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the adjournment is for more than thirty (30) days a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting.

Section 6. FIXING OF RECORD DATE.

(a) For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) For the purpose of determining stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is established by the Board of Directors, and which date shall not be more than ten (10) days after the date on which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal office, or an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Delivery to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders' consent to corporate action in writing without a meeting shall be the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) For the purpose of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect to any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix the record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining the stockholders for any such purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7. VOTING LIST. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders,

a complete list of stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting, (i) by a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to the stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, such list shall be the only evidence as to the identity of stockholders entitled to examine the list of stockholders required by this Section 7 or to vote in person or by proxy at any meeting of the stockholders. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list.

Section 8. VOTING. Unless otherwise provided by the Certificate of Incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by each stockholder. In all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Directors shall be elected by plurality of the votes of the shares present in person or represented by a proxy at the meeting entitled to vote on the election of directors.

Section 9. PROXIES. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may remain irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Section 10. RATIFICATION OF ACTS OF DIRECTORS AND OFFICERS. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation, any transaction or contract or act of the Corporation or of the directors or the officers of the Corporation may be ratified by the affirmative vote of the holders of the number of shares which would have been necessary to approve such transaction, contract or act at a meeting of stockholders, or by the written consent of stockholders in lieu of a meeting.

Section 11. INFORMAL ACTION OF STOCKHOLDERS. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a

meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be delivered to the Corporation by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall be given to those stockholders who have not consented in writing.

Without limiting the manner by which consent may be given, stockholders of the Corporation may consent by delivery of an electronic transmission when such transmission is directed to a facsimile number or electronic mail address at which the Corporation has consented to receive such electronic transmissions, and copies of the electronic transmissions are filed with the minutes of proceedings of the stockholders. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form. The date on which such electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 12. ORGANIZATION. Such person as the Board of Directors may designate or, in the absence of such a designation, the president of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of such meeting. In the absence of the secretary of the Corporation, the chairman of the meeting shall appoint a person to serve as secretary at the meeting.

ARTICLE III.
DIRECTORS

Section 1. NUMBER AND TENURE OF DIRECTORS. The number of directors of the Corporation shall be determined from time to time by the Board. Each director shall hold office until such director’s successor is elected and qualified or until such director’s earlier resignation or removal. Any director may resign at any time upon written notice to the Corporation. Notwithstanding anything to the contrary in these Bylaws, the number of Non-Citizens (as defined in Article XI below) who can hold office shall at no time exceed the limitations provided under Act (as defined in Article XI below) (which, as of the effective time of these Bylaws and for informational purposes only, is one-third (1/3) of the total number of members then holding office).

Section 2. ELECTION OF DIRECTORS. Except as otherwise provided in this Bylaws, directors shall be elected at the annual meeting of stockholders. Directors need not be residents of the State of Delaware. Elections of directors need not be by written ballot.

Section 3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President or at least one-third of the number of directors constituting the whole board. The person or persons authorized to call special meetings of the Board of Directors may fix any time, date or place, either within or without the State of Delaware, for holding any special meeting of the Board of Directors called by them.

Section 4. NOTICE OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS. Notice of any special meeting of the Board of Directors shall be given, orally or in writing, by the person or persons calling the meeting to all directors at least one (1) day previous thereto. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with first-class postage thereon prepaid. If sent by any other means (including facsimile, courier, electronic mail or express mail, etc.), such notice shall be deemed to be delivered when actually delivered to the home or business address, electronic address or facsimile number of the director.

Section 5. QUORUM. A majority of the total number of directors as provided in Section 1 of Article III of these Bylaws shall constitute a quorum for the transaction of business. If less than a majority of the directors are present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 6. VOTING. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the DGCL or the Certificate of Incorporation requires a vote of a greater number.

Section 7. VACANCIES. Vacancies in the Board of Directors may be filled by a majority vote of the Board of Directors at a meeting at which a quorum is present or by an election either at an annual meeting or at a special meeting of the stockholders called for that purpose. Any directors elected by the stockholders to fill a vacancy shall hold office for the balance of the term for which he or she was elected. A director appointed by the Board of Directors to fill a vacancy shall serve until the next meeting of stockholders at which directors are elected.

Section 8. REMOVAL OF DIRECTORS. A director, or the entire Board of Directors, may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; provided, however, that if cumulative voting obtains and less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against such director’s removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors.

Section 9. WRITTEN ACTION BY DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. Without limiting the manner by which consent may be given, members of the Board of Directors may consent by delivery of an electronic transmission when such transmission is directed to a facsimile number or electronic mail address at which the Corporation has consented to receive such electronic transmissions, and copies of the electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 10. PARTICIPATION BY CONFERENCE TELEPHONE. Members of the Board of Directors, or any committee designated by such board, may participate in a meeting of the Board of Directors, or committee thereof, by means of conference telephone or similar communications equipment as long as all persons participating in the meeting can speak with and hear each other, and participation by a director pursuant to this Section 10 of Article III shall constitute presence in person at such meeting.

Section 11. COMPENSATION OF DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV.
WAIVER OF NOTICE

Section 1. WRITTEN WAIVER OF NOTICE. A written waiver of any required notice, signed by or electronically transmitted by the person entitled to notice, whether before or after the date stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

Section 2. ATTENDANCE AS WAIVER OF NOTICE. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, and objects, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE V.
COMMITTEES

Section 1. GENERAL PROVISIONS. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. At least two-thirds (2/3) of the members of each committee of the Board shall be comprised of individuals who meet the definition of “a citizen of the United States,” as defined by the Transportation Act 49 U.S.C § 40102 or as subsequently amended or interpreted by the Department of Transportation; provided, however, that if a committee of the Board has one (1) member, such member shall be a “a citizen of the United States,” as defined immediately above. In the absence or disqualification of a member at any meeting of a committee, the member or members thereof present at any meeting and not

disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any bylaw of the corporation.

ARTICLE VI.
OFFICERS

Section 1. GENERAL PROVISIONS. The Board of Directors shall elect (a) a Chairman of the Board or President, or both, and (b) a Secretary of the Corporation. The Board of Directors may also have one or more Vice Chairmen of the Board, one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers and such additional officers as the Board of Directors may deem necessary or appropriate from time to time. Any two or more offices may be held by the same person. The officers elected by the Board of Directors shall have such duties as are hereafter described and such additional duties as the Board of Directors may from time to time prescribe.

Section 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices of the Corporation may be created and filled and vacancies in offices may be filled at any time, at a meeting or by the written consent of the Board of Directors. Unless removed pursuant to Section 3 of Article VI of these Bylaws, each officer shall hold office until his successor has been duly elected and qualified, or until his earlier death or resignation. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 3. REMOVAL OF OFFICERS. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person(s) so removed.

Section 4. THE CHIEF EXECUTIVE OFFICER. The Chairman of the Board (or in the absence of a Chairman of the Board, the President) shall be a Chief Executive Officer, unless the Board of Directors shall designate another individual as Chief Executive Officer of the Corporation. The Chief Executive Officer shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation, unless otherwise provided by the Board of Directors. The Chief Executive Officer shall preside at all meetings of the stockholders and of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer may sign bonds, mortgages, certificates for shares and all other contracts and documents

whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Chief Executive Officer shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation and his decision as to any matter affecting the Corporation shall be final and binding as between the officers of the Corporation subject only to the Board of Directors.

Section 5. THE CHAIRMAN OF THE BOARD. The Chairman of the Board, if one is chosen, shall be chosen from among the members of the board. If someone other than the Chairman of the Board has been designated as Chief Executive Officer, the Chairman of the Board shall perform such duties as may be assigned to the Chairman of the Board by the Chief Executive Officer or by the Board of Directors. In the absence of the Chief Executive Officer (if the Chairman of the Board is not the Chief Executive Officer) or in the event of his inability or refusal to act, if another individual has not been designated Chief Executive Officer, the Chairman of the Board shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

Section 6. THE PRESIDENT. In the absence of the Chief Executive Officer and the Chairman of the Board or in the event of their inability or refusal to act, if another individual has not been designated Chief Executive Officer, the President, if one is chosen, shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times the President shall have the active management of the business of the Corporation under the general supervision of the Chief Executive Officer. The President shall have concurrent power with the Chief Executive Officer to sign bonds, mortgages, certificates for shares and other contracts and documents, whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors, or by these Bylaws to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of president and such other duties as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 7. VICE CHAIRMAN OF THE BOARD. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, if the Chairman of the Board or another individual has not been designated Chief Executive Officer, the Vice Chairman, or if there be more than one, the Vice Chairmen, in the order determined by the Board of Directors, shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times, the Vice Chairman or Vice Chairmen shall perform such duties and have such powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 8. THE VICE PRESIDENT. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Executive Vice President and then the other Vice President or Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 9. THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he shall be. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

Section 10. THE ASSISTANT SECRETARY. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 11. THE TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond (which shall be renewed every six (6) years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 12. THE ASSISTANT TREASURER. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 13. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, Assistant Officers and Agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 14. ABSENCE OF OFFICERS. In the absence of any officer of the Corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties, or any of such powers or duties, of any officers or officer to any other officer or to any director.

Section 15. COMPENSATION. The Board of Directors shall have the authority to establish reasonable compensation of all officers for services to the Corporation.

Section 16. LIMITATIONS ON NON-CITIZENS AS OFFICERS. Notwithstanding anything to the contrary in these Bylaws, (a) number of Non-Citizens who can serve as officers shall at no time exceed the limitations provided under the Act (as defined in Article XI below) (which, as of the effective time of these Bylaws and for informational purposes only, is one-third (1/3) of the total number of officers then holding office) and (b) the President shall not be a Non-Citizen for so long as proscribed by the Act (as defined in Article XI below).

ARTICLE VII.
INDEMNIFICATION

Section 1. RIGHT TO INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person in such proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of Article VII of these Bylaws, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in advance by the Board of Directors.

Section 2. PREPAYMENT OF EXPENSES OF DIRECTORS AND OFFICERS. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VII or otherwise.

Section 3. CLAIMS BY DIRECTORS AND OFFICERS. If a claim for indemnification or advancement of expenses under this Article VII is not paid in full within thirty days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 4. INDEMNIFICATION OF EMPLOYEES AND AGENTS. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorney's fees) reasonably incurred by such person in connection with such proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a proceeding initiated by such person if the proceeding was not authorized in advance by the Board of Directors.

Section 5. ADVANCEMENT OF EXPENSES OF EMPLOYEES AND AGENTS. The Corporation may pay the expenses (including attorney's fees) incurred by an employee or agent in defending any proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

Section 6. NON-EXCLUSIVITY OF RIGHTS. The rights conferred on any person by this Article VII shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 7. OTHER INDEMNIFICATION. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, joint venture, trust, organization or other enterprise.

Section 8. INSURANCE. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article VII; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article VII.

Section 9. AMENDMENT OR REPEAL. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Covered Person and such person's heirs, executors and administrators.

ARTICLE VIII.
CERTIFICATES FOR SHARES

Section 1. CERTIFICATES OF SHARES. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, Chief Executive Officer, or the President or Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile.

Section 2. SIGNATURES OF FORMER OFFICER, TRANSFER AGENT OR REGISTRAR. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person or entity were such officer, transfer agent or registrar at the date of issue.

Section 3. TRANSFER OF SHARES. Transfers of shares of the Corporation shall be made only on the books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his or her attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of certificate for such shares. Prior to due presentment of a certificate for shares for registration of transfer, the Corporation may treat a registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise have and exercise all of the right and powers of an owner of shares.

Section 4. LOST, DESTROYED OR STOLEN CERTIFICATES. Whenever a certificate representing shares of the Corporation has been lost, destroyed or stolen, the holder thereof may file in the office of the Corporation an affidavit setting forth, to the best of his knowledge and belief, the time, place, and circumstance of such loss, destruction or theft together with a statement of indemnity sufficient in the opinion of the Board of Directors to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate. Thereupon the Board may cause to be issued to such person or such person's legal representative a new certificate or a duplicate of the certificate alleged to have been lost, destroyed or stolen. In the exercise of its discretion, the Board of Directors may waive the indemnification requirements provided herein.

ARTICLE IX.
DIVIDENDS

Section 1. DECLARATIONS OF DIVIDENDS. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

Section 2. REQUIREMENTS FOR PAYMENT OF DIVIDENDS. Before payment of any dividend there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interests of the Corporation, and the directors may abolish any such reserve.

ARTICLE X.
GENERAL PROVISIONS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, ETC.. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by one or more officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS. The funds of the Corporation may be deposited or invested in such bank account, in such investments or with such other depositaries as determined by the Board of Directors.

Section 5. FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 6. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. ANNUAL STATEMENT. The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

ARTICLE XI.
LIMITATIONS OF OWNERSHIP BY NON-CITIZENS

Section 1. DEFINITIONS. For purposes of this Article XI, the following definitions shall apply:

(a) "Act" shall mean Subtitle VII of Title 49 of the United States Code, as amended, or as the same may be from time to time amended.

(b) "Beneficial Ownership," "Beneficially Owned" or "Owned Beneficially" refers to beneficial ownership as defined in Rule 13d-3 (without regard to the 60-day provision in paragraph (d)(1)(i) thereof) under the Securities Exchange Act of 1934, as amended.

(c) "Foreign Stock Record" shall have the meaning set forth in Section 3 of this Article XI.

(d) "Non-Citizen" shall mean any person or entity who is not a "citizen of the United States" (as defined in Section 40102 of the Act and administrative interpretations issued by the Department of Transportation, its predecessors and successors, from time to time), including any agent, trustee or representative of a Non-Citizen.

(e) "Own or Control" or "Owned or Controlled" shall mean (x) ownership of record, (y) beneficial ownership or (z) the power to direct, by agreement, agency or in any other manner, the voting of Stock. Any determination by the Board of Directors as to whether Stock is Owned or Controlled by a Non-Citizen shall be final.

(f) "Permitted Percentage" shall mean 24.9% of the voting power of the Stock.

(g) "Stock" shall mean the outstanding capital stock of the Corporation entitled to vote; provided, however, that for the purpose of determining the voting power of Stock that shall at any time constitute the Permitted Percentage, the voting power of Stock outstanding shall not be adjusted downward solely because shares of Stock may not be entitled to vote by reason of any provision of this Article XI.

Section 2. LIMITATIONS ON OWNERSHIP. It is the policy of the Corporation that, consistent with the requirements of the Act, Non-Citizens shall not Own and/or Control

more than the Permitted Percentage and, if Non-Citizens nonetheless at any time Own and/or Control more than the Permitted Percentage, the voting rights of the Stock in excess of the Permitted Percentage shall be automatically suspended in accordance with Sections 3 and 4 of this Article XI.

Section 3. LIMITATIONS ON OWNERSHIP. The Corporation shall maintain a separate stock record (the "Foreign Stock Record") in which shall be registered Stock known to the Corporation to be Owned and/or Controlled by Non-Citizens. It shall be the duty of each stockholder to register his, her or its Stock if such stockholder is a Non-Citizen. A Non-Citizen may, at its option, register any Stock to be purchased pursuant to an agreement entered into with the Corporation, as if Owned or Controlled by it, upon execution of a definitive agreement. Such Non-Citizen shall register his, her or its Stock by sending a written request to the Corporation, noting both the execution of a definitive agreement for the purchase of Stock and the anticipated closing date of such transaction. Within ten days of the closing, the Non-Citizen shall send to the Corporation a written notice confirming that the closing occurred. Failure to send such confirmatory notice shall result in the removal of such Stock from the Foreign Stock Record. For the sake of clarity, any Stock registered as a result of execution of a definitive agreement shall not have any voting or other ownership rights until the closing of that transaction. In the event that the sale pursuant to such definitive agreement is not consummated in accordance with such agreement (as may be amended), such Stock shall be removed from the Foreign Stock Record without further action by the Corporation. The Foreign Stock Record shall include (a) the name and nationality of each such Non-Citizen and (b) the date of registration of such shares in the Foreign Stock Record. In no event shall shares in excess of the Permitted Percentage be entered on the Foreign Stock Record. In the event that the Corporation shall determine that Stock registered on the Foreign Stock Record exceeds the Permitted Percentage, sufficient shares shall be removed from the Foreign Stock Record so that the number of shares entered therein does not exceed the Permitted Percentage. Stock shall be removed from the Foreign Stock Record in reverse chronological order based upon the date of registration therein.

Section 4. SUSPENSION OF VOTING RIGHTS. If at any time the number of shares of Stock known to the Corporation to be Owned and/or Controlled by Non-Citizens exceeds the Permitted Percentage, the voting rights of Stock Owned and/or Controlled by Non-Citizens and not registered on the Foreign Stock Record at the time of any vote or action of the stockholders of the Corporation shall, without further action by the Corporation, be suspended. Such suspension of voting rights shall automatically terminate upon the earlier of the (a) transfer of such shares to a person or entity who is not a Non-Citizen, or (b) registration of such shares on the Foreign Stock Record, subject to the last two sentences of Section 3 of this Article XI.

Section 5. CERTIFICATION OF CITIZENSHIP.

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

(i) all Stock as to which such person has record ownership or Beneficial Ownership is Owned and Controlled only by citizens of the United States; or

(ii) the number and class or series of Stock owned of record or Beneficially Owned by such person that is Owned and/or Controlled by Non-Citizens is as set forth in such certificate.

(b) With respect to any Stock identified in response to clause (a)(i) above, the Corporation may require such person to provide such further information as the Corporation may reasonably require in order to implement the provisions of this Article XI.

(c) For purposes of applying the provisions of this Article XI with respect to any Stock, in the event of the failure of any person to provide the certificate or other information to which the Corporation is entitled pursuant to this Section 5 of Article XI, the Corporation shall presume that the Stock in question is Owned and/or Controlled by Non-Citizens.

ARTICLE XII.
AMENDMENTS

Section 1. AMENDMENTS. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation, at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Directors by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

Exhibit 10.2(a)

FALCON ACQUISITION GROUP, INC.

2014 EQUITY INCENTIVE PLAN

1. ***Purpose***.

The purpose of the Plan is to advance the interests of the Company's stockholders by enhancing the Company's ability to attract, retain and motivate persons who make (or are expected to make) important contributions to the Company by providing such persons with equity ownership opportunities and thereby better aligning the interests of such persons with those of the Company's stockholders. Capitalized terms used in the Plan are defined in Section 11 below.

2. ***Eligibility***.

Service Providers are eligible to be granted Awards under the Plan, subject to the limitations described herein.

3. ***Administration and Delegation***.

(a) *Administration.* The Plan will be administered by the Administrator. The Administrator shall have authority to determine which Service Providers will receive Awards, to grant Awards and to set all terms and conditions of Awards (including, but not limited to, vesting, exercise and forfeiture provisions). In addition, the Administrator shall have the authority to take all actions and make all determinations contemplated by the Plan and to adopt, amend and repeal such administrative rules, guidelines and practices relating to the Plan as it shall deem advisable. The Administrator may correct any defect or ambiguity, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent it shall deem necessary or appropriate to carry the Plan and any Awards into effect, as determined by the Administrator. The Administrator shall make all determinations under the Plan in the Administrator's sole discretion and all such determinations shall be final and binding on all persons having or claiming any interest in the Plan or in any Award.

(b) *Appointment of Committees.* To the extent permitted by Applicable Laws, the Board may delegate any or all of its powers under the Plan to one or more Committees. The Board may abolish any Committee at any time and re-vest in itself any previously delegated authority.

4. ***Stock Available for Awards***.

(a) *Number of Shares.* Subject to adjustment under Section 8 hereof, Awards may be made under the Plan covering up to 1,000,000 shares of Common Stock. If any Award expires or lapses or is terminated, surrendered or canceled without having been fully exercised or is forfeited in whole or in part (including as the result of shares of Common Stock subject to such Award being repurchased by the Company at or below the original issuance price), in any case in a manner that results in any shares of Common Stock covered by such Award not being issued or being so reacquired by the Company, the unused Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. Further, shares of Common Stock delivered (either by actual delivery or attestation) to the Company by a Participant to satisfy the applicable exercise or purchase price of an Award and/or to satisfy any applicable tax withholding obligation (including shares retained by the Company from the Award being exercised or purchased and/or creating the tax obligation) shall be added to the number of shares of Common Stock available for the grant of Awards under the Plan. Shares of Common Stock issued under the Plan may consist in whole or in part of authorized but unissued shares, shares purchased on the open market or treasury shares.

(b) *Substitute Awards*. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or shares of an entity, the Administrator may grant Awards in substitution for any options or other shares or share-based awards granted prior to such merger or consolidation by such entity or an affiliate thereof. Substitute Awards may be granted on such terms as the Administrator deems appropriate in the circumstances, notwithstanding any limitations on Awards contained in the Plan. Substitute Awards shall not count against the overall share limit set forth in Section 4(a) hereof.

5. ***Stock Options***.

(a) *General.* The Administrator may grant Options to any Service Provider. The Administrator shall determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option, including conditions relating to Applicable Laws, as it considers necessary or advisable.

(b) *No Incentive Stock Options.* No Option granted hereunder shall qualify as an "incentive stock option" within the meaning of Section 422 of the Code.

(c) *Exercise Price.* The Administrator shall establish the exercise price of each Option and specify the exercise price in the applicable Award Agreement. The exercise price shall be not less than 100% of the Fair Market Value or par value per share of Common Stock, whichever is greater, on the date the Option is granted.

(d) *Duration of Options.* Each Option shall be exercisable at such times and subject to such terms and conditions as the Administrator may specify in the applicable Award Agreement, provided that the term of any Option shall not exceed ten years.

(e) *Exercise of Option; Notification of Disposition.* Options may be exercised by delivery to the Company of a written notice of exercise, in a form approved by the Administrator (which may be an electronic form), signed by the person authorized to exercise the Option, together with payment in full (i) as specified in Section 5(f) hereof for the number of shares for which the Option is exercised and (ii) as specified in Section 9(e) hereof for any applicable withholding taxes. Unless otherwise determined by the Administrator, an Option may not be exercised for a fraction of a share of Common Stock.

(f) *Payment Upon Exercise.* Common Stock purchased upon the exercise of an Option granted under the Plan shall be paid for in cash or by check, payable to the order of the Company, or, to the extent permitted by the Administrator, by:

(i) (A) delivery of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the exercise price and any required tax withholding, or (B) delivery by the Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price and any required tax withholding;

(ii) delivery (either by actual delivery or attestation) of shares of Common Stock owned by the Participant valued at their Fair Market Value, provided (A) such method of payment is then permitted under Applicable Laws, (B) such Common Stock, if acquired directly from the Company, was owned by the Participant for such minimum period of time, if any, as may be established by the Company at any time, and (C) such Common Stock is not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements;

(iii) surrendering shares of Common Stock then issuable upon exercise of the Option valued at their Fair Market Value on the date of exercise;

(iv) delivery of a promissory note of the Participant to the Company on terms determined by the Administrator;

(v) delivery of property of any other kind which constitutes good and valuable consideration as determined by the Administrator; or

(vi) any combination of the above permitted forms of payment (including cash or check).

(g) *Early Exercise of Options*. The Administrator may provide in the terms of an Award Agreement that the Service Provider may exercise an Option in whole or in part prior to the full vesting of the Option in exchange for unvested shares of Restricted Stock with respect to any unvested portion of the Option so exercised. Shares of Restricted Stock acquired upon the exercise of any unvested portion of an Option shall be subject to such terms and conditions as the Administrator shall determine.

6. ***Restricted Stock; Restricted Stock Units.***

(a) *General*. The Administrator may grant Restricted Stock, or the right to purchase Restricted Stock, to any Service Provider, subject to the right of the Company to repurchase all or part of such shares at their issue price or other stated or formula price from the Participant (or to require forfeiture of such shares if issued at no cost) in the event that conditions specified by the Administrator in the applicable Award Agreement are not satisfied prior to the end of the applicable restriction period or periods established by the Administrator for such Award. In addition, the Administrator may grant to Service Providers Restricted Stock Units, which may be subject to vesting and forfeiture conditions during applicable restriction period or periods, as set forth in an applicable Award Agreement.

(b) *Terms and Conditions for All Restricted Stock and Restricted Stock Unit Awards*. The Administrator shall determine and set forth in the applicable Award Agreement the terms and conditions applicable to each Restricted Stock and Restricted Stock Unit Award, including the conditions for vesting and repurchase (or forfeiture) and the issue price, in each case, if any.

(c) *Additional Provisions Relating to Restricted Stock*.

(i) *Dividends*. Participants holding shares of Restricted Stock will be entitled to all ordinary cash dividends paid with respect to such shares, unless otherwise provided by the Administrator in the applicable Award Agreement. In addition, unless otherwise provided by the Administrator, if any dividends or distributions are paid in shares, or consist of a dividend or distribution to holders of Common Stock of property other than an ordinary cash dividend, the shares or other property will be subject to the same restrictions on transferability and forfeitability as the shares of Restricted Stock with respect to which they were paid. Each dividend payment will be made as provided in the applicable Award Agreement, but in no event later than the end of the calendar year in which the dividends are paid to stockholders of that class of shares or, if later, the 15th day of the third month following the later of (A) the date the dividends are paid to stockholders of that class of shares, and (B) the date the dividends are no longer subject to forfeiture.

(ii) *Share Certificates*. The Company may require that any share certificates issued in respect of shares of Restricted Stock be deposited in escrow by the Participant, together with a duly executed, but undated, repurchase/transfer form, with the Company (or its designee).

(d) *Additional Provisions Relating to Restricted Stock Units*.

(i) *Settlement*. Upon the vesting of a Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or an amount of cash or other property equal to the Fair Market Value of one share of Common Stock on the settlement date, as the Administrator shall determine and as provided in the applicable Award Agreement. The Administrator may provide that settlement of Restricted Stock Units shall occur upon or as soon as reasonably practicable after the vesting of the Restricted Stock Units or shall instead be deferred, on a mandatory basis or at the election of the Participant, in a manner that complies with Section 409A.

(ii) *Voting Rights*. A Participant shall not have any voting rights that may be associated with any Common Stock underlying Restricted Stock Units unless and until such Common Stock is delivered in settlement thereof.

(iii) *Dividend Equivalents*. To the extent provided by the Administrator, a grant of Restricted Stock Units may provide a Participant with the right to receive Dividend Equivalents. Dividend Equivalents may be paid currently or credited to an account for the Participant, may be settled in cash and/or shares of Common Stock and may be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which the Dividend Equivalents are paid, as determined by the Administrator, subject, in each case, to such terms and conditions as the Administrator shall establish and set forth in the applicable Award Agreement.

7. ***Other Stock-Based Awards***.

Other Stock-Based Awards may be granted hereunder to Participants, including, without limitation, Awards entitling Participants to receive shares of Common Stock to be delivered in the future. Such Other Stock-Based Awards shall also be available as a form of payment in the settlement of other Awards granted under the Plan, as stand-alone payments and/or as payment in lieu of compensation to which a Participant is otherwise entitled. Other Stock-Based Awards may be paid in shares of Common Stock, cash or other property, as the Administrator shall determine. Subject to the provisions of the Plan, the Administrator shall determine the terms and conditions of each Other Stock-Based Award, including any purchase price, transfer restrictions, vesting conditions and other terms and conditions applicable thereto, which shall be set forth in the applicable Award Agreement.

8. ***Adjustments for Changes in Common Stock and Certain Other Events***.

(a) In connection with the occurrence of any Equity Restructuring, and notwithstanding anything to the contrary in this Section 8, the Administrator will equitably adjust each outstanding Award, which adjustments may include adjustments to the number and type of securities subject to each outstanding Award and/or the exercise price or grant price thereof, if applicable, the grant of new Awards to Participants, and/or the making of a cash payment to Participants, as the Administrator deems appropriate to reflect such Equity Restructuring. The adjustments provided under this Section 8(a) shall be nondiscretionary and shall be final and binding on the affected Participant and the Company; provided that whether an adjustment is equitable shall be determined by the Administrator.

(b) In the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), reorganization, merger, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award, then the Administrator may, in such manner as it may deem equitable, adjust any or all of:

(i) the number and kind of shares of Common Stock (or other securities or property) with respect to which Awards may be granted or awarded (including, but not limited to, adjustments of the limitations in Section 4 hereof on the maximum number and kind of shares which may be issued);

(ii) the number and kind of shares of Common Stock (or other securities or property) subject to outstanding Awards;

(iii) the grant or exercise price with respect to any Award; and

(iv) the terms and conditions of any Awards (including, without limitation, any applicable financial or other performance "targets" specified in an Award Agreement).

(c) In the event of any transaction or event described in Section 8(b) hereof (including without limitation any change in control) or any unusual or nonrecurring transaction or event affecting the Company or the financial statements of the Company, or any change in any Applicable Laws or accounting principles, the Administrator, on such terms and conditions as it deems appropriate, either by the terms of the Award or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant's request, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to (x) prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any Award granted or issued under the Plan, (y) to facilitate such transaction or event or (z) give effect to such changes in Applicable Laws or accounting principles**:**

(i) To provide for the cancellation of any such Award upon the consummation of such event in exchange for either an amount of cash or other property with a value equal to the amount that could have been obtained upon the exercise or settlement of the vested portion of such Award or realization of the Participant's rights under the vested portion of such Award, as applicable; provided that, if the amount that could have been obtained upon the exercise or settlement of such Award or realization of the Participant's rights, in any case, is equal to or less than zero, then the vested portion of such Award may be terminated without payment;

(ii) To provide that such Award shall vest and, to the extent applicable, be exercisable as to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the provisions of such Award;

(iii) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by awards covering the stock or shares of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and applicable exercise or purchase price, in all cases, as determined by the Administrator;

(iv) To make adjustments in the number and type of shares of Common Stock (or other securities or property) subject to outstanding Awards, and/or in the terms and conditions of (including the grant or exercise price), and the criteria included in, Awards which may be granted in the future;

(v) To replace such Award with other rights or property selected by the Administrator; and/or

(vi) To provide that the Award will terminate and cannot vest, be exercised or become payable after the applicable event.

(d) In the event of any pending share dividend, share split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the Common Stock or the share price of the Common Stock, including any Equity Restructuring, for reasons of administrative convenience the Administrator may refuse to permit the exercise of any Award during a period of up to thirty days prior to the consummation of any such transaction.

(e) Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares of Common Stock subject to an Award or the grant or exercise price of any Award. The existence of the Plan, any Award Agreements and the Awards granted hereunder shall not affect or restrict in any way the right or power of the Company to make or authorize (i) any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, (ii) any merger, consolidation dissolution or liquidation of the Company or sale of Company assets or (iii) any sale or issuance of securities, including without limitation, securities with rights superior to those of the Common Stock or which are convertible into or exchangeable for Common Stock. The Administrator may treat Participants and Awards (or portions thereof) differently under this Section 8.

9. ***General Provisions Applicable to Awards***.

(a) *Transferability.* Except as the Administrator may otherwise determine or provide in an Award Agreement or otherwise, in any case in accordance with Applicable Laws, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, shall be exercisable only by the Participant. Except as the Administrator may otherwise determine or provide in an Award Agreement or otherwise, in any case in accordance with Applicable Laws, shares of Common Stock acquired by a Participant in connection with Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom such shares are issued, either voluntarily or by operation of law, except as may be expressly permitted under the terms of the Stockholders Agreement. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

(b) *Documentation.* Each Award shall be evidenced in an Award Agreement, which may be in such form (written, electronic or otherwise) as the Administrator shall determine. Each Award may contain terms and conditions in addition to those set forth in the Plan.

(c) *Discretion.* Except as otherwise provided by the Plan, each Award may be made alone or in addition or in relation to any other Award. The terms of each Award to a Participant need not be identical, and the Administrator need not treat Participants or Awards (or portions thereof) uniformly.

(d) *Termination of Status.* The Administrator shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or any other change or purported change in a Participant's Service Provider status and the extent to which, and the period during which, the Participant, the Participant's legal representative, conservator, estate representative, guardian or Designated Beneficiary may exercise rights under the Award, if applicable.

(e) *Withholding.* Each Participant shall pay to the Company, or make provision satisfactory to the Administrator for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. Except as the Administrator may otherwise determine, all such payments shall be made in cash or by certified check. Notwithstanding the foregoing, to the extent permitted by the Administrator, Participants may satisfy such tax obligations in whole or in part by delivery of shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value. The Company may, to the extent permitted by Applicable Laws, deduct any such tax obligations from any payment of any kind otherwise due to a Participant.

(f) *Amendment of Award.* The Administrator may amend, modify or terminate any outstanding Award, including but not limited to, substituting therefor another Award of the same or a different type and changing the date of exercise or settlement. The Participant's consent to such action shall be required unless (i) the Administrator determines that the action, taking into account any related action, would not materially and adversely affect the Participant, or (ii) the change is permitted under Section 8 or 10(f) hereof.

(g) *Conditions on Delivery of Common Stock.* The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, (iii) the Participant has entered into the Stockholders Agreement with the Company in the form provided to the Participant by the Company and (iv) the Participant has executed and delivered to the Company such representations or agreements as the Administrator deems necessary or appropriate to satisfy the requirements of any Applicable Laws. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is determined by the Administrator to be necessary to the lawful issuance and sale of any securities hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such shares as to which such requisite authority shall not have been obtained.

(h) *Acceleration.* The Administrator may at any time provide that any Award shall become immediately vested and/or exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be.

10. ***Miscellaneous***.

(a) *No Right To Employment or Other Status.* No Person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan or any Award, except as expressly provided in an applicable Award Agreement.

(b) *No Rights As Stockholder; Certificates.* Subject to the provisions of the applicable Award Agreement, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder of such shares. Notwithstanding any other provision of the Plan, unless otherwise determined by the Administrator or required by any Applicable Laws, the Company shall not be required to deliver to any Participant certificates evidencing shares of Common Stock issued in connection with any Award and instead such shares of Common Stock may be recorded in the share register and/or other applicable books of the Company (or, as applicable, its transfer agent or share plan administrator). The Company may place legends on share certificates issued under the Plan deemed necessary or appropriate by the Administrator in order to comply with Applicable Laws.

(c) *Effective Date and Term of Plan.* The Plan shall become effective on the date on which it is adopted by the Board. No Awards shall be granted under the Plan after the completion of ten years from the earlier of (i) the date on which the Plan was adopted by the Board or (ii) the date the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date in accordance with the terms of the Plan.

(d) *Amendment of Plan.* The Administrator may amend, suspend or terminate the Plan or any portion thereof at any time; provided that no amendment of the Plan shall materially and adversely affect any Award outstanding at the time of such amendment without the consent of the affected Participant. Awards outstanding under the Plan at the time of any suspension or termination of the Plan shall continue to be governed in accordance with the terms of the Plan and the applicable Award Agreement, as in effect prior to such suspension or termination. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

(e) *Provisions for Foreign Participants*. The Administrator may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish subplans or procedures under the Plan to address differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

(f) *Section 409A.*

(i) *General*. The Company intends that all Awards be structured in compliance with, or to satisfy an exemption from, Section 409A, such that no adverse tax consequences, interest, or penalties under Section 409A apply in connection with any Awards. Notwithstanding anything herein or in any Award Agreement to the contrary, the Administrator may, without a Participant's prior consent, amend this Plan and/or Awards, adopt policies and procedures, or take any other actions (including amendments, policies, procedures and actions with retroactive effect) as are necessary or appropriate to preserve the intended tax treatment of Awards under the Plan, including without limitation, any such actions intended to (A) exempt this Plan and/or any Award from the application of Section 409A, and/or (B) comply with the requirements of Section 409A, including without limitation any such regulations, guidance, compliance programs and other

interpretative authority that may be issued after the date of grant of any Award. The Company makes no representations or warranties as to the tax treatment of any Award under Section 409A or otherwise. The Company shall have no obligation under this Section 10(f) or otherwise to take any action (whether or not described herein) to avoid the imposition of taxes, penalties or interest under Section 409A with respect to any Award and shall have no liability to any Participant or any other person if any Award, compensation or other benefits under the Plan are determined to constitute non-compliant, "nonqualified deferred compensation" subject to the imposition of taxes, penalties and/or interest under Section 409A.

(ii) *Separation from Service*. With respect to any Award that constitutes "nonqualified deferred compensation" under Section 409A, any payment or settlement of such Award that is to be made upon a termination of a Participant's Service Provider relationship shall, to the extent necessary to avoid the imposition of taxes under Section 409A, be made only upon the Participant's "separation from service" (within the meaning of Section 409A), whether such "separation from service" occurs upon or subsequent to the termination of the Participant's Service Provider relationship. For purposes of any such provision of this Plan or any Award Agreement relating to any such payments or benefits, references to a "termination," "termination of employment" or like terms shall mean "separation from service."

(iii) *Payments to Specified Employees*. Notwithstanding any contrary provision in the Plan or any Award Agreement, any payment(s) of "nonqualified deferred compensation" that are otherwise required to be made under an Award to a "specified employee" (as defined under Section 409A and determined by the Administrator) as a result of his or her "separation from service" shall, to the extent necessary to avoid the imposition of taxes under Code Section 409A(a)(2)(B)(i), be delayed until the expiration of the six-month period immediately following such "separation from service" (or, if earlier, until the date of death of the specified employee) and shall instead be paid (in a manner set forth in the Award agreement) on the day that immediately follows the end of such six-month period or as soon as administratively practicable thereafter (without interest). Any payments of "nonqualified deferred compensation" under such Award that are, by their terms, payable more than six months following the Participant's "separation from service" shall be paid at the time or times such payments are otherwise scheduled to be made.

(g) *Limitations on Liability*. Notwithstanding any other provisions of the Plan, no individual acting as a director, officer, other employee or agent of the Company will be liable to any Participant, former Participant, spouse, beneficiary, or any other person for any claim, loss, liability, or expense incurred in connection with the Plan or any Award, nor will such individual be personally liable with respect to the Plan because of any contract or other instrument he or she executes in his or her capacity as an Administrator, director, officer, other employee or agent of the Company. The Company will indemnify and hold harmless the Administrator and each director, officer, other employee and agent of the Company to whom any duty or power relating to the administration or interpretation of the Plan has been or will be granted or delegated, against any cost or expense (including attorneys' fees) or liability (including any sum paid in settlement of a claim with the Administrator's approval) arising out of any act or omission to act concerning this Plan unless arising out of such person's own fraud or bad faith.

(h) *Lock-Up Period*. The Company may, at the request of any representative of the underwriters or otherwise, in connection with any registration of the offering of any securities of the Company under the Securities Act, prohibit Participants from, directly or indirectly, selling or otherwise transferring any shares of Common Stock or other securities of the Company during a period of up to one hundred eighty days following the effective date of a registration statement of the Company filed under the Securities Act.

