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

FORM 10-Q

(Mark One):

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

For the quarterly period ended June 30, 2016

OR

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

For the transition period from _____ to _____

Commission File Number: 001-35975

Gogo Inc.
(Exact name of registrant as specified in its charter)

Delaware	**27-1650905**
(State or other jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

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

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

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

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

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

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

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

As of August 1, 2016, 86,176,803 shares of $0.0001 par value common stock were outstanding.

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Gogo Inc.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	$ 508,601	$ 366,833
Accounts receivable, net of allowances of $497 and $417, respectively	65,107	69,317
Inventories	25,092	20,937
Prepaid expenses and other current assets	23,379	10,920
Total current assets	622,179	468,007
Non-current assets:		
Property and equipment, net	467,105	434,490
Intangible assets, net	82,535	78,823
Goodwill	620	620
Long-term restricted cash	7,535	7,535
Other non-current assets	25,353	14,878
Total non-current assets	583,148	536,346
Total assets	$1,205,327	$1,004,353
Liabilities and Stockholders' equity		
Current liabilities:		
Accounts payable	$ 22,882	$ 28,189
Accrued liabilities	85,131	88,690
Accrued airline revenue share	14,717	13,708
Deferred revenue	26,521	24,055
Deferred airborne lease incentives	25,734	21,659
Current portion of long-term debt and capital leases	2,752	21,277
Total current liabilities	177,737	197,578
Non-current liabilities:		
Long-term debt	790,951	542,573
Deferred airborne lease incentives	135,425	121,732
Deferred tax liabilities	7,845	7,425
Other non-current liabilities	83,358	68,850
Total non-current liabilities	1,017,579	740,580
Total liabilities	1,195,316	938,158
Commitments and contingencies (Note 11)	—	—
Stockholders' equity		
Common stock, par value $0.0001 per share; 500,000,000 shares authorized at June 30, 2016 and December 31, 2015; 86,328,592 and 86,137,856 shares issued at June 30, 2016 and December 31, 2015, respectively; and 86,176,660 and 85,913,206 shares outstanding at June 30, 2016 and December 31, 2015, respectively	9	9
Additional paid-in-capital	868,883	861,243
Accumulated other comprehensive loss	(1,712)	(2,188)
Accumulated deficit	(857,169)	(792,869)
Total stockholders' equity	10,011	66,195
Total liabilities and stockholders' equity	$1,205,327	$1,004,353

See the Notes to Unaudited Condensed Consolidated Financial Statements

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue:				
Service revenue	$127,587	$101,395	$246,307	$196,801
Equipment revenue	19,952	19,796	42,978	39,901
Total revenue	147,539	121,191	289,285	236,702
Operating expenses:				
Cost of service revenue (exclusive of items shown below)	53,396	45,228	108,250	91,560
Cost of equipment revenue (exclusive of items shown below)	12,477	10,266	26,225	19,792
Engineering, design and development	24,718	18,816	46,366	37,432
Sales and marketing	16,750	13,263	31,492	25,077
General and administrative	22,388	21,373	43,377	41,609
Depreciation and amortization	24,906	20,813	49,263	39,590
Total operating expenses	154,635	129,759	304,973	255,060
Operating loss	(7,096)	(8,568)	(15,688)	(18,358)
Other (income) expense:				
Interest income	(166)	(11)	(212)	(16)
Interest expense	17,557	15,801	33,853	25,896
Loss on extinguishment of debt	15,406	—	15,406	—
Adjustment of deferred financing costs	77	—	(792)	—
Other (income) expense	3	(8)	(171)	(90)
Total other expense	32,877	15,782	48,084	25,790
Loss before income taxes	(39,973)	(24,350)	(63,772)	(44,148)
Income tax provision	221	422	528	716
Net loss	$ (40,194)	$ (24,772)	$ (64,300)	$ (44,864)
Net loss attributable to common stock per share—basic and diluted	$ (0.51)	$ (0.32)	$ (0.82)	$ (0.56)
Weighted average number of shares—basic and diluted	78,849	78,478	78,793	80,770

See the Notes to Unaudited Condensed Consolidated Financial Statements

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Net loss	$(40,194)	$(24,772)	$(64,300)	$(44,864)
Currency translation adjustments	64	159	476	(489)
Comprehensive loss	$(40,130)	$(24,613)	$(63,824)	$(45,353)

See the Notes to Unaudited Condensed Consolidated Financial Statements

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

	For the Six Months Ended June 30,	
	2016	2015
Operating activities:		
Net loss	$ (64,300)	$ (44,864)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization	49,263	39,590
Loss on asset disposals/abandonments	924	1,148
Deferred income taxes	420	413
Stock-based compensation expense	7,986	6,299
Loss on extinguishment of debt	15,406	—
Amortization of deferred financing costs	2,163	1,889
Accretion of debt discount	8,508	4,500
Adjustment of deferred financing costs	(792)	—
Changes in operating assets and liabilities:		
Accounts receivable	4,409	1,580
Inventories	(4,155)	(823)
Prepaid expenses and other current assets	(12,428)	(242)
Accounts payable	(1,598)	(5,725)
Accrued liabilities	(2,873)	11,467
Deferred airborne lease incentives	8,374	15,912
Deferred revenue	14,235	12,753
Deferred rent	443	18,714
Accrued airline revenue share	1,005	(796)
Accrued interest	3,012	3,943
Other non-current assets and liabilities	(5,641)	192
Net cash provided by operating activities	24,361	65,950
Investing activities:		
Proceeds from the sale of property and equipment	1	—
Purchases of property and equipment	(71,048)	(85,655)
Acquisition of intangible assets—capitalized software	(13,993)	(8,590)
Decrease (increase) in restricted cash	(14)	19
Net cash used in investing activities	(85,054)	(94,226)
Financing activities:		
Proceeds from the issuance of senior secured notes	525,000	—
Payments on amended and restated credit agreement	(310,132)	(5,283)
Proceeds from the issuance of convertible notes	—	361,940
Forward transactions	—	(140,000)
Payment of issuance costs	(10,610)	(10,357)
Payments on capital leases	(1,218)	(966)
Stock-based compensation activity	(346)	3,706
Net cash provided by financing activities	202,694	209,040
Effect of exchange rate changes on cash	(233)	117
Increase in cash and cash equivalents	141,768	180,881
Cash and cash equivalents at beginning of period	366,833	211,236
Cash and cash equivalents at end of period	$ 508,601	$ 392,117
Supplemental Cash Flow Information:		
Cash paid for interest	$ 20,748	$ 16,123
Cash paid for taxes	273	383
Noncash Investing and Financing Activities:		
Purchases of property and equipment in current liabilities	$ 22,051	$ 14,486
Purchases of property and equipment paid by commercial airlines	8,728	5,038
Purchases of property and equipment under capital leases	1,318	117
Acquisition of intangible assets in current liabilities	1,201	1,385
Asset retirement obligation incurred	372	390

See the Notes to Unaudited Condensed Consolidated Financial Statements

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

1. Basis of Presentation

The Business **-** Gogo Inc. ("we", "us", "our") is a holding company, which through its operating subsidiaries is a provider of in-flight connectivity and wireless in-cabin digital entertainment solutions. We operate through the following three segments: Commercial Aviation North America or "CA-NA", Commercial Aviation Rest of World or "CA-ROW" and Business Aviation or "BA". Services provided by our CA-NA and CA-ROW businesses include Passenger Connectivity, which allows passengers to connect to the Internet from their personal Wi-Fi-enabled devices; Passenger Entertainment, which offers passengers the opportunity to enjoy a broad selection of in-flight entertainment options on their personal Wi-Fi enabled devices; and Connected Aircraft Services ("CAS"), which offers airlines connectivity for various operations and currently includes, among other things, real-time credit card transaction processing, electronic flight bags and real-time weather information. Services are provided by the CA-NA business on commercial aircraft flying routes that generally begin and end within North America, which for this purpose includes the United States, Canada and Mexico. Our CA-ROW business provides service on commercial aircraft operated by foreign-based commercial airlines and flights outside of North America for North American-based commercial airlines. The routes included in our CA-ROW segment are those that begin and/or end outside of North America (as defined above) for which our international service is provided. Our BA business provides in-flight Internet connectivity and other voice and data communications products and services and sells equipment for in-flight telecommunications to the business aviation market. BA services include Gogo Biz, our in-flight broadband service, Passenger Entertainment, our in-flight entertainment service, and satellite-based voice and data services through our strategic alliances with satellite companies.

Basis of Presentation - The accompanying unaudited condensed consolidated financial statements and notes have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in conformity with Article 10 of Regulation S-X promulgated under the Securities Act of 1933, as amended (the "Securities Act"). Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements and should be read in conjunction with our annual audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2015 as filed with the Securities and Exchange Commission ("SEC") on February 25, 2016 (the "2015 10-K"). These unaudited condensed consolidated financial statements reflect, in the opinion of management, all material adjustments (which include normal recurring adjustments) necessary to fairly state, in all material respects, our financial position, results of operations and cash flows for the periods presented.

The results of operations and cash flows for the three and six month periods ended June 30, 2016 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2016.

We have one class of common stock outstanding as of June 30, 2016 and December 31, 2015.

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

Revisions - Previously reported operating expenses for the three and six month periods ended June 30, 2015 have been revised to reflect the classification of incentive compensation expense and stock-based compensation expense in the same operating expense line items as the related base cash compensation. There was no change in total operating expenses, net loss or net loss per share, or the consolidated balance sheets or statements of comprehensive loss, cash flows or stockholders' equity resulting from these revisions. See Note 2, "Summary of Significant Accounting Policies" in our 2015 10-K for additional information on these revisions.

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

Below are the line items from our unaudited condensed consolidated statements of operations illustrating the effect of these immaterial revisions (*in thousands*):

	Three Months Ended June 30, 2015			
		Revisions		
	As Reported	Incentive Compensation Expense	Stock-Based Compensation Expense	As Revised
Operating expenses:				
Cost of service revenue (exclusive of items shown below)	$ 44,382	$ 573	$ 273	$ 45,228
Cost of equipment revenue (exclusive of items shown below)	10,173	75	18	10,266
Engineering, design and development	17,280	1,140	396	18,816
Sales and marketing	11,465	890	908	13,263
General and administrative	25,646	(2,678)	(1,595)	21,373
Depreciation and amortization	20,813	—	—	20,813
Total operating expenses	$ 129,759	$ —	$ —	$ 129,759

	Six Months Ended June 30, 2015			
		Revisions		
	As Reported	Incentive Compensation Expense	Stock-Based Compensation Expense	As Revised
Operating expenses:				
Cost of service revenue (exclusive of items shown below)	$ 89,929	$ 1,118	$ 513	$ 91,560
Cost of equipment revenue (exclusive of items shown below)	19,631	125	36	19,792
Engineering, design and development	34,365	2,129	938	37,432
Sales and marketing	21,706	1,697	1,674	25,077
General and administrative	49,839	(5,069)	(3,161)	41,609
Depreciation and amortization	39,590	—	—	39,590
Total operating expenses	$ 255,060	$ —	$ —	$ 255,060

2. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"). This pronouncement outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The core principle of ASU 2014-09 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within the annual reporting periods. Early adoption of the guidance is permitted for annual reporting periods beginning after December 15, 2016, including interim reporting periods within the annual reporting periods. We will adopt this guidance as of January 1, 2018 and we expect to apply this standard using the full retrospective method. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

In August 2014, the FASB issued ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). This pronouncement provides additional guidance surrounding the disclosure of going concern uncertainties in the financial statements and requires that management perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. We will adopt this guidance as of December 31, 2016. We do not anticipate the adoption of this guidance to result in additional disclosures.

In March 2016, the FASB issued ASU 2016-02, *Leases* ("ASU 2016-02"), which introduces a lessee model that records most leases on the balance sheet. ASU 2016-02 also aligns certain underlying principles of the new lessor model with those in Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers* ("ASC 606"), the FASB's new revenue recognition standard. Furthermore, ASU 2016-02 eliminates the required use of bright-line tests used in current GAAP for determining lease classification. It also requires lessors to provide additional transparency into the exposure to the changes in value of their residual assets and how they manage that exposure. ASU 2016-02 is effective January 1, 2019. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

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

In March 2016, the FASB issued ASU 2016-04, *Recognition of Breakage for Certain Prepaid Stored-Value Products* ("ASU 2016-04"), which amends the guidance on extinguishing financial liabilities for certain prepaid stored-value products by requiring that entities that sell prepaid stored-value products recognize breakage proportionally as the prepaid stored-value product is being redeemed rather than immediately upon sale of the product. If an entity is unable to estimate breakage, the amount would be recognized when the likelihood becomes remote that the holder will exercise the remaining rights. Entities are required to reassess their estimates of breakage each reporting period. Any change in this estimate would be accounted for as a change in an accounting estimate. An entity that recognizes breakage is required to disclose the methodology used to recognize breakage and significant judgments made in applying the breakage methodology. ASU 2016-04 is effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years and early adoption is permitted. We can apply ASU 2016-04 by using either a modified retrospective transition approach or a full retrospective transition approach. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

In March 2016, the FASB issued ASU 2016-08, *Principal Versus Agent Considerations (Reporting Revenue Gross Versus Net)* ("ASU 2016-08"), which amends the principal-versus-agent implementation guidance and illustrations in ASC 606. The FASB issued ASU 2016-08 in response to concerns identified by stakeholders, including those related to determining the appropriate unit of account under the revenue standard's principal-versus-agent guidance and applying the indicators of whether an entity is a principal or an agent in accordance with the revenue standard's control principle. ASU 2016-08 has the same effective date as ASU 2014-09 and requires adopting ASU 2016-08 by using the same transition method used to adopt ASU 2014-09. We will adopt this guidance as of January 1, 2018 and we expect to apply this standard using the full retrospective method. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

In March 2016, the FASB issued ASU 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"), which simplifies several aspects of the accounting for employee share-based payment transactions for both public and nonpublic entities, including the accounting for income taxes, forfeitures and statutory tax withholding requirements, as well as classification in the statement of cash flows. ASU 2016-09 is effective for annual reporting periods beginning after December 15, 2016, including interim periods within those annual reporting periods. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

In April 2016, the FASB issued ASU 2016-10, *Identifying Performance Obligations and Licensing* ("ASU 2016-10") which amends certain aspects of the ASU 2014-09, specifically aspects related to identifying performance obligations and implementation guidance for licensing. ASU 2016-10 has the same effective date as ASU 2014-09 and requires adopting ASU 2016-10 by using the same transition method used to adopt ASU 2014-09. We will adopt this guidance as of January 1, 2018 and we expect to apply this standard using the full retrospective method. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

In May 2016, the FASB issued ASU 2016-12, *Narrow-Scope improvements and Practical Expedients* ("ASU 2016-12"), which amends certain aspects of ASU 2014-09. The amendments address certain implementation issues and clarify, rather than change, the standard's core revenue recognition principles which include clarity on collectability, presentation of sales tax and other similar taxes collected from customers, noncash consideration, contract modifications and completed contracts at transition and transition technical corrections. ASU 2016-12 has the same effective date as ASU 2014-09 and requires adopting ASU 2016-12 by using the same transition method used to adopt ASU 2014-09. We will adopt this guidance as of January 1, 2018 and we expect to apply this standard using the full retrospective method. We are currently evaluating the impact of the adoption of this guidance on our financial position, results of operations and cash flows.

3. Net Loss Per Share

Basic and diluted net loss per share have been calculated using the weighted average number of common shares outstanding for the period. The shares of common stock effectively repurchased in connection with the Forward Transactions (as defined and described in Note 8, "Long-Term Debt and Other Liabilities") are considered

participating securities requiring the two-class method to calculate basic and diluted earnings per share. Net earnings in future periods will be allocated between common shares and participating securities. In periods of a net loss, the shares associated with the Forward Transactions will not receive an allocation of losses, as the counterparties to the Forward Transactions are not required to fund losses. Accordingly, the calculation of weighted average shares outstanding as of June 30, 2016 and 2015 excludes approximately 7.2 million shares that will be repurchased as a result of the Forward Transactions.

As a result of the net loss for the three and six month periods ended June 30, 2016 and 2015, all of the outstanding shares of common stock underlying stock options, deferred stock units and restricted stock units were excluded from the computation of diluted shares outstanding because they were anti-dilutive.

The following table sets forth the computation of basic and diluted earnings per share for the three and six month periods ended June 30, 2016 and 2015; however, because of the undistributed losses, the shares of common stock associated with the Forward Transactions are excluded from the computation of basic earnings per share in 2016 and 2015 as undistributed losses are not allocated to these shares (*in thousands, except per share amounts*):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Net loss	$(40,194)	$(24,772)	$(64,300)	$(44,864)
Less: Participation rights of the Forward Transactions	—	—	—	—
Undistributed losses	$(40,194)	$(24,772)	$(64,300)	$(44,864)
Weighted-average common shares outstanding-basic and diluted	78,849	78,478	78,793	80,770
Net loss attributable to common stock per share-basic and diluted	$ (0.51)	$ (0.32)	$ (0.82)	$ (0.56)

4. Inventories

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

Inventories as of June 30, 2016 and December 31, 2015, all of which were included within the BA segment, were as follows (*in thousands*):

	June 30, 2016	December 31, 2015
Work-in-process component parts	$17,802	$ 13,866
Finished goods	7,290	7,071
Total inventory	$25,092	$ 20,937

5. Composition of Certain Balance Sheet Accounts

Property and equipment as of June 30, 2016 and December 31, 2015 were as follows (*in thousands*):

	June 30, 2016	December 31, 2015
Office equipment, furniture, fixtures and other	$ 46,180	$ 43,447
Leasehold improvements	42,027	42,318
Airborne equipment	473,090	414,381
Network equipment	162,723	156,890
	724,020	657,036
Accumulated depreciation	(256,915)	(222,546)
Property and equipment, net	$ 467,105	$ 434,490

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

Accrued liabilities as of June 30, 2016 and December 31, 2015 were as follows (*in thousands*):

	June 30, 2016	December 31, 2015
Employee compensation and benefits	$18,578	$ 23,668
Airborne equipment and installation costs	15,337	17,503
Airborne partner related accrued liabilities	14,092	11,387
Deferred rent	2,690	2,559
Accrued interest	7,623	4,611
Other	26,811	28,962
Total accrued liabilities	$85,131	$ 88,690

Other non-current liabilities as of June 30, 2016 and December 31, 2015 were as follows (*in thousands*):

	June 30, 2016	December 31, 2015
Deferred rent	$36,978	$ 36,656
Deferred revenue	32,530	20,758
Asset retirement obligations	7,637	7,847
Other	6,213	3,589
Total other non-current liabilities	$83,358	$ 68,850

6. Intangible Assets

Our intangible assets are comprised of both indefinite-lived and finite-lived intangible assets. Intangible assets with indefinite lives and goodwill are not amortized, but are reviewed for impairment at least annually or whenever events or circumstances indicate the carrying value of the asset may not be recoverable. We perform our annual impairment tests of our indefinite-lived intangible assets and goodwill during the fourth quarter of each fiscal year. We also reevaluate the useful life of the indefinite-lived intangible assets each reporting period to determine whether events and circumstances continue to support an indefinite useful life. The results of our annual indefinite-lived intangible assets and goodwill impairment assessments in the fourth quarter of 2015 indicated no impairment.

As of June 30, 2016 and December 31, 2015, our goodwill balance, all of which related to our BA segment, was $0.6 million.

Our intangible assets, other than goodwill, as of June 30, 2016 and December 31, 2015 were as follows (*in thousands, except for weighted average remaining useful life*):

	Weighted Average Remaining Useful Life (in years)	As of June 30, 2016			As of December 31, 2015		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Amortized intangible assets:							
Software	2.3	$104,339	$ (59,574)	$44,765	$ 90,925	$ (50,760)	$40,165
OEM and dealer relationships	0.6	6,724	(6,331)	393	6,724	(5,995)	729
Service customer relationship	3.8	8,081	(4,265)	3,816	8,081	(3,757)	4,324
Other intangible assets	3.6	1,500	(222)	1,278	1,500	(178)	1,322
Total amortized intangible assets		120,644	(70,392)	50,252	107,230	(60,690)	46,540
Unamortized intangible assets:							
FCC Licenses		32,283	—	32,283	32,283	—	32,283
Total intangible assets		$152,927	$ (70,392)	$82,535	$139,513	$ (60,690)	$78,823

Amortization expense was $5.1 million and $9.7 million, respectively, for the three and six month periods ended June 30, 2016, and $4.6 million and $8.2 million, respectively, for the comparable prior year periods.

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

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

Years ending December 31,	Amortization Expense
2016 (period from July 1 to December 31)	$ 11,649
2017	$ 17,375
2018	$ 11,547
2019	$ 5,139
2020	$ 1,934
Thereafter	$ 2,608

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

7. Warranties

We provide warranties on parts and labor related to our products. Our warranty terms range from two to five years. Warranty reserves are established for costs that are estimated to be incurred after the sale, delivery and installation of the products under warranty. The warranty reserves are determined based on known product failures, historical experience and other available evidence, and are included in accrued liabilities in our unaudited condensed consolidated balance sheets. Our warranty reserve balance was $2.1 million and $1.8 million, respectively, as of June 30, 2016 and December 31, 2015.

8. Long-Term Debt and Other Liabilities

Long-term debt as of June 30, 2016 and December 31, 2015 was as follows (*in thousands*):

	June 30, 2016	December 31, 2015
Senior Secured Notes	$525,000	$ —
Convertible Notes	283,036	274,528
Amended and Restated Senior Term Facility	—	301,503
Total debt	808,036	576,031
Less deferred financing costs	(17,085)	(14,623)
Less current portion of long-term debt	—	(18,835)
Total long-term debt	$790,951	$ 542,573

Senior Secured Notes – On June 14, 2016 (the "Issue Date"), Gogo Intermediate Holdings LLC ("GIH") and Gogo Finance Co. Inc. (the "Co-Issuer" and, together with GIH, the "Issuers"), issued $525 million aggregate principal amount of 12.500% senior secured notes due 2022 (the "Senior Secured Notes") under an Indenture, dated as of June 14, 2016 (the "Indenture"), among the Issuers, us, as guarantor, certain subsidiaries of GIH, as guarantors (the "Subsidiary Guarantors" and, together with us, the "Guarantors"), and U.S. Bank National Association, as trustee (in such capacity, the "Trustee") and as collateral agent (in such capacity, the "Collateral Agent"). On June 30, 2016 the outstanding principal balance of the Senior Secured Notes was $525.0 million.

Interest on the Senior Secured Notes will accrue at the rate of 12.500% per annum and will be payable semi-annually in arrears on July 1 and January 1, commencing on January 1, 2017. The notes mature on July 1, 2022.

We used a portion of the net proceeds from the issuance of the Senior Secured Notes to repay all indebtedness outstanding under the Amended and Restated Senior Term Facility (as defined below), which we prepaid at par plus 3.0% of the principal amount of the loans prepaid (see below for additional details). We intend to use the remaining net proceeds for working capital and other general corporate purposes, including potential costs associated with the launch and commercial rollout of our next-generation technology solutions.

We paid approximately $11.4 million of loan origination fees and financing costs related to the issuance of the Senior Secured Notes, which has been accounted for as deferred financing costs. The deferred financing costs on our unaudited condensed consolidated balance sheet are being amortized over the contractual term of the Senior Secured Notes using the effective interest method. Total amortization expense was $0.1 million for both the three and six month periods ended June 30, 2016. See Note 9, "Interest Costs" for additional information.

Gogo Inc. and Subsidiaries
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The Senior Secured Notes are the senior secured indebtedness of the Issuers and are:

- effectively senior to all of the Issuers' existing and future senior unsecured indebtedness and the Issuers' indebtedness secured on a junior priority basis by the same collateral securing the Senior Secured Notes, if any, in each case to the extent of the value of the collateral securing the Senior Secured Notes;
- effectively senior in right of payment to any and all of the Issuers' future indebtedness that is subordinated in right of payment to the Senior Secured Notes;
- effectively equal in right of payment with the Issuers' existing and future (i) unsecured indebtedness that is not subordinated in right of payment to the notes and (ii) indebtedness secured on a junior priority basis by the same collateral securing the Senior Secured Notes, if any, in each case to the extent of any insufficiency in the collateral securing the notes;
- structurally senior to all of our existing and future indebtedness, including our Convertible Notes (as defined below); and
- structurally subordinated to all of the indebtedness and other liabilities of any non-guarantor subsidiary (other than the Issuers).

The Senior Secured Notes are guaranteed, on a senior secured basis, by us and all of GIH's existing and future domestic restricted subsidiaries (other than the Co-Issuer), subject to certain exceptions. The Issuers' obligations under the Senior Secured Notes are not guaranteed by Gogo International Holdings, LLC, a subsidiary of ours that holds no material assets other than equity interests of our foreign subsidiaries. Each guarantee is a senior secured obligation of such Guarantor and is:

- effectively senior to all of such Guarantor's existing and future senior unsecured indebtedness and such Guarantor's indebtedness secured on a junior priority basis by the same collateral, if any, securing the guarantee, of such Guarantor, in each case to the extent of the value of the collateral securing the guarantee;
- effectively senior in right of payment to all of such Guarantor's future indebtedness that is subordinated in right of payment to such Guarantor's guarantee;
- effectively equal in right of payment with all of such Guarantor's existing and future (i) unsecured indebtedness that is not subordinated in right of payment to such Guarantor's guarantee, and (ii) indebtedness secured on a junior priority basis by the same collateral, if any, securing such guarantee, in each case to the extent of any insufficiency in the collateral securing such guarantee; and
- structurally subordinated to all indebtedness and other liabilities of any non-Guarantor subsidiary of such Guarantor (excluding, in the case of our guarantee, the Issuers).

The Senior Secured Notes and the related guarantees are secured by first-priority liens, subject to permitted liens, on substantially all of the Issuers' and the Guarantors' assets, except for certain excluded assets, including pledged equity interests of the Issuers and all of our existing and future domestic restricted subsidiaries guaranteeing the Senior Secured Notes.

The security interests in certain collateral may be released without the consent of holders of the notes if such collateral is disposed of in a transaction that complies with the Indenture and related security agreements. In addition, under certain circumstances, we and the Guarantors have the right to transfer certain intellectual property assets that on the Issue Date constitute collateral securing the Senior Secured Notes or the guarantees to a restricted subsidiary organized under the laws of Switzerland, resulting in the release of such collateral.

On or after July 1, 2019, the Issuers may, at their option, at any time or from time to time, redeem any of the Senior Secured Notes in whole or in part. The Senior Secured Notes will be redeemable at the following redemption prices (expressed in percentages of principal amount), plus accrued and unpaid interest, if any, to (but not including) the redemption date (subject to the right of holders of record on the relevant regular record date that are on or prior to the redemption date to receive interest due on an interest payment date), if redeemed during the twelve-month period commencing on July 1 of the following years:

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Year	Redemption Price
2019	106.250%
2020	103.125%
2021 and thereafter	100.000%

In addition, at any time prior to July 1, 2019, the Issuers may redeem up to 35% of the aggregate principal amount of the Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 112.500% of their principal amount, plus accrued and unpaid interest, if any, to (but not including) the date of redemption; provided, however, that Senior Secured Notes representing at least 65% of the principal amount of the Senior Secured Notes remain outstanding immediately after each such redemption.

The Issuers may redeem the Senior Secured Notes, in whole or in part, at any time prior to July 1, 2019, at a redemption price equal to 100% of the principal amount of the notes redeemed plus the make-whole premium set forth in the Indenture as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

The Indenture contains covenants that, among other things, limit the ability of the Issuers and the Subsidiary Guarantors and, in certain circumstances, our ability, to: incur additional indebtedness; pay dividends, redeem stock or make other distributions; make investments; create restrictions on the ability of our restricted subsidiaries to pay dividends to the Issuers or make other intercompany transfers; create liens; transfer or sell assets; merge or consolidate; and enter into certain transactions with the Issuers' affiliates. Most of these covenants will cease to apply if and for as long as the Senior Secured Notes have investment grade ratings from both Moody's Investment Services, Inc. and Standard & Poor's.

If we or the Issuers undergo specific types of change of control prior to July 1, 2022, GIH is required to make an offer to repurchase for cash all of the Senior Secured Notes at a repurchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the payment date.

The Indenture provides for events of default, which, if any of them occur, would permit or require the principal, premium, if any, and interest on all the then outstanding Senior Secured Notes issued under the Indenture to be due and payable immediately. As of June 30, 2016, no event of default had occurred.

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

The $361.9 million of proceeds received from the issuance of the Convertible Notes was initially allocated between long-term debt (the liability component) at $261.9 million, and additional paid-in-capital, (the equity component) at $100.0 million, within the unaudited condensed consolidated balance sheet. The fair value of the liability component was measured using rates determined for similar debt instruments without a conversion feature. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability component from the aggregate face value of the Convertible Notes. If we or the note holders elect not to settle the debt through conversion, we must settle the Convertible Notes at face value. Therefore, the liability component will be accreted up to the face value of the Convertible Notes, which will result in additional non-cash interest expense being recognized within the unaudited condensed consolidated statements of operations through the Convertible Notes maturity date (see Note 9, "Interest Costs" for additional information). The

effective interest rate on the Convertible Notes, including accretion of the notes to par and debt issuance cost amortization, was approximately 11.5%. The equity component will not be remeasured as long as it continues to meet the conditions for equity classification.

As of June 30, 2016 and December 31, 2015, the outstanding principal on the Convertible Notes was $361.9 million for both periods, the unamortized debt discount was $78.9 million and $87.4 million, respectively, and the net carrying amount of the liability component was $283.0 million and $274.5 million, respectively.

We incurred approximately $10.4 million of issuance costs related to the issuance of the Convertible Notes, of which $7.5 million and $2.9 million were recorded to deferred financing costs and additional paid-in capital, respectively, in proportion to the allocation of the proceeds of the Convertible Notes. The $7.5 million recorded as deferred financing costs on our unaudited condensed consolidated balance sheet is being amortized over the term of the Convertible Notes using the effective interest method. Total amortization expense of the deferred financing costs was $0.3 million and $0.7 million, respectively, for the three and six month periods ended June 30, 2016, and $0.3 million and $0.4 million, respectively, for the comparable prior year periods. Amortization expense is included in interest expense in the unaudited condensed consolidated statements of operations. As of June 30, 2016 and December 31, 2015, the balance of unamortized deferred financing costs related to the Convertible Notes was $5.8 million and $6.5 million, respectively, and is included as a reduction to long-term debt in our unaudited condensed consolidated balance sheets. See Note 9, “Interest Costs” for additional information.

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

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

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

None of the above events allowing for conversion prior to December 1, 2019 occurred during the six month periods ended June 30, 2016 or 2015. Regardless of whether any of the foregoing circumstances occurs, a holder may convert its Convertible Notes, in multiples of $1,000 principal amount, at any time on or after December 1, 2019 until maturity.

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

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

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

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

Prior to the Amendment, under the Amended Senior Term Facility we borrowed an aggregate principal amount of $248.0 million (the "Tranche B-1 Loans"). Pursuant to the Amendment, we borrowed an aggregate additional principal amount of $75.0 million (the "Tranche B-2 Loans" and, together with the Tranche B-1 Loans, the "Loans").

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

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

On June 14, 2016 the outstanding principal balance of $287.7 million, together with accrued and unpaid interest, was paid in full, and the Amended and Restated Senior Term Facility was terminated in accordance with its terms on such date (subject to the survival of provisions expressly stated therein to survive the termination thereof). Additionally, we paid the voluntary prepayment premium of 3.0% or $8.6 million and wrote off all of the remaining unamortized deferred financing costs of $6.8 million. Both of these items are included in loss on extinguishment of debt in our unaudited condensed consolidated financial statements. As of December 31, 2015, $301.5 million was outstanding under the Amended and Restated Senior Term Facility.

We paid $22.2 million of loan origination fees and financing costs related to the Amended and Restated Senior Term Facility, all but $4.1 million of which were accounted for as deferred financing costs. Total amortization expense of the deferred financing costs was $0.6 million and $1.4 million, respectively, for the three and six month periods ended June 30, 2016, and $0.8 million and $1.5 million in the comparable prior year periods, respectively. Amortization expense is included in interest expense in the unaudited condensed consolidated statements of operations. As noted above, deferred financing costs related to the Amended and Restated Senior Term Facility were written off as of June 14, 2016. As of December 31, 2015, the balance of unamortized deferred financing costs related to the Amended and Restated Senior Term Facility was $8.2 million and was included as a reduction to long-term debt in our unaudited condensed consolidated balance sheets. See Note 9, "Interest Costs" for additional information.

Letters of Credit - We maintain several letters of credit totaling $8.1 million and $7.5 million as of June 30, 2016 and December 31, 2015, respectively. Certain of the letters of credit require us to maintain restricted cash accounts in a similar amount, and are issued for the benefit of the landlords at our current office locations in Chicago, Illinois; Bensenville, Illinois; Broomfield, Colorado and our former office location in Itasca, Illinois.

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9. Interest Costs

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

The following is a summary of our interest costs for the three and six month periods ended June 30, 2016 and 2015 *(in thousands)*:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Interest costs charged to expense	$12,250	$11,168	$23,182	$19,507
Amortization of deferred financing costs	995	1,105	2,163	1,889
Accretion of Convertible Notes	4,312	3,528	8,508	4,500
Interest expense	17,557	15,801	33,853	25,896
Interest costs capitalized to property and equipment	82	46	153	112
Interest costs capitalized to software	400	333	682	637
Total interest costs	$18,039	$16,180	$34,688	$26,645

10. Leases

Arrangements with Commercial Airlines — Pursuant to contractual agreements with our airline partners, we place our equipment on commercial aircraft operated by the airlines for the purpose of delivering the Gogo service to passengers on the aircraft. Depending on the agreement, we may be responsible for the costs of installing and/or deinstalling the equipment. Under one type of connectivity agreement we maintain legal title to our equipment; however, under a second, more prevalent type of connectivity agreement some of our airline partners make an upfront payment and take legal title to such equipment. The majority of the equipment transactions involve the transfer of legal title but have not met sales recognition for accounting purposes because the risks and rewards of ownership are not fully transferred due to our continuing involvement with the equipment, the length of the term of our agreements with the airlines, and restrictions in the agreements regarding the airlines' use of the equipment. We account for these equipment transactions as operating leases of space for our equipment on the aircraft. The assets are recorded as airborne equipment on our unaudited condensed consolidated balance sheets, as noted in Note 5, "Composition of Certain Balance Sheet Accounts." Any upfront equipment payments are accounted for as lease incentives and recorded as deferred airborne lease incentives on our unaudited condensed consolidated balance sheets and are recognized as a reduction of the cost of service revenue on a straight-line basis over the term of the agreement with the airline. We recognized $7.2 million and $12.9 million, respectively, for the three and six month periods ended June 30, 2016, and $4.7 million and $8.6 million for the comparable prior year periods, respectively, as a reduction to our cost of service revenue in our unaudited condensed consolidated statements of operations. As of June 30, 2016, deferred airborne lease incentives of $25.7 million and $135.4 million, respectively, are included in current and non-current liabilities in our unaudited condensed consolidated balance sheet. As of December 31, 2015, deferred airborne lease incentives of $21.7 million and $121.7 million, respectively, are included in current and non-current liabilities, in our unaudited condensed consolidated balance sheet.

For the airline agreements where the equipment transactions are treated as operating leases of space, the revenue share paid to our airline partners represents operating lease payments. They are deemed to be contingent rental payments, as the payments due to each airline are based on a percentage of our CA-NA and CA-ROW service revenue generated from that airline's passengers, which is unknown until realized. Therefore, we cannot estimate the lease payments due to an airline at the commencement of our contract with such airline. This rental expense is included in cost of service revenue and is offset by the amortization of the deferred airborne lease incentives discussed above. Such rental expenses totaled a net charge of $10.8 million and $22.2 million, respectively, for the three and six month periods ended June 30, 2016, and $10.5 million and $20.9 million, respectively, for the comparable prior year periods.

One contract with one of our airline partners requires us to provide that airline partner with a cash rebate of $1.8 million if our service is available on a specified number of aircraft in such airline partner's fleet on the preceding December 31, in June of each year from 2015 through 2023. Based upon the number of aircraft in service on December 31, 2015, we were required to and we paid the $1.8 million rebate to this airline partner in June 2016.

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Leases and Cell Site Contracts — We have lease agreements relating to certain facilities and equipment, which are considered operating leases. Rent expense for such operating leases was $2.9 million and $6.0 million, respectively, for the three and six month periods ended June 30, 2016, and $3.4 million and $7.7 million, respectively, for the comparable prior year periods. Additionally, we have operating leases with wireless service providers for tower space and base station capacity on a volume usage basis ("cell site leases"), some of which provide for minimum annual payments. Our cell site leases generally provide for an initial noncancelable term of up to five years with up to four five-year renewal options. Total cell site rental expense was $2.4 million and $4.7 million, respectively, for the three and six month periods ended June 30, 2016, and $2.3 million and $4.6 million, respectively, for the comparable prior year periods.

Annual future minimum obligations for operating leases for each of the next five years and thereafter, other than the arrangements we have with our commercial airline partners, as of June 30, 2016 are as follows (*in thousands*):

Years ending December 31,	Operating Leases
2016 (period from July 1 to December 31)	$ 10,418
2017	$ 19,528
2018	$ 16,882
2019	$ 15,773
2020	$ 14,062
Thereafter	$108,369

Equipment Leases – We lease certain computer and network equipment under capital leases, for which interest has been imputed with annual interest rates in an approximate range of 8% to 14%. As of June 30, 2016 the computer equipment leases were classified as part of office equipment, furniture, and fixtures and other in our unaudited condensed consolidated balance sheet at a gross cost of $3.0 million. As of June 30, 2016 the network equipment leases were classified as part of network equipment in our unaudited condensed consolidated balance sheet at a gross cost of $7.5 million. Annual future minimum obligations under capital leases for each of the next five years and thereafter, as of June 30, 2016, are as follows (*in thousands*):

Years ending December 31,	Capital Leases
2016 (period from July 1 to December 31)	$1,714
2017	2,822
2018	1,250
2019	138
Thereafter	—
Total minimum lease payments	5,924
Less: Amount representing interest	(596)
Present value of net minimum lease payments	$5,328

The $5.3 million present value of net minimum lease payments as of June 30, 2016 has a current portion of $2.8 million included in the current portion of long-term debt and capital leases and a non-current portion of $2.5 million included in other non-current liabilities.

11. Commitments and Contingencies

Contractual Commitments - We have agreements with various vendors under which we have remaining commitments to purchase $28.8 million in satellite-based systems, certification and development services as of June 30, 2016. Such commitments will become payable as we receive the equipment or certification, or as development services are provided.

We have agreements with vendors to provide us with transponder and teleport satellite services. These agreements vary in length and amount and as of June 30, 2016 commit us to purchase transponder and teleport satellite services totaling approximately $21.7 million in 2016 (July 1 through December 31), $44.7 million in 2017, $41.2 million in 2018, $46.6 million in 2019, $60.1 million in 2020 and $341.4 million thereafter.

Damages and Penalties - We have entered into a number of agreements with our airline partners that require us to provide a credit or pay liquidated damages to our airline partners on a per aircraft, per day or per hour basis if we

are unable to install our equipment on aircraft by specified timelines or fail to comply with service level commitments. The maximum amount of future credits or payments we could be required to make under these agreements is uncertain because the amount of future credits or payments is based on certain variable inputs.