(i) *Right of First Refusal*.

(i) Before any shares of Common Stock held by a Participant or any permitted transferee (each, a "***Holder***") may be sold, pledged, assigned, hypothecated, transferred, or otherwise disposed of (each, a "***Transfer***"), the Company or its assignee(s) shall have a right of first refusal to purchase the shares of Common Stock proposed to be Transferred on the terms and conditions set forth in this Section 10(i) (the "***Right of First Refusal***"). In the event that the Company's by-laws and/or a stockholders' agreement applicable to the shares of Common Stock contain a right of first refusal with respect to the shares of Common Stock, such right of first refusal shall apply to the shares of Common Stock to the extent such provisions are more restrictive than the Right of First Refusal set forth in this Section 10(i) and the Right of First Refusal set forth in this Section 10(i) shall not in any way restrict the operation of the Company's by-laws or the operation of any applicable stockholders' agreement.

(ii) In the event any Holder desires to Transfer any shares of Common Stock, the Holder shall deliver to the Company a written notice (the "***Notice***") stating: (A) the Holder's bona fide intention to sell or otherwise Transfer such shares of Common Stock; (B) the name of each proposed purchaser or other transferee ("***Proposed Transferee***"); (C) the number of shares of Common Stock to be Transferred to each Proposed Transferee; and (D) the price for which the Holder proposes to Transfer the shares of Common Stock (the "***Offered Price***"), and the Holder shall offer such shares of Common Stock at the Offered Price to the Company or its assignee(s).

(iii) Within twenty-five days after receipt of the Notice, the Company and/or its assignee(s) may elect in writing to purchase all, but not less than all, of the shares of Common Stock proposed to be Transferred to any one or more of the Proposed Transferees by delivery of a written exercise notice to the Holder (a "***Company Notice***"). The purchase price ("***Purchase Price***") for the shares of Common Stock repurchased under this Section 10(i) shall be the Offered Price.

(iv) Payment of the Purchase Price shall be made, at the option of the Company or its assignee(s), in cash (by check or wire transfer), by cancellation of all or a portion of any outstanding indebtedness of the Holder to the Company (or, in the case of repurchase by an assignee, to the assignee), or by any combination thereof, within five days after delivery of the Company Notice or in the manner and at the times mutually agreed to by the Company and the Holder. Should the Offered Price specified in the Notice be payable in property other than cash, the Company or its assignee shall have the right to pay the purchase price in the form of cash equal in amount to the value of such property, as determined by the Administrator.

(v) If all or a portion of the shares of Common Stock proposed in the Notice to be Transferred are not purchased by the Company and/or its assignee(s) as provided in this Section 10(i), then the Holder may sell or otherwise Transfer such shares of Common Stock to that Proposed Transferee at the Offered Price or at a higher price; provided that such sale or other Transfer is consummated within sixty days after the date of the Notice; and provided, further, that any such sale or other Transfer is effected in accordance with any Applicable Laws and the Proposed Transferee agrees in writing that the provisions of this Plan and the applicable Award Agreement and any other applicable agreements governing the shares of Common Stock to be Transferred shall continue to apply to the shares of Common Stock in the hands of such Proposed Transferee. If the shares of Common Stock described in the Notice are not Transferred to the Proposed Transferee within such sixty-day period, a new Notice shall be given to the Company, and the Company and/or its assignees shall again be offered the Right of First Refusal, as provided herein, before any shares of Common Stock held by the Holder may be sold or otherwise Transferred.

(vi) Anything to the contrary contained in this Section 10(i) notwithstanding and to the extent permitted by the Administrator, the Transfer of any or all of the shares of Common Stock during a Participant's lifetime or upon a Participant's death by will or intestacy to the Participant's Immediate Family or a trust for the benefit of the Participant's Immediate Family shall be exempt from the Right of First Refusal. As used herein, "***Immediate Family***" shall mean spouse, lineal descendant or antecedent, father, mother, brother or sister or stepchild (whether or not adopted). In such case, the transferee or other recipient shall receive and hold the shares of Common Stock so Transferred subject to the provisions of this Plan (including the Right of First Refusal), the applicable Award Agreement and any other applicable agreements governing the shares of Common Stock to be Transferred, and there shall be no further Transfer of such shares of Common Stock except in accordance with the terms of this Section 10(i) (or otherwise as expressly provided under the Plan).

(vii) The Right of First Refusal shall terminate as to all shares of Common Stock if the Company becomes a Publicly Listed Company upon such occurrence.

(j) *Data Privacy*. As a condition of receipt of any Award, each Participant explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of personal data as described in this paragraph by and among, as applicable, the Company and its subsidiaries and affiliates for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Company and its subsidiaries and affiliates may hold certain personal information about a Participant, including but not limited to, the Participant's name, home address and telephone number, date of birth, social security or insurance number or other identification number, salary, nationality, job title(s), any shares held in the Company or any of its subsidiaries and affiliates, details of all Awards, in each case, for the purpose of implementing, managing and administering the Plan and Awards (the "***Data***"). The Company and its subsidiaries and affiliates may transfer the Data amongst themselves as necessary for the purpose of implementation, administration and management of a Participant's participation in the Plan, and the Company and its subsidiaries and affiliates may each further transfer the Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the Participant's country, or elsewhere, and the Participant's country may have different data privacy laws and protections than the recipients' country. Through acceptance of an Award, each Participant authorizes such recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom the Company or the Participant may elect to deposit any shares of Common Stock. The Data related to a Participant will be held only as long as is necessary to implement, administer, and manage the Participant's participation in the Plan. A Participant may, at any time, view the Data held by the Company with respect to such Participant, request additional information about the storage and processing of the Data with respect to such Participant, recommend any necessary corrections to the Data with respect to the Participant or refuse or withdraw the consents herein in writing, in any case without cost, by contacting his or her human resources representative. The Company may cancel Participant's ability to participate in the Plan and, in the Administrator's discretion, the Participant may forfeit any outstanding Awards if the Participant refuses or withdraws his or her consents as described herein. For more information on the consequences of refusal to consent or withdrawal of consent, Participants may contact their human resources representative.

(k) *Stockholder Approval*.

(i) Except as otherwise provided in subsection (b) below, in the event that it shall be determined that any right to receive an Award, payment or other benefit under this Plan (including, without limitation, the acceleration of the vesting and/or exercisability of an Award and taking into account the effect of this Section) to or for the benefit of the Participant (the "***Payments***"), would not be deductible, in whole or part when aggregated with any other right, payment or benefit to or for the Participant under all other agreements or benefit plans of the Company, by the Company or the person making such payment or distribution or providing such right or benefit as a result of Section 280G of the Code, then, to the extent necessary to make the Payments deductible to the maximum extent possible (but only to such extent and after taking into account any reduction in the Payments relating to Section 280G of the Code under any other plan, arrangement or agreement), the Award held by the Participant or any other right, payment or benefit under this Plan shall not become exercisable, vested or paid. For purposes of determining whether any of the Payments would not be deductible as a result of Section 280G of the Code and the amount of such disallowed deduction, all Payments will be treated as "parachute payments" within the meaning of Section 280G of the Code, and all "parachute payments" in excess of the "base amount" (as defined under Section 280G(b)(3) of the Code) shall be treated as nondeductible, unless and except to the extent that in the opinion of a nationally recognized accounting firm selected by the Company (the "***Accountants***"), such Payments (in whole or in part) either do not constitute "parachute payments," including by reason of Section 280G(b)(4) of the Code, or are otherwise not subject to disallowance as a deduction. All determinations required to be made under this subsection (a), including whether and which of the Payments are required to be reduced, the amount of such reduction and the assumptions to be utilized in arriving at such determination, shall be made by the Accountants.

(ii) Notwithstanding any other provision of this Plan, the provisions of subclause (i) above shall not apply to reduce the Payments if the Payments that would otherwise be nondeductible under Section 280G of the Code are disclosed to and approved by the Company's stockholders in accordance with Section 280G(b)(5)(B) of the Code and related regulations.

(iii) To the extent Section 280G(b)(5)(A)(ii) of the Code is available to exempt the Payments from being "parachute payments," the Company shall use its commercially reasonable best efforts to prepare and deliver to its stockholders the disclosure required by Section 280G(b)(5)(B) of the Code with respect to the Payments and to obtain the approval of the Company's stockholders pursuant to subclause (ii) above.

(l) *Severability*. In the event any portion of the Plan or any action taken pursuant thereto 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 provisions had not been included, and the illegal or invalid action shall be null and void.

(m) *Governing Documents*. In the event of any contradiction between the Plan and any Award Agreement or any other written agreement between a Participant and the Company or any Subsidiary of the Company that has been approved by the Administrator, the terms of the Plan shall govern, unless it is expressly specified in such Award Agreement or other written document that a specific provision of the Plan shall not apply.

(o) *Governing Law*. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of Delaware, disregarding choice-of-law principles of the law of any state that would require the application of the laws of a jurisdiction other than such state.

(p) *Submission to Jurisdiction; Waiver of Jury Trial;* By accepting an Award, each Participant irrevocably and unconditionally consents to submit to the jurisdiction of the courts of the State of Delaware and of the United States of America, in each case located in the State of Delaware, for any action arising out of or relating to the Plan (and agrees not to commence any litigation relating thereto except in such courts), and further agrees that service of any process, summons, notice or document by U.S. registered mail to the address contained in the records of the Company shall be effective service of process for any litigation brought against it in any such court. By accepting an Award, each Participant irrevocably and unconditionally waives any objection to the laying of venue of any litigation arising out of Plan or Award hereunder in the courts of the State of Delaware or the United States of America, in each case located in the State of Delaware, and further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such litigation brought in any such court has been brought in an inconvenient forum. By accepting an Award, each Participant irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any and all rights to trial by jury in connection with any litigation arising out of or relating to the Plan or any Award hereunder.

(q) *Restrictions on Shares*. Shares of Common Stock acquired in respect of Awards shall be subject to such terms and conditions as the Administrator shall determine, including, without limitation, restrictions on the transferability of shares of Common Stock, the right of the Company to repurchase shares of Common Stock, the right of the Company to require that shares of Common Stock be transferred in the event of certain transactions, tag-along rights, bring-along rights, redemption and co-sale rights and voting requirements. Such terms and conditions may be additional to those contained in the Plan and may, as determined by the Administrator, be contained in the applicable Award Agreement or in an exercise notice, stockholders' agreement or in such other agreement as the Administrator shall determine, in each case in a form determined by the Administrator. The issuance of such shares of Common Stock shall be conditioned on the Participant's consent to such terms and conditions and the Participant's entering into such agreement or agreements.

(r) *Titles and Headings*. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

(s) *Conformity to Securities Laws*. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan and all Awards granted hereunder shall be administered only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by Applicable Laws, the Plan and all Award Agreements shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

11. ***Definitions****.* As used in the Plan, the following words and phrases shall have the following meanings:

(a) "***Administrator***" means the Board or a Committee to the extent that the Board's powers or authority under the Plan have been delegated to such Committee.

(b) "***Applicable Laws***" means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where Awards are granted or issued under the Plan.

(c) "***Award***" means, individually or collectively, a grant under the Plan of Options, Restricted Stock, Restricted Stock Units or Other Stock-Based Awards.

(d) "***Award Agreement***" means a written agreement evidencing an Award, which agreements may be in electronic medium and shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with and subject to the terms and conditions of the Plan.

(e) "***Board***" means the Board of Directors of the Company.

(f) "***Cause***," with respect to a Participant, means "Cause" (or any term of similar effect) as defined in such Participant's employment agreement with the Company or one of its subsidiaries if such an agreement exists and contains a definition of Cause (or term of similar effect), or, if no such agreement exists or such agreement does not contain a definition of Cause (or term of similar effect), then Cause shall include, but not be limited to: (i) the Participant's unauthorized use or disclosure of confidential information or trade secrets of the Company or any material breach of a written agreement between the Participant and the Company, including without limitation a material breach of any employment, confidentiality, non-compete, non-solicit or similar agreement; (ii) the Participant's commission of, indictment for or the entry of a plea of guilty or *nolo contendere* by the Participant to, a felony under the laws of the United States or any state thereof or any crime involving dishonesty or moral turpitude (or any similar crime in any jurisdiction outside the United States); (iii) the Participant's negligence or willful misconduct in the performance of the Participant's duties or the Participant's willful or repeated failure or refusal to substantially perform assigned duties; (iv) any act of fraud, embezzlement, material misappropriation or dishonesty committed by the Participant against the Company; or (v) any acts, omissions or statements by a Participant which the Company determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company.

(g) "***Change in Control***" means (i) the acquisition by any person or group of affiliated or associated persons of more than fifty percent (50%) of the outstanding capital stock of the Company or voting securities representing more than fifty percent (50%) of the total voting power of outstanding securities of the Company; (ii) the consummation of a sale of all or substantially all of the assets of the Company to a third party; (iii) the consummation of any merger involving the Company in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then "beneficially owned" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in the aggregate by the stockholders of the Company immediately prior to such merger. For the avoidance of doubt and notwithstanding anything herein to the contrary, in no event shall a transaction constitute a "Change in Control" if: (w) its sole purpose is to change the state of the Company's incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction; (y) it is effected primarily for the purpose of financing the Company with cash (as determined by the Board without regard to whether such transaction is effectuated by a merger, equity financing or otherwise); or (z) it constitutes, or includes sales of shares in connection with, the initial public offering of the Company's common stock or the common stock of any affiliate of the Company.

(h) "***Code***" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

(i) "***Committee***" means one or more committees or subcommittees of the Board, which may be comprised of one or more directors and/or executive officers of the Company, in either case, to the extent permitted in accordance with Applicable Laws.

(j) "***Common Stock***" means the Non-Voting Common Stock of the Company.

(k) "***Company***" means Falcon Acquisition Group, Inc., a Delaware corporation, or any successor thereto. Except where the context otherwise requires, the term "Company" includes any of the Company's present or future parent or subsidiary corporations as defined in Sections 424(e) or (f) of the Code and any other business venture (including, without limitation, joint venture or limited liability company) in which the Company has a significant interest, as determined by the Administrator.

(l) "***Consultant***" means any consultant or adviser to the Company or a parent, subsidiary or affiliate of the Company if the services rendered by the consultant or advisor are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities.

(m) "***Designated Beneficiary***" means the beneficiary or beneficiaries designated, in a manner determined by the Administrator, by a Participant to receive amounts due or exercise rights of the Participant in the event of the Participant's death or incapacity. In the absence of an effective designation by a Participant, "Designated Beneficiary" shall mean the Participant's estate.

(n) "***Director***" means a member of the Board.

(o) "***Disability***" means a permanent and total disability within the meaning of Section 22(e)(3) of the Code, as it may be amended from time to time.

(p) "***Dividend Equivalents***" means a right granted to a Participant pursuant to Section 6(d)(3) hereof to receive the equivalent value (in cash or shares of Common Stock) of dividends paid on shares of Common Stock.

(q) "***Employee***" means any person, including officers and Directors, employed by the Company (within the meaning of Section 3401(c) of the Code) or any parent or subsidiary of the Company.

(r) "***Equity Restructuring***" means, as determined by the Administrator, a non-reciprocal transaction between the Company and its stockholders, such as a share dividend, share split, spin-off or recapitalization through a large, nonrecurring cash dividend, that affects the shares of Common Stock (or other securities of the Company) or the share price of Common Stock (or other securities of the Company) and causes a change in the per share value of the Common Stock underlying outstanding Awards.

(s) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(t) "***Fair Market Value***" means, as of any date, the value of Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value shall be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the first market trading day immediately prior to such date during which a sale occurred, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the last sales price on such date, or if no sales occurred on such date, then on the date

immediately prior to such date on which sales prices are reported, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable; or (iii) in the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined by the Administrator in its sole discretion.

(u) "***Option***" means an option to purchase Common Stock.

(v) "***Other Stock-Based Awards***" means other Awards of shares of Common Stock, and other Awards that are valued in whole or in part by reference to, or are otherwise based on, shares of Common Stock or other property.

(w) "***Participant***" means a Service Provider who has been granted an Award under the Plan.

(x) "***Person***" means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or any other entity of whatever nature.

(y) "***Plan***" means this 2014 Equity Incentive Plan.

(z) "***Publicly Listed Company***" means that the Company or its successor (i) is required to file periodic reports pursuant to Section 12 of the Exchange Act and (ii) the Common Stock is listed on one or more National Securities Exchanges (within the meaning of the Exchange Act) or is quoted on NASDAQ or a successor quotation system.

(aa) "***Restricted Stock***" means Common Stock awarded to a Participant pursuant to Section 6 hereof that is subject to certain vesting conditions and other restrictions.

(bb) "***Restricted Stock Unit***" means an unfunded, unsecured right to receive, on the applicable settlement date, one share of Common Stock or an amount in cash or other consideration determined by the Administrator equal to the value thereof as of such payment date, which right may be subject to certain vesting conditions and other restrictions.

(cc) "***Section 409A***" means Section 409A of the Code and all regulations, guidance, compliance programs and other interpretative authority thereunder.

(dd) "***Securities Act***" means the Securities Act of 1933, as amended from time to time.

(ee) "***Service Provider***" means an Employee, Consultant or Director.

(ff) "***Stockholders Agreement***" means that certain Stockholders Agreement by and between the Company and other Persons who are stockholders and may become a party thereto, as may be amended from time to time.

(gg) "***Termination of Service***" means the date the Participant ceases to be a Service Provider.

Exhibit 10.2(b)

FALCON ACQUISITION GROUP, INC.

2014 EQUITY INCENTIVE PLAN

STOCK OPTION GRANT NOTICE AND
STOCK OPTION AGREEMENT

Falcon Acquisition Group, Inc. (the "***Company***"), pursuant to its 2014 Equity Incentive Plan (the "***Plan***"), hereby grants to the participant set forth below ("***Participant***"), an Option to purchase the number of shares of the Company's Common Stock (referred to herein as "***Shares***") set forth below. This Option is subject to all of the terms and conditions as set forth herein and in the Stock Option Agreement attached hereto as Exhibit A (the "***Stock Option Agreement***") and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Option Grant Notice and the Stock Option Agreement.

Participant: ______________________________

Grant Date: ______________________________

Vesting Commencement Date: ______________________________

Exercise Price per Share: $ ______________________________

Total Exercise Price: $ ______________________________

Total Number of Shares Subject to Option: ______________________________

Expiration Date: ______________________________

Type of Option: Non-Qualified Stock Option

Vesting Schedule: The Option shall vest and become exercisable as to 25% of the total number of Shares subject to the Option (rounded down to the next whole number of Shares) on each of the first four anniversaries of the Vesting Commencement Date, so that all of the Option shall be fully vested and exercisable on the fourth (4th) anniversary of the Vesting Commencement Date, subject to Participant remaining a Service Provider through each such vesting date. Notwithstanding the foregoing, the Option shall be subject to accelerated vesting and exercisability to the extent, if any, provided in Participant's employment or consulting agreement or offer letter with the Company or its affiliate.

By his or her signature and the Company's signature below, Participant agrees to be bound by the terms and conditions of the Plan, the Stock Option Agreement and this Grant Notice. Participant has reviewed the Stock Option Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Stock Option Agreement and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan or the Option.

FALCON ACQUISITION GROUP, INC.:

By: ______________________________
Name: ______________________________
Title: ______________________________

PARTICIPANT:

By: ______________________________
Name: ______________________________

EXHIBIT A

TO STOCK OPTION GRANT NOTICE

STOCK OPTION AGREEMENT

Pursuant to the Stock Option Grant Notice ("***Grant Notice***") to which this Stock Option Agreement (this "***Agreement***") is attached, Falcon Acquisition Group, Inc. (the "***Company***") has granted to Participant an Option under the Company's 2014 Equity Incentive Plan (the "***Plan***") to purchase the number of Shares indicated in the Grant Notice.

ARTICLE I

GENERAL

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

1.2 Incorporation of Terms of Plan. The Option is subject to the terms and conditions of the Plan which are incorporated herein by reference. In the event of a conflict between the terms of the Agreement and the Plan, the terms of the Plan shall control.

1.3 Grant of Option. In consideration of Participant's past and/or continued employment with or service to the Company or a parent, subsidiary or affiliate and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "***Grant Date***"), the Company irrevocably grants to Participant an Option to purchase any part or all of an aggregate of the number of Shares set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

ARTICLE II

PERIOD OF EXERCISABILITY

2.1 Vesting; Commencement of Exercisability.

(a) Subject to Sections 2.1(b) and 2.3, the Option shall become vested and exercisable in such amounts and at such times as are set forth in the vesting schedule in the Grant Notice (the "***Vesting Schedule***").

(b) Unless otherwise determined by the Administrator, any portion of the Option that has not become vested and exercisable on or prior to the date of the Participant's Termination of Service shall be forfeited on the date of the Participant's Termination of Service and shall not thereafter become vested or exercisable.

2.2 Duration of Exercisability. The installments provided for in the Vesting Schedule are cumulative. Each such installment which becomes vested and exercisable pursuant to the Vesting Schedule shall remain vested and exercisable until it becomes unexercisable under Section 2.3 or pursuant to the terms of the Plan. Once the Option becomes unexercisable, it shall be forfeited immediately.

2.3 Expiration of Option. The Option may not be exercised to any extent by anyone after the first to occur of the following events:

(a) The Expiration Date set forth in the Grant Notice;

(b) The expiration of three months following the date of Participant's Termination of Service, unless such Termination of Service occurs by reason of Participant's death, Disability or Cause;

(c) The expiration of one year following the date of Participant's Termination of Service by reason of Participant's death or Disability; or

(d) The date of Participant's Termination of Service for Cause.

ARTICLE III

EXERCISE OF OPTION

3.1 Person Eligible to Exercise. Except as otherwise provided in the Plan, during the lifetime of Participant, only Participant may exercise the Option or any portion thereof. After the death of Participant, any exercisable portion of the Option may, prior to the time when the Option becomes unexercisable under Section 2.3, be exercised by Participant's personal representative or by any person empowered to do so under the deceased Participant's will or under the then applicable laws of descent and distribution.

3.2 Partial Exercise. Any exercisable portion of the Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 2.3.

3.3 Manner of Exercise. The Option, or any exercisable portion thereof, may be exercised solely by delivery to the Secretary of the Company or the Secretary's office, or such other place as may be determined by the Administrator, of all of the following prior to the time when the Option or such portion thereof becomes unexercisable under Section 2.3:

(a) As a condition to the exercise of the Option, an executed joinder to the Stockholders Agreement, unless the Optionee has already executed the Stockholders Agreement; and

(b) An exercise notice in substantially in the form attached as Exhibit B to the Grant Notice (or such other form as is prescribed by the Administrator) (the "***Exercise Notice***") in writing signed by Participant or any other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Administrator; and

(c) Subject to Section 5(f) of the Plan:

(i) Full payment (in cash or by check) for the Shares with respect to which the Option or portion thereof is exercised; or

(ii) With the consent of the Administrator, by delivery of Shares then issuable upon exercise of the Option having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof; or

(iii) On and after the date the Company becomes a Publicly Listed Company, through the (A) delivery by Participant to the Company of an irrevocable and unconditional undertaking by a broker acceptable to the Company to deliver promptly to the Company sufficient funds to pay the

exercise price or (B) delivery by Participant to the Company of a copy of irrevocable and unconditional instructions to a broker acceptable to the Company to deliver promptly to the Company cash or a check sufficient to pay the exercise price; provided that payment is then made to the Company at such time as may be required by the Administrator; or

(iv) With the consent of the Administrator, any other method of payment permitted under the terms of the Plan; or

(v) Subject to any applicable laws, any combination of the consideration allowed under the foregoing paragraphs; and

(d) The receipt by the Company of full payment for any applicable withholding tax in cash or by check or in the form of consideration permitted by the Administrator, which, following the date the Company becomes a Publicly Listed Company shall include the method provided for in Section 5(f)(i) of the Plan; and

(e) In the event the Option or portion thereof shall be exercised pursuant to Section 3.1 by any person or persons other than Participant, appropriate proof of the right of such person or persons to exercise the Option.

ARTICLE IV

OTHER PROVISIONS

4.1 Company Call Right.

(a) During the period beginning on the date of a Participant's Termination of Service and ending on the last date the Option may be exercised in accordance with Section 2.3 (the "***Repurchase Period***"), the Company shall have the right (the "***Call Right***") to repurchase the Option, provided, however, that the Call Right shall terminate upon the Company becoming a Publicly Listed Company.

(b) The Company shall exercise the Call Right (if so elected) by written notice to Participant (and/or, if applicable, any permitted transferees) within the Repurchase Period, specifying a date within such period on which the Call Right shall be exercised and the number of Shares subject to the Option as to which the Call Right is being exercised. In connection with such notice and on the date specified therein, the Company shall deliver to Participant payment in cash or by check of the Repurchase Price (as defined below) for the portion of the Option being purchased.

(c) The purchase price payable by the Company upon exercise of the Call Right (the "***Repurchase Price***") shall be as follows: In the event of any Termination of Service other than a Termination of Service by the Company for Cause, the Fair Market Value, as of the date the Call Right is being exercised, of the Shares subject to the portion of the Option with respect to which the Call Right is being exercised; and in the event of any Termination of Service by the Company for Cause, zero.

(d) Notwithstanding anything herein to the contrary, no payment shall be made under this Section that would cause the Company to violate any Applicable Law, or any rights or preference of any preferred stockholders of the Company, any banking agreement or loan or other financial covenant or cause default of any indebtedness of the Company, regardless of when such agreement, covenant or indebtedness was created, incurred or assumed. Any payment under this Section that would cause such violation or default shall result in an extension of the Repurchase Period, in the sole discretion of the Administrator, until such payment shall no longer cause any such violation or default and at which time the Call Right may be exercised.

4.2 Restrictive Legends and Stop-Transfer Orders.

(a) Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(b) The Company shall not be required: (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such shares shall have been so transferred.

4.3 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to Participant shall be addressed to Participant at the most recent address for Participant shown in the Company's records. By a notice given pursuant to this Section 4.3, either party may hereafter designate a different address for notices to be given to that party. Any notice which is required to be given to Participant shall, if Participant is then deceased, be given to the person entitled to exercise his or her Option by written notice under this Section 4.3. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

4.4 Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

4.5 Governing Law; Severability. This Agreement and the Exercise Notice shall be administered, interpreted and enforced under the laws of the State of Delaware, without regard to the conflicts of law principles thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

4.6 Conformity to Securities Laws. Participant acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

4.7 Successors and Assigns. The Company may assign any of its rights under this Agreement and the Exercise Notice to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns.

4.8 Entire Agreement. The Plan, this Agreement (including all Exhibits hereto), Participant's offer letter or employment or consulting agreement with the Company or its affiliates and the

Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

4.9 Certain Incorporations. Without limiting the generality of any other provision of this Agreement, Sections 10(f) (“Section 409A”), 10(h) (“Lock-Up Period”), 10(i) (“Right of First Refusal”), and 10(j) (“Data Privacy”) of the Plan are hereby expressly incorporated into this Agreement as if first set forth herein.

* * * * *

EXHIBIT B

TO STOCK OPTION GRANT NOTICE

FORM OF EXERCISE NOTICE

Effective as of today, , , the undersigned (“***Participant***”) hereby elects to exercise Participant’s option to purchase Shares of Falcon Acquisition Group, Inc. (the “***Company***”) under and pursuant to the Falcon Acquisition Group, Inc. 2014 Equity Incentive Plan (the “***Plan***”) and the Stock Option Grant Notice and Stock Option Agreement dated , (the “***Option Agreement***”). Capitalized terms used herein without definition shall have the meanings given in the Option Agreement.

Grant Date:	____
Number of Shares as to which Option is Exercised:	____
Exercise Price per Share:	$________
Total Exercise Price:	$________
Certificate to be issued in name of:	____
Cash Payment delivered herewith:	$__________(Representing the full Exercise Price for the Shares, as well as any applicable withholding tax)

1. Representations of Participant. Participant acknowledges that Participant has received, read and understood the Plan and the Option Agreement. Participant represents that Participant has delivered herewith a duly-executed joinder to the Stockholders Agreement or has previously executed the same. Participant agrees to abide by and be bound by their terms and conditions.

2. Tax Consultation. Participant understands that Participant may suffer adverse tax consequences as a result of Participant’s purchase or disposition of the Shares. Participant represents that Participant has consulted with any tax consultants Participant deems advisable in connection with the purchase or disposition of the Shares and that Participant is not relying on the Company for any tax advice. Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Participant understands that Participant (and not the Company) shall be responsible for Participant’s tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

3. Restrictive Legends and Stop-Transfer Orders.

(a) Legends. Participant understands and agrees that the Company shall cause any certificates issued evidencing the Shares to have the legends set forth below or legends substantially equivalent thereto, together with any other legends that may be required by state or federal securities laws:

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“ACT”), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED

UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL (WHICH MAY BE COUNSEL FOR THE COMPANY) REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.

THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY. SUCH TRANSFER RESTRICTIONS ARE BINDING ON TRANSFEREES OF THESE SHARES.

(b) Participant agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate “stop transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

4. Notices. Any notice required or permitted hereunder shall be given in accordance with the provisions set forth in Section 4.3 of the Option Agreement.

5. Further Instruments. Participant hereby agrees to execute such further instruments and to take such further action as the Company determines are reasonably necessary to carry out the purposes and intent of this Agreement.

6. Entire Agreement. The Plan, Stockholders Agreement and Option Agreement are incorporated herein by reference. This Agreement, the Plan, Stockholders Agreement and the Option Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof.

ACCEPTED BY: FALCON ACQUISITION GROUP, INC.		**SUBMITTED BY PARTICIPANT:**	
By:	______________________	By:	______________________
Print Name:	______________________	Print Name:	______________________
Title:	______________________		
		Address:	______________________
			______________________

Exhibit 10.2(c)

FALCON ACQUISITION GROUP, INC.

2014 EQUITY INCENTIVE PLAN

STOCK PURCHASE RIGHT GRANT NOTICE AND RESTRICTED STOCK PURCHASE AGREEMENT FOR NON-EMPLOYEE DIRECTORS

Pursuant to its 2014 Equity Incentive Plan (the "***Plan***"), Falcon Acquisition Group, Inc., a Delaware corporation (the "***Company***"), hereby grants to the Purchaser listed below ("***Purchaser***"), the right to purchase the number of shares of the Company's Common Stock set forth below (the "***Shares***") at the purchase price set forth below (the "***Stock Purchase Right***"). This Stock Purchase Right is subject to all of the terms and conditions set forth herein, in the Plan and in the certain Restricted Stock Purchase Agreement attached hereto as Exhibit A (the "***Restricted Stock Purchase Agreement***"), each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Purchase Right Grant Notice (the "***Grant Notice***") and the Restricted Stock Purchase Agreement.

Purchaser: ______________________________

Date of Grant: ______________________________

Vesting Start Date: ______________________________

Purchase Price per Share: $0.00

Number of Shares: ______________________________

Vesting Schedule: The Shares subject to this Stock Purchase Right shall vest and be released from the Company's Repurchase Option, as set forth in the Restricted Stock Purchase Agreement, according to the following schedule:

100% of the Shares shall vest and be released from the Company's Repurchase Option (as defined in the Restricted Stock Purchase Agreement) on the first anniversary of the Vesting Start Date, subject to Purchaser remaining a Service Provider through the vesting date. Notwithstanding the foregoing, 100% of the Shares shall vest and be released from the Company's Repurchase Option upon a Change in Control.

Termination Date: This Stock Purchase Right shall terminate if not exercised prior to the thirty-first (31st) day following the Date of Grant set forth above.

By his or her signature and the Company's signature below, Purchaser agrees to be bound by the terms and conditions of the Plan, the Restricted Stock Purchase Agreement and this Grant Notice. Purchaser has reviewed the Restricted Stock Purchase Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands the provisions of this Grant Notice, the Restricted Stock Purchase Agreement and the Plan. Purchaser hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator of the Plan upon any questions arising under the Plan, this Grant Notice or the Restricted Stock Purchase Agreement. If Purchaser is married or in a registered domestic partnership, his or her spouse or registered domestic partner has signed the Consent of Spouse or Domestic Partner attached to this Grant Notice as Exhibit D.

FALCON ACQUISITION GROUP, INC.:

By: ______________________________
Print Name: ______________________________
Title: ______________________________
Address: ______________________________
____

PURCHASER:

By: ______________________________
Print Name: ______________________________
Title: ______________________________
Address: ______________________________
____

EXHIBIT A

TO STOCK PURCHASE RIGHT GRANT NOTICE

RESTRICTED STOCK PURCHASE AGREEMENT

Pursuant to the Stock Purchase Right Grant Notice (the "***Grant Notice***") to which this Restricted Stock Purchase Agreement (this "***Agreement***") is attached, Falcon Acquisition Group, Inc., a Delaware corporation (the "***Company***"), has granted to Purchaser (as defined in the Grant Notice) the right to purchase the number of shares of Restricted Stock under the Falcon Acquisition Group, Inc. 2014 Equity Incentive Plan (the "***Plan***") indicated in the Grant Notice.

1. General.

(a) Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan and the Grant Notice.

(b) Incorporation of Terms of Plan. The Shares are subject to the terms and conditions of the Plan, which is incorporated herein by reference.

2. Grant of Restricted Stock.

(a) Grant of Restricted Stock. In consideration of Purchaser's agreement to remain in the employ of the Company or its subsidiaries, if Purchaser is an Employee, or to continue to provide services to the Company or its subsidiaries, if Purchaser is a Consultant, or to serve as a Director, if Purchaser is a Director, and for other good and valuable consideration, effective as of the Date of Grant set forth in the Grant Notice (the "***Grant Date***"), the Company irrevocably grants to Purchaser the right to purchase the Shares by execution of the Grant Notice and payment of any purchase price at any time prior to the Termination Date set forth in the Grant Notice, upon the terms and conditions set forth in the Plan and this Agreement.

(b) Purchase Price. Any purchase price of the Shares shall be as set forth in the Grant Notice, without commission or other charge (the "***Purchase Price***"). Any Purchase Price shall be paid by cash or check.

(c) Issuance of Shares. The issuance of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with the execution of this Agreement by the parties or on such other date as the Company and Purchaser shall agree (the "***Issuance Date***"). Subject to the provisions of Section 3 below, on the Issuance Date, the Company shall issue the Shares (which shall be issued in Purchaser's name).

(d) Conditions to Issuance of Stock Certificates. The Shares, or any portion thereof, may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any Shares prior to fulfillment of all of the following conditions:

(i) Purchaser's execution and delivery to the Company of a joinder to the Stockholders Agreement; and

(ii) The admission of such Shares to listing on all stock exchanges on which the Company's Common Stock is then listed; and

(iii) The completion of any registration or other qualification of such shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable; and

(iv) The obtaining of any approval or other clearance from any state or federal governmental agency which the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and

(v) The receipt by the Company of full payment for such Shares, including payment of all amounts which, under federal, state or local tax law, the Company (or other employer corporation) is required to withhold upon issuance of such Shares (it being understood that, generally, there are no withholding obligations for non-employees); and

(vi) The lapse of such reasonable period of time following the Issuance Date as the Administrator may from time to time establish for reasons of administrative convenience.

(e) Consideration to the Company. In consideration of the issuance of the Shares by the Company, Purchaser agrees to render faithful and efficient services to the Company or any subsidiary. Nothing in the Plan or this Agreement shall confer upon Purchaser any right to (a) continue in the employ of the Company or any subsidiary or shall interfere with or restrict in any way the rights of the Company and its subsidiaries, which are hereby expressly reserved, to discharge Purchaser, if Purchaser is an Employee, or (b) continue to provide services to the Company or any subsidiary or shall interfere with or restrict in any way the rights of the Company or its subsidiaries, which are hereby expressly reserved, to terminate the services of Purchaser, if Purchaser is a Consultant, at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between the Company and Purchaser.

3. Repurchase Option.

(a) If Purchaser ceases to be a Service Provider for any reason, including for cause, death and Disability, the Company or its assignee shall have the right and option to purchase from Purchaser, or Purchaser's personal representative, as the case may be, all of Purchaser's Unreleased Shares (as defined below) as of the date on which Purchaser ceases to be a Service Provider at the purchase price paid by Purchaser for such Shares in connection with the Stock Purchase Rights (the "***Repurchase Option***").

(b) The Company may exercise its Repurchase Option by delivering, personally or by registered mail, to Purchaser (or his or her transferee or legal representative, as the case may be), within ninety (90) days of the date on which Purchaser ceases to be a Service Provider, a notice in writing indicating the Company's intention to exercise the Repurchase Option and setting forth a date for closing not later than thirty (30) days from the mailing of such notice. The closing shall take place at the Company's office. At the closing, the holder of the certificates for the Unreleased Shares being transferred shall deliver the stock certificate or certificates evidencing the Unreleased Shares, and the Company shall deliver the purchase price therefor. Notwithstanding the foregoing, in the event the purchase price of the Unreleased Shares is zero, then the Company automatically shall be deemed to have exercised its Repurchase Option on the date Purchaser ceases to be a Service Provider, and Purchaser shall deliver the stock certificate or certificates evidencing the Unreleased Shares to the Company upon Purchaser's cessation of services to the Company.

(c) At its option, the Company may elect to make any payment for the Unreleased Shares to a bank selected by the Company. The Company shall avail itself of this option by a notice in writing to Purchaser stating the name and address of the bank, date of closing, and waiving the closing at the Company's office.

(d) If the Company does not elect to exercise the Repurchase Option, or if such Repurchase Option is not automatically exercised in accordance with Section 3(b) above, by giving the requisite notice within ninety (90) days following the date on which Purchaser ceases to be a Service Provider, the Repurchase Option shall terminate.

(e) One hundred percent (100%) of the Shares shall initially be subject to the Repurchase Option. The Shares shall be released from the Repurchase Option in accordance with the Vesting Schedule set forth in the Grant Notice until all Shares are released from the Repurchase Option. Fractional Shares shall be rounded to the nearest whole share.

(f) Any Shares which from time to time have not yet been released from the Company's Repurchase Option pursuant to Section 3(e) above shall be referred to herein as "***Unreleased Shares***."

4. Transferability of the Shares; Escrow.

(a) Purchaser hereby authorizes and directs the Secretary of the Company, or such other person designated by the Company from time to time, to transfer the Unreleased Shares as to which the Repurchase Option has been exercised from Purchaser to the Company.

(b) To ensure the availability for delivery of Purchaser's Unreleased Shares upon repurchase by the Company pursuant to the Repurchase Option under Section 3, Purchaser hereby appoints the Secretary, or any other person designated by the Company from time to time as escrow agent, as its attorney-in-fact to sell, assign and transfer unto the Company, such Unreleased Shares, if any, repurchased by the Company pursuant to the Repurchase Option and shall, upon execution of this Agreement, deliver and deposit with the Secretary of the Company, or such other person designated by the Company from time to time, the share certificate(s) representing the Unreleased Shares, together with the stock assignment duly endorsed in blank, attached hereto as Exhibit B. The Unreleased Shares and stock assignment shall be held by the Secretary, or such other person designated by the Company from time to time, in escrow, pursuant to the Joint Escrow Instructions of the Company and Purchaser attached as Exhibit C hereto, until the Company exercises its Repurchase Option as provided in Section 3, until such Unreleased Shares are vested, or until such time as the Repurchase Option no longer is in effect. As a further condition to the Company's obligations under this Agreement, the spouse or registered domestic partner of Purchaser, if any, shall execute and deliver to the Company the Consent of Spouse or Domestic Partner attached hereto as Exhibit D. Upon vesting of the Unreleased Shares, the escrow agent shall promptly deliver to Purchaser the certificate or certificates representing such Shares in the escrow agent's possession belonging to Purchaser, and the escrow agent shall be discharged of all further obligations hereunder; provided, however, that the escrow agent shall nevertheless retain such certificate or certificates as escrow agent if so required pursuant to other restrictions imposed pursuant to this Agreement.

(c) The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Shares in escrow and while acting in good faith and in the exercise of its judgment.

(d) Transfer or sale of the Shares is subject to restrictions on transfer pursuant to the Plan and any applicable state and federal securities laws. Any transferee shall hold such Shares subject to all of the

provisions hereof and shall acknowledge the same by signing a copy of this Agreement. Any transfer or attempted transfer of any of the Shares not in accordance with the terms of this Agreement shall be void and the Company may enforce the terms of this Agreement by stop transfer instructions or similar actions by the Company and its agents or designees.

5. Ownership, Voting Rights, Duties. This Agreement shall not affect in any way any ownership or other rights or duties of Purchaser, except as specifically provided herein.

6. Adjustment for Stock Split. All references to the number of Shares and the purchase price of the Shares in this Agreement shall be appropriately adjusted to reflect any stock split, stock dividend or other change in the Shares which may be made by the Company after the date of this Agreement.

7. Section 83(b) Election for Unreleased Shares. Purchaser hereby acknowledges that he or she has been informed that, with respect to the purchase of Unreleased Shares, that unless an election is filed by Purchaser with the Internal Revenue Service and, if necessary, the proper state taxing authorities, within thirty (30) days of (a) the purchase of the Shares or (b) in the event that there is no, or only a nominal, Purchase Price for the Shares, the Grant Date, electing pursuant to Section 83(b) of the Code (and similar state tax provisions if applicable) to be taxed currently on any difference between the purchase price of the Shares and their Fair Market Value on the date of purchase, there will be a recognition of taxable income to Purchaser, measured by the excess, if any, of the fair market value of the Shares, at the time the Company’s Repurchase Option lapses over the purchase price for the Shares. Purchaser represents that Purchaser has consulted any tax consultant(s) Purchaser deems advisable in connection with the purchase of the Shares or the filing of the Election under Section 83(b) and similar tax provisions.

PURCHASER ACKNOWLEDGES THAT IT IS PURCHASER’S SOLE RESPONSIBILITY AND NOT THE COMPANY’S TO FILE TIMELY THE ELECTION UNDER SECTION 83(b), EVEN IF PURCHASER REQUESTS THE COMPANY OR ITS REPRESENTATIVE TO MAKE THIS FILING ON PURCHASER’S BEHALF.

8. Representations. Purchaser has reviewed with his or her own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. Purchaser is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Purchaser understands that Purchaser (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

9. Restrictive Legends and Stop-Transfer Orders.

(a) Any share certificate(s) evidencing the Shares issued hereunder shall be endorsed with the following legends and any other legends that may be required by state or federal securities laws:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A RIGHT OF REPURCHASE IN FAVOR OF FALCON ACQUISITION GROUP, INC. (THE “COMPANY”) AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK PURCHASE AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE

"SECURITIES ACT"), AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT.

(b) Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required: (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

10. Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at its principal executive offices in care of the Secretary of the Company, and any notice to be given to Purchaser shall be addressed to Purchaser at the most recent address for Purchaser shown in the Company's records. By a notice given pursuant to this Section 10, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

11. Titles. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

12. Governing Law; Severability. This Agreement and the Exercise Notice shall be administered, interpreted and enforced under the laws of the State of Delaware, without regard to the conflicts of law principles thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

13. Conformity to Securities Laws. Purchaser acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Shares are to be issued, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

14. Further Instruments. Purchaser hereby agrees to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement including, without limitation, the Investment Representation Statement, in the form attached to the Grant Notice as Exhibit E.

15. Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Purchaser and his or her heirs, executors, administrators, successors and assigns.

16. Entire Agreement. The Plan, this Agreement (including all Exhibits hereto) and the Stockholders Agreement constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Purchaser with respect to the subject matter hereof.

17. Certain Incorporations. Without limiting the generality of any other provision of this Agreement, Sections 10(f) (“Section 409A”), 10(h) (“Lock-Up Period”), 10(i) (“Right of First Refusal”), and 10(j) (“Data Privacy”) of the Plan are hereby expressly incorporated into this Agreement as if first set forth herein.

* * * * *

EXHIBIT B

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED I, , hereby sell, assign and transfer unto ( ) shares of the Common Stock of Falcon Acquisition Group, Inc. registered in my name on the books of said corporation represented by Certificate No. herewith and do hereby irrevocably constitute and appoint to transfer the said stock on the books of the within named corporation with full power of substitution in the premises.

This Assignment Separate from Certificate may be used only in accordance with the Restricted Stock Purchase Agreement between Falcon Acquisition Group, Inc. and the undersigned dated , .

Dated: ,

Signature: ______________________________

INSTRUCTIONS: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise the Repurchase Option, as set forth in the Restricted Stock Purchase Agreement, without requiring additional signatures on the part of Purchaser.

EXHIBIT C

JOINT ESCROW INSTRUCTIONS

,

Secretary
Falcon Acquisition Group, Inc.
[Address]
[Address]

Dear Secretary,

As Escrow Agent for both Falcon Acquisition Group, Inc. (the "Company") and the undersigned purchaser of stock of the Company (the "Purchaser"), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of that certain Restricted Stock Purchase Agreement ("Agreement") between the Company and the undersigned, in accordance with the following instructions:

1. In the event the Company or any entitled parties (referred to collectively for convenience herein as the "Company") exercises the Company's Repurchase Option set forth in the Agreement, the Company shall give to Purchaser and you a written notice specifying the number of shares of stock to be purchased, the purchase price, and the time for a closing hereunder at the principal office of the Company. Purchaser and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing, you are directed (a) to date the stock assignments necessary for the transfer in question, (b) to fill in the certificate number(s), (c) to fill in the number of shares being transferred, and (d) to deliver the same, together with the certificate evidencing the shares of stock to be transferred, to the Company or its assignee, against the simultaneous delivery to you of the purchase price (by cash, a check, or a combination thereof) for the number of shares of stock being purchased pursuant to the exercise of the Company's Repurchase Option.

3. Purchaser irrevocably authorizes the Company to deposit with you any certificates evidencing shares of stock to be held by you hereunder and any additions and substitutions to said shares as defined in the Agreement. Purchaser does hereby irrevocably constitute and appoint you as Purchaser's attorney-in-fact and agent for the term of this escrow to execute, with respect to such securities, all documents necessary or appropriate to make such securities negotiable and to complete any transaction herein contemplated, including but not limited to the filing with any applicable state blue sky authority of any required applications for consent to, or notice of transfer of, the securities. Subject to the provisions of this paragraph 3 and to the terms of the Agreement, Purchaser shall exercise all rights and privileges of a stockholder of the Company while the stock is held by you.

4. Upon written request of Purchaser, but no more than once per calendar year, unless the Company's Repurchase Option has been exercised, you will deliver to Purchaser a certificate or certificates representing the number of shares of stock as are not then subject to the Company's Repurchase Option. Within one hundred twenty (120) days after Purchaser ceases to be a Service Provider, you will deliver to Purchaser a certificate or certificates representing the aggregate number of shares held or issued pursuant to the Agreement and not purchased by the Company or any other entitled parties pursuant to exercise of the Company's Repurchase Option.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to Purchaser, you shall deliver all of the same to Purchaser and shall be discharged of all further obligations hereunder.

6. Your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You shall be obligated only for the performance of such duties as are specifically set forth herein and may rely and shall be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties. You shall not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Purchaser while acting in good faith, and any act done or omitted by you pursuant to the advice of your own attorneys shall be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree, you shall not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You shall not be liable in any respect on account of the identity, authorities or rights of the parties executing or delivering or purporting to execute or deliver the Agreement or any documents or papers deposited or called for hereunder.

10. You shall not be liable for the expiration of any rights under any applicable state, federal or local statute of limitations or similar statute or regulation with respect to these Joint Escrow Instructions or any documents deposited with you.

11. You shall be entitled to employ such legal counsel and other experts as you may deem necessary properly to advise you in connection with your obligations hereunder, may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor.

12. Your responsibilities as Escrow Agent hereunder shall terminate if you shall cease to be an officer or agent of the Company or if you shall resign by written notice to each party. In the event of any such termination, the Company shall appoint a successor Escrow Agent.

13. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto shall join in furnishing such instruments.

14. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities held by you hereunder, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such disputes shall

have been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you shall be under no duty whatsoever to institute or defend any such proceedings.

15. Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery or upon deposit in the United States Post Office, by registered or certified mail with postage and fees prepaid, addressed to each of the other parties thereunto entitled at such addresses as a party may designate by written notice to each of the other parties hereto.

16. By signing these Joint Escrow Instructions, you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Agreement.

17. This instrument shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

18. These Joint Escrow Instructions shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, excluding that body of law pertaining to conflicts of law.

(Signature Page Follows)

IN WITNESS WHEREOF, these Joint Escrow Instructions shall be effective as of the date first set forth above.

FALCON ACQUISITION GROUP, INC.

By: ______________________________
Name: ______________________________
Title: ______________________________

PURCHASER

By: ______________________________
Name: ______________________________
Address:

____
____

ESCROW AGENT

By: ______________________________
Name: ______________________________
Title: ______________________________

EXHIBIT D

CONSENT OF SPOUSE OR DOMESTIC PARTNER

I, , spouse or registered domestic partner of , have read and approve the Restricted Stock Purchase Agreement dated , , between my spouse or registered domestic partner and Falcon Acquisition Group, Inc. In consideration of granting of the right to my spouse or registered domestic partner to purchase shares of common stock of Falcon Acquisition Group, Inc. set forth in the Restricted Stock Purchase Agreement, I hereby appoint my spouse or registered domestic partner as my attorney-in-fact in respect to the exercise of any rights under the Agreement and agree to be bound by the provisions of the Restricted Stock Purchase Agreement insofar as I may have any rights in said Restricted Stock Purchase Agreement or any shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Restricted Stock Purchase Agreement.

Dated: ,

Signature of Spouse or Registered Domestic Partner

EXHIBIT E

INVESTMENT REPRESENTATION STATEMENT

PURCHASER :

COMPANY : Falcon Acquisition Group, Inc.

SECURITY : Common Stock

AMOUNT :

DATE :

In connection with the purchase of the above-listed shares of Common Stock (the "Securities") of Falcon Acquisition Group, Inc., a Delaware corporation (the "Company"), the undersigned ("Purchaser") represents to the Company the following:

1. Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Securities. Purchaser is acquiring these Securities for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act").

2. Purchaser acknowledges and understands that the Securities constitute "restricted securities" under the Securities Act and have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein. Purchaser understands that, in the view of the Securities and Exchange Commission, the statutory basis for such exemption may be unavailable if Purchaser's representation was predicated solely upon a present intention to hold these Securities for the minimum capital gains period specified under tax statutes, for a deferred sale, for or until an increase or decrease in the market price of the Securities, or for a period of one year or any other fixed period in the future. Purchaser further understands that the Securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the Securities. Purchaser understands that the certificate evidencing the Securities will be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel satisfactory to the Company and any other legend required under applicable state securities laws or agreements.

3. Purchaser is familiar with the provisions of Rule 701 and Rule 144, each promulgated under the Securities Act, which, in substance, permit limited public resale of "restricted securities" acquired, directly or indirectly from the issuer thereof, in a non-public offering subject to the satisfaction of certain conditions. Rule 701 provides that if the issuer qualifies under Rule 701 at the time of the grant of the Stock Purchase Right to Purchaser, the exercise will be exempt from registration under the Securities Act. In the event the Company becomes subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), ninety (90) days thereafter (or such longer period as any market stand-off agreement may require) the Securities exempt under Rule 701 may under present law be resold, subject to the satisfaction of certain of the conditions

specified by Rule 144, including: (1) the resale being made through a broker in an unsolicited "broker's transaction" or in transactions directly with a market maker (as said term is defined under the Exchange Act); and, in the case of an affiliate, (2) the availability of certain public information about the Company, (3) the amount of Securities being sold during any three (3) month period not exceeding the limitations specified in Rule 144(e), and (4) the timely filing of a Form 144, if applicable.

In the event that the Company does not qualify under Rule 701 at the time of grant of the Stock Purchase Right, then the Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires the resale to occur not less than six months, or, in the event the Company is not subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, not less than one year, after the later of the date the Securities were sold by the Company or the date the Securities were sold by an affiliate of the Company, within the meaning of Rule 144; and, in the case of acquisition of the Securities by an affiliate, the satisfaction of the conditions set forth in sections (1), (2), (3) and (4) of the paragraph immediately above or, in the case of a non-affiliate who subsequently holds the Securities less than one year, the satisfaction of the conditions set forth in section (2) of the paragraph immediately above.

4. Purchaser further understands that in the event all of the applicable requirements of Rule 701 or 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rules 144 and 701 are not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rules 144 or 701 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk. Purchaser understands that no assurances can be given that any such other registration exemption will be available in such event.

Signature of Purchaser:

____
[ ]

Date: ,

FORM OF 83(B) ELECTION AND INSTRUCTIONS

These instructions are provided to assist you if you choose to make an election under Section 83(b) of the Internal Revenue Code, as amended, with respect to the shares of common stock of Falcon Acquisition Group, Inc. transferred to you. **Please consult with your personal tax advisor as to whether an election of this nature will be in your best interests in light of your personal tax situation.**

The executed original of the Section 83(b) election must be filed with the Internal Revenue Service not later than 30 days after the date the shares were transferred to you. PLEASE NOTE: There is no remedy for failure to file on time. The steps outlined below should be followed to ensure the election is mailed and filed correctly and in a timely manner. ALSO, PLEASE NOTE: If you make the Section 83(b) election, the election is irrevocable.

Complete Section 83(b) election form (attached as Attachment 1) and make four (4) copies of the signed election form. (Your spouse, if any, should sign the Section 83(b) election form as well.)

Prepare the cover letter to the Internal Revenue Service (sample letter attached as Attachment 2).

Send the cover letter with the originally executed Section 83(b) election form and one (1) copy via certified mail, return receipt requested to the Internal Revenue Service at the address of the Internal Revenue Service where you file your personal tax returns. We suggest that you have the package date-stamped at the post office. The post office will provide you with a certified receipt that includes a dated postmark. Enclose a self-addressed, stamped envelope so that the Internal Revenue Service may return a date-stamped copy to you. However, your postmarked receipt is your proof of having timely filed the Section 83(b) election if you do not receive confirmation from the Internal Revenue Service.

One (1) copy must be sent to Falcon Acquisition Group, Inc. for its records and **one (1) copy must be attached to your federal income tax return for the applicable calendar year**.

Retain the Internal Revenue Service file stamped copy (when returned) for your records.

Please consult your personal tax advisor for the address of the office of the Internal Revenue Service to which you should mail your election form.

ATTACHMENT 1

ELECTION UNDER INTERNAL REVENUE CODE SECTION 83(B)

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in taxpayer's gross income for the current taxable year the amount of any compensation taxable to taxpayer in connection with taxpayer's receipt of shares (the "Shares") of Common Stock of Falcon Acquisition Group, Inc., a Delaware corporation (the "Company").

The name, address and taxpayer identification number of the undersigned taxpayer are:

____

____

____

SSN: ______________________________

The name, address and taxpayer identification number of the Taxpayer's spouse are (complete if applicable):

____

____

____

SSN: ______________________________

Description of the property with respect to which the election is being made:

( ) shares of Common Stock of the Company.

The date on which the property was transferred was . The taxable year to which this election relates is calendar year .

Nature of restrictions to which the property is subject:

The Shares are subject to repurchase by the Company or its assignee upon the occurrence of certain events. This repurchase right lapses based upon the continued performance of services by the taxpayer over time.

The fair market value at the time of transfer (determined without regard to any lapse restrictions, as defined in Treasury Regulation Section 1.83-3(i)) of the Shares was $ per Share.

The amount paid by the taxpayer for Shares was per share.

A copy of this statement has been furnished to the Company.

Dated: ,

Taxpayer Signature ______________________________

The undersigned spouse of Taxpayer joins in this election. (Complete if applicable).

Dated: ____________ , ______ Spouse's Signature ______________________________

Signature(s) Notarized by:

____

____

ATTACHMENT 2

SAMPLE COVER LETTER TO INTERNAL REVENUE SERVICE

____________________, _____

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Internal Revenue Service[Address where taxpayer files returns]

Re: Election under Section 83(b) of the Internal Revenue Code of 1986
Taxpayer: ____
Taxpayer's Social Security Number: ____
Taxpayer's Spouse: ____
Taxpayer's Spouse's Social Security Number: ____________________________________

Ladies and Gentlemen:

Enclosed please find an original and one copy of an Election under Section 83(b) of the Internal Revenue Code of 1986, as amended, being made by the taxpayer referenced above. Please acknowledge receipt of the enclosed materials by stamping the enclosed copy of the Election and returning it to me in the self-addressed stamped envelope provided herewith.

Very truly yours,

____

Enclosures

cc: Falcon Acquisition Group, Inc.

Exhibit 10.4

FRONTIER GROUP HOLDINGS, INC.
INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("**Agreement**") is made as of , 20 by and between Frontier Group Holdings, Inc., a Delaware corporation (the "**Company**"), and ("**Indemnitee**"). [This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering the subject matter of this Agreement.]

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "**Board**") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Bylaws, as amended from time to time (the "**Bylaws**"), and the Amended and Restated Certificate of Incorporation of the Company (the "**Certificate of Incorporation**") require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "**DGCL**"). The Bylaws, the Certificate of Incorporation and the DGCL expressly provide that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws, the Certificate of Incorporation and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; [and]

WHEREAS, Indemnitee does not regard the protection available under the Bylaws, the Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he or she be so indemnified; [and]

[WHEREAS, Indemnitee is a representative of   , a limited partnership (the "**Fund**"), and has certain rights to indemnification and/or insurance provided by the Fund which Indemnitee and the Fund intend to be secondary to the primary obligation of the Company to indemnify Indemnitee as provided herein, with the Company's acknowledgement and agreement to the foregoing being a material condition to Indemnitee's willingness to serve on the Board.]

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Company (or any of its subsidiaries or any Enterprise), if any, is at will, and the Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director or officer of the Company, by the Certificate of Incorporation, the Bylaws and the DGCL. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable, as provided in Section 16 hereof.

Section 2. Definitions. As used in this Agreement:

(a) References to "**agent**" shall mean any person who is or was a director, officer or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) A "**Change in Control**" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities unless the change in relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than fifty-one percent (51%) of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(A) "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(B) "**Person**" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(C) "**Beneficial Owner**" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) "**Corporate Status**" describes the status of a person who is or was a director, trustee, partner, managing member, officer, employee, agent or fiduciary of the Company or of any other corporation, limited liability company, partnership or joint venture, trust or other enterprise which such person is or was serving at the request of the Company.

(d) "**Disinterested Director**" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "**Enterprise**" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, employee, agent or fiduciary.

(f) "**Expenses**" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, fax transmission charges, secretarial services, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements, obligations or expenses of the types customarily incurred in connection with, or as a result of, prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a deponent or witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or its equivalent, and (ii) expenses incurred in connection with recovery under any directors' and officers' liability insurance policies maintained by the Company, regardless of

whether the Indemnitee is ultimately determined to be entitled to such indemnification, advancement or Expenses or insurance recovery, as the case may be, and (iii) for purposes of Section 14(d) only, Expenses incurred by or on behalf of Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "**Independent Counsel**" shall mean a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "**Independent Counsel**" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) The term "**Proceeding**" shall include any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative, regulatory, legislative or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him or her (or a failure to take action by him or her) or of any action (or failure to act) on his or her part while acting pursuant to his or her Corporate Status, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification, reimbursement or advancement of Expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(i) Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she

reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding had no reasonable cause to believe that his or her conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Certificate of Incorporation, the Bylaws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with or related to each successfully resolved claim, issue or

matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness or otherwise asked to participate in any aspect of a Proceeding to which Indemnitee is not a party, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her on his or her behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4 or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines and amounts paid in settlement) actually and reasonably incurred by or on behalf of Indemnitee in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase “to the fullest extent permitted by applicable law” shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnification payment in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(b) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, (ii) such payment arises in connection with any mandatory counterclaim or cross-claim or affirmative defense brought or raised by Indemnitee in any Proceeding (or any part of any Proceeding), or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses. Notwithstanding any provision of this Agreement to the contrary (other than Section 14(d)), the Company shall advance, to the extent not prohibited by law, the Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding (or any part of any Proceeding) not initiated by Indemnitee, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time (which shall include invoices received by the Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditures made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be so included), whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. In accordance with Section 14(d), advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof or Indemnitee's becoming aware thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding, in each case to the extent known to Indemnitee. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. The failure by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement, except to the extent (solely with respect to the indemnity hereunder) that such failure or delay materially prejudices the Company. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

(c) The Company shall not settle any Proceeding (in whole or in part) if such settlement would impose any Expense, judgment, liability, fine, penalty or limitation on Indemnitee which Indemnitee is not entitled to be indemnified hereunder without the Indemnitee's prior written consent.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 11(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by or on behalf of

Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company promptly will advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or the Delaware Court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Delaware Court for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by such court or by such other person as such court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

(c) If the Company disputes a portion of the amounts for which indemnification is requested, the undisputed portion shall be paid and only the disputed portion withheld pending resolution of any such dispute.

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent

not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such sixty (60)-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of

account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the directors or officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement. Whether or not the foregoing provisions of this Section 13(d) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Company.

(e) The knowledge and/or actions, or failure to act, of any director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within one hundred eighty (180) days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee’s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by

reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by or on behalf of Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if, in the case of indemnification, Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement (i) shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors or otherwise, and (ii) shall be interpreted independently of, and without reference to, any other such rights to which Indemnitee may at any time be entitled. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than

would be afforded currently under the Bylaws, the Certificate of Incorporation and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees or agents of the Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a Proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) [The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust or other enterprise.]/[The Company hereby acknowledges that Indemnitee has certain rights to indemnification, advancement of expenses and/or insurance provided by the Fund and certain of its affiliates (collectively, the "**Fund Indemnitors**"). The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to Indemnitee are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary), (ii) that it shall be required to advance the full amount of Expenses incurred by Indemnitee and shall be liable for the full amount of all Expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by the Certificate of Incorporation or Bylaws (or any agreement

between the Company and Indemnitee), without regard to any rights Indemnitee may have against the Fund Indemnitors, and (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of Indemnitee with respect to any claim for which Indemnitee has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of Indemnitee against the Company. The Company and Indemnitee agree that the Fund Indemnitors are express third party beneficiaries of the terms hereof.]

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable, or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced (including any appeal thereof) by Indemnitee pursuant to Section 14 of this Agreement relating thereto. The indemnification and advancement of expenses rights provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise, and shall inure to the benefit of Indemnitee and his or her spouse, assigns, heirs, devisees, executors and administrators and other legal representatives. The Company shall require and shall cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company to, by written agreement, expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws, any directors' and officers' insurance maintained by the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder and provided further, that the provisions of this Agreement shall apply retroactively as of the date such Indemnitee began service as a director, officer, employee or agent of the Company, as applicable, or, at the request of the Company, as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise, as applicable.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed, or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to:

Frontier Group Holdings, Inc.
7001 Tower Road, Suite 102
Denver, CO 80249
Attn: General Counsel

or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by or on behalf of Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably CT Corporation as its agent in the State of Delaware for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

FRONTIER GROUP HOLDINGS, INC.	INDEMNITEE
By: ______________________________	______________________________
Name:	Name:
Title:	Address:

[Signature Page to Indemnification Agreement]

Employment Agreement

This Employment Agreement (the "Agreement") is made by and between Frontier Airlines, Inc., a Colorado corporation (the "Company"), and Barry L. Biffle (the "Executive" and, together with the Company, the "Parties") effective as of March 15, 2016 (the "Effective Date"). This Agreement supersedes in its entirety any agreement to which the Company is a party with respect to Executive's employment with the Company, except for option agreements entered into between Executive and the Group.

RECITALS

WHEREAS, the Company desires to assure itself of the continued services of Executive by engaging Executive to perform services under the terms hereof; and

WHEREAS, Executive desires to provide continued services to the Company on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Certain Definitions.

(a) "Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person where "control" shall have the meaning given such term under Rule 405 of the Securities Act of 1933, as amended.

(b) "Agreement" shall have the meaning set forth in the preamble hereto.

(c) "Annual Base Salary" shall have the meaning set forth in Section 3(a).

(d) "Annual Bonus" shall have the meaning set forth in Section 3(b).

(e) "Board" shall mean the Board of Directors of the Company or of any company to which the Company's rights and obligations under this Agreement are assigned pursuant to Section 10.

(f) "Cause" shall mean (i) Executive's gross negligence or willful misconduct in the performance of the duties and services required of Executive pursuant to this Agreement or any other written agreement between Executive and the Company; (ii) Executive's conviction of, or plea of guilty or *nolo contendere* to, a felony or crime involving moral turpitude (or any similar crime in any jurisdiction outside the United States); (iii) Executive's willful refusal to perform the duties and responsibilities required of Executive under this Agreement or as lawfully directed by the Board which remains uncorrected for thirty (30) days following written notice to Executive by the Company of such breach; (iv) Executive's material breach of any material

provision of this Agreement, any confidential information or restrictive covenant agreement with the Company or corporate code or policy which remains uncorrected for thirty (30) days following written notice to Executive by the Company of such breach; (v) any act of fraud, embezzlement, material misappropriation or dishonesty committed by Executive against the Company; or (v) any acts, omissions or statements by Executive which the Company determines to be materially detrimental or damaging to the reputation, operations, prospects or business relations of the Company. For purposes of this Section 1(f), an act or failure to act shall be considered "willful" only if done or omitted to be done without a good faith reasonable belief that such act or failure to act was in the best interests of the Company.

(g) "Change in Control" shall mean (i) the acquisition by any person or group of affiliated or associated persons of more than fifty percent (50%) of the outstanding capital stock of Group or the Company or voting securities representing more than fifty percent (50%) of the total voting power of outstanding securities of Group or the Company (other than such an acquisition by a person or group that holds more than fifty percent (50%) of the outstanding capital stock of Group or the Company or voting securities representing more than fifty percent (50%) of the total voting power of outstanding securities of Group or the Company, in each case, as of either the Effective Date or immediately prior to such acquisition); (ii) the consummation of a sale of all or substantially all of the assets of the Company to a third party; (iii) the consummation of any merger involving Group or the Company in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then "beneficially owned" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in the aggregate by the stockholders of Group or the Company, as applicable, immediately prior to such merger. For the avoidance of doubt and notwithstanding anything herein to the contrary, in no event shall an acquisition, sale or other transaction constitute a "Change in Control" if: (w) its sole purpose is to change the form of ownership of the Company or the state of the Company's incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction; (y) it is effected primarily for the purpose of financing the Company with cash (as determined by the Board without regard to whether such transaction is effectuated by a merger, equity financing or otherwise); or (z) it constitutes, or includes sales of shares in connection with, the initial public offering of the Company's common stock or the common stock of any Affiliate of the Company (including Group).

(h) "COBRA" shall have the meaning set forth in Section 5(b)(iii).

(i) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(j) "Company" shall, except as otherwise provided in Section 8(a), have the meaning set forth in the preamble hereto.

(k) "Competing Business" shall mean a business conducted anywhere in the United States which is related to commercial aviation or its supply chain or is otherwise competitive with any business which the Company conducts or has taken actions in anticipation of conducting at any time during the employment of Executive.

(l) "Confidential Information" shall have the meaning set forth in Section 8(e).

(m) A "Constructive Termination" shall mean Executive's resignation from employment with the Company that is effective within one-hundred twenty (120) days after the occurrence, without Executive's written consent, of any of the following: (i) a material diminution in Executive's base salary that is not proportionately applicable to other officers and key employees of the Company generally; (ii) a material diminution in Executive's job responsibilities or duties inconsistent in any material respect with Executive's duties or responsibilities in effect immediately prior to such change, *provided*, that any change made solely as the result of the Company becoming a subsidiary or business unit of a larger company in a Change in Control shall not provide for Executive's Constructive Termination hereunder; (iii) the relocation of Executive's direction to a facility or a location more than fifty (50) miles from Executive's then-present location; or (iv) the failure by any successor entity or corporation following a Change in Control to assume the obligations under this Agreement. Notwithstanding the foregoing, a resignation shall not constitute a "Constructive Termination" unless the condition giving rise to such resignation continues uncured by the Company more than thirty (30) days following Executive's written notice of such condition provided to the Company within sixty (60) days of the first occurrence of such condition and such resignation is effective within thirty (30) days following the end of such notice period.

(n) "Date of Termination" shall mean (i) if Executive's employment is terminated due to Executive's death, the date of Executive's death; (ii) if Executive's employment is terminated due to Executive's Disability, the date determined pursuant to Section 4(a)(ii); or (iii) if Executive's employment is terminated pursuant to Section 4(a)(iii)-(vi) either the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 4(b), whichever is earlier.

(o) "Disability" shall exist if, as a result of any physical or mental disability or impairment, Executive is unable to perform, with reasonable accommodation, Executive's material duties hereunder for a period of at least ninety (90) days in any consecutive period of one hundred eighty (180) days.

(p) "Effective Date" shall have the meaning set forth in the preamble hereto.

(q) "Equity Awards" shall have the meaning set forth in Section 6(a).

(r) "Executive" shall have the meaning set forth in the preamble hereto.

(s) "Flight Benefits" shall have the meaning set forth in Section 3(d).

(t) "Group" shall mean Frontier Group Holdings, Inc., a Delaware corporation, or any successor thereto.

(u) "Notice of Termination" shall have the meaning set forth in Section 4(b).

(v) "Person" shall mean any individual, natural person, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), incorporated or unincorporated association, governmental authority, firm, society or other enterprise, organization or other entity of any nature.

(w) “Release” shall have the meaning set forth in Section 5(b).

(x) “Release Deadline Date” shall have the meaning set forth in Section 12(d).

(y) “Section 409A” shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

(z) “Separation from Service” shall have the meaning set forth in Section 12(b).

(aa) “Target Bonus” shall have the meaning set forth in Section 3(b).

(bb) “Term” shall have the meaning set forth in Section 2(b).

(cc) “UATP” shall have the meaning set forth in Section 3(d).

2. Employment.

(a) General. The Company shall continue to employ Executive and Executive shall continue in the employ of the Company, for the period and in the position set forth in this Section 2, and upon the other terms and conditions herein provided.

(b) Employment Term. The term of employment under this Agreement (as may be extended in accordance with this Section 2(b), the “Term”) shall be for the period beginning on the Effective Date and ending on the fifth anniversary of the Effective Date, subject to earlier termination as provided in Section 4 hereof. The Term shall automatically be extended for successive one year periods unless within ninety (90) days prior to the end of the then current Term either Party provides a written notice of non-renewal to the other Party.

(c) Position and Duties. Executive shall serve as the President and Chief Executive Officer of the Company and as a member of the Board. Executive shall continue to devote substantially all of his time and attention during normal business hours to the business of the Company, will continue act in the best interest of the Company while performing his duties for the Company and will continue to perform with due care his duties and responsibilities for the Company. Executive’s duties will include those normally incidental to the position of President and Chief Executive Officer as well as whatever additional duties may be assigned to him by the Board. Executive shall report to the Chairman of the Board. Executive agrees not to engage in any activity that materially interferes with the performance of Executive’s duties hereunder. During the Term, Executive will not hold outside employment, *provided*, that it shall not be a violation of this Agreement for Executive (i) with prior written consent from the Board, to serve on the board of directors of one other company if such company is not affiliated with commercial aviation or its supply chain or (ii) to manage or engage in other activities in connection with Executive’s personal investments; *provided*, *further,* that the foregoing permitted activities shall not materially interfere with Executive’s duties hereunder. Executive acknowledges and agrees that Executives owes the Company a duty of loyalty and that the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Executive owes the Company under the common law.

3. Compensation and Related Matters.

(a) Annual Base Salary. During the Term, Executive shall receive a base salary at a rate of four hundred seventy-five thousand dollars ($475,000) per annum (the "Annual Base Salary"), which shall be paid in accordance with the customary payroll practices and procedures of the Company. Such Annual Base Salary shall be reviewed by the Board from time to time but no less frequently than annually.

(b) Bonus. During the Term, Executive will continue to be eligible to earn a discretionary cash performance bonus (an "Annual Bonus") under the Company's incentive bonus program. Executive's annual bonus opportunity shall continue to be one hundred percent (100%) of the Annual Base Salary (the "Target Bonus") at the target achievement and two hundred percent (200%) of the Annual Base Salary at the maximum achievement. The amount of any Annual Bonus payable under the incentive bonus program may thus vary from zero percent (0%) to two hundred percent (200%), based on the achievement as determined by the Board of individual and Company performance goals to be set by the Board. The amount of any Annual Bonus shall be payable on such date as is determined by the Board in its sole discretion as soon as reasonably practicable after the final audited financial performance information for the Company is available for the calendar year with respect to which such Annual Bonus relates. Notwithstanding any other provision of this Section 3, no bonus shall be payable with respect to any calendar year unless Executive remains continuously employed with the Company during the period beginning on the Effective Date and ending on the applicable bonus payment date except as otherwise provided in Section 5(b)(iv) and Section 5(c)(iv).

(c) Benefits. During the Term, Executive may continue to participate in such employee and executive benefit plans and programs as the Company may from time to time offer generally to provide to its employees and executives, pursuant to the terms and eligibility requirements of those plans.

(d) Flight Benefits. During the Term, Executive shall be eligible to receive flight benefits on Frontier Airlines in the form of a Universal Air Travel Plan, Inc. ("UATP") card made available once per twelve month period that provides for travel solely on Frontier Airlines in the amount of twenty thousand dollars ($20,000) that must be used, if at all, within twelve months of the date the UATP card is issued (the "Flight Benefits").

(e) Vacation. During the Term, Executive shall continue to be entitled to no less than three (3) weeks of annual paid vacation, subject to the Company's vacation policy, as it may be amended from time to time. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive. Holidays shall be provided in accordance with Company policy, as in effect from time to time.

(f) Business Expenses. During the Term, the Company shall continue to reimburse Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's applicable expense reimbursement policies and procedures.

4. Termination.

Executive's employment hereunder shall be "at-will" and may be terminated by the Company or Executive, as applicable, at any time for any reason, with or without prior notice, without any breach of this Agreement under the following circumstances:

(a) Circumstances.

(i) Death. Executive's employment hereunder shall terminate upon Executive's death.

(ii) Disability. If Executive incurs a Disability, the Company may give Executive written notice of its intention to terminate Executive's employment. In that event, Executive's employment with the Company shall terminate, effective on the later of the thirtieth (30th) day after receipt of such notice by Executive or the date specified in such notice, *provided*, that within the thirty (30) day period following receipt of such notice, Executive shall not have returned to full-time performance of Executive's duties hereunder.

(iii) Termination for Cause. The Company may terminate Executive's employment for Cause.

(iv) Termination without Cause. The Company may terminate Executive's employment without Cause.

(v) Resignation from the Company Deemed a Constructive Termination. Executive may resign Executive's employment with the Company under circumstances deemed a Constructive Termination.

(vi) Resignation from the Company Not Deemed a Constructive Termination. Executive may resign Executive's employment with the Company under circumstances not deemed a Constructive Termination.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 4 (other than termination pursuant to paragraph (a)(i)) shall be communicated by a written notice to the other party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated unless the termination provision relied upon is Section 4(a)(iv) or (vi), and (iii) specifying a Date of Termination which, if submitted by Executive, shall be at least thirty (30) days following the date of such notice (a "Notice of Termination"); *provided, however,* that in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs following the date of Company's receipt of such Notice of Termination and is prior to the date specified in such Notice of Termination. A Notice of

Termination submitted by the Company may provide for a Date of Termination on the date Executive receives the Notice of Termination, or any date thereafter elected by the Company in its sole discretion. The failure by the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing the Company's rights hereunder.

(c) Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its Affiliates.

(d) Forfeitures. In the event that Executive resigns pursuant to Section 4(a)(vi) hereof under circumstances not deemed a Constructive Termination pursuant to Section 4(a)(v) hereof, (i) Executive shall forfeit any unused portion of any UATP card and (ii) Executive shall forfeit any unpaid Annual Bonus.

5. Company Obligations Upon Termination of Employment.

(a) In General. Upon a termination of Executive's employment for any reason, Executive (or Executive's estate) shall be entitled to receive: (i) any portion of Executive's Annual Base Salary through the Date of Termination not theretofore paid, (ii) any expenses owed to Executive under Section 3(f), and (iii) any amount arising from Executive's participation in, or benefits under, any employee benefit plans, programs or arrangements under Section 3(c), which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements. Except as otherwise set forth in Sections 5(b) and 5(c) below, the payments and benefits described in this Section 5(a) shall be the only payments and benefits payable in the event of termination of Executive's employment for any reason.

(b) Termination Apart from a Change in Control. In the event of termination of Executive's employment by the Company without Cause pursuant to Section 4(a)(iv) hereof, other than within the twelve (12) month period following a Change in Control, in addition to the payments and benefits described in Section 5(a) above, subject to Section 12 and Section 5(d) and subject to Executive's delivery to the Company of a waiver and release of claims agreement in a form substantially comparable to Exhibit A, attached hereto, and in accordance with Section 12(d) (a "Release"), that becomes effective and irrevocable within sixty (60) days following the Date of Termination:

(i) The Company shall pay to Executive, in a single lump-sum payment within sixty (60) days following the Date of Termination, an amount equal to one (1) times the Annual Base Salary plus the Target Bonus for the calendar year in which the Date of Termination occurs.