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

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

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

Berkson Litigation - On February 25, 2014, Adam Berkson filed suit against us in the United States District Court for the Eastern District of New York, on behalf of putative classes of national purchasers and a subclass of New York purchasers of our connectivity service, alleging that we violated New York and other consumer protection laws, as well as an implied covenant of good faith and fair dealing, by misleading consumers about recurring charges for our service. The suit sought unspecified damages. In October 2015, we and representatives of the putative classes entered into a settlement agreement under which eligible class members are entitled to receive agreed-upon amounts of complimentary Gogo connectivity service and we are responsible for claims administration costs and the plaintiffs' legal fees. The estimated cost of the settlement is not material. On April 5, 2016, the judge approved the settlement.

Salameno Litigation - On January 29, 2016, Charles Salameno, Maria-Angela Sanzone and John Jensen filed suit against us in the United States District Court for the Eastern District of New York, on behalf of a putative class of national purchasers and a subclass of New York purchasers of our connectivity service, alleging that we violated New York and other consumer protection laws, as well as unjust enrichment, fraud and breach of contract arising from alleged false statements in our marketing materials and alleged data security issues arising from our network design and certain network practices. The suit seeks unspecified damages. We have not accrued any liability because the strength of our defenses and a range of possible loss, if any, cannot be determined at this early stage of the litigation. Based on currently available information, we believe that we have strong defenses and intend to defend this lawsuit vigorously, but the outcome of this matter is inherently uncertain and may have a material adverse effect on our financial position, results of operations and cash flows. On May 23, 2016, we filed motions to compel arbitration and dismiss the suit, moving in the alternative to transfer venue and/or dismiss the suit for failure to state a claim. The Court held a hearing on June 30, 2016 where we argued the motions to dismiss and on July 7, 2016 the Court issued its opinion granting our motion to compel arbitration. On August 1, 2016, the Plaintiffs filed a motion asking the Court to reconsider the opinion. We intend to oppose the motion and we await the Court's decision. The Plaintiffs' deadline to file a notice of appeal is August 24, 2016.

12. Fair Value of Financial Assets and Liabilities

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

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

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Long-Term Debt:

Our financial assets and liabilities that are disclosed but not measured at fair value include the Senior Secured Notes, the Convertible Notes and the Amended and Restated Senior Term Facility (when outstanding), which are reflected on the unaudited condensed consolidated balance sheet at cost. The fair value measurements are classified as Level 2 within the fair value hierarchy since they are based on quoted market prices of our instruments in markets that are not active. We estimated the fair value of the Senior Secured Notes, Convertible Notes and Amended and Restated Senior Term Facility (when outstanding) by calculating the upfront cash payment a market participant would require to assume these obligations. The upfront cash payments used in the calculations of fair value on our June 30, 2016 unaudited condensed consolidated balance sheet, excluding any issuance costs, is the amount that a market participant would be able to lend at June 30, 2016 to an entity with a credit rating similar to ours and achieve sufficient cash inflows to cover the scheduled cash outflows under the Senior Secured Notes and the Convertible Notes. The calculated fair value of our Convertible Notes is highly correlated to our stock price and as a result significant changes to our stock price could have a significant impact on the calculated fair value of our Convertible Notes.

The fair value and carrying value of long-term debt as of June 30, 2016 and December 31, 2015 was as follows *(in thousands)*:

	June 30, 2016		December 31, 2015	
	Fair Value (1)	Carrying Value	Fair Value (1)	Carrying Value
Senior Secured Notes	$ 521,000	$525,000	$ —	$ —
Convertible Notes	240,000	283,036	352,000	274,528
Amended and Restated Senior Term Facility	—	—	299,000	301,503

(1) Fair value amounts are rounded to the nearest million.

13. Income Tax

The effective income tax rates for the three and six month periods ended June 30, 2016 were (0.6%) and (0.8%), respectively, and (1.7%) and (1.6%), respectively, for the comparable prior year periods. Income tax expense recorded in each period was similar, with differences in pre-tax income causing the change in the effective tax rate. The difference between our effective tax rates and the U.S. federal statutory rate of 35% for the three and six month periods ended June 30, 2016 and 2015 was primarily due to the recording of a valuation allowance against our net deferred tax assets.

We are subject to income taxation in the United States, various states, Canada, Switzerland, Japan, Mexico, Brazil, Singapore and the United Kingdom. With few exceptions, as of June 30, 2016, we are no longer subject to U.S. federal, state, local or foreign examinations by tax authorities for years before 2012.

We record penalties and interest relating to uncertain tax positions in the income tax provision line item in the unaudited condensed consolidated statement of operations. No penalties or interest related to uncertain tax positions were recorded for the three and six month periods ended June 30, 2016 and 2015. As of June 30, 2016 and December 31, 2015, we did not have a liability recorded for interest or potential penalties.

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

14. Business Segments and Major Customers

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

The accounting policies of the operating segments are the same as those described in Note 2, “Summary of Significant Accounting Policies” in our 2015 10-K. Intercompany transactions between segments are excluded as they are not included in management’s performance review of the segments. We currently do not generate a material amount of foreign revenue. We do not segregate assets between segments for internal reporting. Therefore, asset-related information has not been presented. We do not disclose assets outside of the United States as these assets are not material as of June 30, 2016 and December 31, 2015. For our airborne assets, we consider only those assets installed in aircraft associated with international commercial airline partners to be owned outside of the United States.

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

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

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

	For the Three Months Ended June 30, 2016			
	CA-NA	CA-ROW	BA	Total
Service revenue	$ 89,808	$ 5,376	$32,403	$127,587
Equipment revenue	2,879	368	16,705	19,952
Total revenue	$ 92,687	$ 5,744	$49,108	$147,539
Segment profit (loss)	$ 18,641	$(23,300)	$19,016	$ 14,357

	For the Three Months Ended June 30, 2015			
	CA-NA	CA-ROW	BA	Total
Service revenue	$ 75,329	$ 2,303	$23,763	$101,395
Equipment revenue	262	—	19,534	19,796
Total revenue	$ 75,591	$ 2,303	$43,297	$121,191
Segment profit (loss)	$ 11,244	$(17,996)	$17,540	$ 10,788

	For the Six Months Ended June 30, 2016			
	CA-NA	CA-ROW	BA	Total
Service revenue	$173,217	$ 9,978	$63,112	$246,307
Equipment revenue	6,517	371	36,090	42,978
Total revenue	$179,734	$ 10,349	$99,202	$289,285
Segment profit (loss)	$ 32,457	$(43,021)	$39,240	$ 28,676

	For the Six Months Ended June 30, 2015			
	CA-NA	CA-ROW	BA	Total
Service revenue	$147,507	$ 3,713	$45,581	$196,801
Equipment revenue	618	—	39,283	39,901
Total revenue	$148,125	$ 3,713	$84,864	$236,702
Segment profit (loss)	$ 20,860	$(36,272)	$34,346	$ 18,934

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
CA-NA segment profit	$ 18,641	$ 11,244	$ 32,457	$ 20,860
CA-ROW segment loss	(23,300)	(17,996)	(43,021)	(36,272)
BA segment profit	19,016	17,540	39,240	34,346
Total segment profit	14,357	10,788	28,676	18,934
Interest income	166	11	212	16
Interest expense	(17,557)	(15,801)	(33,853)	(25,896)
Depreciation and amortization	(24,906)	(20,813)	(49,263)	(39,590)
Amortization of deferred airborne lease incentives *(1)*	7,241	4,671	12,885	8,597
Stock-based compensation expense	(3,788)	(3,214)	(7,986)	(6,299)
Adjustment to deferred financing costs	(77)	—	792	—
Loss on extinguishment of debt	(15,406)	—	(15,406)	—
Other income (expense)	(3)	8	171	90
Loss before income taxes	$(39,973)	$(24,350)	$(63,772)	$(44,148)

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

Major Customers and Airline Partnerships — During the three and six month periods ended June 30, 2016 and 2015, no customer accounted for more than 10% of our consolidated revenue. Two airline partners accounted for approximately 21% and 33%, respectively, of consolidated accounts receivable as of June 30, 2016 and December 31, 2015.

Revenue earned through Delta Air Lines and American Airlines (combined with US Airways) accounted for approximately 50% of consolidated revenue for both the three and six month periods ended June 30, 2016, as compared to 44% and 42%, respectively, for the comparable prior year periods.

15. Employee Retirement and Postretirement Benefits

Stock-Based Compensation — As of December 31, 2015, we had two stock-based employee compensation plans (“Stock Plans”). See Note 11, “Stock-Based Compensation,” in our 2015 10-K for further information regarding these plans. In June 2016, our Board of Directors and stockholders approved the Gogo Inc. 2016 Omnibus Incentive Plan (“2016 Omnibus Plan”), under which 8,050,000 shares are available for equity-based incentive awards to our directors, officers, and employees. Awards under the 2016 Omnibus Plan may be in the form of performance awards, restricted stock, restricted stock units (“RSUs”), stock options, which may be either incentive stock options or non-qualified stock options, stock appreciation rights, deferred share units (“DSUs”), other stock-based awards and dividend equivalents.

In June 2016, the Compensation Committee of the Board of Directors approved grants under one of the Stock Plans and the 2016 Omnibus Plan comprised of both non-performance based awards and performance awards. The contractual term and time-based vesting provisions for the non-performance based awards are consistent with prior grants. See Note 11, “Stock-Based Compensation,” in our 2015 10-K for additional information. The performance awards vest based on achieving one or more predetermined performance conditions and completion of the same time-based vesting requirements applicable to the non-performance based awards.

Compensation cost for the 2016 Omnibus Plan is measured and recognized at fair value, net of forfeitures on a straight-line basis over the applicable vesting period. The fair value of the non-performance awards under the 2016 Omnibus Plan is measured consistently to those of the Stock Plans. See Note 1, “Summary of Significant Accounting Policies” in our 2015 10-K for additional information. The fair value of the performance awards that that were granted is estimated using the Monte-Carlo simulation method.

For the six month period ended June 30, 2016, options to purchase 1,929,283 shares of common stock (of which 368,100 are performance options that include, in addition to the time-based vesting requirements, a vesting condition based on achievement of specified market prices for our common shares) were granted, options to purchase 38,986 shares of common stock were forfeited, and options to purchase 18,625 shares of common stock expired.

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

For the six month period ended June 30, 2016, 838,862 RSUs (of which 156,700 are performance RSUs that include, in addition to the time-based vesting requirements, a vesting condition based on achievement of specified market prices for our common shares) were granted, 221,664 RSUs vested and 45,055 RSUs were forfeited.

For the six month period ended June 30, 2016, 82,000 shares of restricted stock were granted and 61,718 shares vested. These shares are deemed issued as of the date of grant, but not outstanding until they vest.

For the six month period ended June 30, 2016, 39,385 DSUs were granted and 5,218 were released.

The employee stock purchase plan (the "ESPP") allows eligible employees to purchase our common stock through payroll deductions at a price equal to 90% of the lower of the fair market value of the stock as of the beginning or the end of three-month offering periods. Under the ESPP, 424,594 shares were reserved for issuance. For the six month period ended June 30, 2016, 69,059 shares of common stock were issued under the ESPP.

The following is a summary of our stock-based compensation expense by operating expense line in the unaudited condensed consolidated statements of operations *(in thousands)*:

	For the Three Month Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Cost of service revenue	$ 361	$ 273	$ 696	$ 513
Cost of equipment revenue	18	18	44	36
Engineering, design and development	734	396	1,462	938
Sales and marketing	1,171	908	2,301	1,674
General and administrative	1,504	1,619	3,483	3,138
Total stock-based compensation expense	$ 3,788	$ 3,214	$7,986	$6,299

401(k) Plan — Under our 401(k) plan, all employees who are eligible to participate are entitled to make tax-deferred contributions, subject to Internal Revenue Service limitations. We match 100% of the employee's first 4% of contributions made, subject to annual limitations. Our matching contributions were $1.0 million and $2.1 million, respectively, for the three and six month periods ended June 30, 2016, and $0.8 million and $1.8 million, respectively, for the comparable prior year periods.

16. Research and Development Costs

Expenditures for research and development are charged to expense as incurred and totaled $10.8 million and $22.7 million, respectively, for the three and six month periods ended June 30, 2016, respectively, and $10.1 million and $20.0 million, for the comparable prior year periods. Research and development costs are reported as a component of engineering, design and development expenses in our unaudited condensed consolidated statements of operations.

17. Canadian ATG Spectrum License

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

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

As the License Agreement is for our exclusive use of a license, which is considered a right to use an intangible asset and thus not property, plant, or equipment, the agreement is not considered a lease for accounting purposes. As such, we recorded the SkySurf one-time payment as an asset in our unaudited condensed consolidated balance sheet at the time of payment. As of June 30, 2016 the one-time payment had balances of $0.1 million included in prepaid expenses and other current assets and $2.1 million included in other non-current assets, respectively, in our unaudited condensed consolidated balance sheet. The one-time payment is being amortized on a straight-line basis over the estimated term of the agreement of 25 years, which includes estimated renewal periods.

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

Years ending December 31,	Canadian ATG Spectrum Amortization
2016 (period from July 1 to December 31)	$ 51
2017	$ 100
2018	$ 100
2019	$ 100
2020	$ 100
Thereafter	$ 1,660

Amortization expense totaled less than $0.1 million and $0.1 million, respectively, during the three and six month periods ended June 30, 2016 and 2015.

The monthly payments are expensed as incurred and totaled approximately $0.3 million and $0.6 million, respectively, during the three and six month periods ended June 30, 2016, and $0.3 million and $0.5 million, respectively, for the comparable prior year periods.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

- the loss of, or failure to realize benefits from, agreements with our airline partners or any failure to renew any existing agreements upon expiration or termination;
- the failure to maintain airline satisfaction with our equipment or our service;
- any inability to timely and efficiently roll out our 2Ku service or other components of our technology roadmap for any reason, including regulatory delays or failures, or delays on the part of any of our suppliers, some of whom are single source, or the failure by our airline partners to roll out equipment upgrades, new services or adopt new technologies in order to support increased network capacity demands;
- the timing of deinstallation of our equipment from aircraft, including deinstallations resulting from aircraft retirements and other deinstallations permitted by certain airline contract provisions;
- the loss of relationships with original equipment manufacturers or dealers;
- our ability to develop or purchase ATG and satellite network capacity sufficient to accommodate current and expected growth in passenger demand in North America and internationally as we expand;
- our reliance on third-party suppliers, some of whom are single source, for satellite capacity and other services and the equipment we use to provide services to commercial airlines and their passengers and business aviation customers;
- unfavorable economic conditions in the airline industry and/or the economy as a whole;
- our ability to expand our international or domestic operations, including our ability to grow our business with current and potential future airline partners;
- an inability to compete effectively with other current or future providers of in-flight connectivity services and other products and services that we offer, including on the basis of price, service performance and line-fit availability;
- our ability to successfully develop and monetize new products and services such as Gogo Vision, Gogo Text & Talk and Gogo TV, including those that were recently released, are currently being offered on a limited or trial basis, or are in various stages of development;
- our ability to deliver products and services, including newly developed products and services, on schedules consistent with our contractual commitments to customers;
- the effects, if any, on our business of past or future airline mergers, including the merger of American Airlines and U.S. Airways;
- the failure of our equipment or material defects or errors in our software resulting in recalls or substantial warranty claims;

- a future act or threat of terrorism, cyber-security attack or other events that could result in a prohibition or restriction of the use of Wi-Fi enabled devices on aircraft;
- a revocation of, or reduction in, our right to use licensed spectrum, the availability of other air-to-ground spectrum to a competitor or the repurposing by a competitor of other spectrum for air-to-ground use;
- our use of open source software and licenses;
- the effects of service interruptions or delays, technology failures and equipment failures or malfunctions arising from defects or errors in our software or defects in or damage to our equipment;
- the limited operating history of our CA-NA and CA-ROW segments;
- increases in our projected capital expenditures due to, among other things, unexpected costs incurred in connection with the roll-out of our technology roadmap or our international expansion;
- compliance with U.S. and foreign government regulations and standards, including those related to regulation of the Internet, including e-commerce or online video distribution changes, and the installation and operation of satellite equipment and our ability to obtain and maintain all necessary regulatory approvals to install and operate our equipment in the United States and foreign jurisdictions;
- our, or our technology suppliers', inability to effectively innovate;
- costs associated with defending pending or future intellectual property infringement and other litigation or claims;
- our ability to protect our intellectual property;
- breaches of the security of our information technology network, resulting in unauthorized access to our customers' credit card information or other personal information;
- any negative outcome or effects of pending or future litigation;
- limitations and restrictions in the agreements governing our indebtedness and our ability to service our indebtedness;
- our ability to obtain additional financing on acceptable terms or at all;
- fluctuations in our operating results;
- our ability to attract and retain customers and to capitalize on revenue from our platform;
- the demand for and market acceptance of our products and services;
- changes or developments in the regulations that apply to us, our business and our industry;
- the attraction and retention of qualified employees, including key personnel;
- the effectiveness of our marketing and advertising and our ability to maintain and enhance our brands;
- our ability to manage our growth in a cost-effective manner and integrate and manage acquisitions;
- compliance with anti-corruption laws and regulations in the jurisdictions in which we operate, including the Foreign Corrupt Practices Act and the (U.K.) Bribery Act 2010;
- restrictions on the ability of U.S. companies to do business in foreign countries, including, among others, restrictions imposed by the U.S. Office of Foreign Assets Control;
- difficulties in collecting accounts receivable; and
- other risks and factors listed under "Risk Factors" in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2015 as filed with the Securities Exchange Commission ("SEC") on February 25, 2016 (the "2015 10-K").

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

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

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

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

The statements in this discussion regarding industry outlook, our expectations regarding our future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Risk Factors" in the 2015 10-K and in "Special Note Regarding Forward-Looking Statements" in this report. Our actual results may differ materially from those contained in or implied by any forward-looking statements.

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

Company Overview

Gogo Inc. ("we", "us", "our") is a holding company, which, through its operating subsidiaries is a provider of in-flight connectivity and wireless in-cabin digital entertainment solutions. We operate through the following three segments: Commercial Aviation North America or "CA-NA", Commercial Aviation Rest of World or "CA-ROW" and Business Aviation or "BA".

Services provided by our CA-NA and CA-ROW businesses include Passenger Connectivity, which allows passengers to connect to the Internet from their personal Wi-Fi-enabled devices; Passenger Entertainment, which offers passengers the opportunity to enjoy a broad selection of in-flight entertainment options on their personal Wi-Fi enabled devices; and Connected Aircraft Services ("CAS"), which offers airlines connectivity for various operations and currently includes among other things real-time credit card transaction processing, electronic flight bags and real-time weather information. Services are provided by the CA-NA business on commercial aircraft flying routes that generally begin and end within North America, which for this purpose includes the United States, Canada and Mexico. Our CA-ROW business provides service on commercial aircraft operated by foreign-based commercial airlines and flights outside of North America for North American-based commercial airlines. The routes included in our CA-ROW segment are those that begin and/or end outside of North America (as defined above) for which our international service is provided. Our BA business provides in-flight Internet connectivity and other voice and data communications products and services and sells equipment for in-flight telecommunications to the business aviation market. BA services include Gogo Biz, our in-flight broadband service, Passenger Entertainment, our in-flight entertainment service, and satellite-based voice and data services through our strategic alliances with satellite companies.

Recent Developments

On June 14, 2016 we issued $525 million aggregate principal amount of senior secured notes due July 1, 2022 (the "Senior Secured Notes"). We used a portion of the net proceeds from the issuance of the Senior Secured Notes to repay all indebtedness outstanding under the Amended and Restated Senior Term Facility (as defined below), which we prepaid at par plus 3.0% of the principal amount of the loans prepaid. We intend to use the remaining net proceeds for working capital and other general corporate purposes, including potential costs associated with the launch and commercial rollout of our next-generation technology solutions. See Note 8, "Long-Term Debt and Other Liabilities" for additional information.

Delta Private Jets announced it will equip its fleet of more than 70 aircraft with Gogo Biz 4G, which provides in-flight connectivity, Gogo Vision and Gogo Text and Talk and enables real time in-flight applications that include weather and flight tracker.

On May 27, 2016, Gogo LLC, an indirect wholly owned subsidiary of Gogo, entered into a letter agreement (the

"Letter Agreement") with American Airlines, Inc. ("American"), whereby Gogo and American agreed to amend the Third Amended and Restated In Flight Connectivity Services Agreement between American and Gogo LLC, the In Flight Connectivity Services Agreement between American and Gogo LLC and the Amended and Restated In Flight Connectivity Services Agreement between US Airways, Inc. and Gogo LLC. Pursuant to the Letter Agreement, Gogo will continue to provide in-flight wireless Internet connectivity and entertainment services on approximately 560 aircraft in American's domestic fleet that are currently under contract with Gogo, and American will purchase equipment and service to transition nearly 140 mainline aircraft from Gogo's ATG/ATG-4 technology to Gogo's next-generation 2Ku technology. The approximately 430 aircraft that comprise the balance of the approximately 560 aircraft on which services will continue are predominately regional jets and will continue to utilize Gogo's ATG/ATG-4 service. Pursuant to the Letter Agreement, approximately 550 Gogo-installed mainline aircraft that are currently under contract with Gogo are subject to deinstallation at any time at American's option.

Factors and Trends Affecting Our Results of Operations

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

- costs associated with the implementation of, and our ability to implement on a timely basis our technology roadmap, upgrades and installation of our ATG-4, 2Ku and other new technologies (including failures or delays on the part of antenna and other single source providers), the roll-out of our satellite services, the potential licensing of additional spectrum, and the implementation of improvements to our network and operations as technology changes and we experience increased network capacity constraints;
- costs associated with, and our ability to execute, our international expansion, including modification to our network to accommodate satellite technology, development and implementation of new satellite-based technologies, the availability of satellite capacity, costs of satellite capacity to which we may have to commit well in advance, and, compliance with applicable foreign regulations and expanded operations outside of the U.S.;
- costs associated with managing a rapidly growing company;
- the pace and extent of adoption of the Gogo service for use on international commercial aircraft by our current North American airline partners and new international airline partners;
- the number of aircraft in service in our markets, including consolidation of the airline industry or changes in fleet size by one or more of our commercial airline partners or BA fractional ownership customers;
- the economic environment and other trends that affect both business and leisure travel;
- the extent of passengers', airline partners' and other aircraft owners' and operators' adoption of our products and services, which is affected by, among other things, willingness to pay for the services that we provide, changes in technology and competition from current competitors and new market entrants;
- our ability to enter into and maintain long-term connectivity arrangements with airline partners, which depends on numerous factors including the real or perceived availability, quality and price of our services and product offerings as compared to those offered by our competitors;
- continued demand for connectivity and proliferation of Wi-Fi enabled devices, including smartphones, tablets and laptops;
- changes in laws, regulations and interpretations affecting telecommunications services, including those affecting our ability to maintain our licenses for ATG spectrum in the United States, obtain sufficient rights to use additional ATG spectrum and/or other sources of broadband connectivity to deliver our services, and expand our service offerings;
- changes in laws, regulations and interpretations affecting aviation, including, in particular, changes that impact the design of our equipment and our ability to obtain required certifications for our equipment; and

- our ability to obtain required foreign telecommunications, aviation and other licenses and approvals necessary for our international operations.

Summary Financial Information

Consolidated revenue was $147.5 million and $289.3 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $121.2 million and $236.7 million, respectively, for the comparable prior year periods. As of June 30, 2016, the CA-NA segment had 2,596 aircraft online to provide the Gogo service as compared with 2,249 as of June 30, 2015. As of June 30, 2016, the BA segment had 5,277 aircraft online with Iridium satellite communications systems and 3,795 Gogo Biz systems online as compared with 5,351 and 3,170, respectively, as of June 30, 2015. The BA segment became a reseller of Inmarsat SwiftBroadband satellite service in 2013 and had 181 systems online as of June 30, 2016 as compared with 73 systems online as of June 30, 2015. As of June 30, 2016, the CA-ROW segment had 249 aircraft online as compared with 148 aircraft as of June 30, 2015.

Key Business Metrics

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

Commercial Aviation North America

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Aircraft online (at period end)	2,596	2,249	2,596	2,249
Aircraft equivalents (average during the period)	2,622	2,233	2,567	2,194
Average monthly service revenue per aircraft equivalent (ARPA)	$ 11,483	$11,243	$ 11,314	$ 11,204
Gross passenger opportunity (GPO) (in thousands)	100,458	89,741	190,461	164,125
Total average revenue per session (ARPS)	$ 12.94	$ 12.74	$ 12.99	$ 12.23
Connectivity take rate	6.3%	5.9%	6.4%	6.5%

Commercial Aviation Rest of World

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Aircraft online (at period end)	249	148	249	148
Aircraft equivalents (average during the period)	196	124	186	113
ARPA	$ 12,065	$ 9,255	$ 11,851	$ 8,451

- *Aircraft online.* We define aircraft online as the total number of commercial aircraft on which our equipment is installed and service has been made commercially available as of the last day of each period presented. We assign aircraft to CA-NA or CA-ROW at the time of contract signing as follows: (i) all aircraft operated by North American airlines and under contract for ATG or ATG-4 service are assigned to CA-NA, (ii) all aircraft operated by North American airlines and under a contract for satellite service are assigned to CA-NA or CA-ROW based on whether the routes flown by such aircraft under the contract are anticipated to be predominantly within or outside of North America at the time the contract is signed, and (iii) all aircraft operated by non-North American airlines and under contract are assigned to CA-ROW.
- *Aircraft equivalents*. We define aircraft equivalents for a segment as the total number of commercial aircraft online (as defined above) multiplied by the percentage of flights flown within the scope of that segment, rounded to the nearest whole aircraft and expressed as an average of the month end figures for each month in such period. This methodology takes into account the fact that during a particular period certain aircraft may fly routes outside the scope of the segment to which they are assigned for purposes of the calculation of aircraft online.

- *Average monthly service revenue per aircraft equivalent* ("ARPA"). We define ARPA for a segment as the aggregate service revenue plus monthly service fees included as a reduction to cost of service revenue for that segment for the period divided by the number of months in the period, divided by the number of aircraft equivalents (as defined above) for that segment during the period. Prior to the three month period ended March 31, 2016, aircraft online were used as the denominator to calculate ARPA. Beginning with the three month period ended March 31, 2016, ARPA is calculated by using aircraft equivalents as the denominator. We believe the revised ARPA methodology more accurately reflects ARPA by segment because it better reflects the number of aircraft that actually generated the revenue while flying within the scope of each segment during a specific period. ARPA for the CA-NA segment for the three and six month periods ended June 30, 2015 was originally reported as $11,324 and $11,260, respectively, and has been revised to $11,243 and $11,204, respectively, to reflect the change in methodology.
- *Gross passenger opportunity* ("GPO"). We define GPO as the aggregate number of passengers who board commercial aircraft on which Gogo service has been available during the period presented. When available directly from our airline partners, we aggregate actual passenger counts across flights on Gogo-equipped aircraft. When not available directly from our airline partners, we estimate GPO. Estimated GPO is calculated by first estimating the number of flights occurring on each Gogo-equipped aircraft, then multiplying by the number of seats on that aircraft, and finally multiplying by a seat factor that is determined from historical information provided to us in arrears by our airline partners. The estimated number of flights is derived from real-time flight information provided to our front-end systems by Air Radio Inc. (ARINC), direct airline feeds and supplementary third-party data sources. These aircraft-level estimates are then aggregated with actual airline-provided passenger counts to obtain total GPO.
- *Total average revenue per session* ("ARPS"). We define ARPS as revenue from Passenger Connectivity, excluding non-session related revenue, divided by the total number of sessions during the period. A session, or a "use" of Passenger Connectivity, is defined as the use by a unique passenger of Passenger Connectivity on a flight segment. Multiple logins or purchases under the same user name during one flight segment count as only one session.
- *Connectivity take rate*. We define connectivity take rate as the number of sessions during the period expressed as a percentage of GPO. Included in our connectivity take-rate calculation are sessions for which we did not receive revenue, including those provided pursuant to free promotional campaigns and, to a lesser extent, as a result of complimentary passes distributed by our customer service representatives for unforeseen technical issues. For the periods listed above, the number of sessions for which we did not receive revenue was not material.

Business Aviation	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Aircraft online (at period end)				
Satellite	5,458	5,424	5,458	5,424
ATG	3,795	3,170	3,795	3,170
Average monthly service revenue per aircraft online				
Satellite	$ 226	$ 179	$ 220	$ 174
ATG	2,529	2,227	2,514	2,199
Units Shipped				
Satellite	108	155	241	298
ATG	198	227	405	461
Average equipment revenue per unit shipped (in thousands)				
Satellite	$ 44	$ 41	$ 43	$ 40
ATG	55	55	56	55

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

Key Components of Consolidated Statements of Operations

There have been no material changes to our key components of unaudited condensed consolidated statements of operations and segment profit (loss) as described in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our 2015 10-K.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies and Estimates

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

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

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") in our 2015 10-K.

Recent Accounting Pronouncements

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

Results of Operations

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

Unaudited Condensed Consolidated Statement of Operations Data
(in thousands)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue:				
Service revenue	$127,587	$101,395	$246,307	$196,801
Equipment revenue	19,952	19,796	42,978	39,901
Total revenue	147,539	121,191	289,285	236,702
Operating expenses:				
Cost of service revenue (exclusive of items shown below)	53,396	45,228	108,250	91,560
Cost of equipment revenue (exclusive of items shown below)	12,477	10,266	26,225	19,792
Engineering, design and development	24,718	18,816	46,366	37,432
Sales and marketing	16,750	13,263	31,492	25,077
General and administrative	22,388	21,373	43,377	41,609
Depreciation and amortization	24,906	20,813	49,263	39,590
Total operating expenses	154,635	129,759	304,973	255,060
Operating loss	(7,096)	(8,568)	(15,688)	(18,358)
Other (income) expense:				
Interest income	(166)	(11)	(212)	(16)
Interest expense	17,557	15,801	33,853	25,896
Loss on extinguishment of debt	15,406	—	15,406	—
Adjustment of deferred financing costs	77	—	(792)	—
Other (income) expense	3	(8)	(171)	(90)
Total other expense	32,877	15,782	48,084	25,790
Loss before income taxes	(39,973)	(24,350)	(63,772)	(44,148)
Income tax provision	221	422	528	716
Net loss	$ (40,194)	$ (24,772)	$ (64,300)	$ (44,864)

Three and Six Months Ended June 30, 2016 and 2015

Revenue:

Revenue by segment and percent change for the three and six month periods ended June 30, 2016 and 2015 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
Service Revenue:			
CA-NA	$ 89,808	$ 75,329	19.2%
BA	32,403	23,763	36.4%
CA-ROW	5,376	2,303	133.4%
Total Service Revenue	$127,587	$101,395	25.8%
Equipment Revenue:			
CA-NA	$ 2,879	$ 262	998.9%
BA	16,705	19,534	(14.5%)
CA-ROW	368	—	na
Total Equipment Revenue	$ 19,952	$ 19,796	0.8%
Total Revenue:			
CA-NA	$ 92,687	$ 75,591	22.6%
BA	49,108	43,297	13.4%
CA-ROW	5,744	2,303	149.4%
Total Revenue	$147,539	$121,191	21.7%

	For the Six Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
Service Revenue:			
CA-NA	$173,217	$147,507	17.4%
BA	63,112	45,581	38.5%
CA-ROW	9,978	3,713	168.7%
Total Service Revenue	$246,307	$196,801	25.2%
Equipment Revenue:			
CA-NA	$ 6,517	$ 618	954.5%
BA	36,090	39,283	(8.1%)
CA-ROW	371	—	na
Total Equipment Revenue	$ 42,978	$ 39,901	7.7%
Total Revenue:			
CA-NA	$179,734	$148,125	21.3%
BA	99,202	84,864	16.9%
CA-ROW	10,349	3,713	178.7%
Total Revenue	$289,285	$236,702	22.2%

Commercial Aviation North America:

CA-NA revenue increased to $92.7 million and $179.7 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $75.6 million and $148.1 million, respectively, for the prior year periods, primarily due to an increase in service revenue driven by increased Passenger Connectivity revenue. The increase in CA-NA Passenger Connectivity revenue for the three and six month periods ended June 30, 2016 was primarily due to an increase in the number of aircraft online and to a lesser extent due to an increase in ARPS, and the increase in Passenger Connectivity revenue for the three month period ended June 30, 2016 was also due to an increase in connectivity take rate. ARPA increased 2.1% and 1.0%, respectively, to $11,483 and $11,314, respectively, for the

three and six month periods ended June 30, 2016 as compared with $11,243 and $11,204, respectively, for the period year periods. ARPA increased an estimated 14% and 13%, respectively, for the three and six month periods ended June 30, 2016, as compared with the prior year periods, excluding aircraft added since the beginning of 2015, which primarily include regional jets and aircraft operated by new airline partners. GPO increased to 100.5 million and 190.5 million, respectively, for the three and six month periods ended June 30, 2016, as compared with 89.7 million and 164.1 million, respectively, for the prior year periods, driven by an increase in aircraft online. The connectivity take rate increased to 6.3% for the three month period ended June 30, 2016 as compared with 5.9% for the prior year period, reflecting increased passenger adoption of our service. The connectivity take rate decreased slightly to 6.4% for the six month period ended June 30, 2016 as compared with 6.5% for the prior year period. Passenger Connectivity sessions totaled 6.3 million and 12.2 million, respectively, for the three and six month periods ended June 30, 2016, as compared with 5.3 million and 10.7 million, respectively, for the prior year periods.

A summary of the components of CA-NA's service revenue for the three and six month periods ended June 30, 2016 and 2015 is as follows *(in thousands, except for percent change)*:

	For the Three Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
Passenger Connectivity revenue *(1)*	$ 85,669	$ 72,411	18.3%
Passenger Entertainment and CAS revenue	4,139	2,918	41.8%
Total service revenue	$ 89,808	$ 75,329	19.2%

	For the Six Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
Passenger Connectivity revenue *(1)*	$165,737	$139,928	18.4%
Passenger Entertainment and CAS revenue	7,480	7,579	(1.3%)
Total service revenue	$173,217	$147,507	17.4%

(1) Includes non-session related revenue of $3.9 million and $7.9 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $4.3 million and $8.9 million, respectively, for the prior year periods.

CA-NA passenger-paid revenue increased to $73.1 million and $141.8 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $64.2 million and $123.9 million, respectively, for the prior year periods, due to increases in both individual sessions and subscriptions. Revenue from individual sessions increased to $41.3 million and $81.0 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $40.1 million and $77.8 million, respectively, for the prior year periods and revenue from subscriptions increased to $31.8 million and $60.8 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $24.1 million and $46.1 million, respectively, for the prior year periods. The increase in revenue from individual sessions was primarily due to increases the number of aircraft online and, to a lesser extent, an increase in prices. The increase in subscription revenue was primarily due to an increased number of subscribers and, to a lesser extent, an increase in prices. Our third party-paid revenue increased to $8.7 million and $16.7 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $6.8 million and $13.8 million, respectively, for the prior year periods, primarily due to increases in roaming and enterprise revenue, offset in part by a decrease in advertising revenue. Our airline-paid revenue increased to $3.9 million and $7.3 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $1.4 million and $2.2 million, respectively, for the prior year periods, due to new agreements with certain airline partners under which the airlines pay us for specified data usage, including data used by passengers and by airline crew members using connectivity services while in flight.

The increase in Passenger Entertainment and CAS revenue to $4.1 million for the three period ended June 30, 2016 as compared with $2.9 million for the prior year period was driven primarily by an increase in activity with our business-to-business arrangement with one of our airline partners for our Passenger Entertainment and an increase in Passenger Paid activities.

CA-NA revenue also increased due to an increase in equipment revenue to $2.9 million and $6.5 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $0.3 million and $0.6 million, respectively, in the prior year periods, due primarily to the signing of contracts with new airline partners under which the equipment transactions qualify for sales treatment.

Business Aviation:

BA revenue increased to $49.1 million and $99.2 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $43.3 million and $84.9 million, respectively, for the prior year periods due to an increase in service revenue offset in part by a decrease in equipment revenue.

BA service revenue increased to $32.4 million and $63.1 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $23.8 million and $45.6 million, respectively, for the prior year periods primarily due to more customers subscribing to our Gogo Biz (ATG) service. The number of ATG aircraft online increased 19.7% to 3,795 as of June 30, 2016 as compared with 3,170 as of June 30, 2015.

BA equipment revenue decreased to $16.7 million and $36.1 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $19.5 million and $39.3 million, respectively, for the prior year periods due to decreases in both ATG and satellite equipment revenue consistent with trends in the overall business aviation market.

Commercial Aviation Rest of World:

We generated $5.7 million and $10.3 million, respectively, of service revenue for the three and six month periods ended June 30, 2016, as compared with $2.3 million and $3.7 million, respectively, for the prior year periods due to more aircraft online. ARPA for the CA-ROW segment increased to $12,065 and $11,851, respectively, for the three and six month periods ended June 30, 2016, as compared with $9,255 and $8,451, respectively, for the prior year periods.

Cost of Service Revenue:

Cost of service revenue by segment and percent change for the three and six month periods ended June 30, 2016 and 2015 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
CA-NA	$ 33,797	$30,919	9.3%
BA	8,898	6,218	43.1%
CA-ROW	10,701	8,091	32.3%
Total	$ 53,396	$45,228	18.1%

	For the Six Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
CA-NA	$ 70,371	$63,085	11.5%
BA	17,317	12,045	43.8%
CA-ROW	20,562	16,430	25.1%
Total	$108,250	$91,560	18.2%

CA-NA cost of service revenue increased to $33.8 million and $70.4 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $30.9 million and $63.1 million, respectively, for the prior year periods, due to increases in revenue share earned by our airline partners, network operations expenses (including satellite service fees) and aircraft operations expenses. The revenue share increase of $2.4 million and $4.6 million, respectively, for the three and six month periods ended June 30, 2016, over the prior year periods was primarily driven by the increase in CA-NA service revenue for the current year period. These increases were partially offset by an increase in the amortization of our deferred airborne lease incentives and the recognition of monthly service fees paid to us by certain of our airline partners, both of which reduce our cost of services. See Note 10, “Leases,” in our unaudited condensed consolidated financial statements for additional information regarding our deferred airborne lease incentives. Revenue share as a percentage of service revenue decreased due to new airline contracts and amendments entered into during 2015 that provide for lower revenue share percentages compared to certain pre-existing contracts.

BA cost of service revenue increased to $8.9 million and $17.3 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $6.2 million and $12.0 million, respectively, for the prior year periods. The increase was primarily due to increased ATG units online and an increase in the average network utilization per ATG unit online which resulted in higher ATG network service costs and, to a lesser extent, an increase in satellite service fees.

CA-ROW cost of service revenue increased to $10.7 million and $20.6 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $8.1 million and $16.4 million, respectively, for the prior year periods, primarily due to increases in network operations expenses (including satellite service fees), aircraft operations expenses, revenue share expense and billing and transaction related expenses as the business continued to grow. These increases were partially offset by the recognition of monthly service fees paid to us by certain of our airline partners and the amortization of our deferred airborne lease incentives, both of which reduce our cost of service. See Note 10, “Leases” in our unaudited condensed consolidated financial statements for additional information regarding our deferred airborne lease incentives.

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

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

Cost of Equipment Revenue:

Cost of equipment revenue by segment and percent change for the three and six month periods ended June 30, 2016 and 2015 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
CA-NA	$ 2,862	$ 651	339.6%
BA	9,365	9,615	(2.6%)
CA-ROW	250	—	na
Total	$12,477	$10,266	21.5%

	For the Six Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
CA-NA	$ 6,809	$ 802	749.0%
BA	19,166	18,990	0.9%
CA-ROW	250	—	na
Total	$26,225	$19,792	32.5%

Cost of equipment revenue increased to $12.5 million and $26.2 million, respectively, for the three and six month periods ended June 30, 2016, respectively, as compared with $10.3 million and $19.8 million, for the prior year periods. The increase occurred primarily within the CA-NA segment due to the signing of equipment sales contracts with new airline partners under which the equipment transactions qualify for sales treatment. We expect that our cost of equipment revenue will vary with changes in equipment revenue.

Engineering, Design and Development Expenses:

Engineering, design and development expenses increased 31.4% and 23.9%, respectively, to $24.7 million and $46.4 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $18.8 million and $37.4 million, respectively, for the prior year periods due primarily to increases in the CA-NA and CA-ROW segments resulting from higher personnel expense (which include bonus and stock-based compensation expense) in connection with the development of next generation products and technologies and STCs.

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

Sales and Marketing Expenses:

Sales and marketing expenses increased 26.3% and 25.6%, respectively, to $16.8 million and $31.5 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $13.3 million and $25.1 million, respectively, for the prior year periods, due to increases in all three segments. Consolidated sales and marketing expenses as a percentage of total consolidated revenue increased to 11.4% and 10.9%, respectively, for the three and six month periods ended June 30, 2016, as compared with 10.9% and 10.6%, respectively, for the prior year periods. The increase across all three segments was due to an increase in personnel expense (which includes bonus and stock-based compensation expense) to support the growth of the business and marketing related activities.

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

General and Administrative Expenses:

General and administrative expenses increased 4.7% and 4.2%, respectively, to $22.4 million and $43.4 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $21.4 million and $41.6 million, respectively, for the prior year periods, due primarily to increases in CA-NA and BA, while the CA-ROW segment remained relatively flat. Consolidated general and administrative expenses as a percentage of total consolidated revenue decreased to 15.2% and 15.0%, respectively, for the three and six month periods ended June 30, 2016, as compared with 17.6% for both prior year periods.

The increase in the BA segment's general and administrative expenses of 16.9% and 11.9%, respectively, for the three and six month periods ended June 30, 2016, over the prior year periods was due primarily to an increase in personnel related expense (which includes bonuses and stock-based compensation expense) to manage the growth of the business and an increase in bad debt expense (due primarily to a recovery in the prior year).

The increase in the CA-NA segment's general and administrative expenses of 2.8% and 3.8%, respectively, for the three and six month periods ended June 30, 2016, over the prior year periods was due primarily to an increase in personnel related expense (which includes bonus and stock-based compensation expense) offset in part by a decrease in rent expense, as we had overlapping leases in the prior year period and a decrease in legal expenses.

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

Segment Profit (Loss):

CA-NA's segment profit increased 65.8% and 55.6%, respectively, to $18.6 million and $32.5 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $11.2 million and $20.9 million, respectively, for the prior year periods. The increase in CA-NA's segment profit for the three and six month periods ended June 30, 2016 was due to increases in service and equipment revenue partially offset by increases in operating expenses, as discussed above.

BA's segment profit increased 8.4% and 14.2%, respectively, to $19.0 million and $39.2 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $17.5 million and $34.3 million,

respectively, for the prior year periods. The increase in BA's segment profit for the three and six month periods ended June 30, 2016 was due to increases in service revenue, partially offset by increases in operating expenses and a decrease in equipment revenue, as discussed above.

CA-ROW's segment loss increased 29.5% and 18.6%, respectively, to $23.3 million and $43.0 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $18.0 million and $36.3 million, respectively, for the prior year periods. The increase in CA-ROW's segment loss for the three and six month periods ended June 30, 2016 was due to an increase in operating expenses, offset in part by an increase in service and equipment revenue, as discussed above.

Depreciation and Amortization:

Depreciation and amortization expense increased 19.7% and 24.4%, respectively, to $24.9 million and $49.3 million, respectively, for the three and six month periods ended June 30, 2016, as compared with $20.8 million and $39.6 million, respectively, for the prior year periods, due to the increase in the number of aircraft outfitted with our airborne equipment by our CA-ROW and CA-NA segments, as well as leasehold improvements and furniture and fixtures associated with our new office facilities.

We expect our depreciation and amortization expense to increase in future periods as we install our equipment on additional aircraft, install more expensive satellite-based equipment on aircraft and further expand our ground and satellite networks.

Other (Income) Expense:

Other (income) expense and percent change for the three and six month periods ended June 30, 2016 and 2015 were as follows *(in thousands, except for percent change)*:

	For the Three Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
Interest income	$ (166)	$ (11)	1,409.1%
Interest expense	17,557	15,801	11.1%
Loss on extinguishment of debt	15,406	—	na
Adjustment to deferred financing costs	77	—	na
Other (income) expense	3	(8)	na
Total	$32,877	$15,782	108.3%

	For the Six Months Ended June 30,		% Change 2016 over 2015
	2016	2015	
Interest income	$ (212)	$ (16)	1,225%
Interest expense	33,853	25,896	30.7%
Loss on extinguishment of debt	15,406	—	na
Adjustment to deferred financing costs	(792)	—	na
Other income	(171)	(90)	90.0%
Total	$48,084	$25,790	86.4%

Total other expense was $32.9 million and $48.1 million, respectively, for the three and six month periods ended September 30, 2016, as compared to $15.8 million and $25.8 million, respectively, for the prior year periods. The increase in interest expense was due to higher average debt levels outstanding during the current year period as compared with the prior year period as a result of the issuance of the Senior Secured Notes in June 2016 and, with respect to the increase for the six month period ended June 30, 2016 as compared to the prior year period, the issuance of the Convertible Notes (as defined below) in March 2015. Interest expense also increased due to accretion expense and amortization of deferred financing costs associated with the Senior Secured Notes and Convertible Notes. These increases in interest expense were partially offset by less interest expense associated with the Amended and Restated Senior Term Facility as a result of it being repaid in full in June 2016. Additionally, other expense for the three and six month periods ended June 30, 2016 included the loss on extinguishment of debt of $15.4 million associated with the repayment of all outstanding amounts under the Amended and Restated Senior

Term Facility, while we had no such activity in the prior year. See Note 8, “Long-Term Debt and Other Liabilities,” in our unaudited condensed consolidated financial statements for additional information. See Note 9, “Interest Costs,” in our unaudited condensed consolidated financial statements for additional information related to our interest expense.

We expect our interest expense to increase in 2016 as compared with 2015 due to higher average debt outstanding in 2016 as compared to 2015 as a result of the issuance of the Senior Secured Notes in June 2016 and Convertible Notes in March 2015. Interest expense will also increase due to the amortization of deferred financing fees associated with the Senior Secured Notes and a full year of accretion expense and amortization of deferred financing fees associated with the Convertible Notes. These increases will be partially offset by the extinguishment of the Amended and Restated Senior Term Facility in June 2016. See Note 8, “Long-Term Debt and Other Liabilities,” in our unaudited condensed consolidated financial statements for additional information.

Income Taxes:

The effective income tax rate for the three and six month periods ended June 30, 2016 was (0.6%) and (0.8%), respectively, as compared with (1.7%) and (1.6%), respectively, for the prior year periods. Income tax expense recorded in each period was similar, with differences in pre-tax income causing the change in the effective tax rate. The difference between our effective tax rates and the U.S. federal statutory rate of 35% for the three and six month periods ended June 30, 2016 and 2015 was primarily due to the recording of a valuation allowance against our net deferred tax assets.

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

Non-GAAP Measures

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

Definition and Reconciliation of Non-GAAP Measures

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

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

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

dilutive effect of outstanding options and the cost of that compensation, we also believe that stockholders should have the ability to consider our performance using a non-GAAP financial measure that excludes these costs and that management uses to evaluate our business.

We believe the exclusion of the amortization of deferred airborne lease incentives from Adjusted EBITDA is useful as it allows an investor to view operating performance across time periods in a manner consistent with how management measures segment profit and loss (see Note 14, "Business Segments and Major Customers," for a description of segment profit (loss) in our unaudited condensed consolidated financial statements). Management evaluates segment profit and loss in this manner, excluding the amortization of deferred airborne lease incentives, because such presentation reflects operating decisions and activities from the current period, without regard to the prior period decision or the form of connectivity agreements. See "—Key Components of Consolidated Statements of Operations—Cost of Service Revenue—Commercial Aviation North America and Rest of World" in our 2015 10-K for a discussion of the accounting treatment of deferred airborne lease incentives.

We believe it is useful to an understanding of our operating performance to exclude the loss on extinguishment of debt and adjustment to deferred financing costs from Adjusted EBITDA because of the non-recurring nature of these charges.

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

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Adjusted EBITDA:				
Net loss attributable to common stock (GAAP)	$(40,194)	$(24,772)	$(64,300)	$(44,864)
Interest expense	17,557	15,801	33,853	25,896
Interest income	(166)	(11)	(212)	(16)
Income tax provision	221	422	528	716
Depreciation and amortization	24,906	20,813	49,263	39,590
EBITDA	2,324	12,253	19,132	21,322
Stock-based compensation expense	3,788	3,214	7,986	6,299
Amortization of deferred airborne lease incentives	(7,241)	(4,671)	(12,885)	(8,597)
Loss on extinguishment of debt	15,406	—	15,406	—
Adjustment of deferred financing costs	77	—	(792)	—
Adjusted EBITDA	$ 14,354	$ 10,796	$ 28,847	$ 19,024
Cash CAPEX:				
Consolidated capital expenditures (GAAP) *(1)*	$(47,615)	$(37,382)	$(85,041)	$(94,245)
Change in deferred airborne lease incentives *(2)*	683	7,297	8,344	16,018
Amortization of deferred airborne lease incentives *(2)*	7,175	4,616	12,761	8,491
Landlord incentives	—	2,668	—	14,904
Cash CAPEX	$(39,757)	$(22,801)	$(63,936)	$(54,832)

(1) See unaudited condensed consolidated statements of cash flows.
(2) Excludes deferred airborne lease incentives and related amortization associated with STCs for the three and six month periods ended June 30, 2016 and 2015 as STC costs are expensed as incurred as part of Engineering, Design and Development.

Material limitations of Non-GAAP measures

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

Some of these limitations include:

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

Liquidity and Capital Resources

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

	For the Six Months Ended June 30,	
	2016	2015
Net cash provided by operating activities	$ 24,361	$ 65,950
Net cash used in investing activities	(85,054)	(94,226)
Net cash provided by financing activities	202,694	209,040
Effect of foreign exchange rate changes on cash	(233)	117
Net increase in cash and cash equivalents	141,768	180,881
Cash and cash equivalents at the beginning of period	366,833	211,236
Cash and cash equivalents at the end of period	$508,601	$392,117

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

Senior Secured Notes:

On June 14, 2016 (the "Issue Date"), Gogo Intermediate Holdings LLC ("GIH") and Gogo Finance Co. Inc. (the "Co-Issuer" and, together with GIH, the "Issuers"), issued $525 million aggregate principal amount of Senior Secured Notes under an Indenture, dated as of June 14, 2016 (the "Indenture"), among the Issuers, we, as guarantor, certain subsidiaries of GIH, as guarantors (the "Subsidiary Guarantors" and, together with us, the "Guarantors"), and U.S. Bank National Association, as trustee (in such capacity, the "Trustee") and as collateral agent (in such capacity, the "Collateral Agent"). On June 30, 2016 the outstanding principal balance of the Senior Secured Notes was $525.0 million.

Interest on the Senior Secured Notes will accrue at the rate of 12.500% per annum and will be payable semi-annually in arrears on July 1 and January 1, commencing on January 1, 2017. The notes mature on July 1, 2022.

We used a portion of the net proceeds from the issuance of the Senior Secured Notes to repay all indebtedness outstanding under the Amended and Restated Senior Term Facility, which we prepaid at par plus 3.0% of the principal amount of the loans prepaid (see below for additional details). We intend to use the remaining net proceeds for working capital and other general corporate purposes, including potential costs associated with the launch and commercial rollout of our next-generation technology solutions.

We paid approximately $11.4 million of loan origination fees and financing costs related to the issuance of the Senior Secured Notes, which has been accounted for as deferred financing costs. The deferred financing costs on our unaudited condensed consolidated balance sheet are being amortized over the contractual term of the Senior Secured Notes using the effective interest method. Total amortization expense was $0.1 million for both the three and six month periods ended June 30, 2016. See Note 9, "Interest Costs" for additional information.

The Senior Secured Notes are the senior secured indebtedness of the Issuers and are:

- effectively senior to all of the Issuers' existing and future senior unsecured indebtedness and the Issuers' indebtedness secured on a junior priority basis by the same collateral securing the Senior Secured Notes, if any, in each case to the extent of the value of the collateral securing the Senior Secured Notes;
- effectively senior in right of payment to any and all of the Issuers' future indebtedness that is subordinated in right of payment to the Senior Secured Notes;
- effectively equal in right of payment with the Issuers' existing and future (i) unsecured indebtedness that is not subordinated in right of payment to the notes and (ii) indebtedness secured on a junior priority basis by the same collateral securing the Senior Secured Notes, if any, in each case to the extent of any insufficiency in the collateral securing the notes;

- structurally senior to all of our existing and future indebtedness, including our Convertible Notes; and
- structurally subordinated to all of the indebtedness and other liabilities of any non-guarantor subsidiary (other than the Issuers).

The Senior Secured Notes are guaranteed, on a senior secured basis, by us and all of GIH's existing and future domestic restricted subsidiaries (other than the Co-Issuer), subject to certain exceptions. The Issuers' obligations under the Senior Secured Notes are not guaranteed by Gogo International Holdings, LLC, a subsidiary of ours that holds no material assets other than equity interests of our foreign subsidiaries. Each guarantee is a senior secured obligation of such Guarantor and is:

- effectively senior to all of such Guarantor's existing and future senior unsecured indebtedness and such Guarantor's indebtedness secured on a junior priority basis by the same collateral, if any, securing the guarantee, of such Guarantor, in each case to the extent of the value of the collateral securing the guarantee;
- effectively senior in right of payment to all of such Guarantor's future indebtedness that is subordinated in right of payment to such Guarantor's guarantee;
- effectively equal in right of payment with all of such Guarantor's existing and future (i) unsecured indebtedness that is not subordinated in right of payment to such Guarantor's guarantee, and (ii) indebtedness secured on a junior priority basis by the same collateral, if any, securing such guarantee, in each case to the extent of any insufficiency in the collateral securing such guarantee; and
- structurally subordinated to all indebtedness and other liabilities of any non-Guarantor subsidiary of such Guarantor (excluding, in the case of our guarantee, the Issuers).

The Senior Secured Notes and the related guarantees are secured by first-priority liens, subject to permitted liens, on substantially all of the Issuers' and the Guarantors' assets, except for certain excluded assets, including pledged equity interests of the Issuers and all of our existing and future domestic restricted subsidiaries guaranteeing the Senior Secured Notes.

The security interests in certain collateral may be released without the consent of holders of the notes if such collateral is disposed of in a transaction that complies with the Indenture and related security agreements. In addition, under certain circumstances, we and the Guarantors have the right to transfer certain intellectual property assets that on the Issue Date constitute collateral securing the Senior Secured Notes or the guarantees to a restricted subsidiary organized under the laws of Switzerland, resulting in the release of such collateral.

On or after July 1, 2019, the Issuers may, at their option, at any time or from time to time, redeem any of the Senior Secured Notes in whole or in part. The Senior Secured Notes will be redeemable at the following redemption prices (expressed in percentages of principal amount), plus accrued and unpaid interest, if any, to (but not including) the redemption date (subject to the right of holders of record on the relevant regular record date that are on or prior to the redemption date to receive interest due on an interest payment date), if redeemed during the twelve-month period commencing on July 1 of the following years:

Year	Redemption Price
2019	106.250%
2020	103.125%
2021 and thereafter	100.000%

In addition, at any time prior to July 1, 2019, the Issuers may redeem up to 35% of the aggregate principal amount of the Senior Secured Notes with the proceeds of certain equity offerings at a redemption price of 112.500% of their principal amount, plus accrued and unpaid interest, if any, to (but not including) the date of redemption; provided, however, that Senior Secured Notes representing at least 65% of the principal amount of the Senior Secured Notes remain outstanding immediately after each such redemption.

The Issuers may redeem the Senior Secured Notes, in whole or in part, at any time prior to July 1, 2019, at a

redemption price equal to 100% of the principal amount of the notes redeemed plus the make-whole premium set forth in the Indenture as of, and accrued and unpaid interest, if any, to (but not including) the applicable redemption date.

The Indenture contains covenants that, among other things, limit the ability of the Issuers and the Subsidiary Guarantors and, in certain circumstances, our ability, to: incur additional indebtedness; pay dividends, redeem stock or make other distributions; make investments; create restrictions on the ability of our restricted subsidiaries to pay dividends to the Issuers or make other intercompany transfers; create liens; transfer or sell assets; merge or consolidate; and enter into certain transactions with the Issuers' affiliates. Most of these covenants will cease to apply if and for as long as the Senior Secured Notes have investment grade ratings from both Moody's Investment Services, Inc. and Standard & Poor's.

If we or the Issuers undergo specific types of change of control prior to July 1, 2022, GIH is required to make an offer to repurchase for cash all of the Senior Secured Notes at a repurchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to (but not including) the payment date.

The Indenture provides for events of default, which, if any of them occur, would permit or require the principal, premium, if any, and interest on all the then outstanding Senior Secured Notes issued under the Indenture to be due and payable immediately. As of June 30, 2016, no event of default had occurred.

Convertible Notes:

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

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

As of June 30, 2016 and December 31, 2015, the outstanding principal on the Convertible Notes was $361.9 million for both periods, the unamortized debt discount was $78.9 million and $87.4 million, respectively, and the net carrying amount of the liability component was $283.0 million and $274.5 million, respectively.

We incurred approximately $10.4 million of issuance costs related to the issuance of the Convertible Notes, of which $7.5 million and $2.9 million were recorded to deferred financing costs and additional paid-in capital, respectively, in proportion to the allocation of the proceeds of the Convertible Notes. The $7.5 million recorded as deferred financing costs on our unaudited condensed consolidated balance sheet is being amortized over the term of the Convertible Notes using the effective interest method. Total amortization expense of the deferred financing costs was $0.3 million and $0.7 million for the three and six month periods ended June 30, 2016, respectively, and $0.3

million and $0.4 million, respectively for the comparable prior year periods. Amortization expense is included in interest expense in the unaudited condensed consolidated statements of operations. As of June 30, 2016 and December 31, 2015, the balance of unamortized deferred financing costs related to the Convertible Notes was $5.8 million and $6.5 million, respectively, and is included as a reduction to long-term debt in our unaudited condensed consolidated balance sheets. See Note 9, “Interest Costs” for additional information.

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

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

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

None of the above events allowing for conversion prior to December 1, 2019 occurred during the six month periods ended June 30, 2016 or 2015. Regardless of whether any of the foregoing circumstances occurs, a holder may convert its Convertible Notes, in multiples of $1,000 principal amount, at any time on or after December 1, 2019 until maturity.

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

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

Amended and Restated Senior Term Facility:

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

On June 14, 2016 the outstanding principal balance of $287.7 million, together with accrued and unpaid interest, was paid in full, and the Amended and Restated Senior Term Facility was terminated in accordance with its

terms on such date (subject to the survival of provisions expressly stated therein to survive the termination thereof). Additionally, we paid the voluntary prepayment premium of 3.0% or $8.6 million and wrote off all of the remaining unamortized deferred financing costs of $6.8 million. Both of these items are included in loss on extinguishment of debt in our unaudited condensed consolidated financial statements. As of December 31, 2015, $301.5 million was outstanding under the Amended and Restated Senior Term Facility.

See Note 8, "Long-Term Debt and Other Liabilities," for more information regarding the Amended and Restated Senior Term Facility.

Letters of Credit:

We maintain several letters of credit totaling $8.1 million and $7.5 million as of June 30, 2016 and December 31, 2015, respectively. Certain of the letters of credit require us to maintain restricted cash accounts in a similar amount, and are issued for the benefit of the landlords at our existing office locations in Chicago, Illinois; Bensenville, Illinois; Broomfield, Colorado and our former office location in Itasca, Illinois.

Liquidity:

Although we can provide no assurances, we currently believe that cash and cash equivalents on hand as of June 30, 2016 will be sufficient to meet our working capital and capital expenditure requirements for at least the next twelve months, including installing our ATG-4 and Ku equipment on certain aircraft operated by our airline partners, costs related to international expansion, costs associated with launching and installing our 2Ku technology and potential costs associated with developing and launching other potential next-generation technology solutions. Excluding the impact of the IPO, the Amended and Restated Senior Term Facility, the Convertible Notes and the Senior Secured Notes, we have not generated positive cash flows on a consolidated basis, and our ability to do so will depend in large part on our ability to increase revenue in each of our three business segments. In addition, our ability to generate positive cash flows from operating activities and the timing of certain capital and other necessary expenditures are subject to numerous variables, such as costs related to international expansion and execution of our current technology roadmap, including 2Ku and potential next-generation technologies. We currently believe that cash on hand and cash flows provided by operating activities and, if necessary, additional equity financings or the incurrence of additional debt as permitted under the indenture governing our Senior Secured Notes will be sufficient to meet our liquidity needs in the longer-term, including our continued international expansion and the acquisition of additional spectrum should it become available. The indenture governing the Senior Secured Notes contains covenants that restrict the ability of GIH and the Subsidiary Guarantors to incur additional indebtedness generally, subject to certain enumerated exceptions and to undertake certain equity financings through the issuance of certain types of preferred stock. Further, the Indenture governing the Senior Secured Notes limits the amount of cash GIH and its subsidiaries may distribute to us to pay interest on the Convertible Notes or any interest, or dividends, on indebtedness or preferred stock issued by us, including indebtedness incurred or preferred stock issued to refinance, replace, renew or refund the Convertible Notes. As a result, we may be unable to finance growth of our business to the extent that our cash on hand and cash generated through operating activities prove insufficient and we are unable to raise additional financing through the issuance of common equity or through permitted sales of preferred equity or debt. Further, market conditions may limit our access to additional sources of equity or debt financing.

Cash flows provided by (used in) Operating Activities:

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

	For the Six Months Ended June 30,	
	2016	2015
Net loss	$(64,300)	$(44,864)
Non-cash charges and credits	83,878	53,839
Changes in operating assets and liabilities	4,783	56,975
Net cash provided by (used in) operating activities	$ 24,361	$ 65,950

For the six month period ended June 30, 2016, cash provided by operating activities was $24.4 million as compared with cash provided by operating activities of $66.0 million for the prior year period. The principal contributors to the change in operating cash flows were:

- A $52.2 million change in cash flows related to operating assets and liabilities resulting from:
  - A decrease in cash flows due to the following:
    - Changes in CA-NA deferred rent due to the increase in deferred rent balances during the first quarter of 2015 resulting from the commencement of new facilities leases during 2014, while deferred rent balances remained relatively consistent during the first quarter of 2016;
    - Changes in BA's and CA-ROW's prepaid expenses and other current assets. The change in BA was due to deposit payments made on certain inventory items during the first quarter of 2016 while no such payments were made in 2015 and the change in CA-ROW was due to payments on development services during 2016 while no such activities occurred in 2015 and the timing of payment on satellite services;
    - Changes in CA-ROW's accounts receivable due to the increase in accounts receivable balances as a result of an increase in activities;
    - Changes in CA-NA's accrued liabilities primarily due to the timing of payments;
    - Changes in CA-ROW's deferred airborne lease incentives due to more installations during 2015 as compared with 2016;
    - Changes in CA-NA's other non-current assets and liabilities due to an increase in deferred cost of equipment associated with one of our airline partners that did not meet all the criteria for a sale; and
    - Changes in BA's inventory due to an increase in inventory purchases;
  - Offset in part by an increase in cash flows due to the following:
    - Changes in all three segments' AP due primarily to the timing of payments;
    - Changes in CA-NA's and BA's AR due to the timing of collections;
    - Changes in CA-NA's accrued revenue share due to an increase in activity and the timing of payments; and
    - Changes in CA-NA's deferred airborne lease incentives due to more installations during 2016 as compared with 2015.
- Offset in part by a $10.6 million increase in net loss adjusted for non-cash charges and credits.

We anticipate cash flows from changes in operating assets and liabilities to be positively impacted in 2016 by increases in deferred airborne lease incentives, which we estimate will range from $40 million to $50 million for the year ending December 31, 2016.

Cash flows used in Investing Activities:

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

Cash flows provided by (used in) Financing Activities:

Cash provided by financing activities for the six month period ended June 30, 2016 was $202.7 million primarily due to the issuance of $525.0 million of Senior Secured Notes, partially offset by repayment in full of the Amended and Restated Credit Agreement totaling $310.1 million (including the early prepayment penalty of approximately $8.6 million), the payment of debt issuance costs for the Senior Secured Notes of $10.6 million and capital lease payments of $1.2 million.

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

Capital Expenditures

Our operations continue to require significant capital expenditures primarily for technology development, equipment and capacity expansion. Capital expenditures for the CA-NA and CA-ROW segments are associated with the installation and the supply of airborne equipment to our airline partners, which correlates directly to the roll out and/or upgrade of service to our airline partners' fleets. Capital spending is also associated with the expansion of our ATG network and data centers, including the addition of new cell-sites. Capital expenditures related to data centers are for additional equipment such as servers and IP routers. We capitalize software development costs related to network technology solutions, the Gogo platform and new product/service offerings. We also capitalized costs related to the build out of our new office locations.

Capital expenditures for the six month periods ended June 30, 2016 and 2015 were $85.0 million and $94.2 million, respectively. The decrease in capital expenditures was due to the build out of our new office location in Chicago, IL in 2015 while we had no such activities in the current year, offset in part by an increase in airborne equipment purchases and network spending.

We anticipate an increase in capital spending in 2016 and estimate capital expenditures for the year will range from $150 million to $185 million as we increase the number of airborne equipment installations including 2Ku, continue to execute our international expansion strategy and upgrade certain aircraft operated by our airline partners to ATG-4 and 2Ku. We expect our capital expenditures, net of deferred airborne lease incentives, which we estimate will range from $40 million to $50 million, for the year ending December 31, 2016 to range from $110 million to $135 million. We anticipate an increase in capital spending in 2017 and estimate capital expenditures for the year will range from $220 million to $265 million as we increase the number of airborne equipment installations including 2Ku, continue to execute our international expansion strategy and upgrade certain aircraft operated by our airline partners to 2Ku. We expect our capital expenditures, net of deferred airborne lease incentives, which we estimate will range from $80 million to $100 million, for the year ending December 31, 2017 to range from $140 million to $165 million. Our expected range of capital expenditures for the years ending December 31, 2016 and 2017 do not account for any potential costs associated with the participation in any future auction for the licensing of additional spectrum or any technology or service arrangements necessary to utilize additional spectrum.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations (including those that require us to make future cash payments) as of December 31, 2015, except for satellite transponder and teleport services, Senior Secured Notes and Interest on Senior Secured Notes which are as of June 30, 2016. Additionally, we removed the Amended and Restated Senior Term Facility and Interest On Amended and Restated Senior Term Facility due to it being extinguished in June 2016 (see below for additional information). The future contractual requirements include payments required for our operating leases and contractual purchase agreements *(in thousands)*.

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations:					
Capital lease obligations	$ 5,840	$ 2,883	$ 2,957	$ —	$ —
Operating lease obligations	188,785	19,615	33,005	27,600	108,565
Purchase obligations (1)	114,514	114,514	—	—	—
Convertible Notes	361,940	—	—	361,940	—
Interest on Convertible Notes (2)	56,554	13,573	27,146	15,835	—
Senior Secured Notes (3)	525,000	—	—	—	525,000
Interest on Senior Secured Notes (3)	393,751	32,813	131,250	131,250	98,438
Satellite transponder and teleport services (4)	555,773	21,704	85,975	106,667	341,427
Network transmission services	26,042	12,307	13,107	628	—
Deferred revenue arrangements (5)	44,813	24,055	7,968	3,902	8,888
Deferred airborne lease incentives (6)	143,391	21,659	41,725	37,008	42,999
Canadian ATG Spectrum License related payments (7)	15,585	721	1,442	1,442	11,980
Other long-term obligations (8)	51,101	7,500	8,900	5,701	29,000
Total	$2,483,089	$271,344	$353,475	$691,973	$1,166,297

(1) As of December 31, 2015, our outstanding purchase obligations represented obligations to vendors to meet operational requirements as part of the normal course of business and related primarily to information technology, research and development, sales and marketing and production related activities.

(2) Interest is calculated based on the interest rate in effect at December 31, 2015. See Note 6, “Long-Term Debt and Other Liabilities” in our 2015 10-K for further information.

(3) Interest is calculated based on the interest rate in effect at June 30, 2016. These amounts have been updated as of June 30, 2016 to incorporate the issuance of the Senior Secured Notes in June 2016. See Note 8, “Long-Term Debt and Other Liabilities” for further information.

(4) Amounts represent obligations to vendors that provide us with transponder and teleport satellite services. These amounts have been updated as of June 30, 2016 to incorporate new agreements entered into during 2016.

(5) Amounts represent obligations to provide services for which we have already received cash from our customers.

(6) Amounts represent the upfront payments made by our airline partners for our ATG and satellite equipment and payments for STCs. Upfront payments made pursuant to these agreements are accounted for as deferred airborne lease incentives which are amortized on a straight-line basis as a reduction of cost of service revenue over the term of the agreement.

(7) Canadian ATG Spectrum License related payments relates to the monthly C$0.1 million payment over the estimated 25-year term of the agreement, using the December 31, 2015 exchange rate. See Note 16, “Canadian ATG Spectrum License” in our 2015 10-K for further information.

(8) Other long-term obligations consist of estimated payments (undiscounted) for our asset retirement obligations and obligations to certain airline partners. Other long-term obligations do not include $7.4 million related to our deferred tax liabilities due to the uncertainty of their timing.

Contractual Commitments: We have agreements with various vendors under which we have remaining commitments to purchase $28.8 million in satellite-based systems, certification and development services as of June 30, 2016. Such commitments will become payable as we receive the equipment or certification, or as development services are provided.

We have agreements with vendors to provide us with transponder and teleport satellite services. These agreements vary in length and amount and as of June 30, 2016 commit us to purchase transponder and teleport satellite services totaling approximately $21.7 million in 2016 (July 1 through December 31), $44.7 million in 2017, $41.2 million in 2018, $46.6 million in 2019, $60.1 million in 2020 and $341.4 million thereafter.

Leases and Cell Site Contracts: We have lease agreements relating to certain facilities and equipment, which are considered operating leases. Additionally, we have operating leases with wireless service providers for tower space and base station capacity on a volume usage basis ("cell site leases"), some of which provide for minimum annual payments. See Note 10, "Leases," in our unaudited condensed consolidated financial statements for additional information.

For the airline agreements where the equipment transactions are accounted for as operating leases of space, the revenue share paid to our airline partners represents operating lease payments. They are deemed to be contingent rental payments, as the payments due to each airline are based on a percentage of our CA-NA and CA-ROW service revenue generated from that airline's passengers, which is unknown until realized. As such, we cannot estimate the lease payments due to an airline at the commencement of our contract with such airline. This rental expense is included in cost of service revenue and is offset by the amortization of the deferred airborne lease incentive discussed above. See Note 10, "Leases," in our unaudited condensed consolidated financial statements for additional information.

One contract with one of our airline partners requires us to provide that airline partner with a cash rebate of $1.8 million if our service is available on a specified number of aircraft in such airline partner's fleet on the preceding December 31, in June of each year from 2015 through 2023. Based upon the number of aircraft in service on December 31, 2015, we were required to and we paid the $1.8 million rebate to this airline partner in June 2016.

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

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

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

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is currently confined to our cash and cash equivalents and our debt. We have not used derivative financial instruments for speculation or trading purposes. The primary objectives of our investment activities are to preserve our capital for the purpose of funding operations while at the same time maximizing the income we receive from our investments without significantly increasing risk. To achieve these objectives, our investment policy allows us to maintain a portfolio of cash equivalents and short-term investments through a variety of securities, including U.S. Treasuries, U.S. Government Agency Securities, and Money Market Funds. Our cash and cash equivalents as of June 30, 2016 and December 31, 2015 primarily included amounts in bank checking accounts, U.S. Treasuries, and Money Market Funds. We believe that a change in average interest rates would not adversely affect our interest income and results of operations by a material amount.

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

Interest: Our earnings are affected by changes in interest rates due to the impact those changes have on interest income generated from our cash and cash equivalents and interest expense on our long-term debt. Our cash and cash equivalents as of June 30, 2016 and December 31, 2015 included amounts in bank checking accounts and liquid certificates of deposit. We believe we have minimal interest rate risk; a 10% change in the average interest rate on our portfolio would have reduced interest income and increased interest expense for the three and six month periods ended June 30, 2016 and 2015 by immaterial amounts.

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

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

ITEM 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Management, with the participation of our Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) as of June 30, 2016. Based upon this evaluation, our Chief Executive Officer and the Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of June 30, 2016.

(b) Changes in Internal Control over Financial Reporting

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

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

On February 25, 2014, Adam Berkson filed suit against us in the United States District Court for the Eastern District of New York, on behalf of putative classes of national purchasers and a subclass of New York purchasers of our connectivity service, alleging that we violated New York and other consumer protection laws, as well as an implied covenant of good faith and fair dealing, by misleading consumers about recurring charges for our service. The suit sought unspecified damages. In October 2015, we and representatives of the putative classes entered into a settlement agreement under which eligible class members are entitled to receive agreed-upon amounts of complimentary Gogo connectivity service and we are responsible for claims administration costs and the plaintiffs' legal fees. The estimated cost of the settlement is not material. On April 5, 2016, the judge approved the settlement.

On January 29, 2016, Charles Salameno, Maria-Angela Sanzone and John Jensen filed suit against us in the United States District Court for the Eastern District of New York, on behalf of a putative class of national purchasers and a subclass of New York purchasers of our connectivity service, alleging that we violated New York and other consumer protection laws, as well as unjust enrichment, fraud and breach of contract arising from alleged false statements in our marketing materials and alleged data security issues arising from our network design and certain network practices. The suit seeks unspecified damages. We have not accrued any liability because the strength of our defenses and a range of possible loss, if any, cannot be determined at this early stage of the litigation. Based on currently available information, we believe that we have strong defenses and intend to defend this lawsuit vigorously, but the outcome of this matter is inherently uncertain and may have a material adverse effect on our financial position, results of operations and cash flows. On May 23, 2016, we filed motions to compel arbitration and dismiss the suit, moving in the alternative to transfer venue and/or dismiss the suit for failure to state a claim. The Court held a hearing on June 30, 2016 where we argued the motions to dismiss and on July 7, 2016 the Court issued its opinion granting our motion to compel arbitration. On August 1, 2016, the Plaintiffs filed a motion asking the Court to reconsider the opinion. We intend to oppose the motion and we await the Court's decision. The Plaintiffs' deadline to file a notice of appeal is August 24, 2016.

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

ITEM 1A. Risk Factors

The following risk factor updates the risk factor set forth under the heading "Risk Related to Our CA Business" in our Annual Report on Form 10-K for the year ended December 31, 2015 as filed with the SEC on February 25, 2016.

We may not be able to grow our business with current airline partners or new airline partners or successfully negotiate agreements with airlines to which we do not currently provide the Gogo service.

We are currently in negotiations or discussions with certain of our airline partners to provide our equipment and the Gogo service on additional aircraft in their fleets. We have no assurance that these efforts will be successful. We are also in discussions with other airlines to provide our equipment and the Gogo service to some or all of the aircraft flying North American or international routes. Negotiations with current and prospective airline partners require substantial time, effort and resources. The time required to reach a final agreement with an airline is unpredictable and may lead to variances in our operating results from quarter to quarter. We may ultimately fail in our negotiations and any such failure could harm our results of operations due to, among other things, a diversion of our focus and resources, actual costs and opportunity costs of pursuing these opportunities. In addition, the terms of any future agreements could be materially different and less favorable to us than the terms included in our existing agreements with our airline partners. Further, as the market for in-flight connectivity services matures, we expect commercial models and contract terms to continue to evolve and we anticipate that third party payors (including airlines) will generate an increasing portion of our revenue and that the portion of our revenue paid by passengers using our service will decline. We are unable to predict when and to what extent this shift will occur or the net effect of such shift on our revenue or results of operations. To the extent that any negotiations with current or potential airline partners are unsuccessful, or any existing or future agreements reflecting evolving business models prove generally less favorable to us than expected or as compared to agreements under previously existing models, our growth prospects could be materially and adversely affected.

The following risk factors update the risk factors set forth under the heading "Risk Related to Our Indebtedness" in our Annual Report on Form 10-K for the year ended December 31, 2015 as filed with the SEC on February 25, 2016.

We and our subsidiaries have substantial debt and may incur substantial additional debt in the future, which could adversely affect our financial health, reduce our profitability, limit our ability to obtain financing in the future and pursue certain business opportunities and reduce the value of your investment.

As of June 30, 2016, we had total consolidated indebtedness of approximately $886.9 million, including $525.0 million outstanding of our 12.500% senior secured notes due 2022 (the "Senior Secured Notes") and $361.9 million outstanding of our 3.75% convertible senior notes due 2020 (the "Convertible Notes"). Subject to certain limitations set forth in the indenture governing the Senior Secured Notes, we and our subsidiaries may incur additional debt in the future, which could increase the risks described below and lead to other risks. The amount of our debt or such other obligations could have important consequences for holders of our common stock, including, but not limited to:

- a substantial portion of our cash flow from operations must be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes;
- our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate purposes and our ability to satisfy our obligations with respect to our outstanding notes may be impaired in the future;
- we may be at a competitive disadvantage compared to our competitors with less debt or with comparable debt at more favorable interest rates and which, as a result, may be better positioned to withstand economic downturns;
- our ability to refinance indebtedness may be limited or the associated costs may increase;
- our ability to engage in acquisitions without raising additional equity or obtaining additional debt financing may be impaired in the future;
- it may be more difficult for us to satisfy our obligations to our creditors, resulting in possible defaults on and acceleration of such indebtedness;
- we may be more vulnerable to general adverse economic and industry conditions; and
- our flexibility to adjust to changing market conditions and our ability to withstand competitive pressures could be limited, or we may be prevented from making capital investments that are necessary or important to our operations in general, growth strategy and efforts to improve operating margins of our business units.

Despite our current level of indebtedness, we may still incur substantially more debt or take other actions which would intensify the risks discussed above.

We and our subsidiaries may incur substantial additional debt in the future. The indenture governing the Senior Secured Notes does not fully prohibit our subsidiaries from incurring additional indebtedness under certain circumstances and does not prohibit us from incurring additional indebtedness under any circumstances. If our subsidiaries are in compliance with certain incurrence ratios set forth in such indenture, our subsidiaries may be able to incur substantial additional indebtedness, which may increase the risks created by our current substantial indebtedness.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our substantial debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under our existing indebtedness and any future indebtedness we may incur and to make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, refinancing or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance existing

indebtedness or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities on desirable terms or at all, and such alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations, which could result in a default on existing indebtedness or future indebtedness.

We cannot make assurances that we will be able to refinance any of our indebtedness or obtain additional financing, particularly because of our high levels of debt and the debt incurrence restrictions imposed by the agreements and instruments governing our debt. In addition, we do not currently have a revolving credit facility under which we can borrow to make payments of the principal of, to pay interest on or to refinance any indebtedness. In the absence of such sources of capital, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The indenture governing the Senior Secured Notes restricts our ability to dispose of assets and how we use the proceeds from any such dispositions. We cannot make assurances that we will be able to consummate those dispositions or, if we do, what the timing of the dispositions will be or whether the proceeds that we realize will be adequate to meet our debt service obligations, including amounts under the Senior Secured Notes or the Convertible Notes, when due.

The agreements and instruments governing our debt contain restrictions and limitations that could significantly impact our ability to operate our business.