(ii) The Company shall continue to provide Executive with the Flight Benefits for the one (1)-year period following the Date of Termination.

(iii) If Executive elects to receive continued healthcare coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"),

the Company shall directly pay, or at the Company's election reimburse Executive for, the COBRA premiums for Executive and Executive's covered dependents during the period commencing on Executive's termination of employment and ending upon the earliest of (X) the first anniversary of the Date of Termination, (Y) the date that Executive and/or Executive's covered dependents, as applicable, become no longer eligible for COBRA or (Z) the date Executive becomes eligible to receive healthcare coverage from a subsequent employer.

(iv) Executive shall be eligible to receive a prorated portion of the Annual Bonus Executive would have received with respect to the calendar year during which the Date of Termination occurs had he remained in continuous employment through the date of payment, with the amount determined based on actual performance against applicable metrics and subject to discretionary adjustments permitted under the applicable incentive bonus program and with proration determined by dividing the number of days Executive served hereunder in the calendar year during which the Date of Termination occurred by the total number of days in the calendar year in which the Date of Termination occurred, in each case, as determined by the Board. Any such prorated Annual Bonus shall be payable on the regularly scheduled payment date under the Company's incentive bonus program (in the calendar year following the calendar year in which the Date of Termination occurs).

(c) Termination Within 12 Months Following a Change in Control. In the event of termination of Executive's employment by the Company without Cause pursuant to Section 4(a)(iv) hereof or Executive's Constructive Termination pursuant to Section 4(a)(v) hereof, in each case within twelve (12) months following a Change in Control, in addition to the payments and benefits described in Section 5(a) above, subject to Section 12 and Section 5(d) and subject to Executive's delivery to the Company of a Release in accordance with Section 12(d) that becomes effective and irrevocable within sixty (60) days following the Date of Termination:

(i) The Company shall pay to Executive, in a single lump-sum payment within sixty (60) days of the Date of Termination, an amount equal to two (2) times (A) the Annual Base Salary plus (B) the Target Bonus for the calendar year in which the Date of Termination occurs.

(ii) The Company shall continue to provide Executive with the Flight Benefits for the two (2)-year period following the Date of Termination.

(iii) If Executive elects to receive continued healthcare coverage pursuant to COBRA, the Company shall directly pay, or at the Company's election reimburse Executive for, the COBRA premiums for Executive and Executive's covered dependents during the period commencing on Executive's termination of employment and ending upon the earliest of (X) the second anniversary of the Date of Termination, (Y) the date that Executive and/or Executive's covered dependents, as applicable, become no longer eligible for COBRA or (Z) the date Executive becomes eligible to receive healthcare coverage from a subsequent employer.

(iv) Executive shall be eligible to receive a prorated portion of the Annual Bonus Executive would have received with respect to the calendar year during which the Date of Termination occurs had he remained in continuous employment through the date of payment, with the amount determined based on actual performance against applicable metrics and subject to discretionary adjustments permitted under the applicable incentive bonus program and with proration determined by dividing the number of days Executive served hereunder in the calendar year during which the Date of Termination occurred by the total number of days in the calendar year in which the Date of Termination occurred, in each case, as determined by the Board. Any such prorated Annual Bonus shall be payable on the regularly scheduled payment date under the Company's incentive bonus program (in the calendar year following the calendar year in which the Date of Termination occurs).

(v) Each outstanding equity award, including, without limitation, each stock option, restricted stock unit and restricted stock award, held by Executive shall automatically become vested and, if applicable, exercisable and any restrictions thereon shall immediately lapse, in each case, with respect to one hundred percent (100%) of the then unvested shares subject to such equity award.

(d) Post Termination Obligations. Notwithstanding any other provision of this Agreement, no payment shall be made pursuant to Sections 5(b) or 5(c) following the date Executive first violates any of the restrictive covenants set forth in Section 8.

(e) Exclusive Benefit; No Other Severance. The provisions of this Section 5 shall supersede in their entirety any severance payment provisions in any severance plan, policy, program or other arrangement maintained by the Company.

(f) No Requirement to Mitigate; Survival. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or in any other manner. Notwithstanding anything to the contrary in this Agreement, the termination of Executive's employment and the expiration or termination of the Term shall not impair the rights or obligations of any party hereto.

(g) Certain Reductions. The Company shall reduce Executive's severance benefits under this Agreement, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company in connection with Executive's termination, including but not limited to payments or benefits pursuant to (i) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act, or (ii) any Company policy or practice providing for Executive to remain on the payroll without being in active service for a limited period of time after being given notice of the termination of Executive's employment. The benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive's termination of employment. Such reductions shall be applied on a retroactive basis, with severance benefits previously paid being recharacterized as payments pursuant to the Company's statutory obligation.

6. Treatment of Equity.

(a) New Stock Option. Promptly following the Effective Date, Executive shall be granted an option (the "Option") to purchase 39,900 shares of Group common stock for an exercise price per share equal to the per share fair market value of Group's common stock on the date of grant, as determined by Group's board of directors. The Option shall vest and become exercisable with respect to one-fourth (1/4) of the shares initially subject to the Option on each of the first four anniversaries of the Effective Date, subject to Executive's continued service to the Company through the applicable vesting date. The Option shall otherwise be subject to the terms of the equity incentive plan pursuant to which it is granted and Group's standard option agreement to be entered into between Executive and Group.

(b) Stockholders Agreement. As a condition to the exercise of the Option or the acquisition of any other equity interest in Group, Executive agrees to enter into any stockholders agreement and/or side agreement restricting the sale of shares of Group common stock requested by Group at any time.

7. Indemnification and Cooperation.

(a) Indemnification. The Company shall indemnify Executive in Executive's capacity as director, officer, employee or agent of the Company to the fullest extent permissible by applicable law and the Company's charter and by-laws, and shall purchase and maintain, for the benefit of Executive, director and officer liability insurance (including post-termination/post-director service tail coverage) in a form at least as comprehensive as, and in an amount that is at least equal to, that maintained by the Company for similarly situated executive officers of the Company. The Company shall use its reasonable best efforts to cause any successor to all or substantially all of the business or assets of the Company to assume expressly in writing and to agree to perform all of the obligations of the Company under this Section 7(a).

(b) Cooperation. Executive shall reasonably cooperate with the Company and its Affiliates in connection with any litigation or regulatory matter or with any government authority on any matter, in each case, pertaining to the Company or any Affiliate of the Company and with respect to which Executive may have relevant knowledge, *provided* that, in connection with such cooperation, the Company shall reimburse Executive's reasonable expenses.

8. Restrictive Covenants.

(a) Affiliates. As used in this Section 8, the term "Company" shall include the Company and any Affiliate of the Company.

(b) Acknowledgements and Agreements. Executive represents that Executive's continued employment by the Company and the performance of Executive's duties hereunder do not and will not breach any agreement with any former employer, including any non-compete agreement, non-solicit agreement or any agreement to keep in confidence or refrain from using information acquired by Executive prior to Executive's employment by the Company. During Executive's employment by the Company, Executive agrees that Executive will not violate any non-solicitation agreements Executive entered into with any former employer or improperly make use of, or disclose, any information or trade secrets of any former employer or other third party, nor will Executive bring onto the premises of the Company or use any unpublished documents or any property belonging to any former employer or other third party, in violation of any lawful agreements with that former employer or third party.

(c) Non-Competition/Non-Solicitation. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company, and further acknowledges and recognizes that the Company has entered into this Agreement in reliance on, among other things, Executive's agreement to be bound by the non-competition provisions set forth in this Section 8(c). Accordingly, Executive agrees as follows:

(i) Executive shall not, at any time during the Term and the twelve (12) month period following the Date of Termination (or twenty-four (24) month period following the Date of Termination in the event of termination of Executive's employment by the Company without Cause pursuant to Section 4(a)(iv) hereof or Executive's Constructive Termination pursuant to Section 4(a)(v) hereof), directly or indirectly, (A) engage, participate or assist in any Competing Business, (B) enter the employ of, or render any services to, any Person engaged in any Competing Business, (C) acquire a financial interest in, or otherwise become actively involved with, any Person engaged in any Competing Business, whether as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant. Nothing herein shall prohibit Executive from being a passive owner of not more than two percent (2%) of the outstanding equity interest in any entity that is publicly traded, so long as Executive has no active participation in the business of such entity.

(ii) Executive hereby agrees that Executive shall not, at any time during the Term and the twelve (12) month period following the Date of Termination (or twenty-four (24) month period following the Date of Termination in the event of Executive's termination of employment by the Company without Cause pursuant to Section 4(a)(iv) hereof or Executive's Constructive Termination pursuant to Section 4(a)(v) hereof), directly or indirectly, either for himself or on behalf of any other Person, (A) recruit or otherwise solicit or induce any employee, customer or supplier of the Company to terminate its employment or arrangement with the Company, or otherwise change its relationship with the Company, or (B) hire, or cause to be hired, any Person who was employed by the Company at any time during the twelve (12)-month period immediately prior to the Date of Termination or who thereafter becomes employed by the Company.

(iii) In the event the terms of this Section 8(c) shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to, and may be modified by a court of competent jurisdiction to, extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(iv) Executive understands that the restrictions set forth in this Section 8(c) are intended to protect the Company's established employee, customer and supplier relations, and the general goodwill of its business, and Executive agrees that such restrictions are reasonable and appropriate for this purpose.

(v) Tolling. In the event Executive engages in conduct in violation of his covenants in Sections 8(c), the applicable restricted period shall be extended for a period of time equal to the time in which Executive engaged in competitive activity prohibited by this Agreement.

(d) Non-Disparagement. Each of the Parties agrees not to disparage the other party, any of the other's products or practices, or any of the other's agents, representatives, or Affiliates, either orally or in writing, at any time; *provided*, that either party may confer in confidence with their legal representatives and make truthful statements as required by law.

(e) Confidentiality. As used in this Agreement, "Confidential Information" means information belonging to the Company or any Affiliate which is of value to the Company or such Affiliate in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to the Company or such Affiliate. Confidential Information includes, without limitation, patient or other medical information, financial information, reports, forecasts, inventions, improvements and other intellectual property, trade secrets, know-how, designs, processes or formulae, software, market or sales information or plans, customer lists, business plans and prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of the Company. Confidential Information also includes information developed by Executive in the course of Executive's employment by the Company, as well as other information to which Executive may have access in connection with Executive's employment. Confidential Information also includes the confidential information of others with which the Company or any Affiliate has a business relationship and which is known by Executive or which Executive should have reason to know about. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of Executive's duties under this Section 8(e).

(i) Executive understands and agrees that Executive's employment creates a relationship of confidence and trust between Executive and the Company with respect to all Confidential Information. At all times, both during Executive's employment with the Company and after its termination, Executive will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of the Company, except as may be necessary in the ordinary course of performing Executive's duties to the Company or as otherwise required by law.

(ii) All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to Executive by the Company or any Affiliate or are produced by Executive in connection with Executive's employment will be and remain the sole property of the Company. Executive will return to the Company all such materials and property as and when requested by the Company. In any event, Executive will return all such materials and property immediately upon termination of Executive's employment for any reason, and will not retain any copies thereof following such termination.

9. Injunctive Relief.

It is recognized and acknowledged by Executive that a breach of the covenants contained in Section 8 will cause irreparable damage to Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in Section 8, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to specific performance and injunctive relief without the requirement to post any bond.

10. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any Affiliate or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its Affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and applicable Company arrangements, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

11. Miscellaneous Provisions.

(a) Right to Work. This Agreement, and employment as the Company's Chief Executive Officer pursuant to this Agreement, is conditioned upon your consent to, and results satisfactory to the Company of, Executive shall be required to (i) a drug test and (ii) a physical exam at Mayo Clinic in Scottsdale, Arizona. All reasonable and customary expenses incurred by Executive in connection with the foregoing shall be reimbursed by the Company, in accordance with the Company's reimbursement policies. Executive shall also be required to provide documentation of Executive's U.S. citizenship and maintain such citizenship during the Term.

(b) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Colorado, without giving effect to any principles of conflicts of law, whether of the State of Colorado or any other jurisdiction, and where applicable, the laws of the United States, that would result in the application of the laws of any other jurisdiction.

(c) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(d) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company:
Frontier Airlines, Inc.
7001 Tower Road
Denver, CO 80249-7312
Attn: Board of Directors

and copies to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025-1008
Attn: Anthony J. Richmond, Esq.
Facsimile: (650) 463-2600

(ii) If to Executive, at the address set forth on the signature page hereto, or

(iii) at any other address as any Party shall have specified by notice in writing to the other Party.

(e) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(f) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the employment of Executive by the Company and supersede all prior understandings and agreements, whether written or oral, except for the option agreements entered into between Executive and the Group. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(g) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company, which specifically states the intention to modify, amend or terminate this Agreement. By an instrument in writing signed by Executive or a duly authorized officer of the Company, Executive or the Company, as applicable, may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided*, *however*, *that* such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(h) No Inconsistent Actions. The Parties hereto shall not voluntarily undertake any action or course of action inconsistent with, or fail voluntarily to undertake any action or course of action required by, the provisions or essential intent of this Agreement. Furthermore, it is the intent of the Parties hereto to act in a fair and reasonable manner with respect to the interpretation and application of the provisions of this Agreement.

(i) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (a) the plural includes the singular and the singular includes the plural; (b) "and" and "or" are each used both conjunctively and disjunctively; (c) "any," "all," "each," or "every" means "any and all," and "each and every"; (d) "includes" and "including" are each "without limitation"; (e) "herein," "hereof," "hereunder" and other similar compounds of the word "here" refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (f) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

(j) Arbitration. Any dispute or controversy based on, arising under or relating to this Agreement shall be settled exclusively by final and binding arbitration, conducted before a single neutral arbitrator in the City and County of Denver, Colorado in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association (the "AAA") then in effect. Arbitration may be compelled, and judgment may be entered on the arbitration award in any court having jurisdiction; provided, however, that the Company shall be entitled to seek a restraining order or injunction in any court of competent jurisdiction to prevent any continuation of any violation of the provisions of Section 8, and Executive hereby consents that such restraining order or injunction may be granted without requiring the Company to post a bond. Only individuals who are (a) lawyers engaged full-time in the practice of law and (b) on the AAA roster of arbitrators shall be selected as an arbitrator. Within twenty (20) days of the conclusion of the arbitration hearing, the arbitrator shall prepare written findings of fact and conclusions of law. Each party shall bear its own costs and attorneys' fees in connection with any arbitration; provided that the Company shall bear the cost of the arbitrator and the AAA's administrative fees.

(k) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(l) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

12. Section 409A.

(a) General. The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies the Company that Executive has received advice of tax counsel of a national reputation with expertise in Section 409A that any provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A (with specificity as to the reason therefor) or the Company (which shall have no obligation to assess the issue absent such notice from Executive) independently makes such determination, the Company and Executive shall take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A, provided that any such modifications shall not increase the cost or liability to the Company. To the extent that any provision hereof is modified in order to comply with or be exempt from Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Section 409A. Notwithstanding anything herein to the contrary, Executive acknowledges and agrees that (i) Executive is not relying upon any determination by the Company, its Affiliates, or any of their respective employees, directors, officers, attorneys or agents regarding the tax effects, including, without limitation, tax effects under Section 409A, associated with Executive's entry into this Agreement or the receipt of any payments hereunder, and (ii) in deciding to enter into this Agreement, Executive is relying on Executive's own judgment and the judgment of the professionals of Executive's choice with whom Executive has consulted.

(b) Separation from Service. Notwithstanding any provision to the contrary in this Agreement: (i) no amount that constitutes "deferred compensation" under Section 409A shall be payable pursuant to Sections 5(b) or 5(c) unless the termination of Executive's employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations ("Separation from Service"); (ii) for purposes of Section 409A, Executive's right, if any, to receive installment payments pursuant to Sections 5(b) or 5(c) hereof shall be treated as a right to receive a series of separate and distinct payments; and (iii) to the extent that any reimbursement of expenses or in-kind benefits constitutes "deferred compensation" under Section 409A, such reimbursement or benefit shall be provided no later than December 31st of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. Any good faith determination by the Company in respect of Section 409A shall be final and binding on Executive.

(c) Specified Employee. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(d) Release. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of termination of Executive's employment are subject to Executive's execution and delivery of a Release, (i) if Executive fails to execute and deliver the Release on or prior to the Release Deadline (as defined below) or timely revokes the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release, and (ii) in any case where the Date of Termination and the Release Deadline fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes of this Section 12(d), "Release Deadline" shall mean the date that is twenty-one (21) days following the date upon which the Company timely delivers the Release to Executive, or, in the event that Executive's termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967), as determined by the Company, the date that is forty-five (45) days following such delivery date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive's termination of employment are delayed pursuant to this Section 12(d), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and delivers and does not revoke the Release (and the applicable revocation period has expired) or, in the case of any payments subject to Section 12(d)(iii), on the first payroll period to occur in the subsequent taxable year, if later.

13. Excess Parachute Payments, Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by Executive (including any payment or benefit received in connection with a termination of Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 5 hereof, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (such excise tax, the "Excise Tax"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash severance payments under this Agreement shall first be reduced, and the noncash severance payments hereunder shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments is subject

to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting firm selected by the Company (the "Independent Advisors"), does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. Promptly following any request to do so, Executive shall provide to any Independent Advisors such information as they may require to assess the impact of Section 280G(b) on any amounts payable hereunder. Any good faith determinations of the Independent Advisors made hereunder shall be final and binding upon the Company and Executive.

14. Employee Acknowledgment.

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

(Signature Page Follows)

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date and year first above written.

FRONTIER AIRLINES, INC.

By: /s/ Howard M. Diamond
Name: Howard M. Diamond
Title: General Counsel and Secretary

EXECUTIVE:

/s/ Barry L. Biffle
Barry L. Biffle

Address:

7001 Tower Rd.

Denver, Colorado

80249

[Signature Page to Barry L. Biffle Employment Agreement]

Exhibit A

Form of General Release of Claims

In exchange for, and as a condition to the receipt of, the severance benefits ("Severance Benefits") set forth in Section 5(b) or Section 5(c), as applicable, of that certain Employment Agreement by and between Frontier Airlines, Inc. (the "Company") and myself, entered into effective as of [______], 2016 (the "Employment Agreement"), I freely and voluntarily agree to enter into and be bound by this Waiver and Release of Claims Agreement (the "Release"):

1. I acknowledge that my services with the Company and all subsidiaries and affiliates thereof terminated on [______].

2. I acknowledge that, but for my timely execution of this Release and my timely delivery of the executed Release to the Company (within the period described in paragraph 5 below), I would not be entitled to receive the Severance Benefits.

3. I, and anyone claiming through me (including, without limitation, my heirs, and agents, representatives and assigns), hereby irrevocably waive and forever release and discharge the Company, its owners, subsidiaries, affiliates, and each of their respective officers, directors, employees, agents, predecessors, successors and assigns (the "Releasees"), from any and all liabilities of any nature whatsoever, known and unknown, fixed or contingent, arising out of, based on, or related to my services to the Company or any other Releasee, the termination of such services, any rights with respect to equity ownership of the Company, and any dealings, transactions or events involving the Releasees occurring prior to or on the date this Release becomes effective, including but not limited to claims under the Civil Rights Act of 1866; the Civil Rights Act of 1871; the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967 (as amended, the "ADEA"); the Older Workers Benefit Protection Act of 1990; the Americans with Disabilities Act of 1990; the Employment Retirement Income Security Act of 1974; the Rehabilitation Act of 1973; the Family and Medical Leave Act; the federal Worker Adjustment and Retraining Notification Act (and any similar state laws); the Equal Pay Act of 1963; the Fair Labor Standards Act; the Consolidated Omnibus Budget Reconciliation Act of 1985; Executive Order 11141; the Sarbanes-Oxley Act of 2002; the Colorado Anti-Discrimination Act; and any other federal, state or local law, rule or regulation, and common law claims. This includes, but is not limited to, all wrongful termination and "constructive discharge" claims, all discrimination claims, all claims relating to any contracts of employment or other service, whether express or implied, any covenant of good faith and fair dealing, whether express or implied, and any tort of any nature. This release is for any relief, no matter how denominated, including but not limited to wages, back pay, front pay, benefits, compensatory damages, liquidated damages, punitive damages or attorney's fees. I also agree not to commence or cooperate in the prosecution or investigation of any lawsuit, administrative action or other claim or complaint against the Releasees, except as required by law; in the event that any such proceeding is commenced on my behalf, I waive the right to receive any monetary recovery in such proceeding. This Release does not extend to claims due to the failure of the Company to pay the Severance Benefits in accordance with the terms of the Employment Agreement or claims that may arise after the date this Release becomes effective.

4. I understand and agree that this Release will be binding on me and my heirs, administrators and assigns. I acknowledge that I have not assigned any claims or filed or initiated any legal proceedings against any of the Releasees.

5. I understand that I have twenty-one (21) days (or, in the event that my termination of my services is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the ADEA), as determined by the Company, forty-five (45) days) to sign this Release and deliver it to the Company and that I have a right to decide not to sign and deliver this Release. The Company hereby advises me of my right to consult with an attorney before signing the Release and I acknowledge that I have had an opportunity to consult with an attorney and have either held such consultation or have determined not to consult with an attorney.

6. I understand that I may revoke this Release by delivering written notice of my revocation to Frontier Airlines, Inc., 7001 Tower Road, Denver, Colorado 80249, Attn: Board of Directors within the seven (7) day period beginning on the day following the day I sign the Release (the "Revocation Period"). If I do not revoke this Release within the Revocation Period, it will be legally binding and enforceable on the day immediately following the last day of the revocation period.

7. I acknowledge and agree that if any provision of this Release is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or controlling law, the remainder of this Release shall continue in full force and effect.

8. This Release is deemed made and entered into in the State of Colorado, and in all respects shall be interpreted, enforced and governed under the internal laws of the State of Colorado without regard to the conflicts of law principles of any jurisdiction.

* * * * *

I acknowledge and agree that I have carefully read and fully understand all of the provisions of this Release and that I voluntarily enter into this Release by signing below. Upon execution, I agree to deliver a signed copy of this Release to Frontier Airlines, Inc., 7001 Tower Road, Denver, Colorado 80249, Attn: Board of Directors.

____
Barry L. Biffle

Date: ________________________

Exhibit 10.6

Employment Agreement

This Employment Agreement (the "Agreement") is made by and between Frontier Airlines, Inc., a Colorado corporation ("Frontier"), and James Dempsey ("Executive" and, together with Frontier, the "Parties") effective as of March 12, 2014.

RECITALS

WHEREAS, Frontier desires to assure itself of the services of Executive by engaging Executive to perform services under the terms hereof; and

WHEREAS, Executive desires to provide services to Frontier on the terms herein provided.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, including the respective covenants and agreements set forth below, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Certain Definitions.

(a) "Affiliate" shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, such Person where "control" shall have the meaning given such term under Rule 405 of the Securities Act of 1933, as amended.

(b) "Agreement" shall have the meaning set forth in the preamble hereto.

(c) "Annual Base Salary" shall have the meaning set forth in Section 3(a).

(d) "Annual Bonus" shall have the meaning set forth in Section 3(b).

(e) "Board" shall mean the Board of Directors of the Company or, if any successor Company does not have a board of directors, the Person or body authorized to exercise comparable management authority on behalf of the Company under the Company's governing documents and applicable law.

(f) "Cause" shall mean any action or inaction involving Executive's moral turpitude, misfeasance, malfeasance, willful misconduct, gross negligence, a breach of fiduciary duty or a breach of any non-competition, non-solicitation or confidentiality obligations to the Company or Falcon.

(g) "Change in Control" shall mean (i) the acquisition by any Person or group of affiliated or associated Persons of more than fifty percent (50%) of the outstanding capital stock of Falcon or the Company or voting securities representing more than fifty percent (50%) of the total voting power of outstanding securities of Falcon or the Company; (ii) the consummation of a sale of all or substantially all of the assets of the Company to a third party; (iii) the

consummation of any merger involving Falcon or the Company in which, immediately after giving effect to such merger, less than a majority of the total voting power of outstanding stock of the surviving or resulting entity is then "beneficially owned" (within the meaning of Rule 13d- 3 under the Securities Exchange Act of 1934, as amended) in the aggregate by the stockholders of Falcon or the Company, as applicable, immediately prior to such merger. For the avoidance of doubt and notwithstanding anything herein to the contrary, in no event shall a transaction constitute a "Change in Control" if: (w) its sole purpose is to change the state of the Company's incorporation; (x) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the Persons who held the Company's securities immediately before such transaction; (y) it is effected primarily for the purpose of financing the Company with cash (as determined by the Board without regard to whether such transaction is effectuated by a merger, equity financing or otherwise); or (z) it constitutes, or includes sales of shares in connection with, the initial public offering of the Company's common stock or the common stock of any Affiliate of the Company (including Falcon).

(h) "COBRA" shall have the meaning set forth in Section 5(b)(iii).

(i) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(j) The "Company" shall mean Frontier and any Person to whom Frontier or any successor to Frontier may assign its rights and obligations pursuant to Section 10, except as otherwise provided in Section 8(a).

(k) "Competing Business" shall mean a commercial passenger airline business which is certificated by any governmental authority to operate in any part of North America, other than any commercial passenger airline business which is (i) based outside North America and provides service and (ii) does not include in its route network point to point flying within North America.

(l) "Confidential Information" shall have the meaning set forth in Section 8(e).

(m) A "Constructive Termination" will be deemed to have occurred if, in conjunction with the closing of a Change in Control or within twelve (12) months after the closing of a Change in Control, (i) the Board effectively terminates, or curtails the scope of, Executive's authority to act as Chief Financial Officer of the Company, or (ii) the Company or an Affiliate of the Company fails to provide Executive with a total compensation and benefits package that is, as reasonably determined by the Board, at least comparable to Executive's total compensation and benefits package with the Company as of immediately prior to the Change in Control, *provided*, that, in each case, Executive will not be deemed to have incurred a Constructive Termination unless (x) Executive first provides the Board with written notice of the condition giving rise to Constructive Termination within thirty (30) days of Executive learning of such condition's occurrence, (y) the Company fails to cure such condition within thirty (30) days after receiving such written notice (the "Cure Period") and (z) Executive's resignation based on such Constructive Termination is effective within thirty (30) days after the expiration of the Cure Period.

(n) “Consulting Agreement” shall mean that certain Consulting Agreement between the Company and Executive dated March 12, 2014.

(o) “Consulting Start Date” shall mean the date om which Executive is required by the Consulting Agreement to begin providing services to the Company pursuant to the Consulting Agreement.

(p) “Date of Termination” shall mean (i) if Executive’s employment is terminated due to Executive’s death, the date of Executive’s death; (ii) if Executive’s employment is terminated due to Executive’s Disability, the date determined pursuant to Section 4(a)(ii); (iii) if Executive’s employment is terminated pursuant to Section 4(a)(iii)-(vi), either the date indicated in the Notice of Termination or the date specified by the Company pursuant to Section 4(b), whichever is earlier; or (iv) if Executive’s employment is terminated pursuant to Section 11(a), the date determined pursuant to Section 11(a).

(q) “Disability” shall exist if, as a result of any physical or mental disability or impairment, Executive is unable to perform, with reasonable accommodation, Executive’s material duties hereunder for a period of at least ninety (90) days in any consecutive period of one hundred eighty (180) days.

(r) “Effective Date” shall mean the date twenty-eight (28) days after Executive receives a Visa.

(s) “Employment Term” shall mean the period during which Executive is employed by the Company pursuant to this Agreement.

(t) “Equity Awards” shall have the meaning stated in the Consulting Agreement.

(u) “Executive” shall have the meaning set forth in the preamble hereto.

(v) “Falcon” shall mean Falcon Acquisition Group, Inc., a Delaware corporation, or any successor thereto.

(w) “Flight Benefits” shall have the meaning set forth in Section 3(d).

(x) “Frontier” shall have the meaning set forth in the preamble hereto.

(y) “Notice of Termination” shall have the meaning set forth in Section 4(b).

(z) “Person” shall mean any individual, natural person, corporation (including any non-profit corporation), general partnership, limited partnership, limited liability partnership, joint venture, estate, trust, company (including any company limited by shares, limited liability company or joint stock company), incorporated or unincorporated association, governmental authority, firm, society or other enterprise, organization or other entity of any nature.

(aa) “Release” shall mean an original document identical to Exhibit “A” attached hereto, except that Executive shall have filled in the blank in paragraph 2 by inserting the Date of Termination and Executive shall have signed such original.

(bb) "Release Deadline Date" shall have the meaning set forth in Section 12(d).

(cc) "Section 409A" shall mean Section 409A of the Code and the Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the Effective Date.

(dd) "Separation from Service" shall have the meaning set forth in Section 12(b).

(ee) "Target Bonus" shall have the meaning set forth in Section 3(b).

(ff) "Term" shall mean the period commencing on the Effective Date, continuing until the fourth anniversary of the Consulting Start Date, and continuing for successive one-year extension periods after such fourth anniversary unless the Company or the Executive gives the other written notice of non-extension not less than one hundred twenty (120) days before such fourth or any following anniversary, in which event there shall be no initial extension or no further extensions as the case may be.

(gg) "UATP" shall have the meaning set forth in Section 3(d).

(hh) "Visa" shall mean a visa allowing Executive to reside and work in the United States.

2. Employment.

(a) General. The Company shall employ Executive and Executive shall enter the employ of the Company, for the period and in the position set forth in this Section 2, and upon the other terms and conditions herein provided.

(b) Employment Term. Executive shall be employed under this Agreement throughout the Term, subject to termination as provided in Section 4 or Section 11(a) hereof.

(c) Position and Duties. Executive shall serve as the Chief Financial Officer of the Company. Executive shall devote substantially all of his time and attention during normal business hours to the business of the Company, will act in the best interest of the Company while performing his duties for the Company and will perform with due care his duties and responsibilities for the Company. Executive's duties will include those normally incidental to the position of Chief Financial Officer of a company of the Company's size and nature as well as whatever additional duties may be reasonably assigned to him by the Board or the Chief Executive Office, consistent with the duties of a Chief Financial Officer. Executive shall report to the Chief Executive Officer. Executive agrees not to engage in any activity that materially interferes with the performance of Executive's duties hereunder. Executive also agrees not to hold outside employment. Any position held with a personal or family investment will not count as such employment, provided the pertinent personal or family investment and any related operating business is owned entirely by Executive and/or members of Executive's family. Executive acknowledges and agrees that Executive owes the Company a duty of loyalty and that the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Executive owes the Company under the common law.

3. Compensation and Related Matters.

(a) Annual Base Salary. During the Employment Term, Executive shall receive a base salary at a rate of three hundred fifty thousand dollars ($350,000) per annum (the "Annual Base Salary"), which shall be paid in accordance with the customary payroll practices and procedures of the Company. Such Annual Base Salary shall be reviewed by the Board from time to time but no less frequently than annually.

(b) Annual Bonus. During the Employment Term, Executive will be eligible to earn a discretionary cash performance bonus (an "Annual Bonus") under the Company's incentive bonus program. Executive's annual bonus opportunity with respect to any calendar year shall be seventy-five percent (75%) of the amount paid as Annual Base Salary during such calendar year at the target achievement (the "Target Bonus") and one hundred fifty percent (150%) of the amount paid as Annual Base Salary during such calendar year at the maximum achievement. The amount of any Annual Bonus payable under the incentive bonus program may thus vary from zero percent (0%) to one hundred fifty percent (150%), based on the achievement as determined by the Board of individual and Company performance goals to be set by the Board. The amount of any Annual Bonus shall be payable on such date as is determined by the Board in its sole discretion for the payment of all such annual bonuses, which date shall be as soon as reasonably practicable after the final audited financial performance information for the Company is available for the calendar year to which such annual bonuses relate. Notwithstanding any other provision of this Agreement, no bonus shall be payable with respect to any calendar year unless Executive remains continuously employed with the Company during the period beginning on the Effective Date and ending on the applicable bonus payment date except as otherwise provided in Section 5(a) and Section 5(c)(iv).

(i) For example, if Executive is employed for six (6) months during 2014, and Executive is paid during such six (6) months one hundred and seventy-five thousand dollars ($175,000) as Annual Base Salary, Executive's Target Bonus for 2014 would be one hundred thirty-one thousand two hundred fifty dollars ($131,250) before taking into account the following sentence. For purposes of determining the amount paid to Executive as Annual Base Salary during the calendar year in which the Effective Date occurs, Executive shall be treated as if the Company had paid Executive Annual Base Salary at a rate of three hundred fifty thousand dollars ($350,000) per annum during the portion of such year in which Executive provided services to the Company under the Consulting Agreement in addition to such amounts as are paid to Executive during such year under Section 3(a).

(c) Benefits. During the Employment Term, Executive may participate in such employee and executive benefit plans and programs as the Company may from time to time offer generally to provide to its employees and executives, pursuant to the terms and eligibility requirements of those plans. Under the Company's current benefit plans and programs, the Company provides at its expense basic term-life and accidental death and dismemberment insurance in an amount equal to an employee's base salary up to $250,000.

(d) Flight Benefits. During the Employment Term, the Company shall provide Executive, and Executive's spouse, minor children and parents, a positive space benefit, with the

priority code PS2B, to travel on Frontier Airlines. During the Employment Term, Executive shall also be eligible to receive flight benefits on Frontier Airlines in the form of a Universal Air Travel Plan, Inc. ("UATP") card made available once per twelve-month period that provides for travel by Executive and Executive's family and friends solely on Frontier Airlines in the amount of seven thousand five hundred dollars ($7,500) that must be used, if at all, within twelve months of the date the UATP card is issued (the flight benefits described in this section are referred to collectively as the "Flight Benefits").

(e) Vacation. During the Employment Term, Executive shall be entitled to no less than three (3) weeks of annual paid vacation plus Frontier-recognized holidays (currently seven (7) in number), in accordance with the Company's vacation policy, as it may be amended from time to time. Any vacation shall be taken at the reasonable and mutual convenience of the Company and Executive. Holidays shall be provided in accordance with Company policy, as in effect from time to time.

(f) Relocation Expenses. Executive agrees to reside and be principally domiciled in the Denver, Colorado area during the Employment Term. The Company shall pay or reimburse up to one hundred thousand dollars ($100,000) in expenses Executive incurs during the Employment Term in relocating to Denver, Colorado, including without limitation (x) any sales commission or other expenses (including legal fees) payable by Executive in connection with the sale by Executive of Executive's home in Ireland, (y) any costs incurred in purchasing a home in the Denver area (not including any part of the purchase price of such a home), or (z) in moving expenses (including relocation-related travel by Executive and Executive's spouse and minor children) and temporary living accommodations in the Denver area. Executive shall be required to comply with the Company's policy for documentation of expenses incurred by similarly situated executives in order to receive such reimbursement.

(g) Business Expenses. During the Employment Term, the Company shall reimburse Executive for all reasonable, documented, out-of-pocket travel and other business expenses incurred by Executive in the performance of Executive's duties to the Company in accordance with the Company's expense reimbursement policies and procedures applicable to similarly situated executives.

(h) Tax Return Preparation Expenses. The Company shall reimburse Executive for any legal and/or accounting fees incurred by Executive during the Employment Term in connection with Executive's tax returns for the first two years any part of which falls within the Employment Term, up to a maximum with respect to any single year of $2,500. Executive shall be required to comply with Company policy for documentation of expenses incurred by similarly situated executives in order to receive such reimbursement; *provided*, *however*, that Executive shall not be required to provide detailed billing records that may contain attorney-client privileged or otherwise confidential information.

4. Termination.

Once commenced, Executive's employment hereunder may be terminated by the Company or Executive, as applicable, without any breach of this Agreement under the following circumstances:

(a) Circumstances.

(i) Death. Executive's employment hereunder shall terminate upon Executive's death.

(ii) Disability. If Executive incurs a Disability, the Company may give Executive written notice of its intention to terminate Executive's employment. In that event, Executive's employment with the Company shall terminate, effective on the later of the thirtieth (30th) day after receipt of such notice by Executive or the date specified in such notice, *provided*, that within the thirty (30)-day period following receipt of such notice, Executive shall not have returned to full-time performance of Executive's duties hereunder.

(iii) Termination for Cause. The Company may terminate Executive's employment for Cause.

(iv) Termination without Cause. The Company may terminate Executive's employment without Cause or at will. In the event that the Company gives Executive a notice of non-extension, and Executive serves as Chief Financial Officer until the end of the Term, the Company shall be deemed to have terminated Executive's employment without Cause as of the end of the Term.

(v) Resignation from the Company Deemed a Constructive Termination. Executive may resign Executive's employment with the Company under circumstances deemed a Constructive Termination.

(vi) Resignation from the Company Not Deemed a Constructive Termination. Executive may resign Executive's employment with the Company under circumstances not deemed a Constructive Termination.

(b) Notice of Termination. Any termination of Executive's employment by the Company or by Executive under this Section 4 (other than termination pursuant to paragraph (a)(i) or a termination resulting from expiration of the Term) shall be communicated by a written notice to the other party hereto (i) indicating the specific termination provision in this Agreement relied upon, (ii) setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated unless the termination provision relied upon is Section 4(a)(iv) or (vi), and (iii) specifying a Date of Termination which, if submitted by Executive, shall be at least thirty (30) days following the date of such notice (a "Notice of Termination"); *provided, however*, that in the event that Executive delivers a Notice of Termination to the Company, the Company may, in its sole discretion, change the Date of Termination to any date that occurs following the date of Company's receipt of such Notice of Termination and is prior to the date specified in such Notice of Termination. A Notice of Termination submitted by the Company may provide for a Date of Termination on the date Executive receives the Notice of Termination, or any date thereafter elected by the Company in its sole discretion. The failure by the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause shall not waive any right of the Company hereunder or preclude the Company from asserting such fact or circumstance in enforcing the Company's rights hereunder.

(c) Deemed Resignation. Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its Affiliates.

(d) Forfeitures. In the event that Executive resigns pursuant to Section 4(a)(vi) hereof under circumstances not deemed a Constructive Termination pursuant to Section 4(a)(v) hereof, (i) Executive shall forfeit any unused portion of any UATP card; (ii) Executive shall forfeit any unpaid Annual Bonus; and (iii) Executive's vested equity awards shall be subject to repurchase by Falcon or the Company at a repurchase price equal to the fair market value of the underlying shares less, solely with respect to any unexercised stock options, the exercise price therefor. For this purpose, the fair market value of the underlying shares shall be the fair market value of Falcon shares as determined by the most recent independent valuation obtained by the Company or Falcon for use in connection with the Company's equity award plan. Falcon or the Company shall repurchase Executive's vested equity awards, if at all, within sixty (60) days after the Date of Termination.

5. Company Obligations Upon Termination of Employment.

(a) In General. Upon a termination of Executive's employment for any reason, Executive (or Executive's estate) shall be entitled to receive: (i) any portion of Executive's Annual Base Salary through the Date of Termination not theretofore paid, (ii) any expenses owed to Executive under Section 3(g), and (iii) any amount arising from Executive's participation in, or benefits under, any employee benefit plans, programs or arrangements under Section 3(c), which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements. Upon a termination of Executive's employment other than pursuant to Section 4(a)(iii) or Section 4(a)(vi), Executive shall be entitled to receive any Annual Bonus payable with respect to the calendar year prior to the year in which the Date of Termination occurs. Upon any termination of Executive's employment pursuant to Section 4(a)(i), Section 4(a)(ii) or Section 11(b), Executive shall be entitled to receive any Annual Bonus payable with respect to the calendar year in which the Date of Termination occurs. Except as otherwise set forth in Sections 5(b) and 5(c) below, the payments and benefits described in this Section 5(a) shall be the only payments and benefits payable in the event of termination of Executive's employment for any reason.

(b) Termination Apart from a Change in Control. In the event of termination of Executive's employment by the Company without Cause pursuant to Section 4(a)(iv) hereof, in addition to the payments and benefits described in Section 5(a) above, subject to Section 12 and Section 5(d) and subject to Executive's delivery to the Company of a Release in accordance with Section 12(d) (a "Release"), that becomes effective and irrevocable within sixty (60) days following the Date of Termination:

(i) The Company shall pay to Executive, in a single lump-sum payment within sixty (60) days following the Date of Termination, an amount equal to one (1) times the sum of (A) Executive's then current Annual Base Salary plus (B) the Target Bonus for the calendar year in which the Date of Termination occurs.

(ii) The Company shall continue to provide Executive with the Flight Benefits for the one (l)-year period following the Date of Termination.

(iii) If Executive elects to receive continued healthcare coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA") the Company shall directly pay, or at the Company's election reimburse Executive for, the COBRA premiums for Executive and Executive's covered dependents during the period commencing on Executive's termination of employment and ending upon the earliest of (X) the first anniversary of the Date of Termination, (Y) the date that Executive and/or Executive's covered dependents, as applicable, become no longer eligible for COBRA or (Z) the date Executive becomes eligible to receive healthcare coverage from a subsequent employer.

(c) Termination Within 12 Months Following a Change in Control. In the event of termination of Executive's employment by the Company without Cause pursuant to Section 4(a)(iv) hereof or Executive's Constructive Termination pursuant to Section 4(a)(v) hereof, in each case within twelve (12) months following a Change in Control, in addition to the payments and benefits described in Section 5(a) above, subject to Section 12 and Section 5(d) and subject to Executive's delivery to the Company of a Release in accordance with Section 12(d) that becomes effective and irrevocable within sixty (60) days following the Date of Termination:

(i) The Company shall pay to Executive, in a single lump-sum payment within sixty (60) days of the Date of Termination, an amount equal to two (2) times (A) the Annual Base Salary plus (B) the Target Bonus for the calendar year in which the Date of Termination occurs.

(ii) The Company shall continue to provide Executive with the Flight Benefits for the two (2)-year period following the Date of Termination.

(iii) If Executive elects to receive continued healthcare coverage pursuant to COBRA, the Company shall directly pay, or at the Company's election reimburse Executive for, the COBRA premiums for Executive and Executive's covered dependents during the period commencing on Executive's termination of employment and ending upon the earliest of (X) the second anniversary of the Date of Termination, (Y) the date that Executive and/or Executive's covered dependents, as applicable, become no longer eligible for COBRA or (Z) the date Executive becomes eligible to receive healthcare coverage from a subsequent employer.

(iv) Executive shall be eligible to receive an Annual Bonus with respect to the calendar year during which the Date of Termination occurs. Any such Annual Bonus shall be payable (in the calendar year following the calendar year in which the Date of Termination occurs) when the Company pays other annual bonuses for such year under the Company's incentive bonus program.

(d) Post Termination Obligations. Notwithstanding any other provision of this Agreement, no payment shall be made pursuant to Sections 5(b) or 5(c) following the date Executive first materially violates any of the restrictive covenants set forth in Section 8.

(e) Exclusive Benefit; No Other Severance. The provisions of this Section 5 shall supersede in their entirety any severance payment provisions in any severance plan, policy, program or other arrangement maintained by the Company.

(f) No Requirement to Mitigate; Survival. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or in any other manner.

(g) Applicable to Executive's Estate or Legal Representative. In the event of the death or Disability of Executive, or of any legal incapacity resulting in the appointment of a legal representative or other fiduciary for Executive, the benefits described in this Section 5 shall be payable on Executive's behalf to Executive's estate or legal representative.

6. Treatment of Equity Awards.

(a) Continuing Eligibility to Retain Equity Awards. Executive may continue to own and hold the Equity Awards, on the terms and conditions stated in the Consulting Agreement.

7. Indemnification and Cooperation.

(a) Indemnification. The Company shall indemnify Executive in Executive's capacity as an officer, employee or agent of the Company to the fullest extent permissible by applicable law and the Company's charter and by-laws, and shall purchase and maintain, for the benefit of Executive, officer liability insurance (including post-termination tail coverage) in a form at least as comprehensive as, and in an amount that is at least equal to, that maintained by the Company for similarly situated executive officers of the Company. The Company shall use reasonable efforts to cause any successor to all or substantially all of the business or assets of the Company to assume expressly in writing and to agree to perform all of the obligations of the Company under this Section 7(a).

(b) Cooperation. Executive shall reasonably cooperate with the Company and its Affiliates in connection with any litigation or regulatory matter or with any government authority on any matter, in each case, pertaining to the Company or any Affiliate of the Company and with respect to which Executive may have relevant knowledge, *provided* that, in connection with such cooperation, the Company shall reimburse Executive's reasonable expenses, including reasonable attorneys' fees and costs for counsel of Executive's choosing.

8. Restrictive Covenants.

(a) Affiliates. As used in this Section 8, the term "Company" shall include the Company and any Affiliate of the Company.

(b) Acknowledgements and Agreements. Executive represents that Executive's employment by the Company and the performance of Executive's duties hereunder do not and

will not breach any agreement with any former employer, including any non-compete agreement, non-solicit agreement or any agreement to keep in confidence or refrain from using information acquired by Executive prior to Executive's employment by the Company. During Executive's employment by the Company, Executive agrees that Executive will not violate any non-solicitation agreements Executive entered into with any former employer or improperly make use of, or disclose, any information or trade secrets of any former employer or other third party, nor will Executive bring onto the premises of the Company or use any unpublished documents or any property belonging to any former employer or other third party, in violation of any lawful agreements with that former employer or third party.

(c) Non-Competition/Non-Solicitation. Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company, and further acknowledges and recognizes that the Company has entered into this Agreement in reliance on, among other things, Executive's agreement to be bound by the non-competition provisions set forth in this Section 8(c). Accordingly, Executive agrees as follows:

(i) Executive shall not, at any time during the Employment Term and the twelve (12)-month period following the Date of Termination, directly or indirectly, (A) engage, participate or assist in any Competing Business, (B) enter the employ of, or render any services to, any Person engaged in any Competing Business, (C) acquire a financial interest in, or otherwise become actively involved with, any Person engaged in any Competing Business, whether as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant. Nothing herein shall prohibit Executive from being a passive owner of not more than two percent (2%) of the outstanding equity interest in any entity that is publicly traded, so long as Executive has no active participation in the business of such entity.

(ii) Executive hereby agrees that Executive shall not, at any time during the Employment Term and the twelve (12)-month period following the Date of Termination, directly or indirectly, either for himself or on behalf of any other Person, (A) recruit or otherwise solicit or induce any employee, customer or supplier of the Company to terminate its employment or arrangement with the Company, or otherwise change its relationship with the Company, or (B) hire, or cause to be hired, any Person who was employed by the Company at any time during the twelve (12)-month period immediately prior to the Date of Termination.

(iii) In the event the terms of this Section 8(c) shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to, and may be modified by a court of competent jurisdiction to, extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(iv) Executive understands that the restrictions set forth in this Section 8(c) are intended to protect the Company's established employee, customer and supplier relations, and the general goodwill of its business, and Executive agrees that such restrictions are reasonable and appropriate for this purpose.

(v) In the event Executive engages in conduct in violation of his covenants in Sections 8(c), the applicable restricted period shall be extended for a period of time equal to the time in which Executive engaged in competitive activity prohibited by this Agreement.

(d) Non-Disparagement. Each of the Parties agrees not to disparage the other Party, any of the other's products or practices, or any of the other's agents, representatives, or Affiliates, either orally or in writing, at any time; *provided*, that either party may confer in confidence with their legal representatives and make truthful statements as required by law.

(e) Confidentiality. As used in this Agreement, "Confidential Information" means information belonging to the Company which is of value to the Company in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to the Company. Confidential Information includes, without limitation, patient or other medical information, financial information, reports, forecasts, inventions, improvements and other intellectual property, trade secrets, know-how, designs, processes or formulae, software, market or sales information or plans, customer lists, business plans and prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of the Company. Confidential Information also includes information developed by Executive in the course of Executive's employment by the Company, as well as other information to which Executive may have access in connection with Executive's employment. Confidential Information also includes the confidential information of others with which the Company or any Affiliate has a business relationship and which is known by Executive or which Executive should have reason to know about. Notwithstanding the foregoing, Confidential Information does not include information: (i) in the public domain, unless due to breach of Executive's duties under this Section 8(e); (ii) known to Executive before Executive first began to discuss with representatives of the Company or any of its Affiliates establishing a relationship with the Company; or (iii) that is now, or becomes in the future, available to Persons who are not legally required to treat such information as confidential unless such information was acquired through wrongful acts or omissions of which Executive is aware.

(i) Executive understands and agrees that Executive's employment creates a relationship of confidence and trust between Executive and the Company with respect to all Confidential Information. At all times, both during Executive's employment with the Company and after Executive's termination, Executive will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the consent of the Company, except as may be necessary in the ordinary course of performing Executive's duties to the Company or as otherwise required by law.

(ii) All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to Executive by the Company or are produced by Executive in connection with Executive's employment will be and remain the sole property of the Company. Executive will return

to the Company all such materials and property as and when requested by the Company. In any event, Executive will return all such materials and property immediately upon termination of Executive's employment for any reason, and will not retain any copies thereof following such termination. A deletion of electronic files containing or constituting Confidential Information shall be considered to be the return of the file thus deleted for purposes of compliance with the terms of this Agreement, provided that the deleted files must not be retrievable other than through extraordinary data salvage methods.

9. Injunctive Relief.

It is recognized and acknowledged by Executive that a breach of the covenants contained in Section 8 will cause irreparable damage to Company and its goodwill, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate. Accordingly, Executive agrees that in the event of a breach of any of the covenants contained in Section 8, in addition to any other remedy which may be available at law or in equity, the Company will be entitled to specific performance and injunctive relief without the requirement to post any bond.

10. Assignment and Successors.

The Company may assign its rights and obligations under this Agreement to any Affiliate or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its Affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law. Notwithstanding the foregoing, Executive shall be entitled, to the extent permitted under applicable law and applicable Company arrangements, to select and change a beneficiary or beneficiaries to receive compensation hereunder following Executive's death by giving written notice thereof to the Company.

11. Miscellaneous Provisions.

(a) Failure to Obtain Visa. In the event that Executive does not obtain a Visa on or before the first anniversary of the Consulting Start Date, the Company in its sole discretion may terminate this Agreement by written notice to Executive, in which event this Agreement shall be of no further force or effect and no amounts shall be payable to Executive under this Agreement.

(b) Visa Extension; Permanent Residency; and Citizenship. After Executive obtains a Visa, the Company shall support Executive's application during the Employment Term to extend or replace such Visa, to obtain US permanent residency and/or to obtain citizenship, and pay or reimburse any expenses reasonably incurred in connection with such application(s). In the event that Executive obtains a Visa and subsequently loses the capacity to reside and work in the United States, Executive shall immediately provide the Company written notice of the date as of

which Executive lost the capacity to reside and work in the United States. Executive's employment shall terminate on such date, and such termination shall be treated for purposes of Section 5 as a termination under Section 4(a)(iv).

(c) Documentation of Right to Work. Executive shall be required to provide the Company with documentary evidence of Executive's identity and, following receipt of a Visa, of Executive's ongoing eligibility for employment in the United States. Executive shall also be required to provide documentation of Executive's citizenship and maintain such citizenship during the Employment Term, unless a change in citizenship is approved by the Company, whose approval shall not be unreasonably withheld, conditioned or delayed.

(d) Governing Law. This Agreement shall be governed, construed, interpreted and enforced in accordance with its express terms, and otherwise in accordance with the substantive laws of the State of Colorado, without giving effect to any principles of conflicts of law, whether of the State of Colorado or any other jurisdiction, and where applicable, the laws of the United States, that would result in the application of the laws of any other jurisdiction.

(e) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in foil force and effect.

(f) Notices. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

(i) If to the Company:

Frontier Airlines, Inc.
7001 Tower Road
Denver, CO 80249-7312
Attn: Board of Directors

with copies to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, California 94025-1008
Attn: Anthony J. Richmond, Esq.
Facsimile: (650) 463-2600

(ii) If to Executive, at the address set forth on the signature page hereto, with

Foley & Lardner LLP
3000 K Street, NW
Washington, DC 2007
Attn: Jay W. Freedman, Esq.
Facsimile: (202) 672-5399; or

(iii) At any other address as any Party shall have specified by notice in writing to the other Party.

(g) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same Agreement. Signatures delivered by facsimile shall be deemed effective for all purposes.

(h) Entire Agreement. The terms of this Agreement are intended by the Parties to be the final expression of their agreement with respect to the employment of Executive by the Company and supersede all prior understandings and agreements, whether written or oral. The Parties further intend that this Agreement shall constitute the complete and exclusive statement of their terms and that no extrinsic evidence whatsoever may be introduced in any judicial, administrative, or other legal proceeding to vary the terms of this Agreement.

(i) Amendments; Waivers. This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company, which specifically states the intention to modify, amend or terminate this Agreement. By an instrument in writing signed by Executive or a duly authorized officer of the Company, Executive or the Company, as applicable, may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided, however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

(j) Construction. This Agreement shall be deemed drafted equally by both the Parties. Its language shall be construed as a whole and according to its fair meaning. Any presumption or principle that the language is to be construed against any Party shall not apply. The headings in this Agreement are only for convenience and are not intended to affect construction or interpretation. Any references to paragraphs, subparagraphs, sections or subsections are to those parts of this Agreement, unless the context clearly indicates to the contrary. Also, unless the context clearly indicates to the contrary, (a) the plural includes the singular and the singular includes the plural; (b) “and” and “or” are each used both conjunctively and disjunctively; (c) “any,” “all,” “each,” or “every” means “any and all,” and “each and every”; (d) “includes” and “including” are each “without limitation”; (e) “herein,” “hereof,” “hereunder” and other similar compounds of the word “here” refer to the entire Agreement and not to any particular paragraph, subparagraph, section or subsection; and (f) all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the entities or persons referred to may require.

(k) Arbitration. Any dispute or controversy based on, arising under or relating to this Agreement shall be settled exclusively by final and binding arbitration, conducted before a single neutral arbitrator in the City and County of Denver, Colorado in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association (the “AAA”) then in effect. Arbitration may be compelled, and judgment may be entered on the arbitration award in any court having jurisdiction; *provided, however*, that the Company shall be entitled to seek a restraining order or injunction in any court of competent

jurisdiction to prevent any continuation of any violation of the provisions of Section 8, and Executive hereby consents that such restraining order or injunction may be granted without requiring the Company to post a bond. Only individuals who are (a) lawyers engaged full-time in the practice of law and (b) on the AAA roster of arbitrators shall be selected as an arbitrator. Within twenty (20) days of the conclusion of the arbitration hearing, the arbitrator shall prepare written findings of fact and conclusions of law. Each party shall bear its own costs and attorneys' fees in connection with any arbitration; *provided* that the Company shall bear the cost of the arbitrator and the AAA's administrative fees.

(l) Enforcement. if any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(m) Withholding. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold. The Company shall be entitled to rely on an opinion of counsel if any questions as to the amount or requirement of withholding shall arise.

12. Section 409A.

(a) General. The intent of the Parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If Executive notifies the Company that Executive has received advice of tax counsel of a national reputation with expertise in Section 409A that any provision of this Agreement would cause Executive to incur any additional tax or interest under Section 409A (with specificity as to the reason therefor) or the Company (which shall have no obligation to assess the issue absent such notice from Executive) independently makes such determination, the Company and Executive shall take commercially reasonable efforts to reform such provision to try to comply with or be exempt from Section 409A through good faith modifications to the minimum extent reasonably appropriate to conform with Section 409A, provided that any such modifications shall not increase the cost or liability to the Company. To the extent that any provision hereof is modified in order to comply with or be exempt from Section 409A, such modification shall be made in good faith and shall, to the maximum extent reasonably possible, maintain the original intent and economic benefit to Executive and the Company of the applicable provision without violating the provisions of Section 409A. Notwithstanding anything herein to the contrary, Executive acknowledges and agrees that (i) Executive is not relying upon any determination by the Company, its Affiliates, or any of their respective employees, directors, officers, attorneys or agents regarding the tax effects, including, without limitation, tax effects under Section 409A, associated with Executive's entry into this Agreement or the receipt of any payments hereunder, and (ii) in deciding to enter into this Agreement, Executive is relying on Executive's own judgment and the judgment of the professionals of Executive's choice with whom Executive has consulted.

(b) Separation from Service. Notwithstanding any provision to the contrary in this Agreement: (i) no amount that constitutes “deferred compensation” under Section 409A shall be payable pursuant to Sections 5(b) or 5(c) unless the termination of Executive’s employment constitutes a “separation from service” within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations (“Separation from Service”); (ii) for purposes of Section 409A, Executive’s right, if any, to receive installment payments pursuant to Sections 5(b) or 5(c) hereof shall be treated as a right to receive a series of separate and distinct payments; and (iii) to the extent that any reimbursement of expenses or in-kind benefits constitutes “deferred compensation” under Section 409A, such reimbursement or benefit shall be provided no later than December 31st of the year following the year in which the expense was incurred. The amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year. The amount of any in-kind benefits provided in one year shall not affect the amount of in-kind benefits provided in any other year. Any good faith determination by the Company in respect of Section 409A shall be final and binding on Executive.

(c) Specified Employee. Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive’s Separation from Service to be a “specified employee” for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive’s benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six (6)-month period measured from the date of Executive’s Separation from Service with the Company or (ii) the date of Executive’s death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive’s estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(d) Release. Notwithstanding anything to the contrary in this Agreement, to the extent that any payments due under this Agreement as a result of termination of Executive’s employment are subject to Executive’s execution and delivery of a Release, (i) if Executive fails to execute and deliver the Release on or prior to the Release Deadline (as defined below) or timely revokes the Release thereafter, Executive shall not be entitled to any payments or benefits otherwise conditioned on the Release, and (ii) in any case where the Date of Termination and the Release Deadline fall in two separate taxable years, any payments required to be made to Executive that are conditioned on the Release and are treated as nonqualified deferred compensation for purposes of Section 409A shall be made in the later taxable year. For purposes of this Section 12(d), “Release Deadline” shall mean the date that is twenty-one (21) days following the Termination Date, or, in the event that Executive’s termination of employment is “in connection with an exit incentive or other employment termination program” (as such phrase is defined in the Age Discrimination in Employment Act of 1967), as determined by the Company, the date that is forty-five (45) days following the Termination Date. To the extent that any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under this Agreement as a result of Executive’s termination of employment are delayed pursuant

to this Section 12(d), such amounts shall be paid in a lump sum on the first payroll date following the date that Executive executes and delivers and does not revoke the Release (and the applicable revocation period has expired) or, in the case of any payments subject to Section 12(d)(iii), on the first payroll period to occur in the subsequent taxable year, if later.

13. Excess Parachute Payments; Limitation on Payments.

(a) Best Pay Cap. Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by Executive (including any payment or benefit received in connection with a termination of Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 5 hereof, being hereinafter referred to as the "Total Payments") would be subject (in whole or part), to the excise tax imposed under Section 4999 of the Code (such excise tax, the "Excise Tax"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the cash severance payments under this Agreement shall first be reduced, and the noncash severance payments hereunder shall thereafter be reduced, to the minimum extent necessary so that no portion of the Total Payments is subject to the Excise Tax but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Certain Exclusions. For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of an independent, nationally recognized accounting firm selected by the Company (the "Independent Advisors"), does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. Promptly following any request to do so, Executive shall provide to any Independent Advisors such information as they may require to assess the impact of Section 280G(b) on any amounts payable hereunder. Any good faith determinations of the Independent Advisors made hereunder shall be final and binding upon the Company and Executive.

14. Executive Acknowledgment.

Executive acknowledges that Executive has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representations or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on Executive's own judgment.

(*Signature Page Follows*)

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date and year first above written.

FRONTIER AIRLINES, INC.

By: /s/ David N. Siegel
Name: David N. Siegel
Title: President and CEO

EXECUTIVE:

/s/ James Dempsey

James Dempsey

Address:

7001 Tower Rd.

Denver, Colorado

80249

[Signature Page to James Dempsey Employment Agreement]

Exhibit A

Form of General Release of Claims

In exchange for, and as a condition to the receipt of, the severance benefits ("Severance Benefits") set forth in Section 5(b) or Section 5(c), as applicable, of that certain Employment Agreement by and between Frontier Airlines, Inc. and myself, entered into effective as of March 12, 2014 (the "Employment Agreement"), I freely and voluntarily agree to enter into and be bound by this Waiver and Release of Claims Agreement (the "Release"):

1. Capitalized terms used but not defined herein shall have the meaning provided in the Employment Agreement.

2. I acknowledge that my services with the Company and all subsidiaries and affiliates thereof terminated on [____].

3. I acknowledge that, but for my timely execution of this Release and my timely delivery of the executed Release to the Company (within the period described in paragraph 5 below), I would not be entitled to receive the Severance Benefits.

4. I, and anyone claiming through me (including, without limitation, my heirs, and agents, representatives and assigns), hereby irrevocably waive and forever release and discharge the Company, its owners, subsidiaries, affiliates, and each of their respective officers, directors, employees, agents, predecessors, successors and assigns (the "Releasees"), from any and all liabilities of any nature whatsoever, known and unknown, fixed or contingent, arising out of, based on, or related to my services to the Company or any other Releasee, the termination of such services, any rights with respect to equity ownership of the Company, and any dealings, transactions or events involving the Releasees occurring prior to or on the date this Release becomes effective, including but not limited to claims under the Civil Rights Act of 1866; the Civil Rights Act of 1871; the Civil Rights Act of 1964, as amended; the Age Discrimination in Employment Act of 1967 (as amended, the "ADEA"); the Older Workers Benefit Protection Act of 1990; the Americans with Disabilities Act of 1990; the Employment Retirement Income Security Act of 1974; the Rehabilitation Act of 1973; the Family and Medical Leave Act; the federal Worker Adjustment and Retraining Notification Act (and any similar state laws); the Equal Pay Act of 1963; the Fair Labor Standards Act; the Consolidated Omnibus Budget Reconciliation Act of 1985; Executive Order 11141; the Sarbanes-Oxley Act of 2002; the Colorado Anti-Discrimination Act; and any other federal, state or local law, rule or regulation, and common law claims. This includes, but is not limited to, all wrongful termination and "constructive discharge" claims, all discrimination claims, all claims relating to any contracts of employment or other service, whether express or implied, any covenant of good faith and fair dealing, whether express or implied, and any tort of any nature. This release is for any relief, no matter how denominated, including but not limited to wages, back pay, front pay, benefits, compensatory damages, liquidated damages, punitive damages or attorney's fees. I also agree not to commence or cooperate in the prosecution or investigation of any lawsuit, administrative action or other claim or complaint against the Releasees, except as required by law; in the event that any such proceeding is commenced on my behalf, I waive the right to receive any monetary recovery in such proceeding. This Release does not extend to claims due to the failure of the Company to pay the Severance Benefits in accordance with the terms of the Employment Agreement or claims that may arise after the date this Release becomes effective.

5. I understand and agree that this Release will be binding on me and my heirs, administrators and assigns. I acknowledge that I have not assigned any claims or filed or initiated any legal proceedings against any of the Releasees.

6. I understand that I have twenty-one (21) days (or, in the event that my termination of my services is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the ADEA), as determined by the Company, forty-five (45) days) to sign this Release and deliver it to the Company and that I have a right to decide not to sign and deliver this Release. The Company hereby advises me of my right to consult with an attorney before signing the Release and I acknowledge that I have had an opportunity to consult with an attorney and have either held such consultation or have determined not to consult with an attorney.

7. I understand that I may revoke this Release by delivering written notice of my revocation to Frontier Airlines, Inc., 7001 Tower Road, Denver, Colorado 80249, Attn: [Chief Executive Officer] within the seven (7)-day period beginning on the day following the day I sign the Release (the "Revocation Period"). If I do not revoke this Release within the Revocation Period, it will be legally binding and enforceable on the day immediately following the last day of the revocation period.

8. I acknowledge and agree that if any provision of this Release is found, held or deemed by a court of competent jurisdiction to be void, unlawful or unenforceable under any applicable statute or controlling law, the remainder of this Release shall continue in full force and effect.

9. This Release is deemed made and entered into in the State of Colorado, and in all respects shall be interpreted, enforced and governed under the internal laws of the State of Colorado without regard to the conflicts of law principles of any jurisdiction.

* * * * *

I acknowledge and agree that I have carefully read and fully understand all of the provisions of this Release and that I voluntarily enter into this Release by signing below. Upon execution, I agree to deliver a signed copy of this Release to Frontier Airlines, Inc., 7001 Tower Road, Denver, Colorado 80249, Attn: Chief Executive Officer.

____
James Dempsey

Date: __________________________

Exhibit 10.7

February 23, 2015

Mr. James Nides

Re: Employment Terms

Dear Jim:

Frontier Airlines, Inc. ("Frontier") is pleased to offer you full-time employment as Vice President, Operations. You will have such duties as are normally associated with this position as such duties may be modified or supplemented by Frontier's Chief Operating Officer, to whom you will report. You will reside in Denver, Colorado and work in Frontier's headquarters located there, except for such travel as may be necessary to fulfill your responsibilities. In the course of your employment with Frontier, you will be subject to and required to comply with all company policies, and applicable laws and regulations. These include equal employment opportunity in hiring, assignments, training, promotions, compensation, employee benefits, employee discipline and discharge, and all other terms and conditions of employment.

Your employment will begin on a mutually agreed upon date in April 2015. Starting on that date, you will be paid a base salary at the annual rate of $225,000 (subject to required tax withholding and other authorized deductions). Your base salary will be payable in accordance with Frontier's standard payroll policies and be subject to adjustment pursuant to Frontier's policies as in effect from time to time, which policies currently include an annual review.

In addition to your base salary, you will be eligible to earn an annual cash performance bonus, at the discretion of Frontier's Board of Directors or one of such board's committees, based on the attainment of performance metrics for Frontier and/or individual performance objectives, in each case established and evaluated by such board or one of its committees. Your target annual bonus will be 40% of your base salary, but the actual amount of your annual bonus may range from 0% of your base salary to 80% of your base salary. Any annual bonus will be contingent upon your continued employment through the applicable payment date. You hereby acknowledge and agree that nothing contained herein confers upon you any right to an annual bonus in any year, and that whether Frontier pays you an annual bonus and the amount of any such annual bonus will be determined by Frontier in its sole discretion. For 2014, your target and any actual annual bonus will be prorated based on the portion of the year during which you are employed by Frontier.

Frontier is owned by Falcon Acquisition Group, Inc. ("Falcon"). Falcon has adopted an equity incentive plan and related documents (the "Equity Plan") pursuant to which Falcon may grant equity awards.

Frontier will grant you, pursuant to the Equity Plan, an option to purchase 5,750 shares of Falcon common stock. It is anticipated that the current fair market value of Falcon common stock will be set at the February 27, 2015 Frontier Board of Directors' meeting. Your equity award shall vest, and any service-based vesting restrictions thereon shall lapse, as applicable, with respect to one-fourth (1/4) of the shares subject to your equity award on each of the first, second, third, and fourth anniversaries of your employment start date, subject to your continuing employment by Frontier through the applicable vesting date. In addition, your equity award shall

vest fully upon any Change in Control (as defined in the Equity Plan). Your equity award shall otherwise be subject to the terms of the Equity Plan and standard forms of agreement evidencing the award to be entered into between you and Falcon. The Equity Plan will provide that Falcon may, but shall not be required to, repurchase any vested equity award or any shares issued with respect thereto in the event that your employment by Frontier terminates.

Frontier will reimburse you for all reasonable expenses you and your immediate family incur in relocating to Denver, Colorado, including, but not limited to, temporary housing, air fare, car rental, hotels, meals, as well as packing, unpacking and shipping costs for personal and household items and an automobile, up to a maximum of $30,000 for all such expenses.

During the term of your employment, Frontier will provide you, your spouse, your eligible children and your parents privileges to travel positive space on Frontier Airlines with the priority code PS2B in accordance with Frontier policy as to the extent and use of such benefits by senior executives (the “Flight Benefit”).

During the term of your employment, you will also be entitled to three weeks of annual paid vacation, in accordance with Frontier’s vacation policy as it may be amended from time to time.

You will be eligible during your employment to participate in all of the employee benefits and benefit plans that Frontier generally makes available to its regular full-time employees. In addition, during your employment, you will be eligible for other standard benefits, to the extent applicable generally to other similarly situated employees of Frontier. Frontier reserves the right to terminate, modify or add to its benefits and benefit plans at any time.

If Frontier terminates your employment without Cause (as defined in the Equity Plan) and you deliver a general release of all claims against Frontier and its affiliates in a form acceptable to Frontier that becomes effective and irrevocable within 60 days following such termination of employment, then you shall be entitled to the following: (i) you shall receive a lump sum payment equal to the sum of your base salary at the time of termination (or two times such base salary if such termination occurs within twelve months after a Change in Control), less applicable withholdings; and (ii) Frontier will continue to provide the Flight Benefit until the first anniversary of your termination date (or the second anniversary of such date if such termination occurs within twelve months after a Change in Control).

No amount deemed deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), shall be payable pursuant to this letter agreement unless your termination of employment constitutes a “separation from service” with Frontier within the meaning of Section 409A and the Department of Treasury regulations and other guidance promulgated thereunder. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this letter agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment. To the extent that any reimbursements payable pursuant to this letter agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to you pursuant to this letter agreement shall be paid to you no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and your right to reimbursement under this letter agreement will not be subject to liquidation or exchange for another benefit.

Frontier requires that, as a full-time employee, you devote your full business time, attention, skill, and efforts to the tasks and duties of your position as assigned by Frontier. If you wish to request consent to provide services (for any or no form of compensation) to any other person or business entity while employed by Frontier, please discuss that with Frontier's Chief Executive Officer in advance of accepting another position.

As a condition of employment, you will be required (1) to comply with the Additional Terms attached hereto as Exhibit A, which by this reference are incorporated in this letter agreement, (2) to sign and return an 1-9 Immigration form and provide sufficient documentation establishing your employment eligibility in the United States of America, (3) provide satisfactory proof of your identity as required by United States law, and (4) to complete successfully a medical exam, drug test and background check in accordance with Frontier policy for senior executives.

By signing below, you represent that your performance of services to Frontier will not violate any duty which you may have to any other person or entity (such as a present or former employer), including obligations concerning providing services (whether or not competitive) to others or confidentiality of proprietary information, and you agree that you will not do anything in the performance of services hereunder that would violate any such duty.

Notwithstanding any of the above, your employment with Frontier is "at will." This means that it can be terminated by you or by Frontier at any time, with or without advance notice, and for any or no particular reason or cause. It also means that your job duties, title and responsibility and reporting level, work schedule, compensation and benefits, as well as Frontier's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time in the sole discretion of Frontier.

This letter agreement shall be interpreted and construed in accordance with Colorado law without regard to any conflicts of laws principles. While other terms and conditions of your employment may change in the future, the at-will nature of your employment may not be changed, except in a subsequent written agreement, signed by you and the Chief Executive Officer of Frontier. Any prior or contemporaneous representations (whether oral or written) not contained in this letter agreement that may have been made to you will be expressly cancelled and superseded by this letter agreement.

Please sign and date this letter agreement and return it to me by email at [email address] by close of business February 26, 2015, if you wish to accept employment by Frontier under the terms described above, failing which the offer made by our submission of this letter agreement will expire at the close of business in Denver, Colorado on such date. If you accept this offer by signing a counterpart and returning it to the undersigned as thus described, this letter agreement shall constitute the complete agreement between you and Frontier with respect to the terms and conditions of your employment.

We look forward to a productive and enjoyable work relationship.

Sincerely,

FRONTIER AIRLINES, INC.

By: /s/ David N. Siegel
David N. Siegel
Chief Executive Officer

Accepted by:

/s/ James E. Nides
Date: February 26, 2015

Exhibit 10.8

June 30, 2014

Mr. Howard Diamond

Re: Employment Terms

Dear Howard:

Frontier Airlines, Inc. ("Frontier") is pleased to offer you full-time employment as Senior Vice President, General Counsel and Secretary. You will have such duties as are normally associated with this position as such duties may be modified or supplemented by Frontier's Chief Executive Officer, to whom you will report. You will reside in Denver, Colorado and work in Frontier's headquarters located there, except for such travel as may be necessary to fulfill your responsibilities. In the course of your employment with Frontier, you will be subject to and required to comply with all company policies, and applicable laws and regulations. These include equal employment opportunity in hiring, assignments, training, promotions, compensation, employee benefits, employee discipline and discharge, and all other terms and conditions of employment.

Your employment will begin on July 28, 2014. Starting on that date, you will be paid a base salary at the annual rate of $325,000 (subject to required tax withholding and other authorized deductions). Your base salary will be payable in accordance with Frontier's standard payroll policies and be subject to adjustment pursuant to Frontier's policies as in effect from time to time, which policies currently include an annual review.

In addition to your base salary, you will be eligible to earn an annual cash performance bonus, at the discretion of Frontier's Board of Directors or one of such board's committees, based on the attainment of performance metrics for Frontier and/or individual performance objectives, in each case established and evaluated by such board or one of its committees. Your target annual bonus will be 65% of your base salary, but the actual amount of your annual bonus may range from 0% of your base salary to 130% of your base salary. Any annual bonus will be contingent upon your continued employment through the applicable payment date. You hereby acknowledge and agree that nothing contained herein confers upon you any right to an annual bonus in any year, and that whether Frontier pays you an annual bonus and the amount of any such annual bonus will be determined by Frontier in its sole discretion. For 2014, your target and any actual annual bonus will be prorated based on the portion of the year during which you are employed by Frontier.

Frontier is owned by Falcon Acquisition Group, Inc. ("Falcon"). Falcon has adopted an equity incentive plan and related documents (the "Equity Plan") pursuant to which Falcon may grant equity awards.

On or promptly after your start date, Falcon will grant you, pursuant to the Equity Plan, an option to purchase Falcon common stock at a price per share equal to the amount per share invested in Falcon by Falcon's shareholders as of June 30, 2014, as determined by Falcon, with the total number of shares underlying such award to equal 3% of the outstanding common stock of Falcon as of June 30, 2014. For purposes of this paragraph, the outstanding common stock of Falcon shall include the common stock equivalents represented by phantom equity issued to

FAPA Invest, LLC and any equity awards granted to Frontier employees and others as of June 30, 2014. Your equity award shall vest, and any service-based vesting restrictions thereon shall lapse, as applicable, with respect to one-fourth (1/4) of the shares subject to your equity award on each of the first, second, third, and fourth anniversaries of your employment start date, subject to your continuing employment by Frontier through the applicable vesting date. In addition, your equity award shall vest fully upon any Change in Control (as defined in the Equity Plan). Your equity award shall otherwise be subject to the terms of the Equity Plan and standard forms of agreement evidencing the award to be entered into between you and Falcon. The Equity Plan will provide that Falcon may, but shall not be required to, repurchase any vested equity award or any shares issued with respect thereto in the event that your employment by Frontier terminates.

Frontier will reimburse you for all reasonable expenses you and your immediate family incur in relocating to Denver, Colorado, including air fare, car rental, hotels, meals, and other temporary living expenses, as well as packing, unpacking and shipping costs for personal and household items and an automobile, up to a maximum of $50,000 for all such expenses.

During the term of your employment, Frontier will provide you, your spouse, your eligible children and your parents privileges to travel positive space on Frontier Airlines with the priority code PS2B in accordance with Frontier policy as to the extent and use of such benefits by senior executives (the “Flight Benefit”).

During the term of your employment, you will also be entitled to three weeks of annual paid vacation, in accordance with Frontier’s vacation policy as it may be amended from time to time.

You will be eligible during your employment to participate in all of the employee benefits and benefit plans that Frontier generally makes available to its regular full-time employees. In addition, during your employment, you will be eligible for other standard benefits, to the extent applicable generally to other similarly situated employees of Frontier. Frontier reserves the right to terminate, modify or add to its benefits and benefit plans at any time.

If Frontier terminates your employment without Cause (as defined in the Equity Plan) and you deliver a general release of all claims against Frontier and its affiliates in a form acceptable to Frontier that becomes effective and irrevocable within 60 days following such termination of employment, then you shall be entitled to the following: (i) you shall receive a lump sum payment equal to the sum of your base salary and your target bonus at the time of termination (or two times the sum of such base salary and target bonus if such termination occurs within twelve months after a Change in Control or your duties are substantially diminished within such twelve months and you resign within such twelve months), less applicable withholdings; and (ii) Frontier will continue to provide the Flight Benefit until the first anniversary of your termination date (or the second anniversary of such date if such termination occurs within twelve months after a Change in Control or your duties are substantially diminished within such twelve months and you resign within such twelve months).

No amount deemed deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), shall be payable pursuant to this letter agreement unless your termination of employment constitutes a “separation from service” with

Frontier within the meaning of Section 409A and the Department of Treasury regulations and other guidance promulgated thereunder. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this letter agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment. To the extent that any reimbursements payable pursuant to this letter agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to you pursuant to this letter agreement shall be paid to you no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and your right to reimbursement under this letter agreement will not be subject to liquidation or exchange for another benefit.