The indenture governing the Senior Secured Notes contains covenants that, among other things, limit the ability of our subsidiaries and, in certain circumstances, us to:

- incur additional debt;
- pay dividends, redeem stock or make other distributions;
- make certain investments;
- create liens;
- transfer or sell assets;
- merge or consolidate with other companies; and
- enter into certain transactions with our affiliates.

Our ability to comply with the covenants and restrictions contained in the indenture governing the Senior Secured Notes may be affected by economic, financial and industry conditions beyond our control. Our failure to comply with obligations under the agreements and instruments governing our indebtedness may result in an event of default under such agreements and instruments. We cannot be certain that we will have funds available to remedy these defaults. A default, if not cured or waived, may permit acceleration of our indebtedness. If our indebtedness is accelerated, we cannot be certain that we will have sufficient funds available to pay the accelerated indebtedness or have the ability to refinance the accelerated indebtedness on terms favorable to us or at all. All of these covenants and restrictions could affect our ability to operate our business, may limit our ability in the future to satisfy currently outstanding obligations and may limit our ability to take advantage of potential business opportunities as they arise.

We may have future capital needs and may not be able to obtain additional financing to fund our capital needs on acceptable terms, or at all.

Prior to our initial public offering (“IPO”), we relied primarily on private placements of our equity securities to fund our operations, capital expenditures and expansion. Since the IPO, we have obtained debt financing through our entry into the Amended and Restated Senior Term Facility, issuance of Convertible Notes and issuance of Senior Secured Notes. The market conditions and the macroeconomic conditions that affect the markets in which we operate could have a material adverse effect on our ability to secure financing on acceptable terms, if at all. We may be unable to secure additional financing on favorable terms or at all or our operating cash flow may be insufficient to satisfy our financial obligations under the indenture governing the Senior Secured Notes, the indenture governing the Convertible Notes and other indebtedness outstanding from time to time. The terms of additional financing may limit our financial and operating flexibility. Our ability to satisfy our financial obligations will depend upon our future operating performance, the availability of credit generally, economic conditions and financial, business and other factors, many of which are beyond our control. Furthermore, if financing is not available when needed, or is not available on acceptable terms, we may be unable to take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations. Even if we are able to obtain additional financing, we may be required to use the proceeds from any such financing to repay a portion of our outstanding debt.

We have from time to time evaluated, and we continue to evaluate, our potential capital needs in light of increasing demand for our services, limitations on bandwidth capacity and generally evolving technology in our industry. We may utilize one or more types of capital raising in order to fund any initiative in this regard, including the issuance of new equity securities and new debt securities, including debt securities convertible into our common stock. If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of our company. In addition, any new securities we issue could have rights, preferences and privileges senior to those of holders of our common stock, and we may grant holders of such securities rights with respect to the governance and operations of our business. If we are unable to obtain adequate financing or financing on terms satisfactory to us, if and when we require it, our ability to grow or support our business and to respond to business challenges could be significantly limited.

The Senior Secured Notes are secured by substantially all of our consolidated assets. As a result of these security interests, such assets would only be available to satisfy claims of our general creditors or to holders of our equity securities if we were to become insolvent to the extent the value of such assets exceeded the amount of our secured indebtedness and other obligations. In addition, the existence of these security interests may adversely affect our financial flexibility.

The Senior Secured Notes are secured by a lien on substantially all of our assets. Accordingly, if an event of default were to occur under the indenture governing the Senior Secured Notes, the holders of the Senior Secured Notes would have a prior right to our assets, to the exclusion of our general creditors in the event of our bankruptcy, insolvency, liquidation, or reorganization. In that event, our assets would first be used to repay in full all indebtedness and other obligations under the indenture governing the Senior Secured Notes, resulting in all or a portion of our assets being unavailable to satisfy the claims of our unsecured indebtedness. Only after satisfying the claims of our unsecured creditors and our subsidiaries' unsecured creditors would any amount be available for our equity holders. The pledge of these assets and other restrictions may limit our flexibility in raising capital for other purposes. Because substantially all of our assets are pledged under these financing arrangements, our ability to incur additional secured indebtedness or to sell or dispose of assets to raise capital may be impaired, which could have an adverse effect on our financial flexibility.

We may not have sufficient cash flow or the ability to raise the funds necessary to settle conversions of the Convertible Notes, to repay the Convertible Notes at maturity or to purchase the Convertible Notes upon a fundamental change, and the indenture governing the Senior Secured Notes may limit our ability to pay interest, or dividends, on indebtedness, or preferred stock, issued to refinance the Convertible Notes.

Holders of the Convertible Notes will have the right to require us to purchase their Convertible Notes upon the occurrence of a fundamental change at a purchase price equal to 100% of the principal amount of the Convertible Notes to be purchased, plus accrued and unpaid interest, if any, to, but not including, the fundamental change purchase date. In addition, in the event the conditional conversion feature of the Convertible Notes is triggered, holders of the Convertible Notes will be entitled to convert the Convertible Notes at any time during specified periods at their option. Upon conversion of the Convertible Notes, we will be required to make cash payments in respect of the Convertible Notes being converted, unless we elect to deliver solely shares of our common stock to settle such conversion (other than cash in lieu of any fractional share). Moreover, we will be required to repay the Convertible Notes in cash at their maturity, unless earlier converted or repurchased. We may not have enough available cash or be able to obtain financing at the time we are required to make purchases of Convertible Notes surrendered therefor, repay the Convertible Notes at maturity or Convertible Notes being converted and the indenture governing the Senior Secured Notes does not allow our subsidiaries to distribute cash to us for the payment of the principal of the Convertible Notes. In addition, the indenture governing the Senior Secured Notes limits the amount of cash our subsidiaries may distribute to us to pay interest on the Convertible Notes or any interest, or dividends, on indebtedness, or preferred stock, issued to refinance, replace, renew or refund the Convertible Notes, which may limit our ability to issue debt or other securities in an amount necessary to refinance the outstanding Convertible Notes or at rates that such distributions could support.

Our failure to purchase Convertible Notes required by the indenture governing the Convertible Notes or to pay cash payable upon future conversions of the Convertible Notes as required by the indenture governing the Convertible Notes would constitute a default under the indenture governing the Convertible Notes. A default under

the indenture governing the Convertible Notes or the fundamental change itself could also lead to a default under the agreements and instruments governing our other indebtedness and the acceleration of amounts outstanding thereunder, including the indenture governing the Senior Secured Notes. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and purchase the Convertible Notes or make cash payments upon conversions thereof. A default under the indenture governing the Convertible Notes could have serious consequences on our financial condition and results of operations and could cause us to become bankrupt or otherwise insolvent.

The change of control repurchase feature of the Senior Secured Notes and the Convertible Notes may delay or prevent an otherwise beneficial attempt to take over our company.

The terms of the Senior Secured Notes and the Convertible Notes require our subsidiaries or us, respectively, to repurchase the Senior Secured Notes or the Convertible Notes, respectively, in the event of a change of control. A takeover of our company would trigger an option of the holders of the Senior Secured Notes and the Convertible Notes to require our subsidiaries or us, respectively, to repurchase the Senior Secured Notes or the Convertible Notes, respectively. This may have the effect of delaying or preventing a takeover of our company that would otherwise be beneficial to our stockholders.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us, our subsidiaries or our indebtedness, if any, could cause our cost of capital to increase.

The Senior Secured Notes have been rated by nationally recognized rating agencies and may in the future be rated by additional rating agencies. We cannot assure you that any rating assigned will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant. Any future lowering of ratings may make it more difficult or more expensive for us to obtain additional debt financing.

Except as set forth above and in Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 as filed with the SEC on May 6, 2016, there have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K.

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

a) Sales of Unregistered Securities

None.

b) Use of Proceeds from Public Offering of Common Stock

None.

ITEM 3. Defaults Upon Senior Securities

None.

ITEM 4. Mine Safety Disclosures

None.

ITEM 5. Other Information

a) None.

b) None.

ITEM 6. Exhibits

Exhibit Number	Description of Exhibits
4.5	Indenture, dated as of June 14, 2016, between Gogo Intermediate Holdings LLC, Gogo Finance Co. Inc., Gogo Inc., the Subsidiary Guarantors party thereto and U.S. Bank National Association, as trustee and collateral agent (incorporated by reference to Exhibit 4.1 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
4.6	Form of 12.500% Senior Secured Note due 2022 (incorporated by reference to Exhibit 4.2 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
10.1.34†	Amendment Three to the Third Amended and Restated In-Flight Connectivity Services Agreement, dated as of May 20, 2016, by and between American Airlines, Inc. and Gogo LLC
10.1.35†	Interim Agreement Regarding In-Flight Connectivity and Entertainment Services, dated as of December 1, 2015, by and among American Airlines, Inc., US Airways, Inc. and Gogo LLC

Exhibit Number	Description of Exhibits
10.1.36 †	Amended and Restated Product Development and Manufacturing Agreement, dated as of April 1, 2016, by and between ThinKom Solutions, Inc. and Gogo LLC
10.1.37†	Term Sheet, dated as of May 27, 2016, by and between American Airlines, Inc. and Gogo LLC
10.1.38†	Amendment No. 1 to the 2Ku In-Flight Connectivity Services Agreement, dated as of April 1, 2016, by and between Delta Air Lines, Inc. and Gogo LLC
10.1.39	Collateral Agreement, dated as of June 14, 2016, among Gogo Intermediate Holdings LLC, Gogo Finance Co. Inc., Gogo Inc., the Subsidiary Guarantors and U.S. Bank National Association, as collateral agent (incorporated by reference to Exhibit 10.1 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
10.1.40	Collateral Agency Agreement, dated as of June 14, 2016, among Gogo Intermediate Holdings LLC, Gogo Finance Co. Inc., Gogo Inc., the Subsidiary Guarantors and U.S. Bank National Association, as trustee and collateral agent (incorporated by reference to Exhibit 10.2 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
10.1.41	Patent Security Agreement, dated as of June 14, 2016, by Gogo LLC, in favor of U.S. Bank National Association, as collateral agent (incorporated by reference to Exhibit 10.3 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
10.1.42	Trademark Security Agreement, dated as of June 14, 2016, by Gogo LLC, in favor of U.S. Bank National Association, as collateral agent (incorporated by reference to Exhibit 10.4 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
10.1.43	Copyright Security Agreement, dated as of June 14, 2016, by Gogo LLC, in favor of U.S. Bank National Association, as collateral agent (incorporated by reference to Exhibit 10.5 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
10.1.44	Trademark Security Agreement, dated as of June 14, 2016, by Gogo Business Aviation LLC, in favor of U.S. Bank National Association, as collateral agent (incorporated by reference to Exhibit 10.6 to Form 8-K filed on June 14, 2016 (File No. 001-35975))
10.4.5 #	Gogo Inc. 2016 Omnibus Incentive Plan
10.4.6 #	Form of Stock Option Agreement for Gogo Inc. 2016 Omnibus Incentive Plan
10.4.7 #	Form of Performance Stock Option Agreement for Gogo Inc. 2016 Omnibus Incentive Plan
10.4.8 #	Form of Restricted Stock Unit Agreement for Gogo Inc. 2016 Omnibus Incentive Plan
10.4.9 #	Form of Performance Restricted Stock Unit Agreement for Gogo Inc. 2016 Omnibus Incentive Plan
10.4.10 #	Gogo Inc. Annual Incentive Plan
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1 *	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2 *	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

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

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

# Indicates management contract or compensatory plan or arrangement.

Table of Contents

SIGNATURES

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

Gogo Inc.

Date: August 4, 2016

/s/ Michael Small

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

/s/ Norman Smagley

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

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

AMENDMENT THREE (TO THIRD AMENDED AND RESTATED IN-FLIGHT CONNECTIVITY SERVICES AGREEMENT)

This Amendment Three (this "Amendment"), to the Third Amended and Restated In-Flight Connectivity Services Agreement, dated as of September 13, 2012, as amended by Amendment One and Amendment Two thereto dated as of September 13, 2012 and May 30, 2014, respectively (collectively, the "Original Agreement"), by and between American Airlines, Inc. ("American") and Gogo LLC ("Gogo" or "Supplier") is made and entered into on the later of the dates set forth at the bottom of the signature blocks below, but effective as of the 1st day of February, 2015 (the "Effective Date"). Capitalized terms used but not defined herein shall have the meanings set forth in the Original Agreement.

WHEREAS, American and Gogo desire to amend the terms of the Original Agreement to add certain additional regional jet aircraft to the scope of coverage thereunder, to reflect certain agreed-upon terms with respect to the installation of Gogo equipment and provision of Gogo services on such aircraft and to make other agreed upon changes;

NOW, THEREFORE, in consideration of the foregoing premises and the covenants contained herein, American and Gogo agree as follows:

1. **Amendment**. As of the Effective Date, the Original Agreement is hereby amended as follows:

   a. Section 1.37.1 is replaced in its entirety by:

   "**Regional Jet Fleet** means the Initial Regional Jet Fleet, the Subsequent Regional Jet Fleet and any other regional jet aircraft that are added to this Agreement as Additional Aircraft subsequent to the execution of Amendment Three to this Agreement."

b. Section 1.30.1 is amended by adding "and **Exhibit A-6**" after "**Exhibit A-5**".

c. The following language is added as new Section 1.47.1 in the Original Agreement:

"**Subsequent Regional Jet Fleet"** means the Fleet Type consisting of the two class regional jet aircraft listed in **Exhibit A-6**."

d. Section 1.54 is amended by deleting it in its entirety and replacing it with the following language:

""Trigger Date" means [***]."

e. Section 2.5 is amended by (i) inserting the following as the new third sentence::

"[***]".

and (ii) deleting the word "[***]" from the fourth (previously third) sentence.

f. Section 3.6.2 is amended by deleting the word "[***]" from the entire section.

g. The third and final sentence of Section 5 is amended by deleting the word "[***]".

h. Section 5.2.1 is amended by deleting the word "[***]" from the last sentence.

i. Section 5.2.2 is amended by: (i) deleting the word "[***]" from the heading and the subsequent paragraph, and (ii) deleting the second, third and fourth sentences and replacing them with the following:

"[***]"

j. Section 6.4 is amended by deleting the word "[***]" from the entire section.

k. Section 8.1.1.2 is amended by deleting the word "[***]" from the entire section .

l. Sections 8.1.1.3 and 8.1.1.4 are amended by deleting the word "[***]" from the entire section.

m. Section 8.1.3.2.2 is amended by deleting the word "[***]" from the entire section.

n. Section 8.1.4 is amended by (i) deleting the word "[***]" from the entire section, (ii) deleting the phrase "[***]" in the third sentence and replacing it with the phrase "[***]," and (iii) replacing the word "[***]," by "[***]" in the fourth sentence.

o. Section 8.1.5 is amended by deleting it in its entirety and replacing it with the following language:

"8.1.5 **Maintenance, Training and Support.** Gogo will maintain the ABS Equipment during the Term of this Agreement and will establish and follow a maintenance program sufficient to enable it to provide the level of service and support required under the applicable Service Levels;[***]. Gogo shall maintain an FAA repair station certification and shall obtain American's quality assurance approval for all repair stations utilized for repair of the ABS Equipment. Repair subcontractors may only be used with the prior written approval of American, with approval based solely on their ability to meet American's published Quality Assurance Standards and obtain FAA repair station certification. In addition Gogo agrees that the maintenance program will be designed such that routine maintenance can be provided within the footprint of American's existing maintenance program and flight operations schedule. A detailed list of ABS Equipment maintenance services provided by Gogo pursuant to the terms of this Agreement is set forth in **Exhibit G, G-1** and **G-2,** as applicable. American agrees to provide Gogo such access to Retrofit A/C as is required to allow Gogo to perform routine maintenance consistent with the terms set forth in **Exhibit G, G-1** or **G-2,** as applicable. [***]. Gogo will also provide such support and training services for the Transcon, 737 and 757 Fleets as described in **Exhibits F, Q** and **R,** respectively, and as otherwise reasonably requested by American for the operation of the ABS Equipment and Software.

p. Section 11.2.1 is amended by deleting the word "[***]" from the entire section.

q. Section 11.5 is amended by deleting the word "[***]" from the entire section.

r. Section 13.5.1 is amended by deleting it in its entirety and replacing it with the following:

" 13.5.1 American will have the right to terminate this Agreement as to (a) all Fleet Types other than the Regional Jet Fleet (collectively, the "**Mainline Fleet**") at any time on or after the sixth (6th) anniversary of the Trigger Date for the last retrofitted Fleet Type in the Mainline Fleet, and (b) the Regional Jet Fleet at any time on or after the sixth anniversary of the final Trigger Date for the Regional Jet Fleet, in each case by giving at least [***] written notice thereof to Gogo and paying Gogo an amount equal to the amount obtained by multiplying (A) [***] by (B) Gogo's [***] from Connectivity Revenues from the terminated Fleet Types earned by Gogo in the year ending on the applicable anniversary of the Trigger Date."

s. Section 2.1 of Exhibit J is amended by deleting the word "[***]" from the entire section."

t. The exhibits attached hereto as Exhibits 1 and 2 are hereby attached to and incorporated by reference in the Agreement as Exhibits A-6 and G-2, respectively.

2. **Entire Agreement/Amendment/Representation**. This Amendment constitutes the full and complete understanding of the parties with respect to the subject matter of this Amendment and supersedes all prior agreements and understandings between the parties with respect to the subject matter. This Amendment may be modified only by written agreement signed by an authorized representative of both parties. American hereby represents and warrants that it has authority to execute and deliver this Amendment and perform its obligations hereunder and under the Original Agreement (as amended by this Amendment) with respect to the Subsequent Regional Jet Fleet (as defined in Section 1(c) of this Amendment), and such execution, delivery and performance by American will not conflict with any provision of any contract between American and any operator of any aircraft in such fleet or require the consent of any counterparty to any such contract. Similarly, Gogo hereby represents and warrants that it has authority to execute and deliver this Amendment and perform its obligations hereunder and under the Original Agreement (as amended by this Amendment) with respect to the Subsequent Regional Jet Fleet (as defined in Section 1(c) of this Amendment), and such execution, delivery and performance by Gogo will not conflict with any provision of any contract between Gogo and any other party or require the consent of any counterparty to any such contract.

3. **Effectiveness of Agreement**. The Original Agreement remains in full force and effect except as specifically amended by this Amendment.

[REMAINDER OF PAGE INTENTIONALLY BLANK-SIGNATURE PAGE FOLLOWS]

SUPPLIER:

GOGO LLC

By: /s/ Michael Small
Title: President and CEO

Date: 4/19/16

AMERICAN:

AMERICAN AIRLINES, INC.

By: /s/ Robert Isom
Title: EVP – COO

Date: 5/20/16

Exhibit 1 to Amendment

Exhibit A-6

KIT ON DOCK SCHEDULE FOR SUBSEQUENT REGIONAL JET FLEET

Gogo will schedule deliveries of the Shipsets as requested by American at least [***] days prior to aircraft delivery "Kit on dock (KOD)" dates. The tentative KOD dates are set forth below. Changes to this schedule are permissible by mutual consent of both parties but changes to KOD dates are permissible by Purchase Order Supplement..

* Actual KOD dates will be confirmed via Purchase Orders.

** Shipsets will be delivered by Gogo to the dock shipping address to be provided on the Purchase Orders.

A. [***] Fleet:

Count	Type	Operator	AC#	Dock	KOD
[***]					

B. [***] Fleet:

Count	Type	Operator	AC#	Dock	KOD
[***]					

C. [***] Fleet:

Count	Type	Operator	AC#	Dock	KOD
[***]					

D. [***] **Fleet:**

Count	Type	Operator	AC#	Dock	KOD
[***]					

E. [***] **Fleet:**

Count	Type	Operator	AC#	Dock	KOD
[***]					

F. [***] **Fleet:**

Count	Type	Operator	AC#	Dock	KOD
[***]					

G. [***] **Fleet:**

Count	Type	Operator	AC#	Dock	KOD
[***]					

H. [***] **Fleet:**

Count	Type	Operator	AC#	Dock	KOD
[***]					

Exhibit 2 to Amendment

Exhibit G-2

Maintenance, Repairs and Spares Provisioning for the Subsequent Regional Jet Fleet

a. During the term of this Agreement, spares will be owned and provisioned by Gogo and provided to American or the Operator as applicable for use on the Subsequent Regional Jet Fleet at the locations as mutually agreed to by the Parties. American expects and Gogo will provide a mutually agreed system wide spares provisioning level.[***]. The parties agree and acknowledge that AA wishes to perform touch labor on certain Retrofit A/C, including select Retrofit A/C in the Subsequent Regional Jet Fleet, and that the details of such arrangement shall be set forth in a subsequent written agreement.

i. Part Numbers and Pricing:

Item	Part Number	Quantity	Replacement Price (unit)	Price (Unit Based on Full Kit)	Spares Pool Price* (unit)
[***]					

b. [***]

c. [***]

d. [***]

e. [***]

f. [***]

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

INTERIM AGREEMENT REGARDING IN-FLIGHT CONNECTIVITY AND ENTERTAINMENT SERVICES

This Interim Agreement (this "Agreement) is made and entered into effective December 1, 2015 (the "Effective Date") by and among American Airlines, Inc. ("American" or "AA"), US Airways, Inc. ("US") and Gogo LLC ("Gogo"). Each of American, US and Gogo may be referred to herein as a "Party" and collectively as the "Parties."

WHEREAS, Gogo installs equipment and provides in-flight connectivity and entertainment services on certain aircraft operated or to be operated in the future by American and US pursuant to (i) that certain Third Amended and Restated In-Flight Connectivity Services Agreement, dated as of September 13, 2012, between Gogo and AA (as amended by Amendment One to Third Amended and Restated In-Flight Connectivity Services Agreement, dated as of September 13, 2012, and Amendment Two to Third Amended and Restated In-Flight Connectivity Services Agreement, dated as of May 30, 2014, and Amendment Three to Third Amended and Restated In-Flight Connectivity Services Agreement, dated as of February 1, 2015) (collectively the "Original AA Agreement"), (ii) that certain In Flight Connectivity Services Agreement, dated as of September 13, 2012, between Gogo and AA (as amended to date, the "Apollo Agreement," and collectively with the Original AA Agreement, the "AA Agreements"), and (iii) that certain Amended and Restated In Flight Connectivity Services Agreement, dated as of March 14, 2012, between Gogo and US (as amended to date, the "US Agreement," and collectively with the AA Agreements, the "Connectivity Agreements").

WHEREAS, following the December 2013 merger of their parent corporations, American and US have to date continued to operate as separate airlines and remain the separate contractual obligors under the AA Agreements and the US Agreement, respectively; and

WHEREAS, American and US have combined their operations and begun operating as one airline under one FAA operating certificate; and

WHEREAS, the Parties wish for a variety of reasons, including without limitation ease of reference and operating efficiencies, to combine the AA Agreements and the US Agreement into one agreement (the "Unified Agreement") and have begun to negotiate the terms thereof with the goal of executing the Unified Agreement promptly upon completion of the American/ US legal combination; and

WHEREAS, pending execution of the Unified Agreement, the Parties wish to implement certain agreed upon changes to key commercial terms set forth in the AA Agreements and/or the US Agreement, which terms will be included in the Unified Agreement, and to memorialize their agreement with respect to negotiation and completion of the Unified Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the covenants contained herein, American, US and Gogo agree as follows:

1. Unified Commercial Terms. As of the Effective Date, the following terms shall take effect:

a. [***], as set forth in the penultimate paragraph of Section 11.5 of the Original AA Agreement and clause (i) of the last paragraph of Section 11.6 in the Apollo Agreement, will cease to be of any force and effect.

b. Any amounts payable by US to Gogo under the US Agreement shall be due and payable [***] following the issuance of Gogo's invoice.

c. [***]

d. [***]

e. In place of its existing take rate reporting obligations under the Connectivity Agreements, Gogo shall provide a single take rate report for both AA and US, itemized as follows: (i) overall take rate (across all aircraft covered by the Connectivity Agreements); (ii) mainline take rate (combining AA MD80, B757, B737, A321, A321T, A319 Retrofit A/C (as defined in the AA Agreements) with US A319, A321, A320, E190 Equipped A/C (as defined in the US Agreement)); and (iii) Regional take rate (combining all AA and US CRJ900, E170 & 175 Retrofit A/C (as defined in the AA Agreements) and Equipped A/C (as defined in the US Agreement), as the case may be).

f. The attached Exhibit A describes the agreed-upon terms of the maintenance and spares programs and, effective on December 1, 2015 (the "Initial **Cutover Date**"), shall supersede Exhibit G to each of the AA Agreements with respect to the following Retrofit A/C: (i) under the Original Agreement, all Retrofit A/C in the

Transcon Fleet, the Initial 737 Fleet, the Subsequent 737 Fleet, the Growth Fleet, the MD Fleet, the 757 Fleet, the Initial Regional Jet Fleet and the Retrofit A/C in the Subsequent Regional Jet Fleet set forth in Sections B, D, E, F and H of Exhibit A-6 to the Original AA Agreement, and (ii) all Retrofit A/C under the Apollo Agreement ((i) and (ii) collectively, the "**Cutover Fleet**").

[***] The parties agree and acknowledge that transitioning the maintenance and spares program shall occur over time in accordance with the following schedule:

[***]

and that the foregoing schedule is subject to change until such transition is complete. AA shall notify Gogo of any schedule changes as soon as reasonably practicable after deciding on the same, and Gogo shall use reasonable efforts to accommodate and adjust to any such schedule changes. [***]

g. The following shall be added after the words "Installation Guidelines" in Section 16.2(v) of both AA Agreements: "or the maintenance guidelines included in the Documentation."

h. [***]

2. Negotiation and Execution of Definitive Agreement. The Unified Agreement will contain the terms set forth in Section 1 above and such other terms on which the Parties agree.

3. Final Agreement. This Agreement supersedes the Connectivity Agreements with respect to the terms agreed upon in Section 1 above. Except to the extent so superseded, the Connectivity Agreements remain in full force and effect. Neither the execution and delivery of this Agreement, nor the performance by the Parties hereunder, shall constitute a waiver or release by any Party of any claim, demand or cause of action that any such Party may have against any other Party under any of the Connectivity Agreements.

4. Term. This Agreement shall remain in full force and effect until the first to occur of (a) execution and delivery of the Unified Agreement and (b) expiration or termination of the last of the three Connectivity Agreements to remain in effect.

5. Amendment. This Agreement may be amended only by written agreement of the Parties.

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

GOGO LLC

By: /s/ Norman Smagley
Title: EVP and CFO

AMERICAN AIRLINES, INC.

By: /s/ Spencer Dickinson
Title: Managing Director, Procurement

US AIRWAYS, INC.

By: /s/ Craig Harry
Title: Managing Director, Supply Chain

EXHIBIT A

MAINTENANCE SERVICES

During the Warranty Period, the parties will provide maintenance services as set forth below on (i) the Cutover Fleet (as such term is defined in the Interim Agreement, dated December 1, 2015, between Gogo, AA and US Airways), and (ii) such additional Retrofit A/C as Gogo and AA may agree upon from time to time in accordance with the AA Agreements. For avoidance of doubt, Gogo will not perform any maintenance on or inside the aircraft that involves touch labor except as set forth below.

1) [***]

Attachment 1

Gogo Spare Parts for Retrofit A/C other than the Regional Jet Fleet

[***]

Attachment 2

Gogo Spare Parts for the Regional Jet Fleet

[***]

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

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

This **AMENDED AND RESTATED PRODUCT DEVELOPMENT AND MANUFACTURING AGREEMENT** (including the amendments and Exhibits hereto, the "**Agreement**") is made effective as of April 1, 2016 (the "**Restatement Effective Date**") between Gogo LLC, a Delaware limited liability corporation, with a principal place of business located at 111 N. Canal Street, Suite 1500, Chicago, IL 60606, ("**Gogo**") and ThinKom Solutions, Inc., a California Corporation, with a principal place of business located at 4881 West 145th Street, Hawthorne, CA 90250 ("**ThinKom**"). Gogo and ThinKom may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

WHEREAS, the Parties previously executed the Product Development and Manufacturing Agreement for the ThinKom 30" VICTS Ku Rx ("K4") Antenna System dated November 14, 2012, as previously amended by Amendment 1 dated June 10, 2014, Amendment 2 dated January 31, 2015, and Amendment 3 dated May 12, 2015 and Exhibit A, Revision 1 and Exhibit A-2, Revision 1(collectively the "**Original Agreement**").

WHEREAS, the Parties desire to amend and restate the Original Agreement to consolidate the previously listed amendments and memorialize recent discussions between the Parties.

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

1. **Services.** Under the terms of this Agreement, Gogo retains ThinKom to develop, manufacture, complete successful testing of, and deliver to Gogo the product set forth in any Exhibit A (the "**Product**"), and any other Deliverables agreed to by the Parties in accordance with Gogo's specifications and requirements. The term "**Deliverables**" means any and all documents, designs, computer programs, computer systems, hardware, data, computer documentation, and other tangible materials authored or prepared by ThinKom and delivered to Gogo pursuant to this Agreement, including any ThinKom Technology incorporated therein.

2. **Development, Manufacture and Acceptance.** ThinKom will develop, manufacture and deliver the Product and Deliverables described in any Exhibit A. Gogo will have up to thirty (30) business days to examine each of the foregoing and determine if it conforms to the applicable specifications and requirements. If the Products and Deliverables meet the requirements, Gogo will signify acceptance of the Products and Deliverables in writing to ThinKom or by placing a purchase order for production units ("Acceptance"). Gogo's acceptance of any Product or Deliverable will not release ThinKom from its warranty obligations under this Agreement, including any of its Exhibits. If any Product or Deliverable does not meet the requirements, in Gogo's opinion, Gogo will indicate rejection of the foregoing, and provide ThinKom with a written list of errors. Within ten (10) days of receiving a rejection, ThinKom will identify the cause of the problem and define a plan to correct such errors so that the Product and Deliverable conforms to the applicable requirements. Upon correction of the errors, ThinKom will re-deliver the corrected items to Gogo, at ThinKom's expense, which corrected items will be subject to the Acceptance procedure described in this Section. However, if errors still exist after three (3) attempts at correction by ThinKom and

ThinKom is not able to provide reasonable corrections, Gogo may terminate this agreement by providing notice to ThinKom with Gogo's description of the remaining errors. As of the Restatement Effective Date, ThinKom has delivered all Deliverables set forth in any Exhibit A in existence as of such date.

3. **Changes.** After consultation with ThinKom, Gogo may request changes to the Products or Deliverables at any time prior to Acceptance. Requests for changes will be submitted in writing. For any changes, which ThinKom determines, are material (defined as any change that would increase the cost or time of the development cycle either individually or cumulatively taking changes in to account), ThinKom will submit cost and schedule impact to Gogo for review and concurrence. Upon agreement by ThinKom and Gogo, Gogo and ThinKom will document the agreed changes appropriately. If ThinKom and Gogo do not agree to the impact of any change within ten (10) business days of Gogo submitting a requested change and ThinKom submitting the given schedule and cost impact, Gogo may terminate this Agreement by notice to ThinKom. As of the Restatement Effective Date, the Parties agree that Gogo no longer has the option to terminate this Agreement on the basis outlined in this Paragraph.

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

5. **Warranty.**

5.1 [***]

5.2 **[***]**

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

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

5.5 ThinKom shall remedy any latent defects that arise from defects in design, materials, or workmanship. Such latent defects shall be remedied in the Products in question as well as in all other similar Products supplied under this Agreement in accordance with the warranty provisions contained herein whether or not a failure has appeared for any such similar Product for all Products that are within three (3) years of the delivery date. The rights and remedies provided in this Section are in addition to and do not limit any other rights of Gogo under this Agreement or at law.

5.6 Issue Identification and Remediation.

(a) **Issue Identification.** If Gogo identifies any issues, it may report them to ThinKom. Gogo shall assign a severity level to any such issue. ThinKom shall respond to Gogo's reporting of any issue as promptly as possible, and shall use commercially reasonable efforts to diagnose and resolve all issues.

(b) **Severity Levels and Response Times.** For all issues at each severity level, ThinKom shall respond as identified below.

Issue Severity	Initial Response and Assessment
Severity Level 1	Within 24 hours, and if mutually agreed between Gogo and ThinKom that ThinKom needs to be physically present to trouble shoot the issue, ThinKom will promptly dispatch personnel to support.
Severity Level 2	Within 96 hours
Severity Level 3	Within 144 hours

Severity Level 1 means any hardware or software issue causing an airborne outage of greater than 15 minutes.

Severity Level 2 means any hardware or software issue that, as demonstrated by Gogo, causes partial loss of service.

Severity Level 3 means any hardware or software issue that causes degradation of service without causing a loss of service.

5.7 Support Services. During the Warranty Period and post production support phase, ThinKom shall provide unencrypted data logs and the remote analysis of data sets for troubleshooting. Separate fees will be paid by Gogo for support services required after the expiration of the Warranty Period for Products or for support services, which are not related to warranty services. The support period for Products shall continue and survive the termination of the Agreement, subject to mutual agreement on a reasonable cost for any required support services, until such times that the Parties agree to discontinue support.

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

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

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

7.1 "**Technology**" means any and all technical information (including ideas, techniques, designs, inventions, know-how, processes, algorithms and specifications). "**Gogo Technology**" means the Technology provided by Gogo to ThinKom pursuant to this Agreement. "**ThinKom Technology**" means the Technology that was in ThinKom's possession or in development prior to receipt of any Gogo Technology under this Agreement, and that ThinKom uses in performing its services under this Agreement. "**Project Technology**" means the Technology, which is conceived, made, reduced to practice, or learned by ThinKom, or jointly, in the course of work performed under this Agreement. The Project

Technology does not include the ThinKom Technology or the Gogo Technology or Technology derived from either ThinKom Technology or Gogo Technology. Should Gogo identify any technology that Gogo claims is Project Technology, Gogo shall promptly notify ThinKom in writing of the specific Project Technology. ThinKom shall have 30 days to give written notice to Gogo if ThinKom does not agree that noted technology should be deemed Project Technology. If ThinKom disagrees and Gogo and ThinKom are not able to come to a resolution within 60 days of ThinKom's written notice of disagreement to Gogo, the parties shall resolve the disagreement per the arbitration clause outlined in the Escrow Agreement, Paragraph 7.

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

7.3 The Gogo Technology and the Project Technology is the exclusive property of Gogo. ThinKom will promptly disclose to Gogo in writing all Project Technology. ThinKom irrevocably assigns to Gogo all right, title and interest worldwide in and to the Project Technology and all proprietary rights related thereto, and acknowledges that the fees received under this Agreement include good and valuable consideration for such assignment. ThinKom retains no rights to use the Project Technology, and agrees not to challenge the validity of Gogo's ownership therein. Gogo owns all right, title, and interest in Technology developed by or for Gogo independent of this Agreement (including improvements thereto).

7.4 ThinKom agrees to not supply or disclose any Gogo Technology or any Project Technology to any third party pursuant to Sections 9 and 10. Gogo agrees not to disclose any ThinKom Technology to any third party, other than such information about the ThinKom Technology, as set forth in Section 8 or that is required to install and operate Products by Gogo or its customers.

7.5 The ThinKom Technology is the exclusive property of ThinKom. Gogo has no rights to use ThinKom technology except pursuant to the license granted in Section 8 of this Agreement. ThinKom owns all right, title, and interest in Technology developed by or for ThinKom independent of this Agreement (including improvements thereto).

7.6 Upon request, ThinKom will assist Gogo in every proper way to obtain and enforce Proprietary Rights relating to the Project Technology in all countries. ThinKom will execute such documents and perform such other acts as Gogo may reasonably request to that end. ThinKom's obligation to assist will continue beyond the termination of this Agreement, but Gogo will reasonably compensate ThinKom for such assistance. If Gogo is unable after reasonable effort to secure ThinKom's signature on any document described in the preceding sentence, ThinKom hereby irrevocably designates and appoints Gogo and its officers as ThinKom's attorney in fact, which appointment is coupled with an interest, to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this subsection with the same effect as if executed by ThinKom. ThinKom hereby quitclaims to Gogo any and all claims that ThinKom now has or may hereafter have for infringement of any proprietary rights assigned to Gogo under this section.

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

8.1 With respect to any ThinKom Technology that is incorporated in or required in connection with the use of any Product or Deliverable under this Agreement, ThinKom hereby grants to Gogo a perpetual, non-exclusive, royalty-free, irrevocable, worldwide license, with full

rights of assignment and sublicense, to use, perform, copy, display, reproduce, market, sell, and distribute such ThinKom Technology as a component of the Product. Notwithstanding the foregoing, Gogo's rights to perform, copy or reproduce such ThinKom Technology shall be only in the event Gogo exercises its rights pursuant to the terms of Section 8.2 below.

8.2 Should ThinKom cease to be a going concern or discontinues or is unwilling to manufacture or produce the Product, then with respect to any ThinKom Technology that is incorporated in or required in connection with the use of any Product or Deliverable under this Agreement, Gogo has the full right and authority pursuant to the grant of the license set forth in Section 8.1, to, for the Commercial and Business Aviation Sectors, use, perform, copy, display, reproduce, market, sell, and distribute such ThinKom Technology as a component of the Product by all means now known or later developed, to modify the Product and Deliverables, and to manufacture or have the Product and Deliverables manufactured.

8.3 With respect to any Gogo Technology that is incorporated in or required in connection with the manufacture of the Product, during the term and subject to the provisions of this Agreement, Gogo grants to ThinKom a royalty-free, worldwide, non-exclusive license, with full rights of assignment to permitted assignees of ThinKom's other rights under this Agreement, to use such Gogo Technology to manufacture or have manufactured the Product or Deliverables solely for Gogo.

8.4 Should ThinKom cease to be a going concern or discontinues or is unwilling to manufacture or produce the Product, then with respect to any ThinKom Technology that is incorporated in or required in connection with the use of any Product or Deliverable under this Agreement, Gogo has the full right and authority pursuant to the grant of the license set forth in Section 8.1, to use, perform, copy, display, reproduce, market, sell, and distribute such ThinKom Technology as a component of the Product by all means now known or later developed, to modify the Product and Deliverables, and to manufacture or have the Product and Deliverables manufactured, and if ThinKom ceases to be a going concern or discontinues or is unwilling to manufacture or produce the Product, such license is granted to Gogo without Gogo incurring any additional obligation to ThinKom. Upon the occurrence of any Step-In Event, Gogo may, during a period of up to three (3) months, remain in any ThinKom facility. Gogo will be responsible for all costs associated with actions Gogo takes related to any Step-In-Event, including Gogo costs and any third party costs.

8.5 For the purposes of Section 8.4, a "Step-In-Event" means any or all of the following: (i) ThinKom is consistently unable to fulfill its on-time delivery requirements under the Agreement, (ii) the Product fails to meet the MTBF requirements under this Agreement, or (iii) the delivered Products are deemed to have Excessive Defects.

9. Exclusivity. [***]

10. Noncompetition. [***]

11. Purchase Orders.

11.1 Other Gogo affiliate companies may place a purchase order under this Agreement by executing the applicable transaction documents. All terms and conditions within this Agreement shall govern any such purchase orders with the exception of shipping, delivery, and invoicing address, which will be identified within the text of the applicable transaction documents.

11.2 During the Term, ThinKom agrees to sell to Gogo the Products ordered by Gogo's duly issued purchase orders on the terms and conditions provided herein, and Gogo agrees to buy its requirements for the 2Ku antenna from ThinKom. Each purchase order shall be deemed to be incorporated as part of this Agreement upon Gogo's issuance thereof. A purchase order shall be deemed accepted by ThinKom in the event ThinKom fails to provide proper

written notice of rejection within forty eight (48) hours of ThinKom's receipt of the Purchase Order in accordance with the terms and conditions of this Agreement. ThinKom shall have the right to reject a purchase order only if the purchase order does not comply with the express requirements of this Agreement, and then only until Gogo corrects such purchase order.