Frontier requires that, as a full-time employee, you devote your full business time, attention, skill, and efforts to the tasks and duties of your position as assigned by Frontier. If you wish to request consent to provide services (for any or no form of compensation) to any other person or business entity while employed by Frontier, please discuss that with Frontier's Chief Executive Officer in advance of accepting another position.

As a condition of employment, you will be required (1) to comply with the Additional Terms attached hereto as Exhibit A, which by this reference are incorporated in this letter agreement, (2) to sign and return an 1-9 Immigration form and provide sufficient documentation establishing your employment eligibility in the United States of America, (3) provide satisfactory proof of your identity as required by United States law, and (4) to complete successfully a medical exam, drug test and background check in accordance with Frontier policy for senior executives.

By signing below, you represent that your performance of services to Frontier will not violate any duty which you may have to any other person or entity (such as a present or former employer), including obligations concerning providing services (whether or not competitive) to others or confidentiality of proprietary information, and you agree that you will not do anything in the performance of services hereunder that would violate any such duty.

Notwithstanding any of the above, your employment with Frontier is "at will." This means that it can be terminated by you or by Frontier at any time, with or without advance notice, and for any or no particular reason or cause. It also means that your job duties, title and responsibility and reporting level, work schedule, compensation and benefits, as well as Frontier's personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time in the sole discretion of Frontier.

This letter agreement shall be interpreted and construed in accordance with Colorado law without regard to any conflicts of laws principles. While other terms and conditions of your employment may change in the future, the at-will nature of your employment may not be changed, except in a subsequent written agreement, signed by you and the Chief Executive Officer of Frontier. Any prior or contemporaneous representations (whether oral or written) not contained in this letter agreement that may have been made to you will be expressly cancelled and superseded by this letter agreement.

Please sign and date this letter agreement and return it to me by email at [email address] by July 2, if you wish to accept employment by Frontier under the terms described above, failing which the offer made by our submission of this letter agreement will expire at the close of business in Denver, Colorado on such date. If you accept this offer by signing a counterpart and returning it to the undersigned as thus described, this letter agreement shall constitute the complete agreement between you and Frontier with respect to the terms and conditions of your employment.

We look forward to a productive and enjoyable work relationship.

Sincerely,

FRONTIER AIRLINES, INC.

By: /s/ David N. Siegel
David N. Siegel
Chief Executive Officer

Accepted by:

/s/ Howard Diamond
Howard Diamond

Date: July 1, 2014

Exhibit A

Additional Terms

(a) Non-Competition/Non-Solicitation. You acknowledge and recognize the highly competitive nature of Frontier's business, and further acknowledge and recognize that Frontier has agreed to employ you in reliance on, among other things, your agreement to be bound by these additional terms. Accordingly, you agree as follows:

(i) You shall not, while employed by Frontier or during the twelve month period following termination of such employment (or the twenty-four month period following such termination in the event Frontier terminates your employment without Cause within twelve months after a Change in Control or your duties are substantially diminished within such twelve months and you resign within such twelve months), directly or indirectly, (A) engage, participate or assist in any Competing Business (defined as any commercial passenger airline business which is certificated by any governmental authority to operate in any part of North America, other than any commercial passenger airline business which is (i) based outside North America and (ii) does not include in its route network point to point flying within North America), (B) enter the employ of, or render any services to, any person or entity engaged in any Competing Business, (C) acquire a financial interest in, or otherwise become actively involved with, any person or entity engaged in any Competing Business, whether as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant. Nothing herein shall prohibit you from being a passive owner of not more than two percent (2%) of the outstanding equity interest in any entity that is publicly traded, so long as you have no active participation in the business of such entity.

(ii) You agree that you shall not, while employed by Frontier or during the twelve month period following termination of such employment (or the twenty-four month period following such termination in the event Frontier terminates your employment without Cause within twelve months after a Change in Control or your duties are substantially diminished within such twelve months and you resign within such twelve months), directly or indirectly, either for yourself or any other person or entity, (A) recruit or otherwise solicit or induce any employee, customer or supplier of Frontier to terminate its employment or arrangement with Frontier, or otherwise change its relationship with Frontier, or (B) hire, or cause to be hired, any individual who was employed by Frontier at any time during the twelve (12)-month period immediately prior to the termination of your employment or who thereafter becomes employed by Frontier.

(iii) In the event the terms of this exhibit shall be determined by any court of competent jurisdiction to be unenforceable by reason of its extending for too great a period of time or over too great a geographical area or by reason of its being too extensive in any other respect, it will be interpreted to, and may be modified by a court of competent jurisdiction to, extend only over the maximum period of time for which it may be enforceable, over the maximum geographical area as to which it may be enforceable, or to the maximum extent in all other respects as to which it may be enforceable, all as determined by such court in such action.

(iv) You understand that the restrictions set forth in this exhibit are intended to protect Frontier's established employee, customer and supplier relations, and the general goodwill of its business, and you agree that such restrictions are reasonable and appropriate for this purpose.

(v) In the event you engage in conduct in violation of your covenants in this section (a), the applicable restricted period shall be extended for a period of time equal to the time in which you engaged in activity prohibited by this section (a).

(b) Confidentiality. As used in this exhibit, "Confidential Information" means information belonging to Frontier which is of value to Frontier in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to Frontier. Confidential Information includes, without limitation, patient or other medical information, financial information, reports, forecasts, inventions, improvements and other intellectual property, trade secrets, know-how, designs, processes or formulae, software, market or sales information or plans, customer lists, business plans and prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of Frontier. Confidential Information also includes information you develop in the course of your employment by Frontier, as well as other information to which you may have access in connection with your employment. Confidential Information also includes the confidential information of others with which Frontier has a business relationship. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of your duties under this exhibit.

(i) You understand and agree that your employment creates a relationship of confidence and trust between you and Frontier with respect to all Confidential Information. At all times, both during your employment with Frontier and after its termination, you will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of Frontier, except as may be necessary in the ordinary course of performing your duties to Frontier or as otherwise required by law.

(ii) All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to you by Frontier or are produced by you in connection with your employment will be and remain the sole property of Frontier. You will return to Frontier all such materials and property as and when requested by Frontier. In any event, you will return all such materials and property immediately upon termination of your employment for any reason, and will not retain any copies thereof following such termination.

Exhibit 10.9

September 2, 2015

VIA E-MAIL [email address]

Mr. Mark Mitchell

Re: Employment Terms

Dear Mark:

Frontier Airlines, Inc. ("Frontier") is pleased to offer you full-time employment as Vice President, Chief Accounting Officer. You will have such duties as are normally associated with this position as such duties may be modified or supplemented by Frontier's Chief Operating Officer, to whom you will report. You will reside in Denver, Colorado and work in Frontier's headquarters located there, except for such travel as may be necessary to fulfill your responsibilities. In the course of your employment with Frontier, you will be subject to and required to comply with all company policies, and applicable laws and regulations. These include equal employment opportunity in hiring, assignments, training, promotions, compensation, employee benefits, employee discipline and discharge, and all other terms and conditions of employment.

Your employment will begin on September 18, 2015. Starting on that date, you will be paid a base salary at the annual rate $275,000 (subject to required tax withholding and other authorized deductions). Your base salary will be payable in accordance with Frontier's standard payroll policies and be subject to adjustment pursuant to Frontier's policies as in effect from time to time, which policies currently include an annual review.

In addition to your base salary, you will be eligible to earn an annual cash performance bonus, at the discretion of Frontier's Board of Directors or one of such board's committees, based on the attainment of performance metrics for Frontier and/or individual performance objectives, in each case established and evaluated by such board or one of its committees. Your target annual bonus will be 40% of your base salary, but the actual amount of your annual bonus may range from 0% of your base salary to 80% of your base salary. Any annual bonus will be contingent upon your continued employment through the applicable payment date. You hereby acknowledge and agree that nothing contained herein confers upon you any right to an annual bonus in any year, and that whether Frontier pays you an annual bonus and the amount of any such annual bonus will be determined by Frontier in its sole discretion. For 2015, your target and any actual annual bonus will be prorated based on the portion of the year during which you are employed by Frontier.

Frontier is owned by Falcon Acquisition Group, Inc. ("Falcon"). Falcon has adopted an equity incentive plan and related documents (the "Equity Plan") pursuant to which Falcon may grant equity awards.

Frontier will grant you, pursuant to the Equity Plan, an option to purchase 7,500 shares of Falcon common stock. The fair market value of Falcon common stock will be set by Falcon's Board of Directors as of your September 18, 2015 employment start date. Your equity award shall vest, and any service-based vesting restrictions thereon shall lapse, as applicable, with

respect to one-fourth (1/4) of the shares subject to your equity award on each of the first, second, third, and fourth anniversaries of your employment start date, subject to your continuing employment by Frontier through the applicable vesting date. In addition, your equity award shall vest fully upon any Change in Control (as defined in the Equity Plan). Your equity award shall otherwise be subject to the terms of the Equity Plan and standard forms of agreement evidencing the award to be entered into between you and Falcon. The Equity Plan will provide that Falcon may, but shall not be required to, repurchase any vested equity award or any shares issued with respect thereto in the event that your employment by Frontier terminates.

Frontier will pay you $100,000 towards expenses you incur in relocating to Denver, Colorado (less applicable withholding taxes), including without limitation any sales commission or other expenses (including legal fees) payable by you in connection with the sale of your home in Scottsdale, Arizona, any costs incurred in purchasing a home in the Denver area (not including any part of the purchase price of such a home) or in moving expenses and temporarily living accommodations in the Denver area. Should you terminate your employment with Frontier at any time prior to completing one full year of service, you will be obligated to reimburse the entire $100,000 relocation allowance (less applicable withholding taxes).

During the term of your employment, Frontier will provide you, your spouse, your eligible children and your parents privileges to travel positive space on Frontier Airlines with the priority code PS2B in accordance with Frontier policy as to the extent and use of such benefits by senior executives (the “Flight Benefit”).

During the term of your employment, you will also be entitled to three weeks of annual paid vacation, in accordance with Frontier’s vacation policy as it may be amended from time to time. For 2015, your vacation will be prorated based upon the portion of the year during which you are employed by Frontier.

You will be eligible during your employment to participate in all of the employee benefits and benefit plans that Frontier generally makes available to its regular full-time employees. In addition, during your employment, you will be eligible for other standard benefits, to the extent applicable generally to other similarly situated employees of Frontier. Frontier reserves the right to terminate, modify or add to its benefits and benefit plans at any time.

If Frontier terminates your employment without Cause (as defined in the Equity Plan) and you deliver a general release of all claims against Frontier and its affiliates in a form acceptable to Frontier that becomes effective and irrevocable within 60 days following such termination of employment, then you shall be entitled to the following: (i) you shall receive a lump sum payment equal to the sum of your base salary at the time of termination (or two times such base salary if such termination occurs within twelve months after a Change in Control), less applicable withholdings; and (ii) Frontier will continue to provide the Flight Benefit until the first anniversary of your termination date (or the second anniversary of such date if such termination occurs within twelve months after a Change in Control).

No amount deemed deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), shall be payable pursuant to this letter agreement unless your termination of employment constitutes a “separation from service” with

Frontier within the meaning of Section 409A and the Department of Treasury regulations and other guidance promulgated thereunder. For purposes of Section 409A of the Code (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), your right to receive any installment payments under this letter agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment. To the extent that any reimbursements payable pursuant to this letter agreement are subject to the provisions of Section 409A of the Code, any such reimbursements payable to you pursuant to this letter agreement shall be paid to you no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and your right to reimbursement under this letter agreement will not be subject to liquidation or exchange for another benefit.

Frontier requires that, as a full-time employee, you devote your full business time, attention, skill, and efforts to the tasks and duties of your position as assigned by Frontier. If you wish to request consent to provide services (for any or no form of compensation) to any other person or business entity while employed by Frontier, please discuss that with Frontier’s President in advance of accepting another position.

As a condition of employment, you will be required (1) to comply with the Additional Terms attached hereto as Exhibit A, which by this reference are incorporated in this letter agreement, (2) to sign and return an I-9 Immigration form and provide sufficient documentation establishing your employment eligibility in the United States of America, (3) provide satisfactory proof of your identity as required by United States law, and (4) to complete successfully a medical exam, drug test and background check in accordance with Frontier policy for senior executives.

By signing below, you represent that your performance of services to Frontier will not violate any duty which you may have to any other person or entity (such as a present or former employer), including obligations concerning providing services (whether or not competitive) to others or confidentiality of proprietary information, and you agree that you will not do anything in the performance of services hereunder that would violate any such duty.

Notwithstanding any of the above, your employment with Frontier is “at will.” This means that it can be terminated by you or by Frontier at any time, with or without advance notice, and for any or no particular reason or cause. It also means that your job duties, title and responsibility and reporting level, work schedule, compensation and benefits, as well as Frontier’s personnel policies and procedures, may be changed with prospective effect, with or without notice, at any time in the sole discretion of Frontier.

This letter agreement shall be interpreted and construed in accordance with Colorado law without regard to any conflicts of laws principles. While other terms and conditions of your employment may change in the future, the at-will nature of your employment may not be changed, except in a subsequent written agreement, signed by you and the President of Frontier. Any prior or contemporaneous representations (whether oral or written) not contained in this letter agreement that may have been made to you will be expressly cancelled and superseded by this letter agreement.

Please sign and date this letter agreement and return it to me by email at [email address] by Wednesday, September 2, 2015, if you wish to accept employment by Frontier under the terms described above, failing which the offer made by our submission of this letter agreement will expire at the close of business in Denver, Colorado on such date. If you accept this offer by signing a counterpart and returning it to the undersigned a thus described, this letter agreement shall constitute the complete agreement between you and Frontier with respect to the terms and conditions of your employment.

We look forward to a productive and enjoyable work relationship.

Sincerely,

FRONTIER AIRLINES, INC.

By: /s/ James Dempsey
James Dempsey
Chief Financial Officer

Accepted by:

/s/ Mark Mitchell
Mark Mitchell

Date: September 2, 2015

Exhibit 10.10(a)

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of June 25, 2012, by and between FRONTIER AIRLINES, INC., a Colorado corporation (the "Company"), and DANIEL M. SHURZ (the "Executive").

R E C I T A L S

WHEREAS, the Executive has served as Vice President, Strategy and Planning, of the Company;

WHEREAS, the Company desires to continue to employ and retain the Executive as the Company's Senior Vice President, Commercial; and

WHEREAS, the Company and the Executive desire to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Employment. The Company agrees to continue to employ the Executive, and the Executive agrees to render his services to the Company, as its Senior Vice President Commercial during the Term (as defined below). In connection with his employment, the Executive shall serve without additional payment or compensation of any kind as an officer of any other direct or indirect subsidiary or affiliate of the Company designated by the Company's Chief Executive Officer (collectively, the "Subsidiaries"). The Executive agrees to use his best efforts to promote and further the business, reputation and good name of the Company and the Subsidiaries (collectively, the "Company Group") and the Executive shall promptly and faithfully comply with all instructions, directions, requests, rules and regulations made or issued from time to time by the Company, provided that such instructions, directions, requests, rules or regulations do not violate Colorado law.

2. Term.

(a) The term of employment pursuant to this Agreement (the "Term") shall continue until December 31, 2014; provided that the Company may terminate this Agreement for any reason or no reason by providing the Executive with 30 days prior written notice of such termination.

(b) Notwithstanding the foregoing, this Agreement may be terminated by the Company in the event that "Cause" for such termination exists as provided in Section 8(a) below or by the Executive for Good Reason as provided in Section 8(b) below. If this Agreement is terminated by the Company for "Cause" or by the Executive for "Convenience", the Executive shall not be entitled to any Severance Compensation or other compensation of any kind following the effective date of such termination.

(c) In the event (i) the Company terminates this Agreement or the Executive's employment other than for Cause, or (ii) the Executive terminates this Agreement for Good Reason, the Company shall pay the Executive Severance Compensation as provided in Section 4 hereof. If this Agreement is terminated by the Company other than for Cause, options, if any, granted to the Executive to purchase shares of the Company's common stock and restricted shares, if any, covering shares of the Company's common stock shall immediately become fully vested and exercisable in accordance with the agreements evidencing such awards.

(d) The Term shall automatically renew for successive one year periods unless either party shall have given notice to terminate this Agreement no later than ninety (90) days prior to the end of the then current Term.

3. Compensation. As full and complete compensation for all the Executive's services hereunder, the Company shall pay the Executive the compensation described below.

(a) Base Salary. During the Term, the Company shall pay the Executive an annual base salary of $225,000 ("Base Salary"). So long as the Company is an affiliate (an "Affiliate") (within the meaning of Rule 12b-1 under the Securities Exchange Act of 1934, as amended) of Republic Airways Holdings Inc. ("Republic"), Republic's Board of Directors shall review the Executive's Base Salary each year and shall have the right in its discretion to increase such Base Salary. If at any time after the date hereof the Company ceases to be an Affiliate of Republic, the Company's Board of Directors shall review the Executive's Base Salary each year and shall have the right in its discretion to increase such Base Salary. In the event this Agreement is terminated prior to the expiration of the Term, the Company shall pay to the Executive, in addition to any Severance Compensation payable under Section 4, any accrued but unpaid Base Salary through the termination date.

(b) Annual Incentive Plan. In addition to the Base Salary, during the Term, so long as the Company is an Affiliate of Republic, the Executive shall be eligible to receive an annual bonus ("Bonus") for any year which will be determined, in its sole discretion, by Republic's Compensation Committee or the Company's Board of Directors, as the case may be, based upon certain performance measures which shall be determined by Republic's Board of Directors or the Company's Board of Directors in its discretion and communicated to the Executive by the end of each January of each year during the Term. The Bonus for a year will be determined and payable by March 15 of the following year. In the event this Agreement or the Executive's employment is terminated by the Company for Cause or by the Executive other than for Good Reason, the Executive shall not be entitled to any Bonus for such year or any subsequent period. In the event this Agreement is not renewed, as set forth in Section 2(a) or (d), the Executive shall remain eligible for the Bonus, payable by March 15 of the following year.

(c) Travel Privileges. The Executive will be provided an annual travel barter account of $5,000 to purchase airline travel on Frontier. Any unused amount in such barter account shall be forfeited. Additionally, the Company shall provide the Executive, the Executive's spouse, the Executive's children and the Executive's parents privileges to travel on Frontier with the priority code PS2B.

4. Severance Compensation.

(a) Termination Upon Death, or by the Company for Disability or Without Cause. In the event of the Executive's death or in the event the Company terminates this Agreement as a result of the Executive's inability, with reasonable accommodation, to perform the essential functions of his position, by reason of physical or mental incapacity, for a total period of 90 days in any 360-day period ("Executive's Disability") or other than for Cause, the Company shall pay to the Executive or his estate as the case may be as severance compensation one times the Executive's Base Salary as then in effect. The severance compensation shall be paid in a lump sum by the end of the following month following termination of this Agreement, provided that the Company receives a release within 30 days following termination of this Agreement signed by the Executive, substantially in the form attached hereto as Exhibit A. that is no longer revocable. The Executive agrees that the Company may satisfy its obligations to provide severance compensation pursuant to this Section 4(a) by purchasing and maintaining one or more insurance policies payable to either the Executive or his designees or to the Company (with further payment to the Executive or such designees) upon the Executive's death or as a result of the Executive's Disability. The Executive agrees to cooperate with the Company in obtaining such insurance, including by participating in such physical examinations and providing such personal information as may be requested by the Company's insurers. The severance compensation in this Section 4(a) shall be in addition to any other life insurance benefits available to active executive employees of the Company as set forth in the Company's Employee Handbook.

(b) Occurrence of a Change of Control. In the event of a Change of Control or after Republic's Board of Directors or Republic's stockholders approve a Change of Control (provided that after such Change of Control or such approval, the Executive's employment is terminated (i) by the Company without Cause or (ii) by the Executive for Good Reason), the Company shall pay to the Executive as severance compensation two times the Executive's Base Salary as then in effect. The severance compensation shall be paid in a lump sum by the end of the following month following a qualifying event. "Change of Control" shall mean that after the date hereof, (i) any person or group of affiliated or associated persons acquires a majority or more of the voting power of the Company; (ii) the consummation of a sale of all or substantially all of the assets of the Company; (iii) the dissolution of the Company or (iv) the consummation of any merger, consolidation, or reorganization involving the Company in which, immediately after giving effect to such merger, consolidation or reorganization, less than majority of the total voting power of outstanding stock of the surviving or resulting entity is then "beneficially owned" (within the meaning of Rule 13d-3 under the Securities Exchange Act of 1934, as amended) in the aggregate by the stockholders of the Company immediately prior to such merger, consolidation or reorganization. Notwithstanding the foregoing, distribution of a majority of the Company's common stock to Republic's shareholders or the sale by Republic of more than a majority of the outstanding shares of common stock of the Company to a private equity sponsor shall not for the purposes hereof constitute a Change of Control.

(c) Termination by the Executive for Good Reason. If the Executive terminates this Agreement for Good Reason, prior to the occurrence of a Change of Control as set forth in Section 4(b), the Company shall pay to the Executive as severance compensation one times the Executive's Base Salary as then in effect. The severance compensation shall be paid in a lump sum within ten (10) days following termination.

(d) Continuation of Benefits.

(i) Medical Benefits. Upon termination of this Agreement for any reason by the Executive or the Company, the Executive, Executive's spouse, and Executive's dependents will continue to be eligible for coverage under the Company's group health plan or any successor plan on the same basis as active executive employees of the Company, their spouses, and their dependents for one year following the termination date (upon a termination of this Agreement under Section 4(a) or Section 8(b)(i) following a Change of Control) or two years following the termination date (upon a termination of this Agreement under Section 4(b), Section 8(b)(ii) or Section 8(b)(iii)). If and when group health coverage under another group health plan first becomes available thereafter to the Executive, Executive's spouse, or Executive's dependents (as applicable), the Company's obligations under this paragraph will cease with respect to each person to whom such coverage becomes available, and such person shall have such "COBRA" benefit continuation rights as may then be available under relevant law, treating Executive's employment termination date as the date of such person's "qualifying event."

(ii) Travel Privileges. Upon termination of this Agreement under Sections 4(a), (b) or (c), the Executive shall continue to receive travel privileges set forth in Section 3(c) for one year following the termination date (upon a termination of this Agreement under Section 4(a) or Section 8(b)(i) following a Change of Control) or two years following the termination date (upon a termination of this Agreement under Section 4(b), Section 8(b)(ii) or Section 8(b)(iii)).

(iii) Other Benefits. Except as modified by this Agreement, the Executive shall continue to be eligible for all other benefits available to active executive employees of the Company as set forth in the Company's Employee Handbook.

5. No Other Compensation. Except as otherwise expressly provided herein, or in any other written document executed by the Company and the Executive, no other compensation or other consideration shall become due or payable to the Executive on account of the services rendered to the Company Group. The Company shall have the right to deduct and withhold from the compensation payable to the Executive hereunder any amounts required to be deducted and withheld under the provisions of any statute, regulation, ordinance, order or any other amendment thereto, heretofore or hereafter enacted, requiring the withholding or deduction of compensation.

6. Medical & 401K Benefits. The Company agrees that the Executive shall be entitled to participate in any retirement, 401K, disability, medical, pension, profit sharing, group insurance, or any other plan or arrangement, or in any other benefits now or hereafter generally available to executives of the Company, in each case to the extent that the Executive shall be eligible under the general provisions thereof.

7. Vacation. The Executive shall be entitled to take three weeks of paid vacation which shall accrue monthly during each 12 months of the Executive's employment hereunder, and which vacation shall be taken on dates to be selected by mutual agreement of the Company and the Executive.

8. Termination for Cause or Good Reason.

(a) Termination for Cause by the Company. The Company, by written notice to the Executive, may immediately terminate this Agreement and the Executive's employment hereunder for Cause. As used herein, a termination by the Company "for Cause" shall mean that the Executive has (i) willfully or materially refused to perform a material part of his duties hereunder, (ii) materially breached the provisions of Sections 9, 10 or 11 hereof, (iii) acted fraudulently or dishonestly in his relations with the Company, (iv) committed larceny, embezzlement, conversion or any other act involving the misappropriation of Company funds or assets in the course of his employment, or (v) been indicted or convicted of any felony or other crime involving an act of moral turpitude.

(b) Termination for Good Reason by the Executive. The Executive, by 20 business days prior written notice to the Company, may terminate this Agreement and his employment hereunder for Good Reason, provided that the Company shall have the right to cure such Good Reason within such 20 business day period. As used herein, a termination by the Executive "for Good Reason" shall mean that (i) the Company has materially diminished the duties and responsibilities of the Executive with respect to the Company in comparison to Executive's title and salary immediately prior to the change (i.e., by demoting the Executive to a title with less responsibility than the Executive's prior position), (ii) following the first three months of the Term, the Company has relocated its principal offices more than 25 miles from Denver to another location without the consent of the Executive or (iii) the Company has materially breached the terms of this Agreement.

(c) Termination for Convenience by the Executive. The Executive, by 60 days prior written notice to the Company, may terminate this Agreement and his employment hereunder for Convenience, provided that the Executive shall continue to be bound by Sections 9 and 11 of this Agreement. If this Agreement is terminated by the Executive for "Convenience", the Executive shall not be entitled to any Severance Compensation or other compensation of any kind following the effective date of such termination. As used herein, a termination by the Executive "for Convenience" shall mean that the Executive has terminated this Agreement other than for Good Reason.

9. Confidential Information. The Executive recognizes and acknowledges that he shall receive in the course of his employment hereunder certain confidential information and trade secrets concerning the Company Group's business and affairs which may be of great value to the Company Group. The Executive therefore agrees that he will not disclose any such information relating to the Company Group, the Company Group's personnel or their operations other than in the ordinary course of business or in any way use such information in any manner which could adversely affect the Company Group's business. For purposes of this Agreement, the terms "trade secrets" and "confidential information" shall include any and all information concerning the business and affairs of the Company Group and any division or other affiliate of the Company Group that is not generally available to the public.

10. Non-Competition. The Executive agrees that without the prior written consent of the Company's Chief Executive Officer during the Term and for a period of 12 months following the termination or expiration of this Agreement. Executive will not directly or indirectly render advice or services to or become employed by either Spirit Airlines, Inc. or Allegient Travel Company or any of their respective subsidiaries or affiliates.

11. Non-Solicitation. The Executive agrees that during the Term, and for a period of 12 months following the termination or expiration of this Agreement, he shall not, without the prior written consent of the Company, directly or indirectly, employ or retain, or have or cause any other person or entity to employ or retain, any person who was employed by the Company Group or any of its divisions or affiliates while the Executive was employed by the Company.

12. Breach of this Agreement. If the Executive commits a breach, or threatens to commit a breach, of any of the provisions of Sections 9, 10 or 11 of this Agreement, then the Company shall have the right and remedy to have those provisions specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed by the Executive that the rights and privileges of the Company granted in Sections 9, 10 and 11 are of a special, unique and extraordinary character and any such breach or threatened breach will cause great and irreparable injury to the Company and that money damages will not provide an adequate remedy to the Company.

13. Notices. All notices and other communications required or permitted hereunder shall be in writing (including facsimile, telegraphic, telex or cable communication) and shall be deemed to have been duly given when delivered by hand, or mailed, certified or registered mail, return receipt requested and postage prepaid:

If to the Company: Frontier Airlines, Inc.
7001 Tower Road
Denver, CO 80249-7312
Attn: President and Chief Executive Officer

With a copy to each member of the Company's Board of Directors

If to the Executive: Daniel M. Shurz
[Address]

14. Applicable Law. This Agreement was negotiated and entered into within the State of Colorado. All matters pertaining to this Agreement shall be governed by the laws of the State of Colorado applicable to contracts made and to be performed wholly therein. Nothing in this Agreement shall be construed to require the commission of any act contrary to law, and wherever there is any conflict between any provision of this Agreement and any material present or future statute, law, governmental regulation or ordinance as a result of which the parties have no legal right to contract or perform, the latter shall prevail, but in such event the provision(s) of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it or them within the legal requirements.

15. Entire Agreement; Modification; Consents and Waivers. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior agreements or understandings, written or oral, between the parties with respect to the subject matter hereof. No interpretation, change, termination or waiver of or extension of time for performance under any provision of this Agreement shall be binding upon any party unless in writing and signed by the party intended to be bound thereby. Except as otherwise provided in this Agreement, no waiver of or other failure to exercise any right under or default or extension of time for performance under any provision or this Agreement shall affect the right of any party to exercise any subsequent right under or otherwise enforce said provision or any other provision hereof or to exercise any right or remedy in the event of any other default, whether or not similar.

16. Severability. The parties acknowledge that, in their view, the terms of this Agreement are fair and reasonable as of the date signed by them, including as to the scope and duration of post-termination activities. Accordingly, if any one or more of the provisions contained in this Agreement shall for any reason, whether by application of existing law or law which may develop after the date of this Agreement, be determined by an arbitrator or court of competent jurisdiction to be excessively broad as to scope of activity, duration or territory, or otherwise unenforceable, the parties hereby jointly request such court to construe any such provision by limiting or reducing it so as to be enforceable to the maximum extent in favor of the Company compatible with then-applicable law. If any one or more of the terms, provisions, covenants or restrictions of this Agreement shall nonetheless be determined by an arbitrator or court of competent jurisdiction to be invalid, void or unenforceable, then the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

17. Assignment. The Company may, at its election, assign this Agreement or any of its rights hereunder. This Agreement may not be assigned by the Executive.

18. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

19. Arbitration. Each of the parties hereby irrevocably and unconditionally consents to arbitrate any dispute arising out of or relating in any manner to this Agreement or the employment relationship contemplated hereby or the termination thereof, or any alleged breach of any term or provision of this Agreement. Such arbitration shall be conducted in Denver County, Colorado by a single arbitrator in accordance with the employment dispute resolution rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrator's award in any federal or state court in Colorado (and the parties expressly consent to the jurisdiction of such court), or in any other court having jurisdiction. The Company shall be responsible for, and shall pay, 75% of all costs and expenses of any arbitration hereunder, including, without limitation, all costs, fees and expenses of the American Arbitration Association and arbitrator. The Executive shall be responsible for, and shall pay, 25% of all costs and expenses of any arbitration hereunder, including, without limitation, all costs, fees and expenses of the American Arbitration Association and arbitrator. Each of the Parties agrees that in any arbitration arising out of or relating to this Agreement or the employment relationship

contemplated hereby or the termination thereof, or any alleged breach of any term or provision of this Agreement or in any action to enter judgment on an award in such arbitration each party shall bear its own fees and expenses.

20. Survival. The provisions of Sections 9 through 19 of this Agreement shall survive any expiration or termination of this Agreement.

21. Equity Commitment. If at any time after the date hereof the Company ceases to be an Affiliate of Republic, subject to approval by the Company's Compensation Committee, the Executive shall be issued options to purchase shares of common stock of the Company, and/or shall be issued a grant of restricted stock at a price per share equal to the par value thereof, in such numbers and on such general terms as are consistent with awards granted to similarly situated executive officers of the Company, including the Company's Chief Executive Officer. The vesting of options, if any, to purchase shares of Republic's common stock or grants of restricted shares, if any, covering shares of Republic's common stock previously granted to the Executive shall be governed by the terms of the respective stock option agreement or restricted stock agreement evidencing such awards notwithstanding any provision of this Agreement.

22. Indemnification. The Company shall, to the fullest extent allowed by law, defend, indemnify and hold harmless the Executive from and against any and all demands, claims, suits, liabilities, actions asserted or brought against the Executive or in which the Executive is made a party, including, without limitation, all litigation costs and attorneys' fees incurred by the Executive or judgments rendered against the Executive, in connection with any matter arising within the course and scope of Executive's employment with the Company or service as an officer, director or manager of the Company or any of the Subsidiaries. The right of the Executive to indemnification hereunder shall vest at the time of occurrence or performance of any event, act or omission giving rise to any demand, claim, suit, liability, action or legal proceeding of the nature referred to in this Section 23 and, once vested, shall survive the termination of Executive's employment with the Company for any reason.

23. Section 409A Compliance.

(a) Any payments conditioned upon a termination of the Executive's employment will be deemed to be conditioned upon the Executive's separation from service within the meaning of Treasury Regulation Section 1.409A-l(h) and will be construed and interpreted accordingly. If the Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-l(i) as of the date of the Executive's separation from service, then the Executive shall not be entitled to any severance payments or other benefits pursuant to this Agreement until the earlier of (i) the date which is six months after the date of the Executive's separation from service, or (ii) the date of the Executive's death. This paragraph shall only apply if, and to the extent required in order to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulation Section 1.409A-3(i)(2). Any amounts otherwise payable to the Executive upon or in the six-month period following the Executive's separation from service that are not so paid by reason of this paragraph shall be paid to the Executive (or the Executive's estate, as the case may be) as soon as practicable (and in all events within twenty days) after the expiration of such six-month period or (if applicable, the date of the Executive's death).

(b) Any taxable reimbursement of expenses payable to the Executive shall be paid to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. Expense reimbursements and in-kind benefits provided to the Executive shall not be subject to liquidation or exchange for another benefit and the amount of such reimbursements or in-kind benefits that the Executive receives in one taxable year shall not affect the amount of such reimbursements or benefits that the Executive may receive in any other taxable year.

(c) It is intended that any amounts payable under this Agreement and the Company's and the Executive's exercise of any authority or discretion hereunder shall comply with, and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. Should the Company pay the Executive contrary to clause (i) or (ii) of Section 24(a) above, the Company shall indemnify the Executive for any taxes due thereon as a result.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the date first above written.

FRONTIER AIRLINES, INC.

By: /s/ David Siegel

Name: David Siegel

Title: President and Chief Executive Officer

DANIEL M. SHURZ

/s/ Daniel M. Shurz

EXHIBIT A

FORM OF RELEASE

In exchange for the payments and benefits set forth in the Employment Agreement between Frontier Airlines, Inc. (the "Company") and me dated January 26, 2012 (the "Agreement"), and to be provided following the Effective Date (as defined below) of this General Release and subject to the terms of the Agreement, and my execution (without revocation) and delivery of this General Release:

1. (a) On behalf of myself, my agents, assignees, attorneys, heirs, executors and administrators, I hereby release the Company and its predecessors, successors and assigns, their current and former parents, affiliates, subsidiaries, divisions and joint ventures (collectively, the "Company Group") and all of their current and former officers, directors, employees, and agents, in their capacity as Company Group representatives (individually and collectively, "Releasees") from any and all controversies, claims, demands, promises, actions, suits, grievances, proceedings, complaints, charges, liabilities, damages, debts, taxes, allowances, and remedies of any type, including but not limited to those arising out of my employment with the Company Group (individually and collectively, "Claims") that I may have by reason of any matter, cause, act or omission. This release applies to Claims that I know about and those I may not know about occurring at any time on or before the date of execution of this General Release.

(b) This General Release includes a release of all rights and Claims under, as amended, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Rehabilitation Act of 1973, the Civil Rights Acts of 1866 and 1991, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, the Equal Pay Act of 1963, the Family and Medical Leave Act of 1993, the Older Workers Benefit Protection Act of 1990, the Occupational Safety and Health Act of 1970, the Worker Adjustment and Retraining Notification Act of 1989 and the Sarbanes-Oxley Act of 2002, as well as any other federal, state, or local statute, regulation, or common law regarding employment, employment discrimination, termination, retaliation, equal opportunity, or wage and hour. I specifically understand that I am releasing Claims based on age, race, color, sex, sexual orientation or preference, marital status, religion, national origin, citizenship, veteran status, disability and other legally protected categories.

(c) This General Release also includes a release of any Claims for breach of contract, any tortious act or other civil wrong, attorneys' fees, and all compensation and benefit claims including without limitation Claims concerning salary, bonus, and any award(s), grant(s), or purchase(s) under any equity and incentive compensation plan or program.

(d) In addition, I am waiving my right to pursue any Claims against the Company Group and Releasees under any applicable dispute resolution procedure, including any arbitration policy.

I acknowledge that this General Release is intended to include, without limitation, all Claims known or unknown that I have or may have against the Company Group and Releasees through the Effective Date of this General Release. Notwithstanding anything herein, I expressly reserve and do not release pursuant to this General Release (and the definition of "Claims" will

not include) (i) my rights with respect to the enforcement of the Agreement, including but not limited to the right to receive Severance Compensation (as defined in the Agreement), if any, and other payments, benefits and indemnifications specified in the Agreement, (ii) any rights or interest under any Benefit Plans (as defined in the Agreement), (iii) any right to indemnification pursuant to the Company's Certificate of Incorporation or By-laws as in effect on the date hereof, (iv) the protections of the Company Group's directors and officers liability insurance, if any, in each case, to the same extent provided to other senior executives of the Company, (v) any claims and rights that cannot be waived by law, (vi) the vesting and exercise of any equity grant pursuant to the terms of the applicable equity award agreement or the applicable equity incentive plan, (vii) any rights as a stockholder of the Company, and (viii) any rights under Sections 12 and 13 of the Agreement following termination of employment,

2. I acknowledge that I have had at least 21 calendar days from the date of my termination of employment with the Company (the "Termination Date") to consider the terms of this General Release, that I have been advised to consult with an attorney regarding the terms of this General Release prior to executing it, that I have consulted with my attorney, that I fully understand all of the terms and conditions of this General Release, that I understand that nothing contained herein contains a waiver of claims arising after the date of execution of this General Release, and I am entering into this General Release knowingly, voluntarily and of my own free will. I further understand that my failure to sign this General Release and return such signed General Release to the Company, 7001 Tower Road, Denver, CO 80249-7312 by 5:00 pm on the 22nd day after the Termination Date will render me ineligible for the payments and benefits described herein and in the Agreement.

3. I understand that once I sign and return this General Release to the Company, I have 7 calendar days to revoke it. I may do so by delivering to the Company, 7001 Tower Road, Denver, CO 80249-7312 written notice of my revocation within the 7-day revocation period (the "Revocation Period"). This General Release will become effective on the 8th day after I sign and return it to the Company ("Effective Date"); provided that I have not revoked it during the Revocation Period.

YOU ARE HEREBY ADVISED BY THE COMPANY TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS GENERAL RELEASE.

I HAVE READ THIS GENERAL RELEASE AND UNDERSTAND ALL OF ITS TERMS. I SIGN AND ENTER THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY, WITH FULL KNOWLEDGE OF WHAT IT MEANS.