12. **Escrow Documentation**. The parties will implement escrow as described in this section.

12.1 The Parties will execute an escrow agreement as part of the execution of this Agreement in substantially the form attached as Exhibit C (the "Escrow Agreement") with Escrow Associates, Inc. (or another escrow agreement on terms reasonably acceptable to both parties with a third party escrow agent in the U.S. reasonably acceptable to both parties). Upon completion of development and Gogo's acceptance of the initial 10 Black Label Shipset Units, ThinKom will make the Initial Deposit as defined in 1(a) of the Escrow Agreement. ThinKom will deposit updates, replacements and duplicate Deposits as described in paragraph 1(b) of the Escrow Agreement.

12.2 The occurrence of any of the events described in paragraph 6 of the Escrow Agreement will trigger release of the Deposit held in escrow.

12.3 All fees for establishing the Escrow Agreement and maintaining Gogo, as a beneficiary thereof will be paid by Gogo.

If the Deposit is released to Gogo pursuant to the Escrow Agreement, Gogo will not become the owner of the Deposit, but Gogo will have a perpetual, non-exclusive, irrevocable, worldwide license, to use, copy, display, and reproduce Technology based on the Deposit to manufacture or have manufactured the Product based on the Deposit. Gogo shall have the right to inspect and review the contents of the Deposit, upon notice to the third party escrow agent and ThinKom, for the sole purpose of verifying the accuracy and completeness of the Deposit. ThinKom shall have the right to be present at the time of inspection, and Gogo agrees that in conjunction with such verification and inspection, it shall not copy or retain any reviewed information of the Deposit without the consent of ThinKom.

13. **Confidentiality.** The terms of this Agreement are Confidential Information under the January 3, 2008 Mutual Nondisclosure Agreement between ThinKom and Gogo (the "Confidentiality Agreement"). The Confidentiality Agreement is incorporated herein and will continue to govern Confidential Information exchanged during the term of this Agreement. If there is any conflict between the provisions of the Confidentiality Agreement and this Agreement, this Agreement will govern. Those provisions of the Confidentiality Agreement that are stated to survive termination, will survive termination of this Agreement. This execution of this Agreement will extend the term of the Confidentiality Agreement so that it does not expire until the Termination of this Agreement. The parties agree that the existence of the relationship under this Agreement is considered Confidential Information and neither party shall issue a press release or any information to any third party concerning the relationship with out the prior written consent of the other party.

14. **General Indemnity**. ThinKom shall indemnify, defend and hold harmless Gogo and its respective representatives, from and against the entirety of any and all claims, liabilities, losses, damages, judgments, and expenses (including attorney's fees) incident thereto and incident to establishing the right to indemnification (collectively "Losses") for loss to property or injury to or death of any person not a Party to this Agreement, arising out of or in connection with the design, manufacture, and support of Products and Deliverables. Gogo shall indemnify, defend and hold harmless ThinKom and its respective representatives, from and against the entirety of any and all claims, liabilities, losses, damages, judgments, and expenses (including attorney's fees) incident thereto and incident to establishing the right to indemnification (collectively "Losses") for loss to property or injury to or death of any person not a Party to this Agreement, arising out of Gogo's performance of its obligations under this Agreement.

15. **Intellectual Property Indemnity.** ThinKom hereby indemnifies, defends, and holds Gogo harmless against all loss, liability or expense (including reasonable attorney and witness fees and expenses) arising out of any claim brought by a third party that any Product, Deliverable, or Product software infringes upon, misappropriates, or otherwise violates any intellectual property rights owned or controlled by a third party. In the event that a Product, Deliverable, or Product software is held or is believed by ThinKom to infringe, misappropriate, or otherwise violate any intellectual property rights owned or controlled by a third party, ThinKom will have the option, at its expense, to (a) modify the Product, Deliverable, or Product software to be non-infringing, (b) obtain for Gogo the right to continue using and selling the Product, Deliverable, or Product software, or (c) substitute a non-infringing product of equivalent form, fit, function, weight and quality. The indemnity under this section is subject to the conditions that ThinKom is notified of the claim and given the opportunity to control the defense and settlement.

16. **Authorization.** ThinKom has provided Gogo with an English language version of ThinKom's agreement(s) with its employees and representatives regarding confidential information and ownership of inventions. ThinKom represents and warrants that every employee or representative who works on the Project Technology or who has access to Gogo's Confidential Information will first have signed an agreement with ThinKom in the form approved by Gogo. ThinKom will obtain and maintain all governmental approvals necessary to develop and supply the Products to Gogo, and to perform its other obligations under this Agreement. If this Agreement, or any technology transfer, license or assignment authorized by this Agreement, is required to be filed with, registered with, or approved by any governmental authorities of ThinKom's jurisdiction, ThinKom will (a) promptly inform Gogo of such requirements, (b) comply with such requirements at ThinKom's expense, and (c) provide copies of such registrations or approvals to Gogo upon request. ThinKom will immediately advise Gogo of any legal notices, claims or demands served on ThinKom, which might affect Gogo. Prior to signing and throughout the term of this Agreement, ThinKom will notify Gogo of any law of ThinKom's jurisdiction that conflicts with any provision of this Agreement. Gogo may terminate this Agreement immediately upon notice to ThinKom if (1) ThinKom breaches its obligations under this section, or (2) any relevant authority requires an amendment to this Agreement, which is not acceptable to Gogo as a condition to approval or registration of this Agreement.

17. **Term and Termination.**

17.1 This Agreement is effective as of the Original Agreement effective date and will continue in effect through December 31, 2025, and thereafter will automatically renew from year to year unless terminated upon notice at least 90 days prior to the renewal date (the "Term"). Either Party may terminate this Agreement in accordance with Section 17 of this Agreement. [***] Either Party may terminate this Agreement immediately upon notice to the other:

(a) if the other party materially breaches any of its obligations under this Agreement and the breach is not cured within 30 days after notice thereof and the parties are unable to mutually agree to a reasonable acceptable recovery plan within the 30 day period; or

(b) if the other party files insolvency proceedings, or files an answer not seeking dismissal of an insolvency proceeding, or is adjudged insolvent; if substantially all assets of the other party are transferred to an assignee for the benefit of creditors, a receiver or a trustee; if the other party loses any governmental authorization necessary to fulfill its obligations under this Agreement; or if the other party ceases to carry on business.

17.2 Upon termination of this Agreement prior to delivery to Gogo of the initial ten (10) Black Label Shipset units described in Section 3 (b) of Exhibit A-1, ThinKom will promptly deliver to Gogo all Gogo property in the possession of ThinKom, and all work accomplished by ThinKom or in process, and documentation relating to the Product, Deliverable, or Product software, existing at the time of termination, and Gogo will promptly make payment to ThinKom as set forth in Section 5 of Exhibit A-1. As of the Restatement Effective Date, each party's rights and obligations under this Section 17.2 have ended.

17.3 The Parties have considered the investment required to perform this Agreement and possible losses in the event of termination, and agree that the rights of termination provided in this Agreement are absolute.

18. **Limitation of Liability**. EXCEPT FOR EACH PARTY'S INDEMNITY OBLIGATIONS UNDER THIS Agreement, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR CONSEQUENTIAL DAMAGES ARISING FROM TERMINATION OF THIS AGREEMENT (WHETHER BASED ON LOSS OF INVESTMENT, GOOD WILL, PROSPECTIVE PROFITS OR OTHERWISE). The preceding sentence does not limit either Party's liability for breach of this Agreement.

19. **Quantity Terms.** Gogo is not obligated to procure any minimum quantity of Products, Deliverables, or services under this Agreement to obtain the pricing for Products set forth in this Agreement except when ordering, Gogo will need to comply with the minimum purchase order quantity specified in Exhibit A-1 and Exhibit A-2. Gogo will purchase a quantity of Products as stated on purchase orders made under this Agreement. Actual quantities will be indicated on a purchase order. Pricing set out in this Agreement or the Exhibits will apply regardless of actual quantities ordered under this Agreement.

20. **Taxes.** ThinKom is responsible for, and indemnifies Gogo against, any and all taxes (including without limitation any related penalties, interest, fees, etc. associated therewith) arising out of or in connection with ThinKom's business operations to produce or procure the Products and services to be sold to Gogo under this Agreement. In no event will ThinKom attempt to bill or invoice Gogo for any taxes described in this Section. Gogo represents that it is purchasing the Products for resale purposes only and Gogo shall provide a valid resale exemption certificate to ThinKom with respect to any sales and/or use taxes.

21. **Title and Risk of Loss.** Title and all risk of loss or damage to all Products and Deliverables to be delivered UNDER this Agreement will remain with ThinKom until such Products or Deliverables are shipped FOB ThinKom's facility (INCOTERMS 2010) per Gogo's instructions. Processing of claims relating to loss of or damage to Products or Deliverables will be managed by the Party responsible for risk of loss or damage to such Products or Deliverables at the time the claim arises.

22. **Delivery Schedules.**

22.1 The required delivery schedule for Products and Deliverables will be indicated on the purchase orders issued by Gogo. Gogo will make commercially reasonable effort to place purchase orders honoring ThinKom's lead-time, however, if the purchase order delivery dates fall inside of the ThinKom lead-time, ThinKom will use commercially reasonable efforts to meet the date on the purchase order for those Products and Deliverables scheduled inside lead-time. ThinKom will not be in breach of its obligation to deliver Products and Deliverables per the schedule in the purchase orders (when that Product or Deliverable is scheduled inside the lead-time), provided that ThinKom has exercised commercially reasonable efforts to meet such date. For avoidance of doubt, all other deliveries in the purchase orders (that fall outside lead-time) will be delivered in accordance with the terms of this Agreement.

22.2 Lead time for deliveries from the placement of a purchase order [***], and changes remain subject to written agreement by the Parties and solely based on industry-wide changes in lead times for raw material, components and assemblies purchased as part of the LRUs ThinKom provides to Gogo. [***] The additional lead-time shall apply to only the Product units in excess of ThinKom's then current production capacity. The Parties will negotiate time frames for how quickly significant increases in volume can be implemented.

22.3 [***]. ThinKom shall make available to Gogo, at least monthly in writing or electronically, a schedule of open orders from Gogo along with planned 'ship by' dates for each of the open line items due on Gogo's dock within the following six months.

22.4 Following ThinKom's acceptance of a purchase order, and the specified Product unit delivery dates therein or delivery dates as otherwise mutually agreed upon between the Parties, if ThinKom fails to meet the agreed upon delivery dates for the Product(s), Gogo may in its sole option and discretion, claim a penalty for the delay in delivery of the Product unit(s) equal to [***] of the total value of the late Product unit(s), however, such penalty shall start with the 11th day after the scheduled ship date and Gogo shall not assess any penalty on shipments made within 10 days of the scheduled date. In no event shall the late penalty exceed [***]. Gogo and ThinKom agree to establish a monthly review process in which open purchase order due dates are reviewed, ThinKom will provide confirmation of its ability to meet the given dates or request schedule relief, and Gogo will, in good faith, accommodate reschedule requests if such schedule relief does not create an undue burden on Gogo or Gogo's customer(s).

22.5 ThinKom acknowledges that time is of the essence with respect to its performance under this Agreement. ThinKom's operations management shall notify Gogo in writing within seven (7) days of any occurrence, event, or circumstance, which may impede the proper and timely execution of ThinKom's obligations hereunder. Such notification by ThinKom shall include a detailed recovery plan for such delay, including the expedited shipment of Product at ThinKom's cost, but only if no other means for shipment could meet Gogo's obligations to its customers.

22.6 [***]

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

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

25. **Force Majeure.**

(a) Neither party shall be in default on account of, and neither party assumes any liability or responsibility for, consequences arising out of the interruption of its performance under this Agreement by epidemics, fire, flood, unusually severe weather or any other extraordinary natural disturbances, acts of God or of the public enemy, acts of the United States Government, ThinKom's government or a foreign government in its sovereign capacity, any civil commotion, riot, insurrection or hostilities, whether or not declared war, conditions that may adversely affect the safety of such party's personnel and/or equipment, restrictions due

to quarantines, blockades, embargoes, unavailability of materials, severe and unforeseeable market shortages, or any other causes beyond the reasonable control of such party, that arise without the fault or negligence of such party, and that result in delay of performance hereunder. Any such delay resulting from such events shall be deemed excusable and shall be referred to herein as an "event of force majeure." The Party whose performance will be delayed by such events shall use its best efforts to notify the other within three (3) days after the occurrence of such an event of force majeure, and the cessation thereof.

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

26. General.

26.1 The Parties are independent contractors. Neither party is an agent or partner of the other. Neither Party has the right to incur any obligation on behalf of the other. ThinKom will provide its own equipment, tools (including software development tools and design tools) and other materials, except as specifically described in an applicable Exhibit A document. If any tools or equipment are provided by Gogo, or are manufactured or acquired for Gogo by ThinKom at additional cost, such tools or equipment will remain the exclusive property of Gogo. ThinKom waives any lien on such tools and equipment, and will return them to Gogo upon request in the same condition as received by ThinKom (ordinary wear excepted), regardless of any payments that may then be due from Gogo to ThinKom. ThinKom may subcontract its performance under this Agreement to third parties without the prior written consent of Gogo. ThinKom is responsible for qualification and quality control of subcontractors, and for all actions of subcontractors relating to this Agreement. ThinKom will enter into agreements with any subcontractors (including contract manufacturers) requiring them to assign to ThinKom ownership of their work product and all proprietary rights therein, and to comply with nondisclosure terms at least as restrictive as those of the Confidentiality Agreement for any products which are developed exclusively for this project. ThinKom will provide Gogo with signed copies of its agreements with subcontractors described in the preceding sentence. ThinKom shall maintain complete and accurate records regarding all subcontracted items and/or processes.

26.2 Both Parties will comply with all laws and regulations applicable to design, manufacture and sale of the Products and Deliverables. Gogo and ThinKom agree not to export, directly or indirectly, any U.S. source technical data acquired from the other party or any products utilizing such data, which export may be in violation of the United States export laws or regulations. Neither Party will directly or indirectly make any payment, or transfer anything of value, to any government official or employee, political party, political party official, candidate for political office, or other third party in violation of any foreign or domestic commercial bribery, anti-kickback or similar law or regulation.

26.3 Notices under this Agreement will be in writing in the English language, and will be effective when received by courier delivery to the address set forth in the preamble (as may be changed from time to time by notice). Refusal to accept delivery will be deemed receipt. Notices to Gogo will be directed to "Attn: General Counsel".

26.4 ThinKom may not assign this Agreement, including by a sale or transfer of all or substantially all of its assets, without Gogo's prior written consent, which shall be at Gogo's sole discretion. Any attempt to assign this Agreement in violation of this section will be void.

26.5 This Agreement will be construed and the obligations of the parties will be determined in accordance with the substantive laws of the state of New York, USA (without reference to conflict of laws principles). No provision of this Agreement may be waived or modified except (a) as specifically stated herein, or (b) in writing signed by both ThinKom and Gogo. This Agreement (including the Exhibits) is the entire agreement between the Parties as to its subject matter, and supersedes any other negotiations between the Parties. Any additional terms in an order form, acceptance form or other communication pursuant to this Agreement, other than order quantity and shipping instructions are expressly excluded and will not modify the terms of this Agreement, unless specifically accepted by both parties in writing. This Agreement may be executed in counterparts, each of which will constitute an original. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions hereof will not be affected. The authority construing this Agreement may modify the affected provision to the minimum extent necessary to be valid and enforceable, or may strike the affected provision and enforce this Agreement as if that provision were not included. The provisions of Section 5 and Sections 7 through 23 will survive termination of this Agreement.

26.6 Each signer of this Agreement represents and warrants that he is duly authorized to sign this Agreement on behalf of the party for which he signs, and that this Agreement when executed is binding on the Party for which he signs.

26.7 The Parties acknowledge that if the U.S. government becomes a purchaser of Gogo's products of which the Products are a component, certain terms required by the U.S. government may need to be added to the Agreement. Both Parties agree to negotiate in good faith the inclusion of such terms to the extent they are reasonably necessary and either (a) do not materially change the obligations or commercial terms of the Agreement, or (b) are otherwise acceptable to both parties.

26.8 After the Parties executed Amendment No. 1 to the Original Agreement, [***], or the individual components of each Shipset, in accordance with the terms of Section 9 of the Agreement and Section 5 of Exhibit A-1 and Section 5 of Exhibit A-2.

26.9 After the Parties executed Amendment No. 1 to the Original Agreement, [***]. For the avoidance of doubt, [***].

26.10 After ThinKom informed Gogo in writing of the completion of the D0-160 certification of the GTO Shipset, [***].

26.11 The payments set forth in this Agreement, and Exhibit A-2, are intended to be in addition to, and not in place of, the payments described in Exhibit A-1.

26.12 The Parties shall work in good faith to mutually agree upon performance characteristics of the 2Ku Product that are suitable for public disclosure.

26.13 ThinKom shall obtain Gogo's prior written consent, not to be unreasonably withheld, to release new public marketing materials (marketing materials for distribution to third parties that are not subject to any confidentiality obligations to ThinKom) or make changes to existing public marketing materials in connection with the 2Ku Product or its antennas or KANDU.

26.14 Packaging of all Product units and all related components shall meet or exceed the guidelines established per the current version of ATA Specification 300: specification for packaging of airlines supplies. Corresponding barcode labels containing, at a minimum, part

number and Product unit serial number shall be affixed to each corresponding Product unit and the exterior of the carton in which it is packaged. Corresponding packing slips containing corresponding barcode labels shall also be affixed to the exterior of shipping cartons as well.

26.15 ThinKom shall maintain at ThinKom's facility and Gogo shall maintain at ThinKom's facility or forward inventory locations for mutually agreed upon stock levels of Product for shipment to a location or locations as designated by Gogo within twenty-four (24) hours of Gogo's delivery of a purchase order for aircraft-on-ground Product and within forty-eight (48) hours of Gogo's delivery of a purchase order for non-aircraft-on-ground Product.

26.16 ThinKom will provide Gogo with individual Certificates of Compliance certifying Products adhere to their respective design specifications. ThinKom shall provide the Federal Aviation Administration (FAA) Authorized release certificate, FAA Form 8130-3, as appropriate, with each shipment of Product. In certain instances, where extensive investigation is required, ThinKom shall provide copies of all ThinKom Product inspection reports as reasonably requested by Gogo.

26.17 ThinKom shall make best efforts to become a Certified 14 CFR Part 145 Repair Station on or before June 30, 2016 and shall maintain such certification for the Term of the Agreement.

26.18 ThinKom will provide Gogo with appropriate digital diagnostic tools and grant access to Gogo, via the internet, to ThinKom's maintenance page enabling Gogo to perform real-time system health check monitoring to actively assess the performance of individual systems, on individual aircraft, as it relates to the Product Units. ThinKom shall recommend hardware and test equipment for Gogo's use at its service centers as required for diagnostic analysis. Gogo shall decide whether or not to purchase such recommended equipment.

26.19 ThinKom shall provide a minimum of three (3) Product training classes in accordance with industry standards each calendar year at its location. ThinKom shall provide all necessary training materials and training topics covered will be as mutually agreed upon between the parties. Each party will bear the cost of their respective travel related expenses incurred as a result of such training classes.

26.20 ThinKom will provide technical support 24/7/365 by means of a telephone number and email address to be provided separately to Gogo and updated, in writing, as required.

26.21 Upon Gogo's request, ThinKom shall immediately dispatch qualified and experienced personnel to the location(s) specified by Gogo to assist with troubleshooting and repair of chronic or widespread performance issues with the Product, subject to availability and at labor and travel rates then currently in effect. However, for the period beginning with the first commercial installation and continuing for fourteen months thereafter, should ThinKom need to send personnel to a given location to assist with troubleshooting and repair of a performance issue and for which the investigation determines that the problem is caused by a defect which was caused by ThinKom with a ThinKom provided LRU, then ThinKom shall not be reimbursed for ThinKom's labor and travel expenses.

26.22 ThinKom will provide a tear down report within ten business days of receipt of each Product Unit that is returned for repair whether under warranty or otherwise. Such report will describe the root cause, if applicable, of the problem and the corrective actions to be taken by ThinKom.

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

ThinKom Solutions, Inc.

By: /s/ Mark J. Silk
Mark J. Silk
President
Date 5/9/16

Gogo LLC

By: /s/ Anand Chari
Anand Chari
CTO
Restatement Effective Date:

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

EXHIBIT A-1

This Exhibit A-1 as defined in the Amended and Restated Product Development and Manufacturing Agreement ("**Agreement**"), dated as of April 1, 2016 between Gogo LLC ("**Gogo**"), and ThinKom Solutions, Inc. ("**ThinKom**") is subject to and incorporates by reference the provisions of the Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

Described within this Exhibit A-1 is the Product and Deliverables to be provided by ThinKom and related terms and conditions. To the extent there is any contradiction, inconsistency or ambiguity between the terms of this Exhibit A-1 and the Agreement, this Exhibit A-1 will govern.

1. **Product.** For the purposes of this Exhibit A-1, the Product comprises [***] shipset (the "**Shipset**"), Each Shipset includes the following line-replaceable units (LRUs) [***] conforming to the specifications set forth on Schedule 1 (the "**Specifications**"). In addition to the requirements set forth in the Specifications, [***].

2. **Statement of Work** Responsibilities for the development component of this Agreement shall be allocated as set forth below:

a. Phase 1 – Product Design

i. **ThinKom Responsibilities**

1. Design Shipset (the "Shipset" or "Shipsets") that complies with the requirements set out in Schedule 1 in their entirety.
2. Provide finalized volume envelope requirements to Gogo of detail sufficient to allow final radome design.
3. Provide antenna performance models to Gogo as required for Gogo's network performance analyses.
4. Incorporate optimizations based on Gogo's feedback, as required.
5. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
6. Execute a preliminary design (PDR) review when appropriate design gates are reached.
7. Execute a critical design review (CDR) when appropriate design gates are reached.

ii. **Gogo Responsibilities**

1. Provide clarification of performance requirements as needed.
2. Provide final design authorization subsequent to PDR and CDR as a trigger for moving to prototype phase.
3. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

b. **Phase 2 – Prototype, Production and Test**

i. **ThinKom Responsibilities**

1. Manufacture and deliver [***] black label units of the design approved by Gogo in the CDR of Phase 1.
2. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.
3. Provide performance measurements of black label units to Gogo.
4. Demonstrate performance of physical prototypes to Gogo at Gogo's request.

ii. **Gogo Responsibilities**

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

3. **Pricing and Payment.**

a. **Non-Recurring Engineering (NRE) Fees.** Gogo agrees to pay [***] in initial NRE fees plus [***] in secondary NRE fees as set forth in this Exhibit A-1 (for a total NRE fee of [***]) for the development of the Product and Deliverables. NRE fees are payable according to the installment schedule set forth in Section 4 below, and NET [***] days after Gogo's receipt of each corresponding invoice. ThinKom acknowledges receipt of payment from Gogo of [***] under the Letter of Intent of August 7, 2012, and such payment shall be applied and credited to Gogo's obligation with respect to the final and third payment of NRE fees. ThinKom acknowledges payment from Gogo of [***] to be received on or about October 2, 2012, and that such payment shall be applied and credited to Gogo's obligation with respect to the initial NRE fee payment. In addition, ThinKom acknowledges that it has received Milestone payments of [***] as set forth in Section 4 below.

Shipset Purchase Pricing. ThinKom agrees to sell Shipsets to Gogo in accordance with the quantities, and pricing set forth in the below table (Table 1).

b. [***]

4. **Payment Schedule.** Subject to the above Sections 3a. and 3b., and upon execution of the Original Agreement:

[***]

5. **Exclusivity.** [***]

6. **Minimum Order Size and Payment Schedule for Additional Orders**. Gogo shall pay ThinKom as follows for orders under the Agreement:[***]. ThinKom agrees that this Agreement does not create any volume purchase obligations for Gogo and that Gogo is not required to purchase any Product Shipset units hereunder.

7. **Delivery**. After final acceptance by Gogo of the first [***] Shipsets as outlined in Table 1, ThinKom agrees to deliver product ordered under the terms of this Agreement no later than [***] months after receipt of a purchase order from Gogo. ThinKom shall deliver Product in accordance with Section 22.2 of the Agreement.

8. **Deposit Materials.** Escrow materials shall be those specified in the Escrow Agreement.

9. **AMSS License**. [***]

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

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

    Each test case must include a demonstration of the following:

    - Antenna pattern
    - Pointing accuracy

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

11. **Additional Terms.**

    a. **Right to Complete**. Subject to the escrow agreement between the Parties, the terms of which shall supersede the terms of this Section in the event of a conflict, should any of the Shipsets delivered to Gogo not operate in accordance with the Specifications, or if ThinKom otherwise materially defaults in its performance under any purchase order, other than a default resulting or arising from Gogo's actions or inaction, then, subject to ThinKom's warranty obligations, and upon Gogo's instruction, ThinKom shall release or notify the applicable escrow agent to release the Deposit Materials to Gogo to allow Gogo to complete any ordered Shipsets pursuant to a purchase order issued prior to the date of default. Gogo shall be entitled to make modifications to ThinKom's Deposit Materials for completion of any Shipsets. For any Deposit Materials released to Gogo *via* escrow, Gogo agrees to hold such Deposit Materials as Confidential Information in accordance with the terms and conditions set forth in the Confidentiality Agreement. In the event of the foregoing, Gogo shall be responsible to ThinKom for the actual costs incurred by ThinKom associated with each Shipset through the date on which Gogo exercises its right to complete such Shipset under this Section, which amount will be payable to ThinKom upon the delivery of each such Shipset, or partial Shipset, to Gogo. In the event Gogo exercises its rights under this Section, ThinKom shall return any amounts pre-paid by Gogo to ThinKom in excess of the actual costs incurred by ThinKom.

b. **Use of Third Party Technology**. In cases where ThinKom licenses third party technology which is incorporated into the Shipsets, ThinKom will use its best efforts to enable Gogo and its customers to use such rights subject to Gogo or its customer agreeing to pay the same royalty fee or license to any third parties for use of their intellectual property integrated into the Shipsets that ThinKom was paying to such third party. Gogo shall pay the third party such applicable royalty/fee under terms and conditions that are at least as good as ThinKom's.

c. **Radome**. ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo as required for the development of a suitable radome for the Product. ThinKom agrees to provide, at no additional cost, a commercially reasonable level of support as mutually agreed to by the parties upon acceptance of the Product by Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].

d. **Modem Terms**. The Parties agree to and acknowledge that the terms of the Reseller Agreement between ThinKom and [***] will apply to the modem related aspects of this Agreement, Shipset and optional Slave Modem, including, but not limited to the following terms:

   i. [***]

   ii. Modem manufacturer, [***]·, may declare the current modem model 'obsolete' upon 90 days' notice. Should this happen, the parties agree to negotiate in good faith compensation for ThinKom's costs to incorporate a new modem into the Shipset and/or a 'buy ahead' program in which a given number of modems will be purchased in advance of the announced obsolescence.

   iii. Modem manufacturer, [***], may increase the cost of the current modem from time to time. The Parties agree that should [***] increase the cost of the modem, the cost of the Shipset and Slave Modem will be increased, dollar for dollar, to adjust for the increased cost of the modem.

   iv. Modem Manufacturer, [***], does not warranty the function of any third party software used on its modem, and therefore ThinKom does not give a warranty for this third party software to Gogo.

TABLE 2 - Milestones

[***]

* Delivery Dates and Milestone Dates may be extended based on the increased scope of adding the Modem and other Shipset modification's into ThinKom's work scope. The Parties agree to work in good faith to the currently scheduled dates, but the Parties agree that should these dates be delayed a reasonable amount, this will not represent a breach of contract by ThinKom.

As of the Restatement Effective Date, the milestones set forth in Table 2 above have been satisfied and all development related obligations of both parties related to this Exhibit A-1 have been completed.

Amended and Restated Product Development and Manufacturing Agreement

ThinKom 30" VICTS "2Ku" Earth Station Aboard Aircraft (ESAA)

EXHIBIT A-2

This Exhibit A-2 s entered into pursuant to the terms and conditions of the Amended and Restated Product Development and Manufacturing Agreement ("Agreement"), dated as of April 1, 2016, as amended, by and between Gogo LLC ("Gogo"), and ThinKom Solutions, Inc. ("ThinKom"), and is subject to and incorporates by reference the provisions of the Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Agreement.

Described within this Exhibit A-2, are the Products and Deliverables to be developed and provided by ThinKom to Gogo, and related terms and conditions. To the extent there is any contradiction, inconsistency or ambiguity between the terms of this Exhibit A-2 and the Agreement, this Exhibit A-2 will govern. The Deliverables and Products defined and set forth in this Exhibit A-2 are in addition to the Deliverables and Products described in Exhibit A-1. The Parties acknowledge that the technology and know-how obtained in development of products under Exhibit A-1 may be used in part in the Development of the Deliverables and Products hereunder. To the extent there are any inconsistencies between the terms and conditions of Exhibit A-1 and Exhibit A-2, the terms and conditions of Exhibit A-2 shall take precedence.

This Exhibit A-2 covers the Product Specification set forth in Schedule 1, attached hereto - Specifications, detailing the capabilities and scope, and Deliverables under this Exhibit A-2 generally are described as:

I. 2Ku System Line Replaceable Units (LRUs) developed and produced under the terms of Exhibit A-1:

[***]

II. LRUs developed and produced under the terms of this Exhibit A-2:

[***]

1. **Product**. For the purposes of this Exhibit A-2, the Product Shipset is to be commercially designated "2Ku", comprised of:

[***]

All the Product components under this Exhibit A-2 are described as the Shipset (the "Shipset"); Each Shipset includes Deliverables set forth above with the specifications set forth on Schedule 1 (the "Specifications").

2. **Statement of Work.** Responsibilities for the development component of this Agreement shall be allocated as set forth below:

   a. Phase 1- Product Design

      i. ThinKom Responsibilities

         1. Design Shipset (the "Shipset" or "Shipsets") that complies with the requirements set out in Schedule 1 in their entirety.

         2. Provide finalized volume envelope requirements to Gogo of detail sufficient to allow final radome design.

         3. Provide antenna performance models to Gogo as required for Gogo's network performance analyses.

4. Incorporate optimizations based on Gogo's feedback, as required.

5. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.

6. Execute a preliminary design (PDR) review when appropriate design gates are reached.

7. Execute a critical design review (CDR) when appropriate design gates are reached.

ii. Gogo Responsibilities

1. Provide clarification of performance requirements as needed.

2. Provide final design authorization subsequent to PDR and CDR as a trigger for moving to prototype phase.

3. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

b. Phase 2 - Prototype, Production and Test

i. ThinKom Responsibilities

1. Manufacture and deliver [***] Black Label Product units of the design approved by Gogo no later than [***] ("Product Acceptance").

2. Provide status updates as requested, and inform Gogo of any risks to the agreed upon schedule at the earliest possible date.

3. Provide performance measurements of units to Gogo.

4. Demonstrate performance of physical prototypes to Gogo at Gogo's request.

5. Complete D0-160 certification at ThinKom's expense, of all LRUs prior to Product Acceptance by Gogo.

6. Demonstrate compliance with all applicable FCC and international (ETSI/ITU) standards prior to Product Acceptance.

7. ThinKom to Demonstrate ESAA Compliance with respect to the applicable standards using block-upconverter and radome LRUs as supplied by Gogo.

8. ThinKom to provide detailed plan describing how Tx aperture pointing will be maintained to the required accuracy at PDR, and demonstrate to Gogo prior to Product Acceptance.

ii. Gogo Responsibilities

1. Gogo may, at its discretion, request testing of some or all components of the Product in Gogo's laborato1y facilities during the initial product delivery phase .

2. Provide final design authorization subsequent to CDR as a trigger for moving to product ion phase.

3. STC for the entire system, of which the Product is a component.

4. Good Faith efforts to obtain PMA and ESA A approval for the Product in a timely manner, as set forth herein.

5. Provide, in a prompt and timely manner, all specifications, definitions, and clarifications of any system and/or platform interfaces, designs, and configurations required by ThinKom to design the Product in accordance with the requirements of this Agreement.

3. **Price and Payment**

Shipset Purchase Pricing. ThinKom agrees to sell Product units to Gogo in accordance with the quantities, and pricing set forth in the below table (Table 1).

[***]

a. **Spares Purchase Pricing.** ThinKom agrees to sell spare components to Gogo in accordance with the quantities, delivery dates, and pricing set forth in the below table (Table 2).

Table 2

[***]

4. **Payment Schedule.** Under the Original Agreement:

a.

[***]

If this Agreement is terminated by Gogo pursuant to its rights set forth in Sections 2, or 3, or the Agreement terminates pursuant to Section 17 of the Agreement, Gogo shall have no further obligations to make any further payments of NRE Fees due after such termination , except in the case of termination set forth in Section 3 or Section 17 (if Gogo is in breach or has ta ken action per 17.1.b), Gogo shall pay ThinKom [***]. Upon termination for any reason, [***].

b. As of the Restatement Effective Date, Gogo has paid ThinKom all NRE fees and Advanced Payments owed as of such date.

5. **Exclusivity.**

[***]

6. **Additional Obligations.**

[***]

7. **ESAA/PMA Delay.** [***]

8. **Right of First Refusal -** [***]. For a period of [***] from June 26, 2014, ThinKom agrees to give Gogo a Right of First Refusal (RoFR) to purchase on an exclusive basis, [***] that ThinKom may develop [***]. In the event ThinKom and Gogo enter into a separate development agreement for a [***] upon mutually acceptable terms (including an Exclusivity provision similar to the provision set fo1th in this Exhibit A-2), in such case this RoFR would not be applicable. [***].

9. **Minimum Order Size and Payment Schedule for Additional Orders.** For any purchase orders, Gogo shall pay ThinKom as follows for orders under the Agreement: [***]. ThinKom agrees that this Agreement does not create any volume purchase obligations for Gogo and that Gogo is not required to purchase any Product Shipset units hereunder. Minimum order size shall remain at [***] at a delivery rate of no less than [***] Shipsets per month.

10. **Delivery.** ThinKom agrees to begin delivering Product ordered under the terms of this Agreement no later than [***] months after receipt of a purchase order from Gogo and in accordance with Section 22.2 of the Agreement.

11. **Deposit Materials.** Escrow materials shall be those specified in the Escrow Agreement.

12. **ESAA License.** [***]

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

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

Each test case must include a demonstration of the following:

- Antenna pattern
- Pointing accuracy

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

14. **Additional Terms.**

a. **Right to Complete.** Subject to the escrow agreement between the Parties, the terms of which shall supersede the terms of this Section in the event of a conflict, should any of the Shipsets delivered to Gogo not operate in accordance with the Specifications, or if ThinKom otherwise materially defaults in its performance under any purchase order, other than a default resulting or arising from Gogo's actions or inaction, then, subject to ThinKom's warranty obligations, and upon Gogo's instruction, ThinKom shall release or notify the applicable escrow agent to release the Deposit Materials to Gogo to allow Gogo to complete any ordered Shipsets pursuant to a purchase order issued prior to the date of default. Gogo shall be entitled to make modifications to ThinKom's Deposit Materials for completion of any Shipsets. For any Deposit Materials released to Gogo *via* escrow, Gogo agrees to hold such Deposit Materials as Confidential Information in accordance with the terms and conditions set forth in the Confidentiality Agreement. In the event of the foregoing, *Gogo* shall be responsible to ThinKom for the actual costs incurred by ThinKom associated with each Shipset through the date on which Gogo exercises its right to complete such Shipset under this Section, which amount will be payable to ThinKom upon the delivery of each such Shipset, or partial Shipset, to Gogo. In the event Gogo exercises its rights under this Section, ThinKom shall return any amounts pre-paid by Gogo to ThinKom in excess of the actual costs incurred by ThinKom.

b. **Use of Third Party Technology.** In cases where ThinKom licenses third party technology which is incorporated into the Shipsets, ThinKom shall enable Gogo and its customers to use such rights subject to Gogo or its customer agreeing to pay the same royalty fee or license to any third patties for use of their intellectual property integrated into the Shipsets that ThinKom was paying to such third party. Gogo shall pay the third party such applicable royalty/fee under terms and conditions that are at least as good as ThinKom's. ThinKom shall use its best efforts to identify any use of Third Party Technology in the Product Shipset and communicate the presence of any such Third Party Technology to Gogo on or before the PDR date defined in Schedule 2 ("Milestones") of this Exhibit. As detailed in Paragraph 11e, ThinKom believes the modem used in the MODMAN includes third party software and ThinKom does not warrant the function of this software.

c. **Radome & Associated Equipment.** ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expe1tise, to Gogo

as required for the development of a suitable radome and associated equipment (the "Radome") for the Product. ThinKom agrees to provide, at no additional cost, a commercially reasonable level of support as mutually agreed to by the parties upon acceptance of the Product by Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].

d. [***] **& Associated Equipment**. ThinKom agrees to provide prompt support, via provision of information and/or support personnel with the appropriate expertise, to Gogo a required for the qualification of a suitable [***], and associated equipment for the Product. Subsequent to selection of a [***] deemed suitable by both parties ThinKom agrees to integrate the [***] with the Product at ThinKom facilities, and certify that it is suitable for use with the Product.

ThinKom agrees to provide this support, at a commercially reasonable level as mutually agreed to by the parties, at no additional cost to Gogo. Should the support requirements exceed such levels, ThinKom will provide such additional support on an hourly basis of [***].

e. **Modem Terms**. The Parties agree to and acknowledge that the terms of the Reseller Agreement between ThinKom and [***] will apply to the modem related aspects of this Agreement, Shipset and optional Slave Modem, including, but not limited to the following terms :

i. [***]

ii. Modem manufacturer, [***], may declare the current modem model 'obsolete' upon 90 days' notice. Should this happen the parties agree to negotiate in good faith compensation for ThinKom's costs to incorporate a new modem into the shipset and/or a buy ahead program in which a given number of modems will be purchased in advance of the announced obsolescence.

iii. Modem manufacturer, [***], may increase the cost of the current modem from time to time. The Parties agree that should [***] increase the cost of the modem, the cost of the Modman will be increased, dollar for dollar, to adjust for the increased cost of the modem.

iv. Modem Manufacturer, [***], does not warranty the function of any third party software used on its modem, and therefore ThinKom does not give a warranty for this third party software to Gogo.

f. **End of Life.** ThinKom shall be aware of and proactively monitor all items and material used in the manufacture of Product Units for impending obsolescence issues. ThinKom will provide immediate formal notification to Gogo as soon as a pending obsolescence issue or event is known to ThinKom, describing the obsolete item, reason for obsolescence, estimated date the item will no longer be available, and any proposed alternatives. Timely notification is imperative to allow sufficient time to identify alternates for the affected parts, and perform any necessary certifications, which may involve OEMs and airline regulatory agencies. ThinKom will use diligent efforts to minimize cost and operational impact, including the effects of interchangeability to Gogo and its customers. Gogo may desire to place additional orders for items purchased hereunder. ThinKom shall provide Gogo with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any LRU purchased under the Agreement.

g. **Obsolescence.** Obsolescence of a Product includes Product, which is superseded, discontinued and no longer manufactured or available. ThinKom shall maintain an obsolescence management program throughout the life cycle of a Product whereby ThinKom shall undertake an obligation to (i) monitor all components of the Products for potential obsolescence; (ii) as of the Effective Date of the Agreement and every [***] months thereafter (or within[***] days of discovery of any obsolescence), report to Gogo whether there is an obsolescence issue for each Product or component thereof; (iii) maintain availability of sufficient security stock to mitigate potential

delays in delivery or repair of Products under this Agreement; (iv) suggest suitable replacement components for the Products; (v) provide formal notification to Gogo as soon as a pending obsolescence event is known to ThinKom; and (vi) coordinate with Gogo to establish an obsolescence implementation plan.

h. **Mean Time Between Failures ("MTBF") Specification -** In addition to the warranties and obligations contained herein, ThinKom warrants that the Products shall meet the MTBF specification as specified in Schedule 1 of this Exhibit A-2.

i. MTBF Analysis & Reporting – The Parties agree as follows: (i) Gogo may, at its discretion, provide periodic reports of ThinKom's MTBF performance with respect to the Products; and (ii) ThinKom shall provide Gogo with access and available data required to analyze MTBF of Products for the returned/repaired Products including but not limited to:

1. Analysis of MTBF; and

2. Analysis reports including but not limited to summary of warranty returns, confirmation of fault or no fault found, root cause analysis and corrective actions.

ii. When requested by Gogo, but not more often than quarterly, ThinKom shall provide Gogo with an electronic copy report detailing the required information as specified above, throughout the applicable warranty period.

iii. [***]

iv. [***]

SCHEDULE 1 TO EXHIBIT A-2Gogo 2Ku System Specification List

[***]

SCHEDULE 2 TO THE EXHIBIT A-2

As of the Restatement Effective Date, the milestones set forth in the Table above have been completed.