DANIEL M. SHURZ

____

Date: ______________________________

Exhibit 10.10(b)

AMENDMENT TO
EMPLOYMENT AGREEMENT

THIS AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment") is made and entered into as of September 13, 2013, by and between Frontier Airlines, Inc., a Colorado corporation (the "Company"), and Daniel Shurz (the "Executive"). This Amendment shall become effective as a valid and binding contract as of the date first above written, provided that the operative provisions hereof shall not become effective until the Closing (as defined in that certain Stock Purchase Agreement dated as of even date herewith, by and between Republic Airways Holdings, Inc. and Frontier Airlines Group, Inc. (the "Stock Purchase Agreement." the transactions contemplated by the Stock Purchase Agreement, the "Acquisition", and the date of such Closing being hereinafter referred to as the "Effective Date")). In the event that the Stock Purchase Agreement is terminated or the Acquisition contemplated by the Stock Purchase Agreement is abandoned, this Agreement shall be null and void *ab initio* and shall have no force and effect.

WHEREAS, the Company and the Executive are parties to that certain Employment Agreement between the Company and Executive, dated as of June 25, 2012 (the "Agreement"), which sets forth the terms of the Executive's employment with the Company;

WHEREAS, the Company and the Executive desire to amend the Agreement, as set forth herein.

NOW, **THEREFORE**, in consideration of the promises and the mutual covenants and conditions herein, the Company and the Executive hereby agree as follows, effective as of immediately prior to the Effective Date.

1. The first two sentences of Section 4(b) of the Agreement are hereby deleted and replaced in their entirety with the following:

"(b) Occurrence of a Change of Control. In the event of the Executive's termination of employment by the Company without Cause or by the Executive for Good Reason, in each case, that occurs within the twelve (12) month period commencing on the consummation of a Change of Control, the Company shall, subject to the Executive delivering to the Company a release within 30 days following the termination of this Agreement, substantially in the form attached hereto as Exhibit A (the "Release"), pay to the Executive in a lump sum an amount equal to two times the Executive's Base Salary as then in effect such payment to be made on the first regular payroll date following the date the Release becomes effective and irrevocable."

2. A new sentence shall be added to the end of Section 4(b) to read as follows:

"For the avoidance of doubt and notwithstanding anything herein to the contrary, in no event shall the consummation of the transactions (the "Transactions") contemplated by the Stock Purchase Agreement entered into between Republic Airways Holdings, Inc. and Frontier Airlines Group, Inc. constitute a Change of Control. For further avoidance of doubt and notwithstanding anything herein to the contrary, in no event shall an initial public offering of the Company's common stock or the common stock of any affiliate of the Company or any sales by shareholders in connection with such initial public offering constitute a Change of Control."

3. Section 4(c) is hereby deleted and replaced in its entirety with the following:

"(c) Termination by the Executive for Good Reason. If the Executive terminates this Agreement for Good Reason prior the occurrence of a Change of Control as set forth in Section 4(b) hereof, subject to the Executive delivering to the Company a Release within 30 days following the termination of this Agreement, the Company shall pay to the Executive as severance compensation in a lump sum an amount equal to one times the Executive's Base Salary as then in effect such payment to be made on the first regular payroll date following the date the Release becomes effective and irrevocable."

4. The first sentence of Section 4(d)(i) of the Agreement is hereby deleted and replaced in its entirety with the following:

"(i) Medical Benefits. Upon termination of this Agreement for any reason by the Executive or the Company, the Executive, Executive's spouse, and Executive's dependents will continue to be eligible for coverage under the Company's group health plan or any successor plan on the same basis as active executive employees of the Company, their spouses, and their dependents for one year following the termination date (upon a termination of this Agreement under Section 4(a) or Section 8(b)(i)) or two years following the termination date (upon a termination of this Agreement under Section 4(b), Section 8(b)(ii) or Section 8(b)(iii))."

5. Section 4(d)(ii) of the Agreement is hereby deleted and replaced in its entirety with the following:

"(ii) Travel Privileges. Upon termination of this Agreement under Sections 4(a), (b) or (c), the Executive shall continue to receive travel privileges set forth in Section 3(c) for one year following the termination date (upon a termination of this Agreement under Section 4(a) or Section 8(b)(i)) or two years following the termination date (upon a termination of this Agreement under Section 4(b), Section 8(b)(ii) or Section 8(b)(iii))."

6. Section 21 of the Agreement is hereby deleted in its entirety and replaced with the following:

"21. Equity Incentive. Executive shall be eligible to participate in the equity incentive plan developed for executives of the Company following the closing of the Transactions and be awarded stock options, restricted stock units, restricted stock and/or other equity awards consistent with such plan, in each case, as determined by the Board."

7. **Counterparts**. This Amendment may be executed in one or more facsimile, electronic or original counterparts, each of which shall be deemed an original and both of which together shall constitute the same instrument.

8. **Ratification**. All terms and provisions of the Agreement not amended hereby, either expressly or by necessary implication, shall remain in full force and effect. From and after the date of this Amendment, all references to the term "Agreement" in this Amendment or the original Agreement shall include the terms contained in this Amendment.

[Signature Page Follows]

IN WITNESS WHEREOF, this Amendment to Employment Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

EXECUTIVE	**FRONTIER AIRLINES, INC.**
/s/ Daniel Shurz	By: /s/ David Siegel
Name: Daniel Shurz	Name: David Siegel
	Title: Chief Executive Officer

Exhibit 10.12

EXECUTION VERSION

AMENDED AND RESTATED PHANTOM EQUITY INVESTMENT AGREEMENT

This Amended and Restated Phantom Equity Investment Agreement (this "Agreement") is made as of December 3, 2013, by and among (a) Frontier Airlines, Inc., a Colorado corporation (the "Company"), (b) Falcon Acquisition Group, Inc., a Delaware corporation ("Falcon"), and (c) FAPAInvest, LLC, a Colorado limited liability company ("FAPAInvest"), acting as agent for and on behalf of those persons employed as of June 24, 2011 (the "Agreement Date") as pilots by the Company (such persons, collectively, the "Participating Pilots").

WHEREAS, as of the Agreement Date, the Participating Pilots were represented by Frontier Airline Pilots Association ("FAPA") as parties to that certain Collective Bargaining Agreement with the Company dated as of March 2, 2007 (such agreement, as amended through the Agreement Date, the "CBA");

WHEREAS, in connection with a restructuring effort undertaken by Republic Airways Holdings Inc., a Delaware corporation ("Republic"), as presented to the Republic Board of Directors at its May 25, 2011 meeting, on the Agreement Date, FAPA and the Company entered into Letter of Agreement 67 to the CBA (such Letter of Agreement 67 dated, and as executed on, the Agreement Date and without regard to any subsequent amendments or modifications, "LOA 67"), pursuant to which FAPA agreed, on behalf of the Participating Pilots, to certain modifications to the CBA (as set forth in Paragraph A of LOA 67) evidencing a deferral of certain payments and employee benefits to which the Participating Pilots would otherwise be entitled under the CBA, in consideration of, among other things, treating such deferrals as investments by the Participating Pilots in the Company (the "Investments"), which gave immediate value to the Company and Republic in executing Republic's restructuring effort as presented to the Republic Board of Directors at its May 25, 2011 meeting;

WHEREAS, on the Agreement Date, the Company, Republic and FAPAInvest entered into that certain Commercial Agreement (the "Commercial Agreement"), which specifies. among other things, the terms and conditions of the Participating Pilots' phantom equity participation in the Company, in recognition of the immediate value of the Investments to the Company and Republic as described above;

WHEREAS, in connection with the Commercial Agreement, the Company, FAPAInvest and Republic entered into that certain Phantom Equity Investment Agreement effective as of June 1, 2012 (the "Prior Agreement");

WHEREAS, prior to the closing of the transactions (the "Stock Purchase") contemplated by the Stock Purchase Agreement entered into between Republic and Falcon, dated as of September 30, 2013, Republic owned all of the issued and outstanding equity securities of the Company through its ownership of 100% of Frontier Airlines Holdings, Inc. ("Holdings"); and

WHEREAS, pursuant to the Stock Purchase, Falcon acquired 100% ownership of Holdings effective as of December 3, 2013 (the "Closing Date");

WHEREAS, as a result of the Stock Purchase, Republic automatically ceased to be a party to the Prior Agreement; and

WHEREAS, in connection with the Stock Purchase, the Company and FAPAInvest desire to amend and restate the Prior Agreement as set forth herein and Falcon desires to become a party to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, mutual covenants and agreements set forth herein, the parties hereto agree as follows (capitalized terms contained in this Agreement and not otherwise defined herein shall have the respective meanings ascribed to them in the Commercial Agreement or LOA 67, as applicable):

SECTION 1. DEFINITIONS

1.1 "409A Event" shall mean an event that qualifies as a change in ownership or effective control, or ownership of a substantial portion of assets, under Treas. Reg. section 1.409A-3(i)(5) of the Internal Revenue Code of 1986, as amended (the "Code").

1.2 "Affiliate" shall mean, with respect to any person or entity, any person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with such person or entity, where "control" (including, with correlative meaning, the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct, or cause the direction of, the management and policies of a person or entity, whether through the ownership of voting securities, by contract or otherwise.

1.3 "Applicable Time Period" shall mean (i) in the event the applicable Payment Date is the first Payment Date hereunder, the period beginning on the date of the first Investment by the Participating Pilots and ending on the first Payment Date hereunder, or (ii) in the event the applicable Payment Date is not the first Payment Date hereunder, the period. beginning on the preceding Payment Date and ending on the applicable Payment Date.

1.4 "Capitalization" shall mean the fully-diluted capitalization of Falcon, which consists of (i) the number of shares of Common Stock issued and outstanding and (ii) the number of shares of Common Stock into which issued and outstanding warrants, options and other securities convertible or exchangeable into Common Stock may be so converted or exchanged ("Conversion Shares").

1.5 "Common Stock" shall mean the common stock of Falcon.

1.6 "Falcon Per Share Price" shall mean (i) in the event that the Common Stock is listed on a national stock exchange, the closing trading price of a share of the Common Stock; (ii) on the date of a Qualifying IPO, the "price to public" per share of Common Stock as set forth on the final prospectus for such Qualifying IPO; or (iii) in any other event, the fair market value per share of the Common Stock determined as follows: Unless Falcon and FAPAInvest agree upon a valuation, the valuation determined by an accounting firm, valuation firm or other firm providing similar valuation services that is of recognized standing nationally in the United States (each such firm, a "Valuation Firm") and engaged by Falcon and agreed to by FAPAInvest; provided that if Falcon and FAPAInvest cannot agree on a Valuation Firm, FAPAInvest shall select and engage a second Valuation Firm. Each Valuation Firm shall deliver its written determination of the fair market value per share of the Common Stock as of the applicable date

(the "Valuation") to both Falcon and FAPAInvest within thirty (30) days of being retained. The Valuation or, if there are two Valuations the average of the two Valuations, shall be the final Falcon Per Share Price and shall be final and binding upon all parties hereto. Falcon and FAPAInvest shall bear the expenses and fees of the Valuation Firm engaged by them in providing such Valuation.

1.7 "Indigo-Affiliated Funds" shall mean Indigo Frontier Holdings Company, LLC, a Delaware LLC, and its Affiliates.

1.8 "Invested Capital" shall mean, without duplication, the sum of (i) the aggregate cash purchase price paid by the Indigo-Affiliated Funds for shares of Common Stock, and (ii) additional capital invested by the Indigo-Affiliated Funds in the Company through June 30, 2014 for the repayment to Republic of pre-delivery payments made in respect of the Company's aircraft order with Airbus, the payment of transaction-related fees and expenses and other general corporate purposes, including working capital; provided that Invested Capital shall not exceed $150,000,000.

1.9 "Investment Recovery Date" shall mean that date that the Indigo-Affiliated Funds receive cumulative cash proceeds in respect of their ownership interest in Falcon (including, without limitation, cash dividends, distributions and other cash payments in respect of the ownership interest in Falcon paid to the Indigo-Affiliated Funds by Falcon, but excluding any management fees paid to Indigo-Affiliated Funds) equal to the aggregate Invested Capital plus an 8.0% annual return, in each case, measured as of the date cash proceeds are paid to the Indigo-Affiliated Funds.

1.10 "Non-409A Qualifying IPO" shall mean a Qualifying IPO that does not constitute a 409A Event.

1.11 "Payment Date" shall mean the 2020 Payment Date, the 2022 Payment Date and the 2025 Payment Date (each, as defined in Section 2.4 hereof) or any other date on which a payment is made to the Participating Pilots hereunder as a result of acceleration of payment upon the occurrence of a 409A Event.

1.12 "Profit Sharing Plan" shall mean the Frontier Airlines Pilots Profit Sharing Plan, as amended.

1.13 "Qualifying IPO" shall mean an underwritten initial public offering of the Common Stock in which the aggregate "price to public" as set forth on the final prospectus for such initial public offering is at least $50,000,000.

1.14 "Taxable Compensation" shall mean the compensation from the Company and its Affiliates as reported in Box l of Form W-2, excluding any compensation received by a Participating Pilot from the Company or its Affiliates for services rendered as a Management Pilot

SECTION 2. PHANTOM EQUITY PARTICIPATION

2.1 Issuance and Vesting of Phantom Units. The parties agree and acknowledge that the aggregate value of the Investments to be made by the Participating Pilots as set forth in Paragraph A of LOA 67 is $39.3 million (the "Investment Value"). In consideration of the Investments made by the Participating Pilots pursuant to Paragraph A of LOA 67, the Company hereby grants to FAPAInvest, for the benefit of the Participating Pilots, units ("Units") on the terms and conditions set forth below:

(a) Units. Each Unit represents the right to receive from the Company on a Payment Date cash and/or shares of Common Stock in an amount equal to the Falcon Per Share Price. Units that vest solely upon Investments made by the Participating Pilots shall be referred to herein as "Investment-Based Units". Units that vest based upon both Investments made by the Participating Pilots and the occurrence of the Investment Recovery Date shall be referred to herein as "Investment Recovery Units".

(b) Unit Pool. The aggregate number of Units subject to this Agreement (the "Unit Pool") shall be the number that, after giving effect to such issuance and treating, solely for the purpose of calculating the Unit Pool, Units as Conversion Shares, equals four percent (4.0%) of Capitalization of Falcon as of June 30, 2014. Eighty-seven and one-half percent (87.5%) of the Unit Pool shall consist of Investment-Based Units (the "Investment Unit Pool") and twelve and one-half percent (12.5%) of the Unit Pool shall consist of Investment Recovery Units (the "Recovery Unit Pool").

(c) Vesting.

(i) As of the Closing Date, that number of Investment-Based Units calculated by multiplying the Investment Unit Pool times a fraction, the numerator of which is the aggregate Investment that has been made as of the Closing Date and the denominator of which is the Investment Value, vested. Thereafter, the Investment-Based Units shall vest at such times the Investments are made as set forth in Schedule 1.1(b) attached hereto. On each applicable vesting date, the number of Investment-Based Units vesting shall equal the number calculated by multiplying the Investment Unit Pool by a fraction, the numerator of which is the amount of the Investment on such vesting date and the denominator of which is the Investment Value. The parties acknowledge that the portion of the Investment Value that will have vested as of December 31, 2013 is $24,600,000.

(ii) On the Investment Recovery Date, that number of Investment Recovery Units calculated by multiplying the Recovery Unit Pool times a fraction, the numerator of which is the aggregate Investment that has been made as of the Investment Recovery Date and the denominator of which is the Investment Value, shall vest. Thereafter, the Investment Recovery Units shall vest at such times the Investments are made as set forth in Schedule 1.1(b) attached hereto. On each applicable vesting date, the number of Investment Recovery Units vesting shall equal the number calculated by multiplying the Recovery Unit Pool by a fraction, the numerator of which is the amount of the Investment on such vesting date and the denominator of which is the Investment Value.

(d) Termination. In the event of a Participating Pilot's termination of employment with the Company for any reason, including, without limitation, because of such

Participating Pilot's resignation, retirement, death, or termination of employment by the Company (any such termination of employment, a "Termination Event"), then the vesting of the Participating Pilot's Pro Rata Share (as defined below) of the Unit Pool shall immediately cease as of the effective date of such Termination Event, and the Participating Pilot's Pro Rata Share of the vested Units shall be paid out on one or more Payment Dates as set forth in Section 2.4 below.

(e) Notices. So long as Investments are being made by the Participating Pilots, then within 45 days of the end of each calendar quarter beginning with the quarter first ending after the Closing Date, the Company shall prepare and deliver to FAPAInvest a written summary (in a form reasonably acceptable to FAPAInvest) of the Investments made by the Participating Pilots and the Units vested.

2.2 Adjustments to Units.

(a) Equitable Adjustments. In the event any Falcon stockholders receive a cash dividend, cash distribution or other cash payment in respect of the ownership interests in Falcon, each Unit shall be adjusted to provide for an amount equal to such cash dividend, distribution or other payment to be paid as and when payments in respect of the vested Units are made in accordance with Section 2.4. In the event Falcon otherwise engages in a nonreciprocal transaction between Falcon and its stockholders, such as a stock dividend, stock split, reverse stock split or spin-off, or a recapitalization, reorganization or similar transaction, that affects the number or kind of shares of Common Stock or the share price and causes a change in the Falcon Per Share Price represented by Units, the Units shall be equitably adjusted to reflect such nonreciprocal transaction.

(b) Administrative Costs. FAPAInvest in its sole discretion shall determine any amounts that are to be set aside out of the funds that would have otherwise been distributed to the Participating Pilots under this Agreement to cover costs of the establishment, administration, oversight of, and the enforcement of FAPAInvest's and the Participating Pilots' rights under, this Agreement and/or the Profit Sharing Plan. Any payments received by the Participating Pilots under this Agreement will be net of any such amounts set aside pursuant to this Section. In this regard, FAPAInvest may engage such professionals and service providers as it deems appropriate to assist with the establishment, administration, oversight and enforcement of this Agreement, and include the fees and expenses for such persons as costs of establishment, administration, oversight and enforcement of this Agreement for purposes of the set aside under this Section. Any set aside amounts remaining after the last payment to the Participating Pilots under this Agreement shall be allocated and paid to the same Participating Pilots and in the same proportion as such last payment under this Agreement.

2.3 Determination of Pro Rata Share and Allocation Schedule.

(a) Pro Rata Share. Each Participating Pilot's pro rata share ("Pro Rata Share") of the amount payable in respect of vested Units on a particular Payment Date shall be calculated as a ratio determined by dividing (i) the portion of Taxable Compensation of the Participating Pilot corresponding to the Applicable Time Period by (ii) the aggregate Taxable Compensation of all Participating Pilots as such compensation is reported for the Applicable

Time Period, in each case to four decimal places. (For example: if a Participating Pilot's compensation for the Applicable Time Period is $100,000 and the total Participating Pilots' compensation for the Applicable Time Period is $60,000,000, that Participating Pilot's Pro Rata Share of amounts payable in respect of vested Units as of the applicable Payment Date would be 0.1667%).

(b) Notice and Allocation Schedule. No later than thirty (30) days prior to each Payment Date, the Company shall deliver to FAPAInvest accurate and complete information (collectively, "Information") setting forth (i) the effective date(s) of every Termination Event that occurred after the date Participating Pilots first began making Investments hereunder (or after the last Payment Date, as applicable) and prior to such applicable Payment Date, and the name of each Participating Pilot whose employment with the Company was terminated by such Termination Event; (ii) the Taxable Compensation earned by each Participating Pilot for the Applicable Time Period as described in Section 2.3(a) above; and (iii) the number of Units vested through the applicable Payment Date. Based on the Information received, FAPAInvest shall then determine each Participating Pilot's Pro Rata Share due on such Payment Date and no later than two business days prior to such Payment Date, FAPAInvest shall provide the Company with an allocation schedule (the "Allocation Schedule") for such Payment Date, which Allocation Schedule shall identify (1) the Participating Pilots who shall receive a cash payment or Shares, as applicable, on such Payment Date and (2) each such Participating Pilot's Pro Rata Share. The Allocation Schedule once provided by FAPAInvest to the Company shall be considered final with respect to the applicable Payment Date, and the Company shall be entitled to rely upon such Allocation Schedule in allocating payments in respect of the vested Units among the Participating Pilots on such Payment Date absent manifest error. For purposes of preparing the Information, determining a Participating Pilot's Investment and Pro Rata Share, and preparing the Allocation Schedule, any Participating Pilot who has not had a Termination Event prior to the date on which the Information is prepared by the Company shall be deemed to have continued as an employee of the Company through the Payment Date.

2.4 Payments

(a) Payment Pursuant to Prior Agreement. The parties acknowledge and agree that the Stock Purchase constituted a 409A Event under the Prior Agreement. Pursuant to the Prior Agreement, on or before December 31, 2013, subject to FAPAInvest timely providing the Allocation Schedule as set forth in the Prior Agreement, the Company shall pay to or for the benefit of the Participating Pilots in accordance with the Prior Agreement an amount equal to $1,768,000 less (i) amounts required to be withheld pursuant to Section 7.2 of the Prior Agreement and (ii) the amount specified by FAPAInvest to the Company in writing within ten (10) business days of the Closing Date, which shall be paid to FAPAInvest when payments are made to the Participating Pilots under this Section 2.4(a) for FAPAInvest's use pursuant to Section 1.2(c) of the Prior Agreement and Section 2.2(b) of this Agreement.

(b) Scheduled Payments. Subject to FAPAInvest timely providing the Allocation Schedule, payments in respect of vested Units shall be made on or within ninety (90) days following January 1, 2020 (the "2020 Payment Date"), on or within ninety (90) days following January l, 2022 (the "2022 Payment Date"), and/or within ninety (90) days following January 1, 2025 (the "2025 Payment Date"), subject to earlier payment upon the occurrence of a

409A Event as set forth on Schedule 2.4 hereto. Any payments made upon the occurrence of a 409A Event shall be paid in cash, provided that in the event the 409A Event is a Qualifying IPO, Falcon will use reasonable best efforts to register the shares of Common Stock with the Securities and Exchange Commission, and if such Shares are registered, the payments shall be made in shares of Common Stock. Any payments made upon the 2020 Payment Date, the 2022 Payment Date and the 2025 Payment Date shall be paid in cash except to the extent specified in Schedule 2.4 with respect to a non-409A Qualifying IPO that occurs prior to the 2020 Payment Date. In no event may amounts paid be less than zero.

(c) Other Events. The parties hereto acknowledge that there may be other events and circumstances not covered by this Agreement that may occur. The parties agree to address such events in a manner that to the extent practicable is consistent with this Section 2.4 and Schedule 2.4 with the intent of this Agreement to provide the value of the Units to the Participating Pilots in a manner that complies with Section 409A of the Code.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF FALCON

Falcon hereby represents and warrants to FAPAInvest for the benefit of FAPAInvest and the Participating Pilots as follows:

3.1 Authorization; Validity of Agreement. Falcon has the requisite corporate power and authority to execute and deliver this Agreement to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery by Falcon of this Agreement and the consummation by Falcon of the transactions contemplated by this Agreement have been duly authorized by, and this Agreement and each of the transactions contemplated by this Agreement have been validly approved by, the requisite vote of Falcon’s Board of Directors. No other corporate action or proceeding on the part of Falcon is necessary for the execution and delivery by Falcon of this Agreement, the performance by Falcon of its obligations under this Agreement or the consummation by Falcon of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by Falcon and, assuming due authorization, execution and delivery of this Agreement by FAPAInvest and the Company, is a valid and binding obligation of Falcon enforceable against Falcon in accordance with its terms, subject, as to enforcement, to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors’ rights generally and (b) general principles of equity.

3.2 No Conflict. The execution and delivery by Falcon of this Agreement does not, and the performance by Falcon of its obligations under this Agreement or the consummation by Falcon of any of the transactions contemplated by this Agreement will not, (a) conflict with, or result in or constitute any violation or breach of or default under, or give rise (either with or without due notice or the passage of time or both or the happening or occurrence of any other event (including through the action or inaction of any person)) to any right of termination, amendment, cancellation or acceleration of any obligation to pay or repay with respect to, or result in the loss of any benefit under, any provision of (i) the certificate of incorporation or bylaws of Falcon or (ii) any material indenture, loan agreement, mortgage, guarantee, other indebtedness, lease or other agreement, contract, instrument, obligation, understanding or arrangement to which Falcon is a party, or by which Falcon may be bound; (b) conflict with, or

result in or constitute any violation of, any award, decision, judgment, decree, injunction, writ, order, subpoena, ruling, verdict or arbitration award entered, issued, made or rendered by any federal, state, local or foreign government or any other governmental entity, or any law, applicable to Falcon; (c) result in the creation or imposition of (or the obligation to create or impose) any Liens on any of the properties or assets of Falcon; or (d) conflict with, or result in or constitute any violation of, or result in the termination, suspension or revocation of, any authorization applicable to Falcon or to any of its properties or assets, or result in any other impairment of the rights of the holder of any such authorization.

3.3 Consents and Approvals. No authorization of or from any governmental entity or any other person on the part of Falcon is required in connection with the execution or delivery by Falcon of this Agreement, the performance by Falcon of its obligations under this Agreement or consummation by Falcon of the transactions contemplated by this Agreement.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to FAPAInvest for the benefit of FAPAInvest and the Participating Pilots as follows except as set forth in Schedule 3:

4.1 Authorization; Validity of Agreement. The Company has the requisite corporate power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated by this Agreement have been duly authorized by, and this Agreement and each of the transactions contemplated by this Agreement have been validly approved by, the requisite vote of the Company's Board of Directors. No other corporate action or proceeding on the part of the Company is necessary for the execution and delivery by the Company of this Agreement, the performance by the Company of its obligations under this Agreement or the consummation by the Company of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by the Company and, assuming due authorization, execution and delivery of this Agreement by FAPAInvest and Falcon, is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject, as to enforcement, to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors' rights generally and (b) general principles of equity.

4.2 No Conflict. The execution and delivery by the Company of this Agreement does not, and the performance by the Company of its obligations under this Agreement or the consummation by the Company of any of the transactions contemplated by this Agreement will not, (a) conflict with, or result in or constitute any violation or breach of or default under, or give rise (either with or without due notice or the passage of time or both or the happening or occurrence of any other event (including through the action or inaction of any person)) to any right of termination, amendment, cancellation or acceleration of any obligation to pay or repay with respect to, or result in the loss of any benefit under, any provision of (i) the articles of incorporation or bylaws of the Company or (ii) any material indenture, loan agreement, mortgage, guarantee, other indebtedness, lease or other agreement, contract, instrument, obligation, understanding or arrangement to which the Company is a party, or by which the

Company may be bound; (b) conflict with, or result in or constitute any violation of, any award, decision, judgment, decree, injunction, writ, order, subpoena, ruling, verdict or arbitration award entered, issued, made or rendered by any federal, state, local or foreign government or any other governmental entity, or any law, applicable to the Company; (c) result in the creation or imposition of (or the obligation to create or impose) any Liens on any of the properties or assets of the Company; or (d) conflict with, or result in or constitute any violation of, or result in the termination, suspension or revocation of, any authorization applicable to the Company or to any of its properties or assets, or result in any other impairment of the rights of the holder of any such authorization.

4.3 Consents and Approvals. No authorization of or from any governmental entity or any other person on the part of the Company is required in connection with the execution or delivery by the Company of this Agreement, the performance by the Company of its obligations under this Agreement or consummation by the Company of the transactions contemplated by this Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF FAPAINVEST

FAPAInvest hereby represents and warrants to Falcon and the Company that except as set forth in Schedule 3:

5.1 Authorization; Validity of Agreement. FAPAInvest has the requisite limited liability company power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated by this Agreement. FAPAInvest has taken all requisite action to, and no other action or proceeding on the part of FAPAInvest is necessary for, the execution and delivery by FAPAInvest of this Agreement, the performance by FAPAInvest of its obligations under this Agreement or the consummation by FAPAInvest of the transactions contemplated by this Agreement. This Agreement has been duly executed and delivered by FAPAInvest and, assuming due authorization, execution and delivery of this Agreement by the Company and Falcon, is a valid and binding obligation of FAPAInvest and is enforceable by the Company and Falcon against FAPAInvest in accordance with its terms, subject, as to enforcement, to (a) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors' rights generally and (b) general principles of equity.

5.2 Consents and Approvals. No authorization of or from any governmental entity or any other person on the part of FAPAInvest is required in connection with the execution or delivery by FAPAInvest of this Agreement, the performance by FAPAInvest of its obligations under this Agreement or consummation by FAPAInvest of the transactions contemplated by this Agreement.

SECTION 6. COVENANTS OF FALCON

6.1 Information. As soon as practicable after June 30, 2014, Falcon shall provide to FAPAInvest a summary in reasonable detail of the amount of Invested Capital as of June 30, 2014. During the term of this Agreement, Falcon will provide to FAPAInvest adequately detailed annual and quarterly financial statements and information pertaining to the Indigo-Affiliated

Funds' recovery of Invested Capital. If the Investment Recovery Date occurs, Falcon will promptly so certify in writing to FAPAInvest. In addition, on a quarterly basis, Falcon will disclose to the management of FAPAInvest all transactions in the prior quarter by Indigo-Affiliated Funds in the equity securities of Falcon, including issuances, redemptions, cash dividends, distributions and other cash payments in respect of the ownership interest in Falcon. The provision of financial statements, information and disclosure pursuant to this paragraph shall be for the use of FAPAInvest's board of managers without further distribution except to FAPAInvest's or such board's professional advisors. Access and use of such financial statements, information and disclosure by FAPAInvest's board of managers and its professional advisors, or other mutually approved parties, shall be conditioned upon and governed by each member of the FAPAInvest board of directors and each professional advisor, or other mutually approved party, entering into a form of confidentiality agreement acceptable to Falcon and FAPAInvest and consistent with applicable securities laws and regulations.

6.2 Ownership of the Company. During the term of this Agreement, Falcon shall own securities or interests of the Company representing 100% of the total combined voting power of all classes of securities or interests directly or through an unbroken chain of entities ending with the Company.

6.3 Other Business. The parties intend that the sole business of Falcon shall be to own, directly or through one or more subsidiaries, the Company. During the term of this Agreement, in the event Falcon (directly or indirectly including through one or more subsidiaries) proposes to engage in a business other than the business of owning the Company, FAPAInvest shall be provided the option to continue to hold Units tracking Common Stock as provided herein or to modify such Units to track Company interests in a manner mutually agreeable between the parties.

6.4 Reimbursements. Falcon or a subsidiary of Falcon shall reimburse FAPAInvest the following:

(a) Up to $175,000 for documented legal fees and expenses related to litigation by the International Brotherhood of Teamsters within thirty (30) days of the Closing Date.

(b) Up to $100,000 for documented legal fees and expenses related to the agreement dated October 22, 2013, between FAPAInvest and Falcon (the "LOI"), the Term Sheet dated November 6, 2013 and any amendments to the Commercial Agreement, the Profit Sharing Plan and the Prior Agreement, $50,000 of which was previously paid to FAPAInvest upon signing of the LOI.

(c) Up to $250,000 in documented legal fees and expenses related to claims made against FAPAInvest and/or its managers in regard to any modification of the Commercial Agreement, the Profit Sharing Plan or the Prior Agreement.

SECTION 7. CONDITIONS

7.1 Conditions to the Investment. The obligation of FAPAInvest to make and continue the Investments is subject to satisfaction by the Company of the conditions set forth in Paragraph C of the Commercial Agreement, unless waived by FAPAInvest in writing.

SECTION 8. MISCELLANEOUS

8.1 Status Under Code Section 409A. The parties to this Agreement intend that all payments under this Agreement be paid upon the occurrence of a permissible payment event specified under Treasury Regulation section 1.409A-3(a) and that this Agreement thus comply with the Code and this Agreement should be interpreted accordingly. Specifically, payments are intended to be paid at a fixed time specified in this Agreement, or upon the earlier occurrence of a 409A Event. Notwithstanding the foregoing, the Participating Pilots shall be solely responsible for any taxes, acceleration of taxes, interest or penalties arising under Section 409A of the Code with respect to amounts covered by this Agreement; and neither the Company, Falcon, FAPAInvest nor any of their Affiliates shall have any responsibility with respect thereto. Vested Units, once vested, will remain vested, and amounts payable in respect thereof will only be payable under this Agreement and will not be subject to impermissible substitution and acceleration under (or other violations of) Section 409A.

8.2 Tax Withholding. The Company is authorized to withhold from any payment under this Agreement, or from any payroll or other payment to a Participating Pilot, amounts of withholding and other taxes due or potentially payable in connection with any allocation or payment under this Agreement and to take such other action as the Company may deem advisable to enable it and/or the Participating Pilots to satisfy obligations for the payment of withholding taxes and other tax obligations relating to participation in the payments due under this Agreement.

8.3 Notices. Unless otherwise provided, any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon delivery, when delivered personally or by overnight courier or sent by facsimile or electronic mail, or 48 hours after being deposited in the U.S. mail, as certified or registered mail, with postage prepaid, and addressed as follows (or at such other address for a party as shall be specified by like notice):

(i) in the case of FAPAInvest, to:

Mountain Capital Investment Advisors LLC
PO Box 351085
Westminster, CO 80035
Attention: Brandt Bums
Email: [email address]
Facsimile No.: (303) 544-6046

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

Faegre Baker Daniels LLP
3200 Wells Fargo Center
1700 Lincoln Street
Denver, CO 80203-4532
Attention: Douglas R. Wright
Email: [email address]
Facsimile No.: (303) 607-3600

(ii) in the case of the Company or Falcon, to:

Falcon Acquisition Group, Inc.
2525 East Camelback Road
Suite 900
Phoenix, Arizona 85016
Email: [email address]
Attention: William A. Franke

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

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025
Email: [email address]
Attention: Anthony J. Richmond, Esq.

8.4 Amendment of this Agreement; Waivers. This Agreement may be amended only by written amendment executed by FAPAInvest, the Company and Falcon. Any term of this Agreement may be waived only with the written consent of FAPAInvest, the Company and Falcon.

8.5 Interpretation. When a reference is made in this Agreement to Sections, paragraphs or clauses, such reference shall be to a Section, paragraph or clause to this Agreement unless otherwise indicated. The words “include,” “includes,” and “including” when used herein shall be deemed in each case to be followed by the words “without limitation.” The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. This Agreement has been negotiated by the respective parties hereto and their attorneys and the language hereof shall not be construed for or against any party. The phrases “the date of this Agreement,” “the date hereof,” and terms of similar import, unless the context otherwise requires, shall be deemed to refer to the date first set forth above. The words “hereof,” “herein,” “herewith,” “hereby” and “hereunder” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

8.6 Fee and Expenses. Subject to the reimbursement provisions of Section 6.4, each party shall pay all costs and expenses incurred by it in connection with the execution and delivery of this Agreement and the transactions contemplated hereby, including fees of legal counsel.

8.7 Further Assurances. Each party to this Agreement shall do and perform or cause to be done and performed all such further acts and things and shall execute and deliver all such agreements, certificates, instruments and documents as the other party hereto may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.8 Employment and Other Rights. Neither the Agreement nor any action taken hereunder shall be construed as giving any Participating Pilot the right to continue in the employ or service of the Company, or as interfering in any way with the right of the Company to terminate any Participating Pilot's employment or service at any time.

8.9 Unfunded Arrangement. The arrangement created by this Agreement shall be unfunded, and except as otherwise provided in this Agreement the Company shall not be required to segregate any assets that may at any time be represented by interests in the arrangement created by this Agreement. Neither FAPAInvest nor any Participating Pilot shall, by virtue of this Agreement, have any interest in any specific assets of the Company.

8.10 Other Benefit and Compensation Programs. Payments received by a Participating Pilot pursuant to this Agreement shall not be treated as a part of such Participating Pilot's regular recurring compensation for purposes of the determination of benefits under any other employee benefit plan, contract or similar arrangement provided by the Company unless expressly so provided by such other plan, contract or arrangement, or unless the Company expressly determines otherwise.

8.11 Third Party Beneficiaries. The Participating Pilots are third-party beneficiaries of this Agreement and have the right to enforce FAPAInvest's rights and remedies hereunder. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person other than the parties hereto, the Participating Pilots and their respective permitted successors and assigns any benefit, right or remedy.

8.12 Interests Not Transferable; Assignment by the Parties; Business Transactions. A Participating Pilot's right or interest in this Agreement or any payment due under this Agreement, may not be transferred by the Participating Pilot except upon his/her death by laws of descent and distribution, and shall not otherwise be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any such attempted action shall be void. This Agreement shall not be assignable by operation of law (other than to a successor or in connection with a merger, consolidation or similar transaction) or otherwise (any attempted assignment in contravention hereof being null and void); provided that FAPAInvest may assign all or part of its rights and obligations under this Agreement, but only if the transferee agrees in writing for the benefit of the Company and Falcon (with a copy thereof to be furnished to the Company and Falcon) to be bound by the terms of this Agreement (any such transferee shall be included in the term "FAPAInvest"). If during the term of this Agreement, the Company and Falcon cease to be part of a controlled group of businesses under Section 414(b) or (c) of the Code, all obligations of the Company and Falcon under this Agreement shall continue as an obligation of the Company and all references to Falcon in this Agreement thereafter shall be disregarded.

8.13 Entire Agreement. This Agreement, the Commercial Agreement and all other documents required to be delivered pursuant hereto (together with any necessary reference to the terms of LOA 67) constitute the entire agreement among the parties with respect to the subject matter hereof and except for references to the Prior Agreement in Section 2.4(a) hereof, supersede the Prior Agreement and all other prior documents, agreements and understandings, both written and verbal, among the parties with respect to the subject matter hereof and the transactions contemplated hereby.

8.14 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, then, if possible, such illegal, invalid or unenforceable provision shall be modified to such extent as is necessary to comply with such present or future laws and such modification shall not affect any other provision hereof; provided that if such provision may not be so modified such illegality, invalidity or unenforceability shall not affect any other provision, but this Agreement shall be reformed, construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

8.15 Governing Law. This Agreement shall be governed by, and construed in accordance with, the Laws of the State of Delaware applicable to contracts made and to be performed wholly within said State, without giving effect to the conflict of laws principles thereof.

8.16 Dispute Resolution. Any dispute arising under this Agreement shall be handled in accordance with the dispute resolution process agreed to between FAPAInvest and the Company; provided, that, if FAPAInvest and the Company cannot agree on a dispute resolution process within thirty (30) days of either party notifying the other party in writing of the existence of a dispute hereunder, all parties reserve the right to pursue any and all remedies as may be available under applicable law.