Exhibit B to
Product Development and Manufacturing Agreement

Warranty and Support Terms

This Exhibit B is part of the Amended and Restated Product Development and Manufacturing Agreement dated April 1, 2016 between Gogo LLC ("Gogo") and ThinKom Solutions ("ThinKom") (the "Agreement"). This Exhibit B describes the terms of the Agreement relating to warranty and support of production units of the Product developed according to an Exhibit A ("Product Units").

1. **WARRANTY SUPPORT.** The Product Units are warranted as described in Section 5 of the Agreement. Gogo will notify ThinKom in the case of any suspected defective units, and will arrange for the return of such units for disposition under an RMA number. Gogo will ship returned units at Gogo's expense and risk. ThinKom will complete its warranty disposition and ship any repaired or replacement Product Unit no later than [***] business days after receipt of the returned unit and the customer purchase order authorizing related repair work (regardless whether the work is warranty repair or out of warranty repair). For LRUs repaired under warranty, ThinKom will ship repaired or replacement units to Gogo or its Customer, depending on the origin of the shipment to ThinKom, by: [***]. For LRUs not repaired under warranty, transportation costs shall be borne by Gogo. All Product Unit repairs will be performed using new (not reconditioned) components of equal or greater quality. Repaired or replaced Product Units will be tested prior to shipment in accordance with the procedures for new Product Units. Repaired or replaced Product Units will be warranted for the remainder of the original warranty period.

2. **PROCEDURES FOR WARRANTY CLAIMS.** ThinKom will have no duty to provide warranty service for any Product component unless Gogo complies with the following requirements:

   a. **Notification and Warranty Claim**. Promptly after Gogo concludes that a Product component has failed in a manner it believes is covered by this warranty, Gogo will notify ThinKom by submitting a written warranty claim (a "Warranty Claim") as follows:

      i. Online Form. Gogo will populate the requested information into, and submit online, ThinKom's online warranty claim form for the Product component at www.ThinKom.com/rma;

      ii. Email. Only if the online claim form discussed in provision (i) is not functioning, Gogo will email to ThinKom at warranty@thinkom.com a scanned image of the populated online warranty claim form; provided that if Customer does not have a copy or print-out of the form, it should call ThinKom at 310-371-5486 or email ThinKom at customerservice@thinkom.com and request a copy of the form to populate, scan and email to ThinKom at the above email address; or

      iii. Other. Only if Gogo is unable to submit the warranty claim form as described in provisions (i) or (ii) above, it should call ThinKom at the number set forth in (ii) to discuss alternative submission methods.

   b. **Content of Warranty Claim**. Without limiting the obligation to submit any information pursuant to provision (a) above, each Warranty Claim should, to the extent applicable, set forth:

      i. The Product component number or other identifying information of the Product;

      ii. The serial number, if any, of the Product;

      iii. A reasonably detailed description of the nature of the failure; and

      iv. Contact information for Gogo contact to which ThinKom should send (A) communication regarding the Warranty Claim or (B) an estimate for repair or replacement of the Product component if the failure is not covered by this warranty (if non-warranty service is available).

c. **Initial Screening of Warranty Claims**. If during the process of Warranty Claim submission, ThinKom becomes aware of a fact that would make the specific Product component failure subject to the Warranty Claim one that is not covered by this warranty, it may inform Gogo of such non-coverage at that time and provide Gogo a written estimate of the cost to repair or replace the Product component as non-warranty services (if available).

d. **Issuance of RMA**. Following receipt of a Warranty Claim and assuming ThinKom has not informed Gogo that the respective failure is not covered by this warranty pursuant to provision (c) above, ThinKom shall promptly issue to Gogo a Return Materials Authorization (an "RMA").

e. **Shipment to ThinKom**. Upon receiving an RMA for the respective Product component, Gogo will ship the Product component to ThinKom at the address specified in the RMA for warranty evaluation and services, and will include therewith a copy of the RMA. Gogo may not ship a Product component to ThinKom without an associated RMA unless Gogo has been provided written exception from ThinKom. Gogo shipment must comply with Section 3 below.

3. WARRANTY SERVICE FOR WARRANTY CLAIM.

a. **Evaluation.** Upon receipt of Product component from Gogo for which ThinKom has issued an RMA, ThinKom will evaluate whether the failure of the Product component is one that is covered by this warranty. If the failure is not covered, ThinKom will inform Gogo of that fact in writing and will provide Gogo a written estimate of the cost to repair or replace the Product component as non-warranty services (if available).

b. **Repair or replacement of covered Product.** For a Product component that has suffered a failure covered by this warranty, ThinKom will, without charge to Gogo (except as expressly set forth herein), either repair or replace such Product. ThinKom may decide in its sole discretion whether to repair or replace any such Product.

c. **ThinKom shipment of Product Antenna System.** For failures covered by this warranty that ThinKom decides to repair, ThinKom will use commercially reasonable efforts to ship the repaired Product component to Gogo within [***] business days after receiving the respective Product component from Gogo (for which an RMA was issued). For failures covered by this warranty, which ThinKom decides should be replaced, ThinKom will replace such Product component with a Product component in ThinKom's inventory, or, if no Product component is available, place an order into its material requirements planning ("MRP") system on behalf of Gogo for the soonest available production slot.

d. **Customer Reports.** ThinKom will include with each unit that is repaired under warranty and shipped back to Gogo a report describing the nature of the problem and the corrective action taken by ThinKom to resolve such problem.

4. REPAIR WARRANTY. ThinKom warrants repairs to Gogo as follows:

a. This warranty applies to products under warranty and which are no longer under an original equipment warranty but are being repaired by ThinKom for monetary consideration.

b. All Product Unit repairs will be performed using new (not reconditioned) components of equal or greater quality. Repaired or replaced Product Units will be tested prior to shipment in accordance with the procedures for new Products.

c. ThinKom warrants such repair for Warranty product for the remainder of the original warranty period or for [***] months, whichever is longer, and on equipment no longer under an original equipment warranty, that, for one (1) year from the date of such repair, it will, at ThinKom's expense, correct any deficiency which occurs within the repair under normal use and service for which the products are intended, subject to all of the conditions and qualifications hereinafter.

d. [***] The risk of loss or damage to all products in transit shall be assumed by the party initiating the transportation of such products, unless Gogo makes a request for a specific mode of transportation. In such case, the risk of loss of shipment shall be borne by Gogo. In all cases, liability for loss or damage to products while in ThinKom's possession will be borne by ThinKom.

e. The turnaround time (TAT) of equipment returned to a ThinKom repair facility for normal repairs will be an average of[***] ThinKom workdays. TAT is defined as the time from the later of receipt of the LRU on ThinKom's dock or a customer purchase order (such purchase order reflecting the costs of non-warranty repair and if for warranty shall be for $0 and shall include ship to instructions) for the required repair to the time LRU is ready for shipment at the ThinKom repair facility. ThinKom shall provide a root cause analysis to Gogo of any Product failures or defects no later than [***] after ThinKom's receipt of the Product. ThinKom shall not be obligated or liable under this warranty for defects which an examination discloses are due to: (1) tampering; (2) misuse; (3) abuse; (4) neglect; (5) improper storage or maintenance; or (6) improper repair or poor workmanship by anyone other than ThinKom, or a sub-contractor directly hired by ThinKom, to repair the products or use of defective material by such unauthorized persons.

5. SHIPPING.

Gogo will bear all costs and risks of shipping any Product component to ThinKom under these warranty terms. Gogo will ship Products to ThinKom in shipping containers specified by ThinKom and in compliance with shipping instructions in the Product component repair manual and the RMA. For LRUs repaired under warranty, ThinKom will ship repaired or replacement units to Gogo or its Customer depending on the origin of the shipment to ThinKom, by: [***]. For LRUs not repaired under warranty, transportation costs shall be borne by Gogo. ThinKom will bear all costs and risks of shipping repaired or replacement Products to Gogo or directly to Customer (but only for failures covered by this warranty).

EXHIBIT C

Three-Party Escrow Agreement

Among

Depositor, one Beneficiary and Escrow Associates, LLC

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

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

Three-Party Escrow Agreement

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

Recitals

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

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

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

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

1. Deposit Materials

(a) Initial Deposit - Depositor shall submit the initial Deposit Materials to Escrow Associates within sixty (60) days of the Effective Date or sixty (60) days after development of the Deposit Materials is completed. Depositor shall complete and deliver with all Deposit Materials a form as shown herein as Appendix B, which shall then become part of this Agreement. Escrow Associates shall notify Beneficiary within ten (10) business days of receipt of the initial Deposit Materials. Escrow Associates has no obligation with respect to the initial Deposit Materials for delivery, functionality, completeness, performance or initial quality.

(b) Deposit Material Updates - Depositor shall submit updates to the initial Deposit Materials to Escrow Associates within sixty (60) days of any material modification, upgrade or new release of the Products. Depositor shall complete and deliver with all updates to the Deposit Materials an amended Appendix B form, which shall additionally become part of this Agreement. Escrow Associates shall notify Beneficiary within ten (10) business days of receipt of updates to the Deposit Materials. Escrow Associates has no obligation with respect to the updates to the Deposit Materials for delivery, functionality, completeness, performance or initial quality.

(c) Electronic Deposit – In the event Depositor elects to utilize electronic means to transfer the Deposit Materials to Escrow Associates, whether through a service provided by Escrow Associates or other means, Escrow Associates shall not be liable for transmissions that fail in part or in whole, are lost, or are otherwise compromised during transmission. Furthermore, Escrow Associates shall not be liable for any subsequent services that may or may not be delivered as a result of a failed transfer. Escrow Associates shall not be liable to Depositor or Beneficiary for any encrypted update, or any part thereof, that is transmitted over the Internet to Escrow Associates' FTP Site but is not received in whole or in part, or for which no notification of receipt is given.

(d) Duplication of Deposit Materials - Escrow Associates may duplicate the Deposit Materials only as necessary to comply with the terms of this Agreement. Escrow Associates at its sole discretion may retain a third party for the purpose of duplicating the Deposit Materials only as necessary to comply with the terms herein. All duplication expenses shall be borne by the party requesting duplication.

(e) Deposit Material Verification - Escrow Associates may be retained by separate agreement or by alternative means, to conduct a test of the Deposit Materials to determine the completeness and accuracy of the Deposit Materials. Escrow Associates shall not be liable for any actions taken on the part of any third party with regards to the Deposit Materials.

2. Term

(a) Term of Agreement – The term of this Agreement shall be for a period of one (1) year from the Effective Date. At the end of the initial and each subsequent term, this Agreement shall automatically renew for an additional one (1) year term unless terminated according to the terms herein.

(b) Termination of Agreement – This Agreement may be terminated by written mutual consent of Depositor and Beneficiary or will terminate if one of the following has occurred:

i. The PDMA Agreement has been terminated or has expired, or

ii. All Deposit Materials have been released in accordance with the terms hereof.

(c) Termination for Non-Payment – In the event that full payment of any or all fees due to Escrow Associates under this Agreement have not been received by Escrow Associates within thirty (30) days of the date payment is due, Escrow Associates will notify all parties hereto of the delinquent fees. If the delinquent fees are not received within thirty (30) days of the delinquency notification, Escrow Associates shall have the right to terminate this Agreement and destroy the Deposit Materials.

(d) Return of Deposit Materials – Upon termination of this Agreement for any reason other than in the event all Deposit Materials have been released in accordance with the terms of Section 6 herein, Escrow Associates shall return the Deposit Materials to Depositor via commercial courier to the address of Depositor shown in this Agreement, provided that all fees due Escrow Associates are paid in full. If two (2) attempts to return Deposit Materials via commercial courier to Depositor fail or Depositor does not accept the Deposit Materials, Escrow Associates shall destroy the Deposit Materials.

3. Fees

(a) Payment - Upon receipt of signed Agreement or initial Deposit Materials, whichever comes first, Escrow Associates will submit an initial invoice to Beneficiary for amount shown on Appendix A attached hereto. If payment is not received, Escrow Associates shall have no obligation to perform its duties under this Agreement. Beneficiary agrees to pay to Escrow Associates all additional fees for services rendered related to this Agreement as shown on Appendix A. The fee for any service that is not expressly covered in Appendix A shall be established by Escrow Associates upon request. All fees are due in advance of service and Escrow Associates may amend Appendix A at any time upon sixty (60) days written notice to Beneficiary.

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

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

5. Depositor's Representations and Warranties

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

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

6. Release of Deposit Materials

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

i. Depositor notifies Escrow Associates in writing to effect such release; or

ii. Beneficiary makes written request to Escrow Associates; and

a. Beneficiary asserts that Depositor has failed in a material respect under the Purchase Agreement; or

b. Beneficiary asserts that Depositor has ceased all business operations without a successor or assign; or

c. Beneficiary asserts that Depositor's business operations have suffered a material adverse effect; or

c. Beneficiary asserts that Depositor has filed for bankruptcy protection; or

d. Beneficiary includes a written statement that the Deposit Materials will be used in accordance with the terms of the Purchase Agreement; and

e. Beneficiary includes specific instructions for the delivery of the Deposit Materials.

(b) Depositor Request for Release - If the provisions of Section 6(a)(i) are met, Escrow Associates will release the Deposit Materials to Beneficiary within ten (10) business days.

(c) Beneficiary Request for Release - If the provisions of Section 6(a)(ii) are met, Escrow Associates will within ten (10) business days forward a complete copy of the request to Depositor. Depositor shall have thirty (30) days to make any and all objections to the release known to Escrow Associates in writing. If after thirty (30) days Escrow Associates has not received any written objection from Depositor, Escrow Associates shall release the Deposit Materials to Beneficiary as instructed by Beneficiary.

(d) Depositor Objection to Release - Should Depositor object to the request for release by Beneficiary in writing, Escrow Associates shall notify Beneficiary in writing within ten (10) business days of

Escrow Associates receipt of said objection and shall notify both parties that there is a dispute to be resolved pursuant to Section 7 (Arbitration) of this Agreement. Escrow Associates will continue to hold the Deposit Materials without release pending (i) joint instructions from Depositor and Beneficiary; (ii) dispute resolution according to Section 7 (Arbitration); or (iii) order from a court of competent jurisdiction.

(e) Grant of License to Deposit Materials – As of the Effective Date, Depositor hereby grants to Beneficiary, a non-exclusive, worldwide, perpetual, paid in full license, to use or copy the Deposit Materials delivered by Escrow Associates under this Section, for the sole purpose of continuing the benefits afforded to Beneficiary under this Agreement.

(f) Restrictions on Use – The following restrictions shall apply to Deposit Materials delivered to Beneficiary: (i) Beneficiary shall not copy the Deposit Materials other than as necessary, (ii) Beneficiary will keep the Deposit Materials in a secure, safe place when not in use, (iii) Beneficiary agrees to use the Deposit Materials under carefully controlled conditions in accordance with, and for the purposes of, this Agreement, and (iv) Beneficiary agrees to treat, handle, and store the Deposit Materials in the same manner and with the same care as it treats its most sensitive and valuable trade secrets, which shall, at a minimum, be a reasonable level of care

7. Arbitration - Except as expressly provided for herein, any dispute or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled in Atlanta, Georgia by arbitration administered by the American Arbitration Association in accordance with its Commercial [or other] Arbitration Rules [including the Emergency Interim Relief Procedures], and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Beneficiary agrees to reimburse Escrow Associates for any and all costs incurred as a result of any Arbitration, including attorney's fees. The arbitrator(s) shall award attorneys' fees and costs to the prevailing party.

8. Confidentiality – Except as otherwise required to carry out its duties under this Agreement, Escrow Associates shall hold in strictest confidence and not permit any third party access to nor otherwise use, disclose, transfer or make available the Deposit Materials except as otherwise provided herein, unless consented to in writing by Depositor.

9. Limitation of Liability - Under no circumstance shall Escrow Associates be liable for any special, incidental, or consequential damages (including lost profits) arising out of this Agreement even if Escrow Associates has been apprised of the possibility of such damages. In performing any of its duties hereunder, Escrow Associates shall not incur any liability to any party for any damages, losses, or expenses, except for willful misconduct or gross negligence on the part of Escrow Associates, and it shall not incur any liability with respect to any action taken or omitted in reliance upon any written notice, request, waiver, consent, receipt or other document which Escrow Associates in reasonably good faith believes to be genuine.

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

Depositor

Company: ThinKom Solutions, Inc.
Contact: Mark J. Silk Title: President
Address: 4881 West 145th Street
City, State, Zip: Hawthorne, CA 90250
Telephone: 310-802-2696
Email: mark.silk@thinkom.com

Beneficiary

Company: _____
Contact: _____ Title: _____
Address: _____
City, State, Zip: _____
Telephone: _____ Fax: _____
Email: _____

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

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

11. Miscellaneous

(a) Counterparts - This Agreement may be executed in any number of multiple counterparts, each of which is to be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

(b) Entire Agreement - This Agreement supersedes all prior and contemporaneous letters, correspondences, discussions and agreements among the parties with respect to all matters contained herein, and it constitutes the sole and entire agreement among them with respect thereto.

(c) Limitation of Effect - This Agreement pertains strictly to the escrow services provided for herein and does not modify, amend or affect any other contract or agreement of one or more of the parties. The terms and provisions of the Purchase Agreement, as the same may be physically modified by the terms and provisions hereof, shall continue in full force and effect and be binding upon and inure to the benefit of the parties hereto, their legal representatives, successors and assigns.

(d) Modification - This Agreement shall not be altered or modified without the express written consent of all parties.

(e) Bankruptcy Code - This Agreement shall be considered an agreement supplementary (together with any modification, supplement, or replacement thereof agreed to by the parties) to the Purchase Agreement pursuant to Title 11 United States Bankruptcy Code Section 365(n).

(f) Survival of Terms - All obligations of the parties intended to survive the termination of this Agreement, including without limitation, are the provisions of Sections 2 (Term), 3 (Fees), 4 (Indemnification), 7 (Arbitration), 9 (Limitation of Liability), and 11 (Miscellaneous) which shall survive the termination of this Agreement for any reason.

(g) Governing Law - This Agreement shall be governed by the laws of the state of Georgia.

(h) Time of the Essence - Time is of the essence in this Agreement.

(i) Successors and Assigns - This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties, provided, however, that Beneficiary shall have no right to assign any rights hereunder or with respect to the Deposit Materials except as permitted with respect to assignment of Beneficiary's rights under the Purchase Agreement.

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

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

Depositor

Signature: _____

Name: Mark J. Silk

Title: President

Company: ThinKom Solutions, Inc.

Date: _____

Contract Negotiated by: Mark J. Silk

Negotiator Telephone: 310-802-2696

Beneficiary

Signature: _____

Name: _____

Title: _____

Company: _____

Date: _____

Contract Negotiated by: _____

Negotiator Telephone: _____

Escrow Associates, LLC

Signature: _____

Name: _____

Title: _____

Date: _____

Appendix A
Schedule of Fees

(Initial Year / Renewal)

Three-Party Agreement & Deposit Evaluation Services [***]

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

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

Three-Party Agreement [***]

Three-Party escrow agreement includes:

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

Optional - Full Technical Verification **Call / Quote**

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

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

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

Appendix B
Deposit Materials

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

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

Company Name: _____

Escrow Associates Account Number: _____

Product Name & Version: _____

☐ **Three-Party Agreement** ☐ **New Deposit Account**

☐ **Two-Party Agreement** ☐ **Update to existing Deposit Account**

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

_____ _____

_____ _____

Media Description:

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

Deposit Prepared by:

Signed: _____

E-mail: _____

Date: _____

Deposit Accepted by *(Escrow Associates):*

Signed: _____

Name: _____

Date: _____

Credit Card/Wire Transfer Payment Form

CREDIT CARD PAYMENT INFORMATION *Please fill out all information below.*	
Company Name / Account Number:	
Escrow Associates Invoice Number:	
Card Type (Amex / Visa / etc.):	
Transaction Amount:	
Credit Card Number:	
Expiration Date:	
CVV Code:	
Billing Name:	
Billing Address:	
Billing City State Zip:	

Client Signature: _____ Title: _____

Print Name: _____ Date: _____

☐ Please bill my card annually for these fees.

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

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

SCHEDULE 1

Product Specifications
[***]

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

May 25, 2016

Gogo LLC
111 N. Canal St., Ste. 1500 Chicago, Illinois 60606

RE: Third Amended and Restated In Flight Connectivity Services Agreement (as heretofore amended, the "Pre-Apollo Agreement") effective as of September 13, 2012; In Flight Connectivity Services Agreement (as heretofore amended, the "Apollo Agreement") effective as of September 14, 2012; Amended and Restated In Flight Connectivity Services Agreement (as heretofore amended, the "L-US Agreement") effective as of March 14, 2012.

Gentlemen:

Reference is hereby made to the above-referenced agreements (the "Agreements"). This letter will acknowledge and evidence that American Airlines, Inc. ("American") is willing and hereby offers to agree, effective as of the date of this letter and for good and valuable consideration, to the terms set forth in Exhibit A attached hereto with respect to the provision of inflight connectivity services by Gogo LLC ("Gogo") to American.

If Gogo is also willing to accept and agree to such terms, please evidence and acknowledge such fact by signing both copies of this letter in the space provided and returning one (1) copy to the undersigned. In such event, and without the necessity of further action: the Agreements shall be deemed to be amended to reflect such terms; and, as so deemed to be amended, the Agreements shall be deemed to be ratified and affirmed and to remain in full force and effect. All capitalized terms used in such terms without definition shall have the respective meanings therefor specified in the applicable Agreement(s).

To the extent that any provision in Exhibit A is inconsistent with another provision in any Agreement, the provision in Exhibit A shall prevail. The parties acknowledge that pending execution of the unified agreement contemplated by Exhibit A, due to the summary nature of certain terms set forth in Exhibit A and the lack of defined terms therein, the parties may from time to time be required to agree upon certain details required to properly effectuate such terms (including by way of example notice periods or materiality thresholds) or to reconcile such terms with other existing but not inconsistent terms of the Agreements, and to consider other matters of contract interpretation. The parties shall work together in good faith to reach a mutually acceptable resolution of such issues.

[***].

Very truly yours,

AMERICAN AIRLINES, INC.

By: /s/ Robert Isom
Name: Robert Isom
Title: EVP & COO

Date: May 27, 2016

ACCEPTED AND AGREED

GOGO LLC

By: /s/ Michael J. Small
Name: Michael J. Small
Title: President and Chief Executive Officer

Date: May 27, 2016

Exhibit A: Term Sheet

1 Scope

- New 2Ku installations
- [***]Continued ATG/ATG4 service
- [***]American Airlines option to extend the scope to:

[***]

- The award of the aircraft with 2Ku is contingent upon continuous successful 2Ku project implementation, installation and operation. Accordingly, American will have the right to terminate the 2Ku program under the circumstances described in Section 12 of this Term Sheet.
- All other aircraft not mentioned above, that are currently, or will be, installed with Gogo equipment, may be deinstalled and moved to another provider at American's discretion
    - Deinstallation will be subject to American's schedule, which will be shared with Gogo from time to time
    - For the avoidance of doubt, the following aircraft will be included in such deinstallation:

[***]

2 Contract Term

- 3 year term for 2Ku equipped aircraft (October 1st, 2016 – September 30th, 2019).
- RJs, MD80s and 757s to terminate as per the current agreement(s)

3 2Ku Equipment and Pricing

- 2Ku - [***]
- Modem and Wireless Access Points (WAPs)

    The 2Ku program is contingent on the availability of the Next Gen Gilat Satellite Network Modem and 802.11ac WAPs for new 2Ku installs

4 Certification

- Gogo shall be responsible for obtaining the necessary STCs for all 2Ku installations.
- [***]

5 Implementation Schedule

[***]

Above schedules are subject to change at American's option provided that such changes are accompanied by reasonable notice and that significant schedule accelerations can be implemented by Gogo on a commercially reasonable basis.

6 INTENTIONALLY OMITTED

7 Session-Based and Operational Pricing for 2Ku

Service description: Single product supports Internet web browsing, streaming media and operational data usage.

Pricing for passenger sessions: [***]

- Operational data: Pricing will be $[***] per MB for passenger grade data for all 2Ku-equipped fleets and $[***] per MB for ATG/4-equipped fleets. "Passenger Grade' with respect to operational data means such data will have the same priority and be at least as secure as general passenger use of the Internet and will be entitled to the same network

performance, use profile and reliability as such general use. In general, all operational uses will be reviewed by both American and Gogo on an application by application or case by case basis.

8 Gogo (GGV) Vision Pricing for all Fleets on which installed and activated

- [***]

9 IPTV (2Ku only)

- Gogo's 2Ku service offer to include [***] channels of IPTV.
  - [***]
  - Channels streamed at [***] each.
  - Ongoing monitoring.
- NRE and Certification to remain FOC.
  - [***]
- IPTV Content
  - [***]

10 2Ku Performance Objectives

The parties will mutually agree upon (and set forth in the SLA) additional details of performance objectives and related remedies for missing such objectives, consistent with the provisions of Section 11 below, within the following framework: [***]

11 2Ku Service Level Agreement (SLA) (terms are subject to further discussion within framework established by Section 10)

- Availability

  [***]
- Performance Guarantees

  [***]

12 Overall 2Ku Remedies

- Failure by Gogo to meet the fleet-wide aggregate Availabilities, Bandwidth Commitments or Performance Guarantees for [***].
- Any failure by Gogo to meet system delivery dates or milestones such as kit on dock dates, STC due date or software delivery [***].
- American will have the sole discretion to terminate the 2Ku program and agreement in whole or in part at its convenience by paying Gogo a termination fee equal to[***]

13 ATG/ATG4 Service Level Agreement (SLA)

- Upon conversion of ATG/ATG4 aircraft to 2Ku, the 2Ku SLA shall apply. As improvements are made to the ATG/ATG4 architecture (i.e, Next Gen ATG), Gogo commits to improve the SLA and reporting as currently defined in the existing agreement(s).

14 Airline Directed Model

- [***]

15 ATG/ATG4 Airline Directed Rates

- Should American select the Airline Directed model for ATG/ATG-4 fleets, wholesale rates to American shall be as follows:
  - [***].

16 Subscriptions

- American will have the sole option to [***]. If American exercises such option, [***].

17 [***] Portal [***]

- Gogo will support efforts by American to interface other inflight entertainment and connectivity related offerings and other services and products with Gogo's connectivity services and entertainment products, [***]
- At American's sole discretion, Gogo may be required to perform the following:
- [***]Timeline and Cost
  - [***]

18 Transition of existing agreements

- The following agreements and the above terms will form the basis for transition to a new unified agreement to be negotiated in an effort to sign no later than October 1st, 2016. Upon the signing of the unified agreement the separate agreements will terminate.
  - Gogo Pre-Apollo Agreement dated September 13th, 2012, as amended
  - Gogo Apollo Agreement dated September 14th, 2012, as amended
  - US Airways Agreement dated March 14th, 2012, as amended

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

AMENDMENT NO. 1 TO

2Ku IN-FLIGHT CONNECTIVITY SERVICES AGREEMENT

This Amendment No. 1 (this "**Amendment**"), dated as of April 1, 2016, to the 2Ku In-Flight Connectivity Services Agreement dated April 01, 2015 (the "**Agreement**"), is by and between Delta Air Lines, Inc. ("**Delta**") and Gogo LLC ("**Gogo**"). Capitalized terms used herein that are not otherwise defined shall have the meanings given to such terms in the Agreement.

WHEREAS, Delta and Gogo desire to amend the Agreement to provide for 2Ku Connectivity Services on certain [***] A/C;

NOW, THEREFORE, in consideration of the foregoing promises and the covenants contained herein, Delta and Gogo agree:

1. In accordance with Section 2.3 of the Agreement, Delta elects to add the [***] Fleet Type as an Additional Fleet Type, which will be deemed International A/C under the Agreement.

2. In accordance with Section 3.1 of the Agreement and upon execution of this Amendment, Gogo will provide Delta with a [***].

3. As part of its election under Section 2.3 of the Agreement, Delta agrees to install, or have installed, Equipment on all A/C of the [***] Fleet Type, up to an aggregate of [***] A/C, received by Delta from the manufacturer on or before [***]. If, as of [***], Delta has received less than [***] A/C, Delta shall [***]. With regard to Equipment lead time and installation of the Equipment on the [***] Fleet Type, the parties agree as follows:

    a. Delta's initial [***] A/C to receive the Equipment will be installed in France by Airbus Corporate Jet Center ("**ACJC**"). Within [***] business days after (i) Delta obtains title to such A/C and (ii) the A/C is delivered to ACJC, Gogo shall cause ACJC, as Gogo's subcontractor (pursuant to the terms of the Agreement)[***].

    b. Any additional [***] A/C that Delta has agreed to install with Equipment under this Section 3 will be installed by Delta (or its designated subcontractor) in the United States. For any United States-based Equipment installations on [***] A/C performed by Delta (or its subcontractor), Gogo will ensure that each Shipset is delivered to Delta's selected United States-based installation facility no later than [***] days prior to the day physical delivery of the A/C to Delta will occur. For Gogo to meet its delivery obligations under this Section 3b, Delta shall provide Gogo with written notification of each A/C's delivery date no later than [***] business days after Delta receives notice of the same from the manufacturer of such A/C. Gogo's Shipset delivery obligations are subject to extension on a day for day basis due to any delay by Delta in notifying Gogo in accordance with the preceding sentence.[***].

4. The specific tail numbers of each [***] A/C to be installed with Equipment will be added to the Agreement once available.

The terms of the Agreement are amended and modified by the terms and conditions of this Amendment, which shall supersede and prevail over any conflicting terms and conditions, set forth in the Agreement. This Amendment contains the entire understanding among the parties, and supersedes any prior written or oral agreement between them, respecting the subject matter hereof. This Amendment shall be governed by the same laws and in the same manner as the Agreement. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the date first set forth above.

DELTA AIR LINES, INC.

/s/ Patrick Redahan
By: Patrick Redahan
Title: Strategic Sourcing Manager

Date: 4/1/16

GOGO LLC

/s/ Michael J. Small
By: Michael J. Small
Title: President and CEO

Date: 4/1/16

THE GOGO INC. 2016 OMNIBUS INCENTIVE PLAN

SECTION 1. PURPOSE

The purposes of the Gogo Inc. 2016 Omnibus Incentive Plan (the "Plan") are to promote the interests of Gogo Inc. and its shareholders by (i) attracting and retaining executive personnel and other key employees and directors of outstanding ability; (ii) motivating executive personnel and other key employees and directors by means of performance-related incentives, to achieve longer-range performance goals; and (iii) enabling such individuals to participate in the long-term growth and financial success of Gogo Inc.

SECTION 2. DEFINITIONS

(a) Certain Definitions. Capitalized terms used herein without definition shall have the respective meanings set forth below:

"Adjustment Event" has the meaning given in Section 4(f).

"Adoption Date" means the date this Plan is adopted by the Board.

"Affiliate" means, (i) for purposes of Incentive Stock Options, any corporation that is a "parent corporation" (as defined in Section 424(e) of the Code) or a "subsidiary corporation" (as defined in Section 424(e) of the Code) of the Company, and (ii) for all other purposes, with respect to any person, any other person that (directly or indirectly) is controlled by, controlling or under common control with such person.

"Alternative Award" has the meaning given in Section 13(b).

"Award" means any Performance Award, Restricted Stock, Restricted Stock Unit, Option, Stock Appreciation Right, Deferred Share Unit, Dividend Equivalent or other Stock-Based Award granted to a Participant pursuant to the Plan, including an Award combining two or more types in a single grant.

"Award Agreement" means any written agreement, contract or other instrument or document evidencing an Award granted under the Plan.

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

"Cause" with respect to a Participant, (A) if the Participant is a party to an employment or similar agreement with the Company or an Employer that defines such term, shall have the meaning ascribed thereto in such agreement and (B) if the Participant is not a party to such agreement shall mean (i) the Participant's refusal to perform or the

disregard of the Participant's duties or responsibilities, or of specific directives of the officer or other executive of the Company to whom the Participant reports; (ii) the Participant's willful, reckless or negligent commission of act(s) or omission(s) which have resulted in or are likely to result in, a loss to, or damage to the reputation of, the Company or any of its affiliates, or that compromise the safety of any employee or other person; (iii) the Participant's act of fraud, embezzlement or theft in connection with the Participant's duties to the Company or in the course of his or her employment, or the Participant's commission of a felony or any crime involving dishonesty or moral turpitude; (iv) the Participant's material violation of the Company's policies or standards or of any statutory or common law duty of loyalty to the Company; or (v) any material breach by the Participant of any one or more noncompetition, nonsolicitation, confidentiality or other restrictive covenants to which the Participant is subject.

"Change in Control" shall mean

(i) the acquisition by any person, entity or "group" (within the meaning of Section 13(d)(3) or 14(d)(2), of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either the then outstanding equity interests in the Company or the combined voting power of the Company's then outstanding voting securities; or

(ii) the consummation of a reorganization, merger or consolidation of the Company or the sale of all or substantially all of the assets of the Company, in each case with respect to which the persons who held equity interests in the Company immediately prior to such reorganization, merger, consolidation or sale do not immediately thereafter own, directly or indirectly, 50% or more of the combined voting power of the then outstanding securities of the surviving or resulting corporation or other entity.

in each case, provided that such event constitutes a "change in control" within the meaning of Section 409A of the Code.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to occur if the Company files for bankruptcy, liquidation or reorganization under the United States Bankruptcy Code or as a result of any restructuring that occurs as a result of any such proceeding.

"Change in Control Price" means the price per share of Stock offered in conjunction with any transaction resulting in a Change in Control. If any part of the offered price is payable other than in cash, or if more than one price per share of Stock is paid in conjunction with such transaction, the Change in Control Price shall be determined in good faith by the Committee as constituted immediately prior to the Change in Control.

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

"Committee" means the Compensation Committee of the Board or such other committee of the Board as the Board or the Compensation Committee shall designate from time to time, which Committee shall be comprised of two or more members of the Board, each of whom is a "non-employee director" within the meaning of Rule 16b-3, as promulgated under the Exchange Act and an "independent member" of the Board to the extent required by applicable law or stock exchange rule. For those Awards intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee shall mean the Compensation Committee of the Board or such committee of the Board as the Board or compensation committee shall designate, consisting of two or more members of the Board, each of whom, is an "outside director," within the meaning of Section 162(m) of the Code and the Treasury Regulations promulgated thereunder.

"Company" means Gogo Inc., a Delaware corporation, and any successor thereto.

"Consultant" means consultants and advisors who are natural persons who provide bona fide services to the Company and its Subsidiaries (other than services in connection with the offer or sale of securities in a capital raising transaction or that promote or maintain a market for the Company's securities).

"Covered Employee" means any "covered employee" as defined in Section 162(m)(3) of the Code.

"Deferred Annual Amount" shall have the meaning set forth in Section 9(a).

"Deferred Award" shall have the meaning set forth in Section 9(a).

"Deferred Share Unit" means a unit credited to a Participant's account on the books of the Company under Section 9 that represents the right to receive Stock or cash with a value equal to the Fair Market Value of one share of Stock on settlement of the account.

"Designated Beneficiary" means the beneficiary designated by the Participant, in a manner determined by the Committee, to receive amounts due the Participant in the event of the Participant's death. In the absence of an effective designation by the Participant, Designated Beneficiary shall mean the Participant's estate.

"Disability" means, unless another definition is incorporated into the applicable Award Agreement, Disability as specified under the Company's long-term disability insurance policy and any other termination of a Participant's employment or service under such circumstances that the Committee determines to qualify as a Disability for purposes of this Plan; provided, that if a Participant is a party to an employment or individual severance agreement with an Employer that defines the term "Disability" then,

with respect to any Award made to such Participant, "Disability" shall have the meaning set forth in such agreement; provided, further, that in the case of any Award subject to Section 409A of the Code, Disability shall have the meaning set forth in Section 409A of the Code.

"Dividend Equivalent" means the right, granted under Section 11 of the Plan, to receive payments in cash or in shares of Stock, based on dividends with respect to shares of Stock.

"Effective Date" means the date, following adoption of this Plan by the Board, on which this Plan is approved or reapproved by a majority of the votes cast at a duly constituted meeting of the shareholders of the Company or by a duly effective written consent of the shareholders in lieu thereof.

"Elective Deferred Share Unit" shall have the meaning set forth in Section 9(a).

"Eligible Director" means a member of the Board who is not an Employee.

"Employee" means any officer or employee of the Company, any Subsidiary or any other Employer (as determined by the Committee in its sole discretion).

"Employer" means the Company and any Subsidiary, and, in the discretion of the Committee, may also mean any business organization designated as an Employer; provided that the Company directly or indirectly owns at least 20% of the combined voting power of all classes of voting securities of such entity.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Executive Officer" means any "officer" within the meaning of Rule 16(a)-1(f) promulgated under the Act or any Covered Employee.

"Fair Market Value" means,

(i) If the Stock is listed on any established stock exchange or a national market system, the closing sales price for a share of Stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination, as reported in *The Wall Street Journal* or, if not so reported, such other source as the Committee deems reliable;

(ii) If the Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Stock on the last market trading day prior to the day of determination.

(iii) If the Stock is not listed on an established stock exchange or national market system, its Fair Market Value shall be determined in good faith by the Committee pursuant to a reasonable valuation method in accordance with Section 409A of the Code, including without limitation by reliance on an independent appraisal completed within the preceding 12 months.

"Freestanding SAR" means a Stock Appreciation Right granted independently of any Options.

"Good Reason" means, with respect to any Participant (A) if the Participant is a party to an employment or similar agreement with the Company or an Employer that defines such term, the meaning ascribed thereto in such agreement and (B) if the Participant is not a party to such agreement, the occurrence of any one of the following events (without the Participant's consent):

(i) a material reduction in such Participant's base salary;

(ii) a material reduction in such Participant's annual incentive opportunity (including a material adverse change in the method of calculating such Participant's annual incentive);

(iii) a material diminution of such Participant's duties, responsibilities, or authority; or

(iv) a relocation of more than 50 miles from such Participant's principal place of employment immediately prior to the Change in Control;

provided that such Participant provides the Company with written notice of his or her intent to terminate his or her employment for Good Reason within 60 days of such Participant becoming aware of any circumstances set forth above (with such notice indicating the specific termination provision above on which such Participant is relying and describing in reasonable detail the facts and circumstances claimed to provide a basis for termination of his or her employment under the indicated provision), that such Participant provides the Company with at least 30 days following receipt of such notice to remedy such circumstances and that the Company has not remedied such circumstances within such timeframe.

"Incentive Stock Option" means an option to purchase Stock granted under Section 7 of the Plan that is designated as an Incentive Stock Option that meets the requirements of Section 422 of the Code.

"New Employer" means, after a Change in Control, a Participant's employer, or any direct or indirect parent or any direct or indirect majority-owned subsidiary of such employer.

"Non-statutory Stock Option" means an option to purchase shares of Stock granted under Section 7 of the Plan that is not intended to be an Incentive Stock Option.

"Non-U.S. Award(s)" has the meaning given in Section 3(f).

"Option" means an Incentive Stock Option or a Non-statutory Stock Option.

"Participant" means an Employee, Eligible Director or Consultant who is selected by the Committee to receive an Award under the Plan.

"Performance Award" means an Award of Restricted Stock, Restricted Stock Units, Options, Performance Shares, Deferred Shares, Deferred Share Units, Performance Units, SARs, other Equity-Based Awards or other Awards, the grant, exercise, voting or settlement of which is subject (in whole or in part) to the achievement of specified Performance Goals.

"Performance Cycle" means the period of time selected by the Committee during which performance is measured for the purpose of determining the extent to which a Performance Award has been earned or vested.

"Performance Goals" means the objectives established by the Committee for a Performance Cycle pursuant to Section 5(c) for the purpose of determining the extent to which a Performance Award has been earned or vested.

"Performance Share" means a Performance Award that is a contractual right to receive a share of Stock (or the cash equivalent thereof) granted pursuant to Section 5 of the Plan.

"Performance Unit" means a Performance Award that is a dollar denominated unit (or a unit denominated in the Participant's local currency) granted pursuant to Section 5 of the Plan.

"Permitted Transferees" has the meaning given it in Section 15(b).

"Plan" has the meaning given it in the preamble to this Agreement.

"Preexisting Plan" means the Aircell Holdings Inc. Stock Option Plan and the Gogo Inc. 2013 Omnibus Incentive Plan.

"Preexisting Plan Award" means an award of stock options previously granted to a Participant pursuant to the Aircell Holdings Inc. Stock Option Plan or an Award (as defined in the Gogo Inc. 2013 Omnibus Incentive Plan) granted to a Participant under the Gogo Inc. 2013 Omnibus Incentive Plan.

"Restriction Period" means the period of time selected by the Committee during which a grant of Restricted Stock, Restricted Stock Units or Deferred Share Units, as the case may be, is subject to forfeiture and/or restrictions on transfer pursuant to the terms of the Plan.

"Restricted Stock" means shares of Stock contingently granted to a Participant under Section 6 of the Plan.

"Restricted Stock Unit" means a stock denominated unit contingently awarded under Section 6 of the Plan.

"Section 409A of the Code" means Section 409A of the Code and the applicable rules, regulations and guidance promulgated thereunder.

"Service" means, with respect to Employees and Consultants, continued employment with the Company and its Subsidiaries and Affiliates or, with respect to Eligible Directors, service on the Board of Directors.

"Service Award" means an Award that vests solely based on the passage of time or continued Service over a fixed period of time.

"Specified Award" means an Award of non-qualified deferred compensation within the meaning of and that is subject to Section 409A of the Code, and which may include other Awards granted pursuant to the Plan (including, but not limited to, Restricted Stock Units and Deferred Awards) that do not otherwise qualify for an exemption from Section 409A of the Code.

"Stock" means the common stock of the Company, par value $0.01 per share.

"Stock Appreciation Right" or "SAR" means the right to receive a payment from the Company in cash and/or shares of Stock equal to the product of (i) the excess, if any, of the Fair Market Value of one share of Stock on the exercise date over a specified price fixed by the Committee on the grant date, multiplied by (ii) a stated number of shares of Stock.

"Stock-Based Awards" has the meaning given in Section 10(a).

"Subplan" has the meaning given in Section 3(f).

"Subsidiary" means any business entity in which the Company owns, directly or indirectly, fifty percent (50%) or more of the total combined voting power of all classes of stock entitled to vote, and any other business organization, regardless of form, in which the Company possesses, directly or indirectly, 50% or more of the total combined equity interests in such organization.

"Ten Percent Holder" has the meaning given in Section 7(b).

"Termination of Service" means with respect to an Eligible Director, the date upon which such Eligible Director ceases to be a member of the Board, with respect to an Employee, the date the Participant ceases to be an Employee and, with respect to a Consultant, the date the Consultant ceases to provide services to the Company or any Employer, in each case as determined by the Committee; provided, that, with respect to any Specified Award, Termination of Service shall mean "separation from service", as defined in Section 409A of the Code and the rules, regulations and guidance promulgated thereunder.

"Voting Power" when used in the definition of Change in Control shall mean such specified number of the Voting Securities as shall enable the holders thereof to cast such percentage of all the votes which could be cast in an annual election of directors and "Voting Securities" shall mean all securities of a company entitling the holders thereof to vote in an annual election of directors.

(b) Gender and Number. Except when otherwise indicated by the context, words in the masculine gender used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

SECTION 3. POWERS OF THE COMMITTEE

(a) Eligibility. Participants in the Plan shall consist of such Employees (including any officer of the Company), Consultants and Eligible Directors as the Committee in its sole discretion may select from time to time.

(b) Power to Grant and Establish Terms of Awards. The Committee shall have the discretionary authority, subject to the terms of the Plan, to determine the Participants, if any, to whom Awards shall be granted, the type or types of Awards to be granted, and the terms and conditions of any and all Awards including, without limitation, the number of shares of Stock subject to an Award, the time or times at which Awards shall be granted, and the terms and conditions of the Awards and the applicable Award Agreements. The Committee may establish different terms and conditions for different types of Awards, for different Participants receiving the same type of Award, and for the same Participant for each type of Award such Participant may receive, whether or not granted at the same or different times.

(c) Administration. The Plan shall be administered by the Committee. The Committee shall have sole and complete authority and discretion to adopt, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time deem advisable, and to interpret the terms and provisions of the Plan. The Committee's decisions (including any failure to make

decisions) shall be binding upon all persons, including but not limited to the Company, shareholders, Employers and each Employee, Director, Consultant, Participant, Designated Beneficiary and such person's heirs, successors or assigns, and shall be given deference in any proceeding with respect thereto.

(d) Delegation by the Committee. The Committee may delegate to the chief executive officer of the Company the power and authority to make Awards to Participants who are not Executive Officers or Covered Employees, pursuant to such conditions and limitations as the Committee may establish. The Committee may also appoint agents (who may be officers or employees of the Company) to assist in the administration of the Plan and may grant authority to such persons to execute agreements, including Award Agreements, or other documents on its behalf. All expenses incurred in the administration of the Plan, including, without limitation, for the engagement of any counsel, consultant or agent, shall be paid by the Company.

(e) Restrictive Covenants and Other Conditions. Without limiting the generality of the foregoing, the Committee may condition the grant of any Award under the Plan upon the Participant to whom such Award would be granted agreeing in writing to certain conditions (such as restrictions on the ability to transfer the underlying shares of Stock) or covenants in favor of the Company and/or one or more Affiliates thereof (including, without limitation, covenants not to compete, not to solicit employees and customers and not to disclose confidential information, that may have effect following the Termination of Service and after the Stock subject to the Award has been transferred to the Participant), including, without limitation, the requirement that the Participant disgorge any profit, gain or other benefit received in respect of the Award prior to any breach of any such covenant.

(f) Participants Based Outside the United States. To conform with the provisions of local laws and regulations, or with local compensation practices and policies, in foreign countries in which the Company or any of its Subsidiaries or Affiliates operate, but subject to the limitations set forth herein regarding the maximum number of shares issuable hereunder and the maximum award to any single Participant, the Committee may (i) modify the terms and conditions of Awards granted to Participants employed outside the United States ("Non-US Awards"), (ii) establish subplans with modified exercise procedures and such other modifications as may be necessary or advisable under the circumstances ("Subplans"), (iii) take any action which it deems advisable to obtain, comply with or otherwise reflect any necessary governmental regulatory procedures, exemptions or approvals with respect to the Plan, and (iv) require UK Participants to enter into a joint election under s431 ITEPA 2003. The Committee's decision to grant Non-US Awards or to establish Subplans is entirely voluntary, and at the complete discretion of the Committee. The Committee may amend, modify or terminate any Subplans at any time, and such amendment, modification or termination may be made without prior notice to the Participants. The Company, Subsidiaries,

Affiliates and members of the Committee shall not incur any liability of any kind to any Participant as a result of any change, amendment or termination of any Subplan at any time. The benefits and rights provided under any Subplan or by any Non-US Award (i) are wholly discretionary and, although provided by either the Company, a Subsidiary or Affiliate, do not constitute regular or periodic payments and (ii) are not to be considered part of the Participant's salary or compensation under the Participant's employment with the Participant's local employer for purposes of calculating any severance, resignation, redundancy or other end of service payments, vacation, bonuses, long-term service awards, indemnification, pension or retirement benefits, or any other payments, benefits or rights of any kind. If a Subplan is terminated, the Committee may direct the payment of Non-US Awards (or direct the deferral of payments whose amount shall be determined) prior to the dates on which payments would otherwise have been made, and, in the Committee's discretion, such payments may be made in a lump sum or in installments.

SECTION 4. MAXIMUM AMOUNT AVAILABLE FOR AWARDS

(a) Number. Subject in all cases to the provisions of this Section 4, the maximum number of shares of Stock that are available for Awards granted under the Plan shall be 8,050,000 shares of Stock. Notwithstanding the provisions of Section 4(b), the maximum number of shares of Stock that may be issued in respect of Incentive Stock Options shall not exceed 8,050,000 shares of Stock. Any shares of Stock granted in connection with Awards other than Options and Stock Appreciation Rights shall be counted against this limit as 1.45 shares of Stock for every one (1) share of Stock granted in connection with such Award. Shares of Stock may be made available from Stock held in treasury or authorized but unissued shares of the Company not reserved for any other purpose.

(b) Canceled, Terminated, or Forfeited Awards, etc. In addition to the number of Shares provided for in Section 4(a), any shares of Stock subject to an Award or a Preexisting Plan Award which for any reason expires without having been exercised, is canceled or terminated or otherwise is settled without the issuance of any Stock shall be available for grant under the Plan (and any such shares of Stock subject to a Preexisting Plan Award shall no longer be available for grant under a Preexisting Plan); provided, however, that (i) vested shares of Stock that are repurchased after being issued from the Plan (or Preexisting Plan), (ii) shares of Stock otherwise issuable or issued in respect of, or as part of, any Award (or Preexisting Plan Award) that are withheld to cover applicable taxes and (iii) shares of Stock that are tendered to exercise outstanding Options or other Awards (or Preexisting Plan Awards) or to cover applicable taxes shall not be available for future issuance under the Plan. If a Stock Appreciation Right is granted in tandem with an Option so that only one may be exercised with the other being surrendered in such exercise in accordance with Section 8(b), the number of shares subject to the tandem Option and Stock Appreciation Right shall only be taken into

account once (and not as to both Awards). Shares of Stock subject to Awards that are assumed, converted or substituted pursuant to an Adjustment Event will not further reduce the maximum limitation set forth in Section 4(a).

(c) Individual Award Limitations. Subject to Sections 4(b) and 4(f), the following individual Award limits shall apply for those Awards intended to qualify as performance-based compensation under Section 162(m) of the Code:

(i) No Participant may receive the right to more than 1,250,000 share-denominated Performance Awards under the Plan in any one year.

(ii) No Participant may receive the right to Performance Units or other cash based Performance Award under the Plan in any one year with a value of more than $5,000,000 (or the equivalent of such amount denominated in the Participant's local currency).

(iii) No Participant may receive Options, Stock Appreciation Rights or any other Award based solely on the increase in value of Stock on more than 2,500,000 shares of Stock under the Plan in any one year.

(d) Eligible Director Award Limitations. Subject to Sections 4(b) and 4(f), the maximum aggregate grant date fair value of Awards granted to an Eligible Director as compensation for services as an Eligible Director in any one year may not exceed $300,000. This limitation does not apply to Awards granted at the election of the Eligible Director in lieu of all or a portion of annual and committee cash retainers.

(e) Minimum Vesting Requirements. Except for any accelerated vesting permitted under Section 13 or upon the death or Disability of a Participant, and subject to such additional vesting requirements or conditions as the Committee may establish with respect to an Award, each Option, Stock Appreciation Right or any other Award based solely on the increase in value of Stock will vest over a minimum period of one year from the date of grant. Notwithstanding the preceding sentence, the minimum vesting requirements shall not apply to Awards involving an aggregate number of shares not in excess of 5% of the shares of Stock available for grants under Section 4(a) of this Plan as of the Effective Date.

(f) Adjustment in Capitalization. The number and kind of shares of Stock available for issuance under the Plan and the number, class, exercise price, Performance Goals or other terms of any outstanding Award shall be adjusted by the Board to reflect any extraordinary dividend or distribution, stock dividend, stock split or share combination or any reorganization, recapitalization, business combination, merger, consolidation, spin-off, exchange of shares, liquidation or dissolution of the Company or other similar transaction or event affecting the Stock (any such transaction or event, an "Adjustment Event") in such manner as it determines in its sole discretion.

(g) Prohibition Against Repricing. Except to the extent (i) approved in advance by holders of a majority of the shares of the Company entitled to vote generally in the election of directors or (ii) as a result of any Adjustment Event, the Committee shall not have the power or authority to reduce, whether through amendment or otherwise, the exercise price of any outstanding Option or base price of any outstanding Stock Appreciation Right or to grant any new Award, or make any cash payment, in substitution for or upon the cancellation of Options or Stock Appreciation Rights previously granted.

SECTION 5. PERFORMANCE AWARDS

(a) Generally. The Committee shall have the authority to determine the Participants who shall receive Performance Awards, the number and type of Performance Awards and the number of shares of Stock and/or value of Performance Units or other cash-based Performance Award each Participant receives for each or any Performance Cycle, and the Performance Goals applicable in respect of such Performance Awards. Any adjustments to such Performance Goals shall be approved by the Committee. The Committee shall determine the duration of each Performance Cycle (the duration of Performance Cycles may differ from each other), and there may be more than one Performance Cycle in existence at any one time. Performance Awards shall be evidenced by an Award Agreement that shall specify the kind of Award, the number of shares of Stock and/or value of Awards awarded to the Participant, the Performance Goals applicable thereto, and such other terms and conditions not inconsistent with the Plan as the Committee shall determine. No shares of Stock will be issued at the time an Award of Performance Shares is made, and the Company shall not be required to set aside a fund for the payment of Performance Shares, Performance Units or other Performance Awards.

(b) Earned Performance Awards. Performance Awards shall become earned, in whole or in part, based upon the attainment of specified Performance Goals or the occurrence of any event or events, including a Change in Control, as the Committee shall determine, either before, at or after the grant date. In addition to the achievement of the specified Performance Goals, the Committee may, at the grant date, condition payment of Performance Awards on such conditions as the Committee shall specify. The Committee may also require the completion of a minimum period of service (in addition to the achievement of any applicable Performance Goals) as a condition to the vesting of any Performance Award.

(c) Performance Goals. At the discretion of the Committee, Performance Goals may be based upon the relative or comparative attainment of one or more of the

following criteria, whether in absolute terms or relative to the performance of one or more similarly situated companies or a published index covering multiple companies, and whether gross or net, before or after taxes, and/or before or after other adjustments, as determined by the Committee for the Performance Cycle: enterprise value, total return to the Company's shareholders (inclusive of dividends paid), operating earnings, net earnings, revenues, sales, basic or diluted earnings per share, earnings before interest and taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and/or amortization, earnings before interest and taxes or earnings before interest, taxes, depreciation and/or amortization minus capital expenditures, increase in the Company's earnings or basic or diluted earnings per share, revenue growth, share price performance, return on invested capital, assets, equity or sales, operating income, income, net income, economic value added, profit margins, cash flow, cash flow on investment, free cash flow, improvement in or attainment of expense levels, capital expenditure levels and/or working capital levels, budget and expense management, debt reduction, gross profit, market share, cost reductions, workplace health and/or safety goals, workforce satisfaction goals, sales goals, diversity goals, employee retention, completion of key projects, planes under contract or memoranda of understanding, strategic plan development and implementation and/or achievement of synergy targets, and, in the case of persons who are not Executive Officers, such other criteria as may be determined by the Committee. Performance Goals may be established on a Company-wide basis or with respect to one or more business units, divisions, Subsidiaries, or products; and in either absolute terms or relative to the performance of one or more comparable companies or an index covering multiple companies. When establishing Performance Goals for a Performance Cycle, the Committee may exclude any or all "unusual or infrequently occurring" as determined under U.S. generally accepted accounting principles and as identified in the financial statements, notes to the financial statements or management's discussion and analysis in the annual report, including, without limitation, the charges or costs associated with restructurings of the Company or any Employer, discontinued operations, unusual or infrequently occurring items, capital gains and losses, dividends, share repurchase, other unusual, infrequently occurring or non-recurring items, and the cumulative effects of accounting changes. Except in the case of Awards to Executive Officers intended to be "other performance-based compensation" under Section 162(m)(4) of the Code, the Committee may also adjust the Performance Goals for any Performance Cycle as it deems equitable in recognition of unusual or non-recurring events affecting the Company, changes in applicable tax laws or accounting principles, or such other factors as the Committee may determine (including, without limitation, any adjustments that would result in the Company paying non-deductible compensation to a Participant).

(d) Special Rule for Performance Goals. If, at the time of grant, the Committee intends a Performance Award to qualify as "other performance based compensation" within the meaning of Section 162(m)(4) of the Code, the Committee must establish Performance Goals for the applicable Performance Cycle no later than the

90th day after the Performance Cycle begins (or by such other date as may be required under Section 162(m) of the Code) and in no event later than the date on which 25% of the performance period has lapsed.

(e) Negative Discretion. Notwithstanding anything in this Section 5 to the contrary, the Committee shall have the right, in its absolute discretion, (i) to reduce or eliminate the amount otherwise payable to any Participant under Section 5(h) based on individual performance or any other factors that the Committee, in its discretion, shall deem appropriate and (ii) to establish rules or procedures that have the effect of limiting the amount payable to each Participant to an amount that is less than the maximum amount otherwise authorized.

(f) Affirmative Discretion. Notwithstanding any other provision in the Plan to the contrary, (including, without limitation, the maximum amounts payable under Section 4(c)), but subject to the maximum number of shares available for issuance under Section 4(a) of the Plan, (i) the Committee shall have the right, in its discretion, to grant a bonus in cash, in shares of Stock or in any combination thereof, to any Participant (except for those Awards intended to qualify as performance-based compensation under Section 162(m) of the Code granted to a Participant who is a Covered Employee), based on individual performance or any other criteria that the Committee deems appropriate and (ii) in connection with the hiring of any person who is or becomes a Covered Employee, the Committee may provide for a minimum bonus amount or Award payment in any Performance Cycle, regardless of whether performance objectives are attained.

(g) Certification of Attainment of Performance Goals. As soon as practicable after the end of a Performance Cycle and prior to any payment or vesting in respect of such Performance Cycle, the Committee shall certify in writing the number of Performance Shares or other Performance Awards and the number and value of Performance Units which have been earned or vested on the basis of performance in relation to the established Performance Goals.

(h) Payment of Awards. Payment or delivery of Stock with respect to earned Performance Awards shall be distributed to the Participant or, if the Participant has died, to the Participant's Designated Beneficiary, as soon as practicable after the expiration of the Performance Cycle and the Committee's certification under paragraph 5(g) above, provided that payment or delivery of Stock with respect to earned Performance Awards shall not be distributed to a Participant until any other conditions on payment of such Awards established by the Committee have been satisfied. The Committee shall determine whether earned Performance Awards are distributed in the form of cash, shares of Stock or in a combination thereof, with the value or number of shares payable to be determined based on the Fair Market Value of the Stock on the date of the Committee's certification under paragraph 5(g) above. The Committee shall have the right to impose whatever conditions it deems appropriate with respect to the award or delivery of shares of Stock, including conditioning the vesting of such shares on the performance of additional service.

(i) Newly Eligible Participants. Notwithstanding anything in this Section 5 to the contrary, the Committee shall be entitled to make such rules, determinations and adjustments as it deems appropriate with respect to any Participant who becomes eligible to receive Performance Awards after the commencement of a Performance Cycle.

SECTION 6. RESTRICTED STOCK AND RESTRICTED STOCK UNITS

(a) Grant. Restricted Stock and Restricted Stock Units may be granted to Participants at such time or times as shall be determined by the Committee. The grant date of any Restricted Stock or Restricted Stock Units under the Plan will be the date on which such Restricted Stock or Restricted Stock Units are awarded by the Committee, or on such other date as the Committee shall determine. Restricted Stock and Restricted Stock Units shall be evidenced by an Award Agreement that shall specify (i) the number of shares of Restricted Stock and the number of Restricted Stock Units to be granted to each Participant, (ii) the Restriction Period(s) and (iii) such other terms and conditions, including rights to dividends or Dividend Equivalents, not inconsistent with the Plan as the Committee shall determine, including customary representations, warranties and covenants with respect to securities law matters. Grants of Restricted Stock shall be evidenced by issuance of certificates representing the shares registered in the name of the Participant or a bookkeeping entry in the Company's records (or by such other reasonable method as the Company shall determine from time to time). No shares of Stock will be issued at the time an Award of Restricted Stock Units is made and the Company shall not be required to set aside a fund for the payment of any such Awards.

(b) Vesting. Restricted Stock and Restricted Stock Units granted to Participants under the Plan shall be subject to a Restriction Period. Except as otherwise determined by the Committee at or after grant, and subject to the Participant's continued employment with the Company on such date, the Restriction Period shall lapse in accordance with the schedule provided in the Participant's Award Agreement. In its discretion, the Committee may also establish performance-based vesting conditions with respect to Awards of Restricted Stock and Restricted Stock Units (in lieu of, or in addition to, time-based vesting) based on one or more of the Performance Goals listed in Section 5(c); provided that any Award of Restricted Stock or Restricted Stock Units made to any Executive Officer that is intended to qualify as "other performance based compensation" under Section 162(m) of the Code shall be subject to the same restrictions and limitations applicable to Performance Awards under Sections 5(d) and 5(g), during a Performance Cycle selected by the Committee.

(c) Settlement of Restricted Stock and Restricted Stock Units. At the expiration of the Restriction Period for any Restricted Stock Awards, the Company shall

remove the restrictions applicable to share certificates or the bookkeeping entry evidencing the Restricted Stock Awards, and shall, upon request, deliver the stock certificates evidencing such Restricted Stock Awards to the Participant or the Participant's legal representative (or otherwise evidence the issuance of such shares free of any restrictions imposed under the Plan). At the expiration of the Restriction Period for any Restricted Stock Units, for each such Restricted Stock Unit, the Participant shall receive, in the Committee's discretion, (i) a cash payment equal to the Fair Market Value of one share of Stock as of such payment date, (ii) one share of Stock or (iii) any combination of cash and shares of Stock.

(d) Restrictions on Transfer. Except as provided herein or in an Award Agreement, shares of Restricted Stock and Restricted Stock Units may not be sold, assigned, transferred, pledged, hedged or otherwise encumbered during the Restriction Period. Any such attempt by the Participant to sell, assign, transfer, pledge, hedge or encumber shares of Restricted Stock and Restricted Stock Units without complying with the provisions of the Plan shall be void and of no effect.

SECTION 7. STOCK OPTIONS

(a) Grant. The Committee may, in its discretion, grant Options to purchase shares of Stock to such eligible persons as may be selected by the Committee. Each Option, or portion thereof, that is not an Incentive Stock Option shall be a Non-Statutory Stock Option. An Incentive Stock Option may not be granted to any person who is not an employee of the Company or any parent or subsidiary (as defined in Section 424 of the Code). Each Incentive Stock Option shall be granted within ten years of the date this Plan is adopted by the Board. The aggregate Fair Market Value of the shares of Stock with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year shall not exceed $100,000 or such higher limit as may be permitted under Section 422 of the Code. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of shares of Stock with respect to which Options designated as Incentive Stock Options are exercisable for the first time by a participant during any calendar year (under this Plan or any other plan of the Company or any parent or subsidiary as defined in Section 424 of the Code) exceeds $100,000 or such higher limit established by the Code, such Options shall constitute Non-Statutory Stock Options. Each Option shall be evidenced by an Award Agreement that shall specify the number of shares of Stock subject to such Option, the exercise price associated with the Option, the time and conditions of exercise of the Option and all other terms and conditions of the Option.

(b) Number of Shares and Purchase Price. The number of shares of Stock subject to an Option and the purchase price per share of Stock purchasable upon exercise of the Option shall be determined by the Committee; provided, however, that the purchase price per share of Stock purchasable upon exercise of an Option shall not be

less than 100% of the Fair Market Value of a share of Stock on the date of grant of such Option; provided further, that if an Incentive Stock Option shall be granted to any person who, at the time such Option is granted, owns capital stock possessing more than ten percent of the total combined voting power of all classes of capital stock of the Company (or of any parent or subsidiary as defined in Section 424 of the Code) (a "Ten Percent Holder"), the purchase price per share of Stock shall be the price (currently 110% of Fair Market Value) required by the Code in order to constitute an Incentive Stock Option.

(c) Exercise Period and Exercisability. The period during which an Option may be exercised shall be determined by the Committee; provided, however, that no Option shall be exercised later than ten years after its date of grant; and provided further, that if an Incentive Stock Option shall be granted to a Ten Percent Holder, such Option shall not be exercised later than five years after its date of grant. The Committee shall determine whether a Stock Option shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. The Committee may require that an exercisable Option, or portion thereof, be exercised only with respect to whole shares of Stock.

(d) Method of Exercise. An Option may be exercised (i) by giving written notice to the Company specifying the number of shares of Stock to be purchased and by accompanying such notice with a payment therefor in full (or by arranging for such payment to the Company's satisfaction) and (ii) by executing such documents as the Company may reasonably request. If the Company's Stock is not listed on an established stock exchange or national market system at the time an Option is exercised, then the optionholder shall pay the exercise price of such Option in cash. If the Company's Stock is listed on an established stock exchange or national market system at the time an option is exercised, then the optionholder may pay the exercise price of such Option either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of shares of Stock having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole shares of Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, provided that the Committee determines that such withholding of shares does not cause the Company to recognize an increased compensation expense under applicable accounting principles, (D) in cash by a broker-dealer acceptable to the Company to whom the optionee has submitted an irrevocable notice of exercise or (E) a combination of (A), (B), (C) and (D), in each case to the extent set forth in the Award Agreement relating to the Option. The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (B) through (E). Any fraction of a share of Stock which would be required to pay such purchase price shall be disregarded and the remaining amount due shall be paid in cash by the optionee. No certificate representing Stock shall be delivered until the full purchase price therefor and any withholding taxes (as determined, pursuant to Section 15(a)), have been paid (or arrangement made for such payment to the Company's satisfaction).

SECTION 8. STOCK APPRECIATION RIGHTS

(a) Grant. Stock Appreciation Rights may be granted to Participants at such time or times as shall be determined by the Committee. Stock Appreciation Rights may be granted in tandem with Options which, unless otherwise determined by the Committee at or after the grant date, shall have substantially similar terms and conditions to such Options to the extent applicable, or may be granted on a freestanding basis, not related to any Option ("Freestanding SARs"). The grant date of any Stock Appreciation Right under the Plan will be the date on which the Stock Appreciation Right is awarded by the Committee or such other future date as the Committee shall determine in its sole discretion. No Stock Appreciation Right shall be exercisable on or after the tenth anniversary of its grant date. Stock Appreciation Rights shall be evidenced by an Award Agreement, whether as part of the Award Agreement governing the terms of the Options, if any, to which such Stock Appreciation Right relates or pursuant to a separate Award Agreement with respect to Freestanding SARs, in each case containing such provisions not inconsistent with the Plan as the Committee shall determine, including customary representations, warranties and covenants with respect to securities law matters.

(b) Exercise Period and Exercisability. The period during which a Stock Appreciation Right may be exercised shall be determined by the Committee; provided, however, that no Stock Appreciation Right shall be exercised later than ten years after its date of grant. The Committee shall determine whether a Stock Appreciation Right shall become exercisable in cumulative or non-cumulative installments and in part or in full at any time. Stock Appreciation Rights granted in tandem with an Option shall become exercisable on the same date or dates as the Options with which such Stock Appreciation Rights are associated become exercisable. Stock Appreciation Rights that are granted in tandem with an Option may only be exercised upon the surrender of the right to exercise such Option for an equivalent number of shares of Stock, and may be exercised only with respect to the shares of Stock for which the related Option is then exercisable.

(c) Settlement. Subject to Section 13, upon exercise of a Stock Appreciation Right, the Participant shall be entitled to receive payment in the form, determined by the Committee, of cash or shares of Stock having a Fair Market Value equal to such cash amount, or a combination of shares of Stock and cash having an aggregate value equal to such amount, determined by multiplying:

(i) any increase in the Fair Market Value of one share of Stock on the exercise date over the price fixed by the Committee on the grant date of such Stock Appreciation Right, which may not be less than the Fair Market Value of a share of Stock on the grant date of such Stock Appreciation Right, by

(ii) the number of shares of Stock with respect to which the Stock Appreciation Right is exercised;

provided, however, that on the grant date, the Committee may establish, in its sole discretion, a maximum amount per share which will be payable upon exercise of a Stock Appreciation Right.

SECTION 9. DEFERRED SHARE UNITS

(a) Grant. Freestanding Deferred Share Units may be granted to Participants at such time or times as shall be determined by the Committee without regard to any election by the Participant to defer receipt of any compensation or bonus amount payable to him. The grant date of any freestanding Deferred Share Unit under the Plan will be the date on which such freestanding Deferred Share Unit is awarded by the Committee or on such other future date as the Committee shall determine in its sole discretion. In addition, on fixed dates established by the Committee and subject to such terms and conditions as the Committee shall determine, the Committee may permit a Participant to elect to defer receipt of all or a portion of his annual compensation and/or annual incentive bonus ("Deferred Annual Amount") payable by the Company or a Subsidiary and any other Award ("Deferred Award") and receive in lieu thereof an Award of elective Deferred Share Units ("Elective Deferred Share Units") equal to, in the case of a Deferred Annual Amount, the greatest whole number which may be obtained by dividing (i) the amount of the Deferred Annual Amount, by (ii) the Fair Market Value of one share of Stock on the date of payment of such compensation and/or annual bonus or, in the case of a Deferred Award under the Plan, the number of shares of Stock subject to the Deferred Award. Each Award of Deferred Share Units shall be evidenced by an Award Agreement that shall specify (x) the number of shares of Stock to which the Deferred Share Units pertain, (y) the time and form of payment of the Deferred Share Units and (z) such terms and conditions not inconsistent with the Plan as the Committee shall determine, including customary representations, warranties and covenants with respect to securities law matters and such provisions as may be required pursuant to Section 409A of the Code. Upon the grant of Deferred Share Units pursuant to the Plan, the Company shall establish a notional account for the Participant and will record in such account the number of Deferred Share Units awarded to the Participant. No shares of Stock will be issued to the Participant at the time an award of Deferred Share Units is granted. Deferred Share Units may become payable on a Change in Control, Termination of Service or on a specified date or dates set forth in the Award Agreement evidencing such Deferred Share Units.

(b) Rights as a Stockholder. The Committee shall determine whether and to what extent Dividend Equivalents will be credited to the account of, or paid currently to, a Participant receiving an Award of Deferred Share Units. Unless otherwise provided by the Committee at or after the grant date, (i) any cash dividends or distributions credited to the Participant's account shall be deemed to have been invested in additional Deferred

Share Units on the record date established for the related dividend or distribution in an amount equal to the greatest whole number which may be obtained by dividing (A) the value of such dividend or distribution on the record date by (B) the Fair Market Value of one share of Stock on such date, and such additional Deferred Share Unit shall be subject to the same terms and conditions as are applicable in respect of the Deferred Share Unit with respect to which such dividends or distributions were payable, and (ii) if any such dividends or distributions are paid in shares of Stock or other securities, such shares and other securities shall be subject to the same vesting, performance and other restrictions as apply to the Deferred Share Unit with respect to which they were paid. A Participant shall not have any rights as a stockholder in respect of Deferred Share Units awarded pursuant to the Plan (including, without limitation, the right to vote on any matter submitted to the Company's stockholders) until such time as the shares of Stock attributable to such Deferred Share Units have been issued to such Participant or his beneficiary.

(c) Vesting. Unless the Committee provides otherwise at or after the grant date, the portion of each Award of Deferred Share Units that consists of freestanding Deferred Share Units, together with any Dividend Equivalents credited with respect thereto, will be subject to a Restriction Period. Except as otherwise determined by the Committee at the time of grant, and subject to the Participant's continued Service with his or her Employer on such date, the Restriction Period with respect to Deferred Share Units shall lapse as provided in the Participant's Award Agreement. In its discretion, the Committee may establish performance-based vesting conditions with respect to Awards of Deferred Share Units (in lieu of, or in addition to, time-based vesting) based on one more of the Performance Goals listed in Section 5(c) or other performance goal; provided that any Award of Deferred Share Units made to any Covered Employee that is intended to qualify as performance-based compensation under Section 162(m) of the Code shall be subject to the same restrictions and limitations applicable to Awards of Performance Shares and Performance Units under Sections 5(d) and 5(g), during a Performance Cycle selected by the Committee. The portion of each Award of Deferred Share Units that consists of Elective Deferred Share Units, together with any Dividend Equivalents credited with respect thereto, need not be subject to any Restriction Period and may be non-forfeitable.

(d) Further Deferral Elections. A Participant may elect to further defer receipt of shares of Stock issuable in respect of Deferred Share Units or other Award (or an installment of an Award) for a specified period or until a specified event, subject in each case to the Committee's approval and to such terms as are determined by the Committee, all in its sole discretion. Subject to any exceptions adopted by the Committee, such election must generally be made at least 12 months before the prior settlement date of such Deferred Share Units (or any such installment thereof) whether pursuant to this Section 9 or Section 13 and must defer settlement for at least five years. A further deferral opportunity is not required to be made available to all Participants, and different terms and conditions may apply with respect to the further deferral opportunities made available to different Participants.

(e) Settlement. Subject to this Section 9 and Section 13, upon the date specified in the Award Agreement evidencing the Deferred Share Units for each such Deferred Share Unit the Participant shall receive, in the Committee's discretion, (i) a cash payment equal to the Fair Market Value of one share of Stock as of such payment date, (ii) one share of Stock or (iii) any combination of cash and shares of Stock.

SECTION 10. OTHER STOCK-BASED AWARDS

(a) Generally. The Committee is authorized to make Awards of other types of equity-based or equity-related awards ("Stock-Based Awards") not otherwise described by the terms of the Plan in such amounts and subject to such terms and conditions as the Committee shall determine. All Stock-Based Awards shall be evidenced by an Award Agreement. Such Stock-Based Awards may be granted as an inducement to enter the employ of the Company or any Subsidiary or in satisfaction of any obligation of the Company or any Subsidiary to an officer or other key employee, whether pursuant to this Plan or otherwise, that would otherwise have been payable in cash or in respect of any other obligation of the Company. Such Stock-Based Awards may entail the transfer of actual share of Stock, or payment in cash or otherwise of amounts based on the value of share of Stock and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States. The terms of any other Stock-Based Award need not be uniform in application to all (or any class of) Participants, and each other Stock-Based award granted to any Participant (whether or not at the same time) may have different terms.

SECTION 11. DIVIDEND EQUIVALENTS

(a) Generally. Dividend Equivalents may be granted to Participants at such time or times as shall be determined by the Committee. Dividend Equivalents may be granted in tandem with other Awards, in addition to other Awards, or freestanding and unrelated to other Awards. The grant date of any Dividend Equivalents under the Plan will be the date on which the Dividend Equivalent is awarded by the Committee, or such other date as the Committee shall determine in its sole discretion. Dividend Equivalents shall be evidenced in writing, whether as part of the Award Agreement governing the terms of the Award, if any, to which such Dividend Equivalent relates, or pursuant to a separate Award Agreement with respect to freestanding Dividend Equivalents, in each case, containing such provisions not inconsistent with the Plan as the Committee shall determine, including customary representations, warranties and covenants with respect to securities law matters.

SECTION 12. TERMINATION OF EMPLOYMENT OR SERVICE.

(a) Subject to the requirements of the Code, all of the terms relating to the exercise, cancellation or other disposition of an Award upon a termination of employment with or service to the Company of the Participant, whether due to disability, death or under any other circumstances, shall be determined by the Committee.

(b) Termination in Connection with a Change in Control. Notwithstanding anything to the contrary in this Section 12, Section 13 shall determine the treatment of Awards upon a Change in Control.

SECTION 13. CHANGE IN CONTROL

(a) Change in Control. Unless otherwise determined by the Committee, as otherwise provided in an Award Agreement, or as provided in Section 13(b) or 13(d), in the event of a Change in Control,

(i) no cancellation, termination, acceleration of exercisability or vesting, lapse of any Restriction Period or settlement or other payment shall occur with respect to any such outstanding Awards, provided that such outstanding Awards shall be honored or assumed, or new rights substituted therefore (such honored, assumed or substituted Award, an "Alternative Award") by the New Employer, provided that any Alternative Award must:

(A) be based on shares of Stock that are traded on an established U.S. securities market or such other equity securities as are received by the holders of Stock in the Change in Control transaction;

(B) provide the Participant (or each Participant in a class of Participants) with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule and identical or better timing and methods of payment;

(C) have substantially equivalent economic value to such Award (determined at the time of the Change in Control), it being understood that the economic value of any Option or SAR need not reflect any value other than the spread value of the Award at such time;

(D) not cause the Award to become subject to any additional taxes, interest or penalties imposed by Section 409A of the Code; and

(E) have terms and conditions which provide that in the event that the Participant's employment is terminated without Cause or the Participant resigns for Good Reason within 24 months after the occurrence of a Change in Control:

(I) all outstanding Awards other than Performance Awards held by a terminated Participant shall become vested and exercisable and the Restriction Period on all such outstanding Service Awards shall lapse; and

(II) each outstanding Performance Award held by a terminated Participant with a Performance Cycle in progress at the time of both the Change in Control and the Termination of Service, shall be deemed to be earned and become vested and/or paid out in an amount equal to the product of (x) such Participant's target award opportunity with respect to such Award for the Performance Cycle in question and (y) the greater of the percentage of Performance Goals (which Performance Goals shall be pro-rated, if necessary or appropriate, to reflect the portion of the Performance Cycle that has been completed) achieved as of the date of the Change in Control and as of the last day of the fiscal quarter ended on or immediately prior to the date of Termination of Service. The portion of any Performance Award that does not vest in accordance with the preceding sentence shall immediately be forfeited and canceled without any payment therefor.

(III) Payments. To the extent permitted under Section 15(l), all amounts payable hereunder shall be payable in full, as soon as reasonably practicable, but in no event later than 10 business days, following termination.

(ii) subject to Section 13(b), if no Alternative Awards are available or in the event of a Change in Control in which all of the Stock is exchanged for or converted into cash or the right to receive cash, then immediately prior to the consummation of the transaction constituting the Change in Control, (A) all unvested Awards (other than Performance Awards) shall vest and the Restriction Period on all such outstanding Awards shall lapse; (B) each outstanding Performance Award with a Performance Cycle in progress at the time of the Change in Control shall be deemed to be earned and become vested and/or paid out in an amount equal to the product of (x) such Participant's target award opportunity with respect to such Award for the Performance Cycle in question and (y) the percentage of Performance Goals achieved as of the date of the Change in Control (which Performance Goals shall be pro-rated, if necessary or appropriate, to reflect the portion of the Performance Cycle that has been completed), and all other Performance Awards shall lapse and be canceled and forfeited upon consummation of the Change in Control; and (C) shares of Stock

underlying all Restricted Stock, Restricted Stock Units, Performance Awards, Deferred Share Units and other Stock-Based Awards that are vested or for which the Restriction Period has lapsed (as provided in this Section 13(a) or otherwise) shall be issued or released to the Participant holding such Award.