8.17 Injunctive Relief. The parties agree that their remedies at law in the event of any default or threatened default by the other parties in the performance of or compliance with any of the terms of this Agreement are not and will not be adequate to the fullest extent permitted by law, and that such terms may be specifically enforced by a decree for the specific performance of any agreement contained herein or by an injunction against a violation of any of the terms hereof or otherwise without FAPAInvest, the Company or Falcon having to prove actual damage or post any bond or other security.

8.18 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to each of the other parties, it being understood that all parties need not sign the same counterpart.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

FRONTIER AIRLINES, INC.

By: /s/ David N. Siegel
Name: David N. Siegel
Title: President and CEO

FALCON ACQUISITION GROUP, INC.

By: /s/ John R. Wilson
Name: John R. Wilson
Title: Director

FAPAINVEST, LLC, as agent for Participating Pilots

By: /s/ Brandt Burns
Name: Brandt Burns
Title: Manager

Schedule 1.1(b)

Schedule of Investments

		2011	2012	2013	2014	2015	2016	2017		
	July Snapback Avoidance	1.3	2.7	2.7	2.7	2.7				
	Jan 2012 Snapback Avoidance		3.6	3.6	3.6	3.6	3.6			
2.0%	**One-Year Freeze**	0.9								
	401K									
0.0%	2H 2011	1.9								
3.0%	2012		1.5							
3.0%	2013			1.5						
4.0%	2014				0.8					
5.0%	2015									
	Sick Pay Adjustment	0.9	0.9	0.9	0.9	0.9				
	Vacation		1.6	1.6	1.6	1.6				
	Total Savings:	5.0	10.3	10.3	9.6	8.8	3.6			
	Discount Rate	15.0%								
	NPV of Savings	5.0	10.5	9.1	7.4	5.5	1.8		39.3	**Total NPV**

Schedule 2.4

Illustrative Section 2.4 Events[1]

(a) 409A Event after December 31, 2016 and prior to January 1, 2020.

(i) The Participating Pilots will receive an amount equal to the value of the vested Units (based on the Falcon Per Share Price), paid on, and measured as of, the date of the closing of the 409A Event.

(ii) On the 2020 Payment Date, the Participating Pilots will receive an amount equal to the value of the Investment Recovery Units that vested (if any) from the date of the closing of the 409A Event to December 31, 2019, such value (based on the Falcon Per Share Price) to be measured as of December 31, 2019.

(iii) On the 2022 Payment Date, the Participating Pilots will receive an amount equal to the value of the Investment Recovery Units that vested (if any) between January l, 2020 and December 31, 2021, such value (based on the Falcon Per Share Price) to be measured as of December 31, 2021.

(b) 409A Event prior to January l, 2017 and no other events prior to January 1, 2020.

(i) The Participating Pilots will receive an amount equal to the value of the vested Units (based on the Falcon Per Share Price), paid on, and measured as of, the date of the closing of the 409A Event.

(ii) On the 2020 Payment Date, the Participating Pilots will receive an amount equal to (x) the value of the Units that vested from the date of the closing of the 409A Event to December 31, 2019, such value (based on the Falcon Per Share Price) to be measured as of December 31, 2019, minus (y) the amount that would have been paid on the 2017 Payment Date (as defined in the Prior Agreement) based on the applicable terms of the Prior Agreement (the "Reduction Amount").

(iii) On the 2022 Payment Date (or on the closing of another 409A Event between January 1, 2020 and December 31, 2021), the Participating Pilots will receive payment of the Reduction Amount, paid in cash. In addition, if any Units vest between January 1, 2020 and December 31, 2021, the Participating Pilots will receive an amount equal to the value of those Units that vested (if any) between January 1, 2020 and December 31, 2021, such value (based on the Falcon Per Share Price) to be measured as of December 31, 2021.

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[1] Amounts cannot be less than zero. Payments and amounts in these illustrations do not take into account dividends and other payments per Section 2.2(a), costs per Section 2.2(b) or tax withholding per Section 7.2. Per Share prices and number of Shares issued shall be adjusted for any stock splits, reclassifications or similar transactions. Payments and amounts are illustrative only and assume that the Participating Pilots have made the indicated Investments.

(c) Non-409A Qualifying IPO prior to 2020 and no other events prior to 2020.

(i) On the 2020 Payment Date, the Participating Pilots will receive (x) (a) a number of shares of Common Stock ("Shares") equal to 50% of the number of vested Units and (b) an amount in cash equal to the 50% of the number of vested Units multiplied by the Falcon Per Share Price determined as of the date of the Non-409A Qualifying IPO minus (y)(a) a number of Shares having a value (based on the Falcon Per Share Price determined as of the date of the Non-409A Qualifying IPO) equal to 50% of the Reduction Amount and (b) 50% of the Reduction Amount in respect of cash paid to the Participating Pilots. Notwithstanding the foregoing, if the Shares are not publicly traded on an exchange or over-the-counter market on the 2020 Payment Date, the amount otherwise payable in Shares will be paid in cash based on the Falcon Per Share Price as of December 31, 2019.

(ii) With respect to amounts to be paid in cash in accordance with subclause (x)(b) above, promptly following the date of the Non-409A Qualifying IPO, Falcon shall establish a rabbi trust in a form to be agreed upon between the parties' advisors and place in such trust the aggregate amount of cash required to satisfy Falcon's 2020 Payment Date cash obligations.

(iii) On the 2022 Payment Date (or on the closing of another 409A Event between January 1. 2020 and December 31, 2021), the Participating Pilots will receive payment of the Reduction Amount in the form determined in accordance with clause (i) above. Notwithstanding the foregoing, if the Shares are not publicly traded on an exchange or over-the-counter market on the 2022 Payment Date, the Reduction Amount will be paid in cash. In addition, if any Units vest between January 1, 2020 and December 31, 2021, the Participating Pilots will receive an amount equal to the value of those Units that vested between January 1, 2020 and December 31, 2021, such value (based on the Falcon Per Share Price) to be measured as of December 31, 2021 and paid in cash.

(d) No event prior to 2020.

(i) On the 2020 Payment Date, the Participating Pilots will receive an amount in cash equal to (x) the value of vested Units (based on the Falcon Per Share Price) measured as of December 31, 2019, minus (y) the Reduction Amount.

(ii) On the 2022 Payment Date (or on the closing of a 409A Event between January 1, 2020 and December 31, 2021), the Participating Pilots will receive payment of the Reduction Amount in cash. In addition, if the Investment Recovery Units vest between January 1, 2020 and December 31, 2021, the Participating Pilots will receive an amount in cash equal to the value of those Units that vested between January l, 2020 and December 31, 2021, such value (based on the Falcon Per Share Price) to be measured as of December 31, 2021.

(e) Later Vesting. In addition to payments under subsections (a) through (d) above, if the Investment Recovery Units vest between January 1, 2022 and December 31, 2024, the Participating Pilots will receive on the 2025 Payment Date an amount in cash equal to the value of those Units that vested between January l, 2022 and December 31. 2024, such value (based on the Falcon Per Share Price) to be measured as of December 31, 2024.

Illustrative Section 2.4 Calculations

(a) 409A Event between December 31 2016 and January l, 2020.

Assumptions:

- Capitalization as of June 30, 2014 of 96,000,000
- Unit Pool of 4,000,000
  - 3,500,000 Investment-Based Units, 100% vested
  - 500,000 Investment Recovery Units
- 409A Event closing on December 31, 2017
- Falcon Per Share Price at closing of the 409A Event of $10 per share
- Falcon Per Share Price as of December 31, 2021 of $20 per share.
- Participating Pilot X's Pro Rata Share is .1%
- Investment Recovery Date is November 30, 2021

(i) On December 31, 2017, the date of the closing of the 409A Event, Participating Pilots would receive $35,000,000 ($10 x 3,500,000 Investment-Based Units).

Participating Pilot X would receive $35,000 (.1% x $35,000,000).

(ii) On the 2020 Payment Date, Participating Pilots would receive $0. Participating Pilot X would receive $0.

(iii) On the 2022 Payment Date, Participating Pilots would receive $10,000,000 ($20 x 500,000 Investment Recovery Units).

Participating Pilot X would receive $10,000 (.1% x $10,000,000).

(b) 409A Event prior to January 1. 2017 and no other events prior to January l, 2020

Assumptions:

- Capitalization as of June 30, 2014 of 96,000,000
- Unit Pool of 4,000,000
  - 3,500,000 Investment-Based Units
  - 500,000 Investment Recovery Units
- 409A Event closing on December 31, 2014
- Total Investment Value as of December 31, 2014 of $32,000,000
- Total Investment Value as of December 31, 2016 of $39,300,000
- Vested Investment-Based Units as of December 31, 2014 of 2,849,872 ($32,000,000/$39,300,000 x 3,500,000)
- Falcon Per Share Price at closing of the 409A Event of $10 per share
- Valuation per Prior Agreement as of December 31, 2016 of $12 per Unit
- Falcon Per Share Price as of December 31, 2019 of $15 per share
- Falcon Per Share Price as of December 31, 2024 of $20 per share
- Participating Pilot X's Pro Rata Share is .l%
- Investment Recovery Date is November 30, 2023
- Reduction Amount of $3,153,600

(i) On December 31, 2014, the date of the closing of the 409A Event, Participating Pilots would receive $28,498,720 ($10 x 2,849,872 vested Investment-Based Units)

Participating Pilot X would receive $28,499 (.1% x $28,498,720)

(ii) On the 2020 Payment Date, Participating Pilots would receive $6,733,320 ($15 x 659,128 Investment-Based Units vesting from December 31, 2014 to December 31, 2016 less the Reduction Amount of $3,153,600)

Participating Pilot X would receive $6,733 (.1% x $6,733,320).

(iii) On the 2022 Payment Date, Participating Pilots would receive $3,153,600 (the Reduction Amount)

Participating Pilot X would receive $3,154 (.1% x $3,153,600).

(iv) On the 2025 Payment Date, Participating Pilots would receive $10,000,000 ($20 x 500,000 Investment Recovery Units)

Participating Pilot X would receive $10,000 (.l% x $10,000,000)

(c) Non-409A Qualifying IPO prior to 2020 and no other events prior to 2020.

Assumptions:

- Capitalization as of June 30, 2014 of 96,000,000
- Unit Pool of 4,000,000
  - 3,500,000 Investment-Based Units
  - 500,000 Investment Recovery Units
- Non-409A Qualifying IPO closing on December 31, 2014
- Total Investment Value as of December 31, 2014 of $32,000,000
- Total Investment Value as of December 31, 2017 of $39,300,000
- Vested Investment-Based Units as of December 31, 2014 of 2,849,872 ($32,000,000/$39,300,000 x 3,500,000)
- Falcon Per Share Price in Non-409A Qualifying IPO of $10 per share
- Valuation per Prior Agreement as of December 31, 2016 of $12 per Unit
- Falcon Per Share Price as of December 31, 2019 of $15 per share
- Falcon Per Share Price as of December 31, 2024 of $20 per share
- Participating Pilot X’s Pro Rata Share is .1%
- Investment Recovery Date is November 30, 2023
- Reduction Amount of $3,153,600

(i) On the 2020 Payment Date, Participating Pilots would receive 1,592,320 Shares[2] ((0.5 x 3,500,000 Investment-Based Units or 1,750,000) – the Reduction Amount due in Shares (0.5 x $3,153,600/$10 or 157,680)) and $15,923,200 in cash ((0.5 x 3,500,000 Investment-Based Units x $10 or $17,500,000) – the cash Reduction Amount (0.5 x $3,153,600 or $1,576,800))

Participating Pilot X would receive 1,592 Shares (.1% x 1,592,320 Shares) and $15,923 in cash (.1% x $15,923,200)

(ii) On the 2022 Payment Date, Participating Pilots would receive 157,680 Shares[3] ((the Reduction Amount due in Shares (0.5 x 3,153,600/$10)) and $1,576,800 in cash (the cash Reduction Amount (0.5 x $3,153,600))

Participating Pilot X would receive $1,577 (.1% x $1,576,800)

(iii) On the 2025 Payment Date, Participating Pilots would receive $10,000,000 ($20 x 500,000 Investment Recovery Units)

Participating Pilot X would receive $10,000 (.1% x $10,000,000)

(d) No event prior to 2020.

- Capitalization as of June 30, 2014 of 96,000,000
- Unit Pool of 4,000,000
  - 3,500,000 Investment-Based Units, 100% vested
  - 500,000 Investment Recovery Units
- Falcon Per Share Price as of December 31, 2019 of $15 per share
- Falcon Per Share Price as of December 31, 2024 of $20 per share
- Participating Pilot X's Pro Rata Share is .1%
- Investment Recovery Date is November 30, 2023
- Reduction Amount of $3,153,600

(i) On the 2020 Payment Date, Participating Pilots would receive $49,346,400 ($15 x 3,500,000 Investment-Based Units less the Reduction Amount of $3,153,600)

Participating Pilot X would receive $49,346 (.1% x $49,346,400)

(ii) On the 2022 Payment Date, Participating Pilots would receive $3,153,600 (the Reduction Amount)

Participating Pilot X would receive $3,154 (1% x $3,153,600)

(iii) On the 2025 Payment Date, Participating Pilots would receive $10,000,000 ($20 x 500,000 Investment Recovery Units)

Participating Pilot X would receive $10,000 (.1% x $10,000,000)

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2 Assumes the Company is publicly traded. If the Company is not publicly traded in lieu of the 1,592,320 Shares, the amount will be paid in cash based on December 31, 2019 price.

3 Assumes the Company is publicly traded. If the Company is not publicly traded in lieu of the 157,680 Shares, $3,153,600 will be paid in cash.

Schedule 3

Litigation styled International Brotherhood of Teamsters, Airline Division v. Frontier Airlines, et al (U.S. District Court, District of Colorado Civil Action No. 11-cv-02007) and any other claims by or on behalf of the International Brotherhood of Teamsters against any of the Company, Republic and FAPAInvest. Scheduling these matters is made solely for the purposes of disclosure of potential exceptions to the representations and warranties in this Agreement, and neither the Company nor FAPAInvest admits any liability in these matters as a result thereof or otherwise.

Exhibit 10.13

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement"), dated as of December 3, 2013 and effective as of the Closing Date (as hereinafter used, as such term is defined in that certain Stock Purchase Agreement, dated as of September 30, 2013, by and between Republic Airways Holdings Inc., a Delaware corporation ("Seller"), and Falcon Acquisition Group, Inc., a Delaware corporation ("Buyer") (as amended from time to time, the "Purchase Agreement")), is made by and among Indigo Partners LLC, a Nevada limited liability company (the "Consultant"), Frontier Airlines Holdings, Inc., a Delaware corporation ("Frontier Holdings"), and Frontier Airlines, Inc., a Colorado corporation (the "Airline," and together with Frontier Holdings, the "Company").

WHEREAS, Seller owns all of the issued and outstanding capital stock (the "Stock") of Frontier Holdings;

WHEREAS, Frontier Holdings owns all of the issued and outstanding capital stock of the Airline;

WHEREAS, Buyer is acquiring all of the Stock on the terms and subject to the conditions set forth in the Purchase Agreement;

WHEREAS, the Company desires to receive financial and management consulting services from the Consultant and to obtain the benefit of the experience of the Consultant in business and financial management;

WHEREAS, the Consultant is willing, in connection with Buyer's acquisition of the Stock, to provide financial and management consulting services to the Company; and

WHEREAS, the compensation arrangements set forth in this Agreement are designed to compensate the Consultant for providing such financial and management consulting services to' the Company and for arranging the transactions contemplated by the Purchase Agreement.

NOW THEREFORE, in consideration of the foregoing premises and the respective agreements hereinafter set forth and the mutual benefits to be derived herefrom, the Consultant and the Company hereby agree as follows:

1. Engagement. The Company hereby engages the Consultant as a financial and management consultant, and the Consultant hereby agrees to provide financial and management consulting services to the Company, in each case on the terms and subject to the conditions set forth below.

2. Services of the Consultant. The Consultant hereby agrees during the term of this Agreement to consult with the boards of directors of the Company (the "Boards") and the management of the Company in such manner and on such business and financial matters as may be reasonably requested from time to time by the Boards, including with respect to:

(i) business strategy;

(ii) budgeting of future corporate investments;

(iii) acquisition and divestiture strategies; and

(iv) debt and equity financings.

3. Personnel. The Consultant shall provide, and devote to the performance of this Agreement such employees, agents and representatives of the Consultant as the Consultant shall deem appropriate for the furnishing of the services provided hereunder.

4. Consulting Fees. The Company shall pay to the Consultant an annual consulting fee of $1,500,000 in immediately available funds (the "Consulting Fee"). The Consulting Fee shall be payable in arrears in equal quarterly installments of $375,000 each with the first payment due on February 28, 2014. In the event the Closing Date is after December 1, 2013, the Consulting Fee for the first quarter shall be payable on a pro rata basis based on the actual number of days elapsed in the quarter for that quarter.

5. Expenses. Upon presentation of appropriate documentation, the Company shall promptly reimburse the Consultant for all reasonable fees and expenses (including, without limitation, reasonable legal, accounting, consulting, travel and other third party fees and expenses) incurred by or on behalf of the Consultant or any of its affiliates or its or their respective stockholders, members, partners, directors, managers, officers, employees, agents and representatives (collectively, the "Representatives") in connection with the rendering of any services hereunder (including, without limitation, expenses incurred in connection with the consummation of the transactions contemplated by the Purchase Agreement and in connection with attending Company-related meetings).

6. Term. The term of this Agreement will commence on the date hereof and continue until the date that Buyer and its affiliates own less than 10% of the Stock (and/or any securities issued upon conversion thereof or in exchange therefor) acquired by Buyer pursuant to the Purchase Agreement. Notwithstanding the foregoing, the termination or expiration of the term of this Agreement, whether pursuant to this paragraph or otherwise, shall not affect the Company's obligations hereunder to pay (i) the Consulting Fee for all periods up to and including the date on which such termination or expiration occurs (determined on a pro rata basis for any partial period based on the actual number of days elapsed in such period) and (ii) all reasonable fees and expenses incurred by the Consultant, its affiliates and/or its or their respective Representatives in connection with the rendering of services hereunder on or prior to the date on which such termination or expiration occurs. Sections 7 through 18 of this Agreement shall survive the termination of this Agreement with respect to matters arising before or after such termination.

7. Liability . Neither the Consultant nor any of its affiliates or its or their respective Representatives shall be liable to the Company or any of its respective affiliates or subsidiaries for any loss, liability, damage or expense arising out of or in connection with the performance of services contemplated by this Agreement, unless such loss, liability, damage or expense shall be proven to result directly from the gross negligence or willful misconduct of the Consultant, and in no event shall the Consultant or any of its affiliates or its or their respective Representatives be liable to the Company or any of its respective affiliates or subsidiaries for any indirect, special, incidental or consequential damages, including, without limitation, lost profits or savings, whether or not such damages are foreseeable, arising out of or in connection with the performance of services contemplated by this Agreement.

8. Indemnification. The Company hereby agrees to indemnify and hold harmless the Consultant, its affiliates and its and their respective Representatives (collectively, the "Consultant Related Parties") against and from any and all losses, liability, suits, claims, costs, damages and expenses (including attorneys' fees) arising from or relating to this Agreement or their performance hereunder (collectively, the "Indemnified Liabilities"), except as a result of the Consultant's fraud, willful misconduct or gross negligence. The rights of any Consultant Related Party to indemnification hereunder will be in addition to any other rights any such person may have under any other agreement or instrument to which such Consultant Related Party is or becomes a party or is or otherwise becomes a beneficiary or under law or regulation. The Company hereby acknowledges that each Consultant Related Party may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more persons or entities with whom or which such Consultant Related Party may be associated (including, without limitation, any other Consultant Related Party). The Company hereby acknowledges and agrees that (a) the Company shall be the indemnitor of first resort with respect to any Indemnified Liability, (b) the Company shall be primarily liable for all Indemnified Liabilities and any indemnification afforded to any Consultant Related Party in respect of any Indemnified Liabilities, whether created by law, organizational or constituent documents, contract (including this Agreement) or otherwise, (c) any obligation of any other person or entity with whom or which any Consultant Related Party may be associated (including, without limitation, any other Consultant Related Party) to indemnify such Consultant Related Party and/or advance expenses to such Consultant Related Party in respect of any proceeding shall be secondary to the obligations of the Company hereunder, (d) the Company shall be required to indemnify each Consultant Related Party and advance expenses to each Consultant Related Party hereunder to the fullest extent provided herein without regard to any rights such Consultant Related Party may have against any other person or entity with whom or which such Consultant Related Party may be associated (including, without limitation, any other Consultant Related Party) or insurer of any such person or entity and (e) the Company (on behalf of itself and its insurers) irrevocably waives, relinquishes and releases any other person or entity with whom or which any Consultant Related Party may be associated from any claim of contribution, subrogation or any other recovery of any kind in respect of amounts paid by the Company hereunder.

9. Independent Contractor Status. The Consultant and the Company acknowledge and agree that the Consultant will perform services hereunder as an independent contractor, retaining control over and responsibility for its operations and personnel. Neither the Consultant nor any of its affiliates or its or their respective Representatives shall be considered employees or agents of the Company as a result of this Agreement nor shall the Consultant or any of its affiliates or its or their respective Representatives have any authority to contract in the name of or bind the Company, except as expressly agreed to in writing by the Company.

10. Notices. Any notice, report or payment required or permitted to be given or made under this Agreement by any party to any other party shall be deemed to have been duly given or made if personally delivered or, if mailed, when mailed by registered or certified mail, postage prepaid, to the other party at the following addresses (or in such other address as shall be given in writing, by one party to the others):

If to the Consultant:

Indigo Partners LLC
2525 E. Camelback Road
Suite 900
Phoenix, AZ 85016
Attn: Managing Member

If to the Company:

Frontier Airlines Holdings, Inc.
Frontier Airlines, Inc.
7001 Tower Rd
Denver, CO 80249
Attention: Chief Executive Officer

11. Entire Agreement; Modification. This Agreement, the documents expressly referred to herein and other documents of even date herewith embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof. No provision of this Agreement may be amended, modified or waived without the prior written consent of the Company and the Consultant.

12. Waiver of Breach. The waiver by any party of a breach of any provision of this Agreement by any other party shall not operate or be construed as a waiver of any subsequent breach of that provision or any other provision hereof.

13. Assignment. Neither the Consultant nor the Company may assign its rights or obligations under this Agreement without the express written consent of the other parties hereto, except that the Consultant may assign its rights and obligations to any of its affiliates. The parties acknowledge and agree that each of the Consultant Related Parties shall be third-party beneficiaries with respect to Sections 8 and 18 of this Agreement, in each case, entitled to enforce such provisions as though each such Consultant Related Party were a party to this Agreement.

14. Successors. This Agreement and all the obligations and benefits hereunder shall inure to the successors and permitted assigns of the parties.

15. Counterparts. This Agreement may be executed and delivered by each of the parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same agreement.

16. Choice of Law. This Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice

of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

17. Joint and Several. Each of Frontier Holdings and the Airline acknowledge and agree that the obligations of the Company hereunder are joint and several obligations of Frontier Holdings and the Airline.

18. Freedom to Pursue Opportunities. In recognition that the Consultant Related Parties currently have, and will in the future have or will consider acquiring, investments in numerous companies with respect to which one or more Consultant Related Parties may serve as an advisor or director, or in some other capacity, and in recognition that the Consultant Related Parties have myriad duties to various investors and partners, and in anticipation that the Company and its subsidiaries, on the one hand, and the Consultant Related Parties, on the other hand, may engage in the same or similar activities or lines of business and have an interest in the same areas of corporate opportunities, and in recognition of the benefits to be derived by the Company hereunder and in recognition of the difficulties which may confront any advisor who desires and endeavors fully to satisfy such advisor's duties in determining the full scope of such duties in any particular situation, the provisions of this Section 18 are set forth to regulate, define and guide the conduct of certain affairs of the Company and its subsidiaries as they may involve the Consultant Related Parties. Except as the Consultant or any Consultant Related Party may otherwise expressly agree in writing after the date hereof:

(a) Each Consultant Related Party will have the right: (i) to directly or indirectly engage in any business (including, without limitation, any business activities or lines of business that are the same as or similar to those pursued by, or competitive with, the Company or any of its subsidiaries), (ii) to directly or indirectly do business with any client or customer of the Company or any of its subsidiaries, (iii) to take any other action that such Consultant Related Party believes in good faith is necessary to or appropriate to fulfill its obligations as described in the first sentence of this Section 18 to persons or entities other than the Company and its subsidiaries, and (iv) not to communicate or present potential transactions, matters or business opportunities to the Company or any of its subsidiaries, and to pursue, directly or indirectly, any such opportunity for itself or a persons or entities other than the Company and its subsidiaries, and to direct any such opportunity to another person or entity.

(b) No Consultant Related Party will have any duty (contractual or otherwise) to communicate or present any corporate opportunities to the Company or any of its subsidiaries or to refrain from any actions specified in Section 18(a), and the Company, on behalf of itself and its subsidiaries, hereby renounces and waives any right to require any Consultant Related Party to act in a manner inconsistent with the provisions of this Section 18.

(c) Except as provided in this Section 18, no Consultant Related Party will be liable to the Company or any of its subsidiaries for breach of any duty (contractual or otherwise) by reason of any activities or omissions of the types referred to in this Section 18 or of any such person's participation therein.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have caused this Professional Services Agreement to be duly executed and delivered on the date and year first above written.

INDIGO PARTNERS LLC

/s/ William A. Franke
By: William A. Franke
Its: President and Managing Partner

FRONTIER AIRLINES HOLDINGS, INC.

/s/ David N. Siegel
By: David N. Siegel
Its: President and Chief Executive Officer

FRONTIER AIRLINES, INC.

/s/ David N. Siegel
By: David N. Siegel
Its: President and Chief Executive Officer

[Signature Page to Professional Services Agreement]

Exhibit 10.14

SUBSCRIPTION AGREEMENT

THIS SUBSCRIPTION AGREEMENT (this "Agreement") is entered into as of December 3, 2013, by and between Falcon Acquisition Group, Inc., a Delaware corporation (the "Company"), and Indigo Frontier Holdings Company, LLC, a Delaware limited liability company (the "Purchaser").

RECITALS:

WHEREAS, the Company was formed in order to acquire all of the outstanding capital stock of Frontier Airlines Holdings, Inc., a Delaware corporation, pursuant to the terms of that certain Stock Purchase Agreement (as amended, the "Purchase Agreement"), dated as of September 30, 2013, by and between the Company and Republic Airways Holdings Inc., a Delaware corporation; and

WHEREAS, in order to provide the necessary equity capital to effectuate the transactions contemplated by the Purchase Agreement, the Purchaser desires to purchase from the Company, and the Company desires to issue to the Purchaser, an aggregate of 7,000,000 shares (the "Shares") of Voting Common Stock, par value $0.001 per share, of the Company (the "Common Stock"), for an aggregate cash purchase price of $70,000,000 on the terms and conditions set forth herein.

AGREEMENT:

In consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Governmental Authority" means the government of any nation, state, city, locality or other political subdivision of any thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity exercising public functions owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

"Person" means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Requirements of Law" means, as to any Person, the provisions of any organizational or governing documents of such Person, and any law, treaty, rule, regulation, right, privilege, qualification, license or franchise, order, judgment, or determination, in each

case, of an arbitrator or a court or other Governmental Authority, in each case, applicable to or binding upon such Person or any of its property (or to which such Person or any of its property is subject) or applicable to any or all of the transactions contemplated by, or referred to in, this Agreement.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Securities Exchange Commission thereunder.

ARTICLE 2
PURCHASE AND SALE OF COMMON STOCK

2.1 Purchase and Sale of Shares. Upon the terms and subject to the conditions set forth herein, contemporaneously with the execution and delivery of this Agreement, the Company is issuing to the Purchaser, and the Purchaser is purchasing from the Company, the Shares for an aggregate purchase price of $70,000,000 to be paid to the Company by wire transfer of immediately available federal funds.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Purchaser as of the date hereof as follows:

3.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware with full corporate power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets.

3.2 Authorization; Noncontravention. The Company's execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby: (a) have been authorized by all necessary corporate action on the part of the Company, (b) will not violate any Requirements of Law applicable to the Company, or result in a material breach or default under any contractual obligations of the Company, or under any order, writ, judgment, injunction, decree, determination or award of any court, arbitrator or other Governmental Authority, in each case applicable to the Company or its properties and (c) does not conflict with or contravene the terms of the certificate of incorporation or bylaws of the Company.

3.3 Governmental Authorization; Third Party Consents. No approval, consent, compliance, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person in respect of any Requirements of Law in effect on the date hereof, and no lapse of a waiting period under any Requirements of Law in effect on the date hereof, is required in connection with the execution, delivery or performance by the Company of this Agreement that has not been obtained or made.

3.4 Binding Effect. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable

against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability.

3.5 Capitalization. Effective upon the closing of the consummation of the transactions contemplated by the Purchase Agreement, the entire authorized capital stock of the Company will consist of (i) 12,000,000 shares of Voting Common Stock, of which 7,000,000 shares will be issued and outstanding, (ii) 2,000,000 shares of Non-Voting Common Stock, par value $0.001 per share, of which no shares will be issued and outstanding, and (iii) 1,000,000 shares of Preferred Stock, par value $0.001 per share, of which no shares will be issued and outstanding. When issued and delivered against payment therefor as provided in this Agreement, the Shares will be duly authorized and validly issued, fully paid and nonassessable and free of preemptive rights.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser hereby represents and warrants to the Company as of the date hereof as follows:

4.1 Organization; Capacity. The Purchaser is duly organized, validly existing and in good standing under the laws of the State of Delaware with full power and authority to conduct its business as it is presently being conducted and to own and lease its properties and assets.

4.2 Authorization; Noncontravention. The Purchaser's execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including, without limitation, the acquisition of the Shares by the Purchaser, will not violate any Requirements of Law applicable to the Purchaser, or result in a material breach or default under any contractual obligations of the Purchaser, or under any order, writ, judgment, injunction, decree, determination or award of any court, arbitrator or other Governmental Authority, in each case applicable to the Purchaser or its properties. The acquisition of the Shares by the Purchaser: (a) has been authorized by all necessary limited liability company action on the part of the Purchaser and (b) does not conflict with or contravene the terms of the Purchaser's limited liability company agreement.

4.3 Binding Effect. This Agreement has been duly executed and delivered by the Purchaser, and this Agreement constitutes the legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity relating to enforceability.

4.4 Securities Law Representations.

(a) The Purchaser is receiving the Shares for investment for the Purchaser's own account and not with a view to, or for resale in connection with, the distribution or other disposition thereof, other than as contemplated hereby.

(b) The Purchaser has been given the opportunity to obtain any information or documents relating to, and to ask questions and receive answers about, the Company and the business and prospects of the Company which the Purchaser deems necessary to evaluate the merits and risks related to the Purchaser's investment in the Shares and to verify the information received, and the Purchaser's knowledge and experience in financial and business matters are such that the Purchaser is capable of evaluating the merits and risks of the purchase of the Shares.

(c) The Purchaser's financial condition is such that the Purchaser can afford to bear the economic risk of holding the Shares for an indefinite period of time and has adequate means for providing for the Purchaser's current needs and contingencies and to suffer a complete loss of the investment in the Shares.

(d) The Purchaser has been advised that (i) the Company's issuance of the Shares will not have been registered under the Securities Act, (ii) the Shares may need to be held indefinitely, and the Purchaser must continue to bear the economic risk of the investment in the Shares unless they are subsequently registered under the Securities Act or an exemption from such registration is available, (iii) there is no public market for the Shares and (iv) when and if the Shares may be disposed of without registration in reliance on Rule 144 promulgated under the Securities Act, such disposition can be made only in limited amounts in accordance with the terms and conditions of such Rule.

(e) The Purchaser has been advised that and consents to the placement of a restrictive legend in the following form on the certificate representing the Shares:

> "THE SECURITIES OF FALCON ACQUISITION GROUP, INC. REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR AN EXEMPTION FROM REGISTRATION, UNDER SAID ACT AND SUCH LAWS.
>
> THE SECURITIES OF FALCON ACQUISITION GROUP, INC. REPRESENTED BY THIS CERTIFICATE OR DOCUMENT ARE SUBJECT TO VOTING RESTRICTIONS WITH RESPECT TO CERTAIN SECURITIES HELD BY PERSONS OR ENTITIES THAT FAIL TO QUALIFY AS "CITIZENS OF THE UNITED STATES" AS THE TERM IS DEFINED IN SECTION 40102(a)(15) OF SUBTITLE VII OF TITLE 49 OF THE UNITED STATES CODE, AS AMENDED, IN ANY SIMILAR LEGISLATION OF THE UNITED STATES ENACTED IN SUBSTITUTION OR REPLACEMENT THEREFOR, AND AS INTERPRETED BY THE DEPARTMENT OF TRANSPORTATION, ITS PREDECESSORS AND SUCCESSORS, FROM TIME TO TIME. SUCH VOTING

RESTRICTIONS ARE CONTAINED IN THE AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND THE BYLAWS OF FALCON ACQUISITION GROUP, INC., AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME. A COMPLETE AND CORRECT COPY OF SUCH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION AND THE BYLAWS SHALL BE FURNISHED FREE OF CHARGE TO THE HOLDER OF THE SECURITIES REPRESENTED HEREBY UPON WRITTEN REQUEST TO THE SECRETARY OF FALCON ACQUISITION GROUP, INC."

(f) The Purchaser understands that the Company has no present intention of registering the Shares.

(g) The Purchaser is an "accredited investor" within the meaning of Regulation D under the Securities Act.

ARTICLE 5
REGISTRATION RIGHTS

5.1 Registration Rights.

(a) Upon request of the Purchaser, the Company will enter into a registration rights agreement with the Purchaser (the "Registration Rights Agreement") containing customary terms and conditions satisfactory to the Purchaser, including, without limitation, (i) eight demand registrations for the Purchaser, (ii) an unlimited number of demand registrations on Form S-3 or successor short form (if available to the Company) for the Purchaser without any minimum transaction size or period between registrations, (iii) unlimited piggyback registration rights for the Purchaser and (iv) priority registration for the equity securities of the Company held by the Purchaser versus the registration rights, if any, granted to any other stockholder of the Company.

(b) All expenses incurred in connection with the negotiation, preparation and authorization of the Registration Rights Agreement and each registration pursuant to, and incident to the Company's performance of or compliance with the terms of the Registration Rights Agreement, including all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, listing application fees, printing expenses, transfer agent's and registrar's fees, cost of distributing prospectuses in preliminary and final form as well as any supplements thereto, fees and disbursements of counsel for the Company and all accountants and other Persons retained by the Company and the reasonable fees and disbursements of one U.S. counsel for the Purchaser (all such expenses being herein called "Registration Expenses") shall be borne by the Company; provided, that all underwriting discounts and commissions and transfer taxes, if any, attributable to the sale of equity securities of the Company shall not be included as Registration Expenses and shall be borne by the applicable seller of such equity securities of the Company.

(c) The Purchaser may transfer all or any portion of its registration rights under this Section 5.1 or the Registration Rights Agreement to any transferee of all or any portion of the Shares. After any such transfer and assignment, the Purchaser shall retain its rights under this Section 5.1 and the Registration Rights Agreement with respect to all other equity securities of the Company owned by the Purchaser.

(d) The Company shall not grant registration rights to any other equity holder of the Company without the prior written consent of the Purchaser.

ARTICLE 6
MISCELLANEOUS

6.1 Representations and Warranties. Except as contained herein, each party hereto expressly acknowledges no party to this Agreement has made any representations or warranties to any other party to this Agreement concerning the Company and its subsidiaries, the business and prospects of the Company and its subsidiaries, or the merits of any investment in the Company and its subsidiaries.

6.2 Amendment and Waiver. Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by any party from the terms of any provision of this Agreement, shall be effective (a) only if it is made or given in writing and signed by all parties hereto and (b) only in the specific instance and for the specific purpose for which made or given.

6.3 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which may be delivered by facsimile or other digital imaging device (e.g., pdf) and when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

6.4 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

6.5 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the principles of conflicts of law thereof.

6.6 Notices. All notices and other communications provided for or permitted hereunder shall be in writing and shall be deemed to have been duly given and received when delivered by overnight courier or hand delivery, when sent by facsimile, or five days after mailing if sent by registered or certified mail (return receipt requested) postage prepaid, to the Company and the Purchaser at the following addresses (or at such other address for any such Person as shall be specified by like notices, provided that notices of a change of address shall be effective only upon receipt thereof).

If to the Company, to:

Falcon Acquisition Group, Inc.
c/o Indigo Partners
2525 East Camelback Road
Suite 900
Phoenix, Arizona 85016
Attention: William A. Franke
Facsimile: (602) 224-1555

With a mandatory copy to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025
Attention: Tony Richmond
Facsimile: (650) 463-2600

If to the Purchaser, to:

Indigo Frontier Holdings Company, LLC
c/o Indigo Partners
2525 East Camelback Road
Suite 900
Phoenix, Arizona 85016
Attention: William A. Franke
Facsimile: (602) 224-1555

With a mandatory copy to:

Latham & Watkins LLP
140 Scott Drive
Menlo Park, CA 94025
Attention: Tony Richmond
Facsimile: (650) 463-2600

6.7 Survival. All covenants, agreements, representations and warranties made herein shall survive the execution and delivery hereof and transfer of the Shares.

6.8 Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired.

6.9 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and is intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter.

6.10 Further Assurances. Each of the parties shall execute such documents and perform such further acts (including, without limitation, obtaining any consents, exemptions, authorizations, or other actions by, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement (including, without limitation, entry into the Registration Rights Agreement).

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement or caused this Agreement to be executed and delivered by their authorized representatives as of the date first above written.

FALCON ACQUISITION GROUP, INC.

By: /s/ John R. Wilson
Name: John R. Wilson
Title: Vice President and Assistant Secretary

INDIGO FRONTIER HOLDINGS COMPANY, LLC

By: Indigo Denver Management Company, LLC
Its: Manager

By: /s/ William A. Franke
Name: William A. Franke
Title: Managing Member

[Signature Page to Subscription Agreement]

Exhibit 21.1

List of Subsidiaries of Frontier Group Holdings, Inc.

Subsidiaries	Jurisdiction of Incorporation or Organization
Frontier Airlines Holdings, Inc.	Delaware
Frontier Airlines, Inc.	Colorado

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated March 31, 2017, in the Registration Statement (Form S-1) and related Prospectus of Frontier Group Holdings, Inc. dated March 31, 2017.

/s/ Ernst & Young LLP

Denver, Colorado

March 31, 2017