(iii) subject to Section 13(b), in the event of a Change in Control pursuant to which shares of Stock are exchanged for a combination of (i) the securities of another corporation or other entity and (ii) cash or property other than the securities of another corporation or other entity, then the Committee, as constituted prior to the Change in Control, may determine in its sole discretion that some or all of the Awards shall be assumed or substituted in accordance with Section 13(a)(i), and any remaining portion of the Award shall be surrendered and cancelled in exchange for a cash payment in accordance with Section 13(a)(ii).

(b) Section 409A. Notwithstanding anything in Section 13(b), if with respect to any Specified Award an Alternative Award would be deemed a non-compliant material modification (as defined in Section 409A of the Code) of such Award or would otherwise violate Section 409A, then no Alternative Award shall be provided and such Award shall instead be treated as provided in Section 13(a)(ii) or as otherwise provided in the Award Agreement.

(c) Termination Without Cause Prior to a Change in Control. Unless otherwise determined by the Committee at or after the time of grant, any Participant whose employment or service is terminated without Cause within 3 months prior to the occurrence of a Change in Control shall be treated, solely for the purposes of this Plan (including, without limitation, this Section 13) as continuing in the Company's employment or service until the occurrence of such Change in Control, and to have been terminated immediately thereafter.

(d) Committee Discretion. Notwithstanding anything in this Section 13 to the contrary, except as otherwise provided in an Award Agreement, if the Committee as constituted immediately prior to the Change in Control determines in its sole discretion, then all Awards shall be canceled in exchange for a cash payment equal to (x)(A) in the case of Option and SAR Awards that are vested (as provided in Section 13(a) or otherwise), the excess, if any, of the Change in Control Price over the exercise price for such Option or SAR and (B) in the case of all other Awards that are vested or for which the Restriction Period has lapsed (as provided in Section 13(a) or otherwise), the Change in Control Price, multiplied by (y) the aggregate number of shares of Stock covered by such Award, provided, however, that no Specified Award shall be cancelled in exchange for a cash payment unless such payment may be made without the imposition of any additional taxes or interest under Section 409A of the Code. The Committee may, in its sole discretion, accelerate the exercisability or vesting or lapse of any Restriction Period with respect to all or any portion of any outstanding Award immediately prior to the

consummation of the transaction constituting the Change in Control, provided, however, that no such acceleration or vesting or lapse may be exercised with respect to any Specified Award to the extent that such exercise would result in the imposition of any additional tax, interest or penalty under Section 409A of the Code.

SECTION 14. EFFECTIVE DATE, AMENDMENT, MODIFICATION, AND TERMINATION OF THE PLAN

The Plan shall be effective on the Adoption Date, subject to the occurrence of the Effective Date, and shall continue in effect, unless sooner terminated pursuant to this Section 14, until the tenth anniversary of the Effective Date. The Board or the Committee may at any time in its sole discretion, for any reason whatsoever, terminate or suspend the Plan, and from time to time, subject to obtaining any regulatory approval, including that of a stock exchange on which the Stock is then listed, if applicable, may amend or modify the Plan; provided that without the approval by a majority of the votes cast at a duly constituted meeting of shareholders of the Company, no amendment or modification to the Plan may (i) materially increase the benefits accruing to Participants under the Plan, (ii) except as otherwise expressly provided in Section 4(f), increase the number of shares of Stock subject to the Plan or the individual Award limitations specified in Section 4(c), (iii) modify the class of persons eligible for participation in the Plan, (iv) allow Options or Stock Appreciation Rights to be issued with an exercise price or reference price below Fair Market Value on the date of grant (v) extend the term of any Award granted under the Plan beyond its original expiry date or (vi) materially modify the Plan in any other way that would require shareholder approval under any regulatory requirement that the Committee determines to be applicable, including, without limitation, the rules of any exchange on which the Stock is then listed. Notwithstanding any provisions of the Plan to the contrary, neither the Board nor the Committee may, without the consent of the affected Participant, amend, modify or terminate the Plan in any manner that would adversely affect any Award theretofore granted under the Plan or result in the imposition of an additional tax, interest or penalty under Section 409A of the Code.

SECTION 15. GENERAL PROVISIONS

(a) Withholding. The Employer shall have the right to deduct from all amounts paid to a Participant in cash (whether under this Plan or otherwise) any amount of taxes required by law to be withheld in respect of Awards under this Plan as may be necessary in the opinion of the Employer to satisfy tax withholding required under the laws of any country, state, province, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are required by law to be withheld. In the case of payments of Awards in the form of Stock, at the Committee's discretion, the Participant shall be required to either pay to the Employer the amount of any taxes required to be withheld with respect to such Stock or,

in lieu thereof, the Employer shall have the right to retain (or the Participant may be offered the opportunity to elect to tender) the number of shares of Stock whose Fair Market Value equals such amount required to be withheld, provided, however, that in the event that the Company withholds shares of Stock issued or issuable to the Participant to satisfy the withholding taxes, the Company shall withhold a number of whole shares of Stock having a Fair Market Value, determined as of the date of withholding, not in excess of such amount as may be necessary to avoid liability award accounting; and provided, further, that with respect to any Specified Award, in no event shall shares of Stock or other amounts receivable under a Specified Award be withheld pursuant to this Section 15(a) (other than upon or immediately prior to settlement in accordance with the Plan and the applicable Award Agreement) other than to pay taxes imposed under the U.S. Federal Insurance Contributions Act (FICA) and any associated U.S. federal withholding tax imposed under Section 3401 of the Code and in no event shall the value of such shares of Stock or other amounts receivable under a Specified Award (other than upon or immediately prior to settlement) exceed the amount of the tax imposed under FICA and any associated U.S. federal withholding tax imposed under Section 3401 of the Code. The Participant shall be responsible for all withholding taxes and other tax consequences of any Award granted under this Plan.

(b) Nontransferability of Awards. Except as provided herein or in an Award Agreement, no Award may be sold, assigned, transferred, pledged, hedged or otherwise encumbered except by will or the laws of descent and distribution; provided that the Committee may permit (on such terms and conditions as it shall establish) a Participant to transfer an Award for no consideration to the Participant's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Participant's household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest and any other entity in which these persons (or the Participant) own more than fifty percent of the voting interests ("Permitted Transferees"). A Participant may not enter into any transaction which hedges or otherwise transfers the risk of price movements with regard to the Stock subject to any unvested or unearned Award. No amendment to the Plan or to any Award shall permit transfers other than in accordance with the preceding sentence. Any attempt by a Participant to sell, assign, transfer, pledge, hedge or encumber an Award without complying with the provisions of the Plan shall be void and of no effect. Except to the extent required by law, no right or interest of any Participant shall be subject to any lien, obligation or liability of the Participant. All rights with respect to Awards granted to a Participant under the Plan shall be exercisable during the Participant's lifetime only by such Participant or, if applicable, his or her Permitted Transferee(s). The rights of a Permitted Transferee shall be limited to the rights conveyed to such Permitted Transferee, who shall be subject to and bound by the terms of the agreement or agreements between the Participant and the Company.

(c) No Limitation on Compensation. Nothing in the Plan shall be construed to limit the right of the Company to establish other plans or to pay compensation to its Employees, in cash or property, in a manner which is not expressly authorized under the Plan.

(d) No Right to Employment. 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 be retained in the employ of the Employer. The grant of an Award hereunder, and any future grant of Awards under the Plan is entirely voluntary, and at the complete discretion of the Company. Neither the grant of an Award nor any future grant of Awards by the Company shall be deemed to create any obligation to grant any further Awards, whether or not such a reservation is explicitly stated at the time of such a grant. The Plan shall not be deemed to constitute, and shall not be construed by the Participant to constitute, part of the terms and conditions of employment and participation in the Plan shall not be deemed to constitute, and shall not be deemed by the Participant to constitute, an employment or labor relationship of any kind with the Company. The Employer expressly reserves the right at any time to dismiss a Participant free from any liability, or any claim under the Plan, except as provided herein and in any agreement entered into with respect to an Award. The Company expressly reserves the right to require, as a condition of participation in the Plan, that Award recipients agree and acknowledge the above in writing. Further, the Company expressly reserves the right to require Award recipients, as a condition of participation, to consent in writing to the collection, transfer from the Employer to the Company and third parties, storage and use of personal data for purposes of administering the Plan.

(e) No Rights as Shareholder. Subject to the provisions of the applicable Award contained in the Plan and in the Award Agreement, no Participant, Permitted Transferee or Designated Beneficiary shall have any rights as a shareholder with respect to any shares of Stock to be distributed under the Plan until he or she has become the holder thereof.

(f) Forfeiture, Cancellation or "Clawback" of Awards under Applicable Laws or Regulations. The Company may cancel or reduce, or require a Participant to forfeit and disgorge to the Company or reimburse the Company for, any Awards granted or vested and any gains earned or accrued, due to the exercise, vesting or settlement of Awards or sale of any Stock pursuant to an Award under the Plan, to the extent permitted or required by, or pursuant to any Company policy implemented as required by, applicable law, regulation or stock exchange rule in effect on or after the Effective Date.

(g) Construction of the Plan. The validity, construction, interpretation, administration and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of the State of Delaware (without reference to the principles of conflicts of law or choice of law that might otherwise refer the construction or interpretation of this Plan to the substantive laws of another jurisdiction).

(h) Rules of Construction. Whenever the context so requires, the use of the masculine gender shall be deemed to include the feminine and vice versa, and the use of the singular shall be deemed to include the plural and vice versa. That this plan was drafted by the Company shall not be taken into account in interpreting or construing any provision of this Plan.

(i) Compliance with Legal and Exchange Requirements. The Plan, the granting and exercising of Awards thereunder, and any obligations of the Company under the Plan, shall be subject to all applicable federal, state, and foreign country laws, rules, and regulations, and to such approvals by any regulatory or governmental agency as may be required, and to any rules or regulations of any exchange on which the Stock is listed. The Company, in its discretion, may postpone the granting and exercising of Awards, the issuance or delivery of Stock under any Award or any other action permitted under the Plan to permit the Company, with reasonable diligence, to complete such stock exchange listing or registration or qualification of such Stock or other required action under any federal, state or foreign country law, rule, or regulation and may require any Participant to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Stock in compliance with applicable laws, rules, and regulations. The Company shall not be obligated by virtue of any provision of the Plan to recognize the exercise of any Award or to otherwise sell or issue Stock in violation of any such laws, rules, or regulations, and any postponement of the exercise or settlement of any Award under this provision shall not extend the term of such Awards. Neither the Company nor its directors or officers shall have any obligation or liability to a Participant with respect to any Award (or Stock issuable thereunder) that shall lapse because of such postponement.

(j) Deferrals. Subject to the requirements of Section 409A of the Code, the Committee may postpone the exercising of Awards, the issuance or delivery of Stock under, or the payment of cash in respect of, any Award or any action permitted under the Plan, upon such terms and conditions as the Committee may establish from time to time. Subject to the requirements of Section 409A of the Code, a Participant may electively defer receipt of the shares of Stock or cash otherwise payable in respect of any Award (including, without limitation, any shares of Stock issuable upon the exercise of an Option other than an Incentive Stock Option) upon such terms and conditions as the Committee may establish from time to time.

(k) Limitation on Liability; Indemnification. No member of the Board or Committee, and none of the chief executive officer or any other delegate or agent of the Committee shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan in good faith, and each person who is or

shall have been a member of the Board or Committee, the chief executive officer and each delegate or agent of the Committee shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense (including attorneys' fees) that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be made a party or in which he or she may be involved in by reason of any action taken or failure to act under the Plan to the full extent permitted by law, except as otherwise provided in the Company's Certificate of Incorporation and/or Bylaws, and under any directors' and officers' liability insurance that may be in effect from time to time. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-laws, by contract, as a matter of law, or otherwise.

(l) Amendment of Award. In the event that the Committee shall determine that such action would, taking into account such factors as it deems relevant, be beneficial to the Company, the Committee may affirmatively act to amend, modify or terminate any outstanding Award at any time prior to payment or exercise in any manner not inconsistent with the terms of the Plan, including without limitation, change the date or dates as of which (A) an Option or Stock Appreciation Right becomes exercisable, (B) a Performance Share or Performance Unit is deemed earned, or (C) Restricted Stock, Restricted Stock Units, Deferred Share Units and other Stock-Based Awards becomes nonforfeitable, except that no outstanding Option may be amended or otherwise modified or exchanged (other than in connection with a transaction described in Section 4(f)) in a manner that would have the effect of reducing its original exercise price or otherwise constitute repricing. Any such action by the Committee shall be subject to the Participant's consent if the Committee determines that such action would adversely affect the Participant's rights under such Award, whether in whole or in part. Notwithstanding anything to the contrary contained herein, the Committee may, in its sole discretion, accelerate the exercisability or vesting or lapse of any Restriction Period with respect to all or any portion of any outstanding Award at any time. Notwithstanding any provisions of the Plan to the contrary, the Committee may not, without the consent of the affected Participant, amend, modify or terminate an outstanding Award or exercise any discretion in any manner that would result in the imposition of an additional tax, interest or penalty under Section 409A of the Code.

(m) 409A Compliance. The Plan is intended to be administered in a manner consistent with the requirements, where applicable, of Section 409A of the Code. Where reasonably possible and practicable, the Plan shall be administered in a manner to avoid the imposition on Participants of immediate tax recognition and additional taxes pursuant to Section 409A of the Code. In the case of any Specified Award that may be treated as payable in the form of "a series of installment payments," as defined in Treasury Regulation Section 1.409A-2(b)(2)(iii), a Participant's or Designated Beneficiary's right to receive such payments shall be treated as a right to receive a series of separate

payments for purposes of such Treasury Regulation. Notwithstanding the foregoing, neither the Company nor the Committee, nor any of the Company's directors, officers or employees shall have any liability to any person in the event Section 409A of the Code applies to any such Award in a manner that results in adverse tax consequences for the Participant or any of his beneficiaries or transferees. Notwithstanding any provision of this Plan or any Award Agreement to the contrary, the Board or the Committee may unilaterally amend, modify or terminate the Plan or any outstanding Award, including but not limited to changing the form of Award or the exercise price of any Option or SAR, if the Board or Committee determines, in its sole discretion, that such amendment, modification or termination is necessary or advisable to comply with applicable U.S. law, as a result of changes in law or regulation or to avoid the imposition of an additional tax, interest or penalty under Section 409A of the Code.

(n) Certain Provisions Applicable to Specified Employees. Notwithstanding the terms of this Plan or any Award Agreement to the contrary, if at the time of Participant's Termination of Service he or she is a "specified employee" within the meaning of Section 409A of the Code, any payment of any "nonqualified deferred compensation" amounts (within the meaning of Section 409A of the Code and after taking into account all exclusions applicable to such payments under Section 409A of the Code) required to be made to the Participant upon or as a result of the Termination of Service (as defined in Section 409A) shall be delayed until after the six-month anniversary of the Termination of Service to the extent necessary to comply with and avoid the imposition of taxes, interest and penalties under Section 409A of the Code. Any such payments to which he or she would otherwise be entitled during the first six months following his or her Termination of Service will be accumulated and paid without interest on the first payroll date after the six-month anniversary of the Termination of Service (unless another Section 409A-compliant payment date applies) or within thirty days thereafter. These provisions will only apply if and to the extent required to avoid the imposition of taxes, interest and penalties under Section 409A of the Code.

(o) No Impact on Benefits. Except as may otherwise be specifically stated under any employee benefit plan, policy or program, no amount payable in respect of any Award shall be treated as compensation for purposes of calculating a Participant's right under any such plan, policy or program.

(p) No Constraint on Corporate Action. Nothing in this Plan shall be construed (a) to limit, impair or otherwise affect the Company's right or power to make adjustments, reclassifications, reorganizations or changes of its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell, or transfer all or any part of its business or assets or (b) to limit the right or power of the Company, or any Subsidiary, to take any action which such entity deems to be necessary or appropriate.

(q) Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Plan, and shall not be employed in the construction of this Plan.

STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT (the "Agreement"), dated as of the Grant Date set forth in the Notice of Grant (as defined below), between Gogo Inc., a Delaware corporation (the "Company"), and the Participant whose name appears in the Notice of Grant (the "Participant"), pursuant to the Gogo Inc. 2016 Omnibus Incentive Plan, as in effect and as amended from time to time (the "Plan"). Capitalized terms that are not defined herein shall have the meanings given to such terms in the Plan.

1. Confirmation of Grant, Option Price.

(a) Confirmation of Grant. The Company hereby evidences and confirms the grant to the Participant of options to purchase the number of shares of Stock (the "Options") set forth in the Gogo Inc. 2016 Omnibus Incentive Plan Stock Option Grant Notice delivered by the Company to the Participant (the "Notice of Grant"). The Options are not intended to be incentive stock options under the U.S. Internal Revenue Code of 1986, as amended. This Agreement is entered into pursuant to, and the terms of the Options are subject to, the terms and conditions of the Plan, which is incorporated by reference herein. If there is any inconsistency between this Agreement and the terms of the Plan, the terms of the Plan shall govern. The Options shall be considered a Service Award under the Plan.

(b) Exercise Price. The Options shall have the Exercise Price set forth in the Notice of Grant.

2. Vesting, Exercisability and Exercise.

(a) Vesting. Except as otherwise provided in Section 3, the Options shall vest and become exercisable in the amounts and on the vesting dates set forth in the Notice of Grant, subject to the continuous employment of the Participant with the Company or a Subsidiary until the applicable vesting date.

(b) Exercise; Condition to Exercise. Once vested and exercisable in accordance with the provisions of this Agreement, the Options may be exercised at any time and from time to time prior to the date such Options terminate pursuant to Section 3. The Participant may exercise all or a portion of the Options by giving notice to the Company or a brokerage firm designated or approved by the Company, in form and substance satisfactory to the Company, which will state the Participant's election to exercise the Options and the number of shares of Stock for which the Participant is exercising Options. The notice must be accompanied by full payment of the exercise price for the number of shares of Stock the Participant is purchasing. The Participant may make this payment in any combination of the following: (a) by cash; (b) by check acceptable to the Company; (c) by tendering (either actually or by attestation) shares of Stock the Participant has owned for at

least six months (if such holding period is necessary to avoid a charge to the Company's earnings); (d) to the extent permitted by law, by instructing a broker to deliver to the Company the total payment required in accordance with procedures established by the Company; or (e) by any other method permitted by the Committee.

(c) Cashless Exercise. In lieu of tendering the exercise price to the Company in accordance with Section 2(b), the Participant may elect to perform a "Cashless Exercise" of the Options, in whole or in part, by surrendering the Options to the Company, marked "Cashless Exercise" and designating the number of shares of Stock desired by the Participant out of the total for which Options are exercisable. The Participant shall thereupon be entitled to receive the number of shares of Stock having a Fair Market Value equal to the excess of (i) the then Fair Market Value per share of Stock multiplied by the number of the shares of Stock into which the Options designated by the Participant would have been exercisable pursuant to Section 2(b) upon payment of the exercise price by the Participant over (ii) the exercise price the Participant would have been required to pay under Section 2(b) in respect of such an exercise.

3. Termination of Options

(a) Normal Expiration Date. Unless earlier terminated pursuant to Section 3(b), the Options shall terminate on the tenth anniversary of the Grant Date (the "Normal Expiration Date"), if not exercised prior to such date.

(b) Termination of Employment.

(i) Death, Disability or Retirement. If a Participant's employment with the Company terminates due to death, Disability or Retirement, the Option shall be deemed vested to the extent of the number of Options that would have vested had the Participant's Service continued until the next vesting date immediately following the date of the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement, as the case may be, and may thereafter be exercised by the Participant or the Participant's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement, as the case may be, and (ii) the Normal Expiration Date. Any remaining unvested Options shall immediately be forfeited and canceled effective as of the date of the Participant's death or effective date of the Participant's Termination of Service due to Disability or Retirement. For purposes of this Agreement, "Retirement" shall mean a Participant's Termination of Service with the Company (other than a

termination for Cause) occurring on or after the date on which either (x) the Participant reaches the age of 65 or (y) the Participant's age plus years of service equal seventy-five (75) (as determined by the Committee in its sole discretion).

(ii) Cause. If a Participant's employment with the Company is terminated by the Company for Cause, the Option, whether or not vested, shall terminate immediately upon such Termination of Service.

(iii) Other Reasons. If a Participant's employment with the Company is terminated due to circumstances other than as set forth in Sections 3(b)(i) or (ii), the Option shall be vested only to the extent it is vested on the effective date of the Participant's Termination of Service and may thereafter be exercised by the Participant until and including the earliest to occur of (i) the date which is 90 days after the effective date of the Participant's Termination of Service, (ii) the date the Participant breaches an employment, noncompetition, nonsolicitation, confidentiality, inventions or similar agreement between the Company and the Participant (an "Employment Agreement") and (iii) the Normal Expiration Date.

(iv) Death Following Termination. If the Participant dies during the period set forth in Section 3(b)(i) or (iii), the Option shall be vested only to the extent it is vested on the date of death and may thereafter be exercised by the Participant's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of death and (ii) the Normal Expiration Date.

(c) Change in Control. In the event of a Change in Control, the Options shall vest or continue and shall have such treatment, as set forth in the Plan.

4. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the shares of Stock acquired upon exercise of the Options unless such shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other applicable laws and regulations governing the shares and Participant may not sell the shares of Stock if the Company determines that such sale would not be in material compliance with such laws and regulations.

5. Participant's Rights with Respect to the Options.

(a) Restrictions on Transferability. The Options granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly,

be offered, transferred, sold, pledged, hedged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including without limitation by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to any Stock underlying the Options unless and until shares of Stock are issued to the Participant upon exercise thereof.

6. Adjustments. The number, class and Exercise Price of the shares of Stock covered by the Options shall be adjusted by the Committee to reflect any extraordinary dividend, stock dividend, stock split or share combination or any recapitalization, business combination, merger, consolidation, spin-off, exchange of shares, liquidation or dissolution of the Company or other similar transaction affecting the Stock in such manner as the Board determines in its sole discretion.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries.

(c) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(d) Tax Withholding. The Company and its Subsidiaries shall have the right to deduct from all amounts paid to a Participant in cash (whether under the Plan or otherwise) any amount of taxes required by law to be withheld in respect of the Options as may be necessary in the opinion of the Employer to satisfy tax withholding required under the laws of any country, state, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are required by law to be withheld. The Company may require the recipient of the shares of Stock to remit to the Company an amount in cash sufficient to satisfy the amount of taxes required to be withheld as a condition to the issuance of such shares. The Committee may, in its discretion, require the Participant to elect, subject to such conditions as the Committee shall impose, to meet such obligations by having the Company withhold or the Participant sell the least number of whole shares of Stock having a Fair Market Value sufficient to satisfy all or part of the amount required to be withheld.

(e) Forfeiture for Financial Reporting Misconduct. In the event that the Participant commits misconduct or gross negligence (whether or not such misconduct or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct or gross negligence the Company restates any of its financial statements, then the Company may require any or all of the following: (a) that the Participant forfeit some or all of the Options subject to this Agreement held by such Participant at the time of such restatement, (b) that the Participant forfeit some or all of shares of Stock held by the Participant at the time of such restatement that had been received upon exercise of Options subject to this Agreement during the twelve-month period (or such other period as determined by the Committee) prior to the financial restatement, and (c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Stock that had been received upon exercise of any Options subject to this Agreement within the period commencing twelve months (or such other period as determined by the Committee) prior to the financial restatement. The Company may also cancel or reduce, or require a Participant to forfeit and disgorge to the Company or reimburse the Company for, any Options granted or vested and any gains earned or accrued, due to the vesting or exercise of Options or sale of any Stock acquired upon exercise of an Option, to the extent permitted or required by, or pursuant to any Company policy implemented as required by, applicable law, regulation or stock exchange rule as from time to time may be in effect (including but not limited to The Dodd–Frank Wall Street Reform and Consumer Protection Act and regulations and stock exchange rules promulgated pursuant to or as a result of such Act).

(f) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(g) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Options evidenced hereby, the Participant acknowledges: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) that the Award does not create any contractual or other right to receive future grants of Awards; (c) that participation in the Plan is voluntary; (d) that the value of the Options is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (e) that the future value of the Stock is unknown and cannot be predicted with certainty.

(h) Employee Data Privacy. By entering into this Agreement and accepting the Options evidenced hereby, the Participant: (a) authorizes the Company, the Participant's employer, if different, and any agent of the Company administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its affiliates any information and data the Company requests in order to facilitate the grant of the Award and the administration of the Plan; (b) waives any data privacy rights the Participant may have with respect to such information; and (c) authorizes the Company and its agents to store and transmit such information in electronic form.

(i) Consent to Electronic Delivery. By entering into this Agreement and accepting the Options evidenced hereby, Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Options via Company website, email or other electronic delivery.

(j) Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Agreement, and shall not be employed in the construction of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

(l) Acceptance of Options and Agreement. The Participant has indicated his or her consent and acknowledgement of the terms of this Agreement pursuant to the instructions provided to the Participant by or on behalf of the Company. The

Participant acknowledges receipt of the Plan, represents to the Company that he or she has read and understood this Agreement and the Plan, and, as an express condition to the grant of the Options under this Agreement, agrees to be bound by the terms of this Agreement and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a clickthrough button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of this Agreement and the Options is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed this Agreement in paper form. The same use of electronic media may be used for any amendment or waiver of this Agreement.

PERFORMANCE STOCK OPTION AGREEMENT

PERFORMANCE STOCK OPTION AGREEMENT (the "Agreement"), dated as of the Grant Date set forth in the Notice of Grant (as defined below), between Gogo Inc., a Delaware corporation (the "Company"), and the Participant whose name appears in the Notice of Grant (the "Participant"), pursuant to the Gogo Inc. 2016 Omnibus Incentive Plan, as in effect and as amended from time to time (the "Plan"). Capitalized terms that are not defined herein shall have the meanings given to such terms in the Plan.

1. Confirmation of Grant, Option Price.

(a) Confirmation of Grant. The Company hereby evidences and confirms the grant to the Participant of options to purchase the number of shares of Stock (the "Options") set forth in the Gogo Inc. 2016 Omnibus Incentive Plan Performance Non-Statutory Stock Option Grant Notice delivered by the Company to the Participant (the "Notice of Grant"). The Options are not intended to be incentive stock options under the U.S. Internal Revenue Code of 1986, as amended. This Agreement is entered into pursuant to, and the terms of the Options are subject to, the terms and conditions of the Plan, which is incorporated by reference herein. If there is any inconsistency between this Agreement and the terms of the Plan, the terms of the Plan shall govern. The Options shall be considered a Performance Award under the Plan.

(b) Exercise Price. The Options shall have the Exercise Price set forth in the Notice of Grant.

2. Vesting, Exercisability and Exercise.

(a) Vesting. Except as otherwise provided in Section 3, the Options shall vest and become exercisable, if at all, as of the date both time vesting and performance vesting conditions are satisfied as set forth in the Notice of Grant, subject to the continuous employment of the Participant with the Company or a Subsidiary until the applicable vesting date. If any Option does not performance vest within the applicable performance period set forth in the Notice of Grant, such Option shall be forfeited as provided in the Notice of Grant.

(b) Exercise; Condition to Exercise. Once vested and exercisable in accordance with the provisions of this Agreement, the Options may be exercised at any time and from time to time prior to the date such Options terminate pursuant to Section 3. The Participant may exercise all or a portion of the Options by giving notice to the Company or a brokerage firm designated or approved by the Company, in form and substance satisfactory to the Company, which will state the Participant's election to exercise the Options and the number of shares of Stock for which the Participant is exercising Options. The notice must be accompanied by full

payment of the exercise price for the number of shares of Stock the Participant is purchasing. The Participant may make this payment in any combination of the following: (a) by cash; (b) by check acceptable to the Company; (c) by tendering (either actually or by attestation) shares of Stock the Participant has owned for at least six months (if such holding period is necessary to avoid a charge to the Company's earnings); (d) to the extent permitted by law, by instructing a broker to deliver to the Company the total payment required in accordance with procedures established by the Company; or (e) by any other method permitted by the Committee.

(c) Cashless Exercise. In lieu of tendering the exercise price to the Company in accordance with Section 2(b), the Participant may elect to perform a "Cashless Exercise" of the Options, in whole or in part, by surrendering the Options to the Company, marked "Cashless Exercise" and designating the number of shares of Stock desired by the Participant out of the total for which Options are exercisable. The Participant shall thereupon be entitled to receive the number of shares of Stock having a Fair Market Value equal to the excess of (i) the then Fair Market Value per share of Stock multiplied by the number of the shares of Stock into which the Options designated by the Participant would have been exercisable pursuant to Section 2(b) upon payment of the exercise price by the Participant over (ii) the exercise price the Participant would have been required to pay under Section 2(b) in respect of such an exercise.

3. Termination of Options

(a) Normal Expiration Date. Unless earlier terminated pursuant to Section 3(b), the Options shall terminate on the tenth anniversary of the Grant Date (the "Normal Expiration Date"), if not exercised prior to such date.

(b) Termination of Employment.

(i) Death, Disability or Retirement. If a Participant's employment with the Company terminates due to death, Disability or Retirement, the Options shall be deemed time vested to the extent of the number of Options that would have time vested had the Participant's Service continued until the next time vesting date immediately following the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement, as the case may be, and may thereafter be exercised by the Participant or the Participant's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement, as the case may be, and (ii) the Normal Expiration Date. Any remaining Options that have

not time vested shall immediately be forfeited and canceled effective as of the date of the Participant's death or effective date of the Participant's Termination of Service due to Disability or Retirement. If any Options have time vested (including pursuant to this Section 2(b)(i)) but not yet performance vested, such Options shall continue to be eligible for performance vesting through the 90th day following the date of Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement. Any Options that have not vested during such period following the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement shall be forfeited effective as of the date of the Participant's death or the effective date of the Participant's Termination of Service. For purposes of this Agreement, "Retirement" shall mean a Participant's Termination of Service with the Company (other than a termination for Cause) occurring on or after the date on which either (x) the Participant reaches the age of 65 or (y) the Participant's age plus years of service equal seventy-five (75) (as determined by the Committee in its sole discretion).

(ii) Cause. If a Participant's employment with the Company is terminated by the Company for Cause, the Option, whether or not vested, shall terminate immediately upon such Termination of Service.

(iii) Other Reasons. If a Participant's employment with the Company is terminated due to circumstances other than as set forth in Sections 3(b)(i) or (ii), the Option shall be vested only to the extent it is vested on the effective date of the Participant's Termination of Service and may thereafter be exercised by the Participant until and including the earliest to occur of (i) the date which is 90 days after the effective date of the Participant's Termination of Service, (ii) the date the Participant breaches an employment, noncompetition, nonsolicitation, confidentiality, inventions or similar agreement between the Company and the Participant (an "Employment Agreement") and (iii) the Normal Expiration Date.

(iv) Death Following Termination. If the Participant dies during the period set forth in Section 3(b)(i) or (iii), the Option shall be vested only to the extent it is vested on the date of death and may thereafter be exercised by the Participant's executor, administrator, legal representative, guardian or similar person until and including the earlier to occur of (i) the date which is one year after the date of death and (ii) the Normal Expiration Date.

(c) Change in Control. In the event of a Change in Control, then Options shall time vest in accordance with the Plan and performance vest if the Change in Control Price equals or exceeds the stock price in the applicable performance vesting conditions as set forth in the Notice of Grant and shall continue or be settled as set forth in the Plan.

4. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the shares of Stock acquired upon exercise of the Options unless such shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other applicable laws and regulations governing the shares and Participant may not sell the shares of Stock if the Company determines that such sale would not be in material compliance with such laws and regulations.

5. Participant's Rights with Respect to the Options.

(a) Restrictions on Transferability. The Options granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, hedged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including without limitation by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to any Stock underlying the Options unless and until shares of Stock are issued to the Participant upon exercise thereof.

6. Adjustments. The number, class and Exercise Price of the shares of Stock covered by the Options shall be adjusted by the Committee to reflect any extraordinary dividend, stock dividend, stock split or share combination or any recapitalization, business combination, merger, consolidation, spin-off, exchange of shares, liquidation or dissolution of the Company or other similar transaction affecting the Stock in such manner as the Board determines in its sole discretion.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries.

(c) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(d) Tax Withholding. The Company and its Subsidiaries shall have the right to deduct from all amounts paid to a Participant in cash (whether under the Plan or otherwise) any amount of taxes required by law to be withheld in respect of the Options as may be necessary in the opinion of the Employer to satisfy tax withholding required under the laws of any country, state, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are required by law to be withheld. The Company may require the recipient of the shares of Stock to remit to the Company an amount in cash sufficient to satisfy the amount of taxes required to be withheld as a condition to the issuance of such shares. The Committee may, in its discretion, require the Participant to elect, subject to such conditions as the Committee shall impose, to meet such obligations by having the Company withhold or the Participant sell the least number of whole shares of Stock having a Fair Market Value sufficient to satisfy all or part of the amount required to be withheld.

(e) Forfeiture for Financial Reporting Misconduct. In the event that the Participant commits misconduct or gross negligence (whether or not such misconduct or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct or gross negligence the Company restates any of its financial statements, then the Company may require any or all of the following: (a) that the Participant forfeit some or all of the Options subject to this Agreement held by such Participant at the time of such restatement, (b) that the Participant forfeit some or all of shares of Stock held by the Participant at the time of such restatement that had been received upon exercise of Options subject to this Agreement during the twelve-month period (or such other period as determined by the Committee) prior to the financial restatement, and (c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of

Stock that had been received upon exercise of any Options subject to this Agreement within the period commencing twelve months (or such other period as determined by the Committee) prior to the financial restatement. The Company may also cancel or reduce, or require a Participant to forfeit and disgorge to the Company or reimburse the Company for, any Options granted or vested and any gains earned or accrued, due to the vesting or exercise of Options or sale of any Stock acquired upon exercise of an Option, to the extent permitted or required by, or pursuant to any Company policy implemented as required by, applicable law, regulation or stock exchange rule as from time to time may be in effect (including but not limited to The Dodd–Frank Wall Street Reform and Consumer Protection Act and regulations and stock exchange rules promulgated pursuant to or as a result of such Act).

(f) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(g) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Options evidenced hereby, the Participant acknowledges: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) that the Award does not create any contractual or other right to receive future grants of Awards; (c) that participation in the Plan is voluntary; (d) that the value of the Options is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (e) that the future value of the Stock is unknown and cannot be predicted with certainty.

(h) Employee Data Privacy. By entering into this Agreement and accepting the Options evidenced hereby, the Participant: (a) authorizes the Company, the Participant's employer, if different, and any agent of the Company administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its affiliates any information and data the Company requests in order to facilitate the grant of the Award and the administration of the Plan; (b) waives any data privacy rights the Participant may have with respect to such information; and (c) authorizes the Company and its agents to store and transmit such information in electronic form.

(i) Consent to Electronic Delivery. By entering into this Agreement and accepting the Options evidenced hereby, Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Options via Company website, email or other electronic delivery.

(j) Headings and Captions. The headings and captions herein are provided for reference and convenience only, shall not be considered part of this Agreement, and shall not be employed in the construction of this Agreement.

(k) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

(l) Acceptance of Options and Agreement. The Participant has indicated his or her consent and acknowledgement of the terms of this Agreement pursuant to the instructions provided to the Participant by or on behalf of the Company. The Participant acknowledges receipt of the Plan, represents to the Company that he or she has read and understood this Agreement and the Plan, and, as an express condition to the grant of the Options under this Agreement, agrees to be bound by the terms of this Agreement and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a clickthrough button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of this Agreement and the Options is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed this Agreement in paper form. The same use of electronic media may be used for any amendment or waiver of this Agreement.

Exhibit 10.4.8

RESTRICTED STOCK UNIT AGREEMENT

RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") dated as of the Grant Date set forth in the Notice of Grant (as defined below), by and between Gogo Inc., a Delaware corporation (the "Company"), and the participant whose name appears in the Notice of Grant (the "Participant"), pursuant to the Gogo Inc. 2016 Omnibus Incentive Plan, as in effect and as amended from time to time (the "Plan"). Capitalized terms that are not defined herein shall have the meanings given to such terms in the Plan.

1. Grant of Restricted Stock Units. The Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the number of restricted stock units (the "Restricted Stock Units") specified in the Gogo Inc. 2016 Omnibus Incentive Plan Restricted Stock Unit Grant Notice delivered by the Company to the Participant (the "Notice of Grant"). This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall govern. The Restricted Stock Units shall be considered Service Awards under the Plan.

2. Vesting of Restricted Stock Units.

(a) Vesting. Except as otherwise provided in this Section 2, the Restricted Stock Units shall become vested, if at all in the amount(s), and on the vesting date(s) set forth in the Notice of Grant (each, a "Vesting Date"), subject to the continued employment of the Participant by the Company or any Subsidiary thereof through such date.

(b) Termination of Employment.

(i) Death, Disability or Retirement. If a Participant's employment with the Company terminates due to death, Disability or Retirement, prior to the Vesting Date, the Restricted Stock Units shall be deemed vested to the extent of the number of Restricted Stock Units that would have vested had the Participant's Service continued until the next Vesting Date immediately following the date of the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement. Any remaining unvested Restricted Stock Units shall immediately be forfeited and canceled effective as of the date of the Participant's death or effective date of the Participant's Termination of Service due to Disability or Retirement. For purposes of this Agreement, "Retirement" shall mean a Participant's Termination of Service with the Company (other than a termination for Cause) occurring on or after the date on which either (x) the Participant reaches the age of 65 or (y) the Participant's age plus years of service equal seventy-five (75) (as determined by the Committee in its sole discretion).

(ii) Other Terminations. If a Participant's employment with the Company is terminated due to circumstances other than as set forth in Section 2(b)(i) the Restricted Stock Units shall be vested only to the extent they are vested as of the effective date of the Participant's Termination of Service, and all unvested Restricted Stock Units shall be forfeited and cancelled, as of such effective date.

(c) Change in Control. In the event of a Change in Control, then the Restricted Stock Units shall vest or continue and shall have such treatment, as set forth in the Plan.

(d) Committee Discretion. Notwithstanding anything contained in this Agreement to the contrary, subject to Section 15(m) of the Plan, the Committee, in its sole discretion, may accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Committee shall determine.

3. Settlement of Restricted Stock Units. Subject to Section 7(d), the Company shall deliver to the Participant one share of Stock (or the value thereof) in settlement of each outstanding Restricted Stock Unit that has vested as provided in Section 2 on the first to occur of (i) the Vesting Date (or within 30 days thereafter) or (ii) a Change in Control in which the Restricted Stock Units do not continue, in each case, as determined by the Committee in its sole discretion (A) in Stock by either, (x) issuing one or more certificates evidencing the Stock to the Participant or (y) registering the issuance of the Stock in the name of the Participant through a book entry credit in the records of the Company's transfer agent, (B) by a cash payment equal to the Fair Market Value of the Stock on the settlement date or (C) in the event of settlement upon a Change in Control, a cash payment equal to the Change in Control Price, multiplied by the number of vested Restricted Stock Units. No fractional shares of Stock shall be issued in settlement of Restricted Stock Units. Fractional Restricted Stock Units shall be settled through a cash payment equal to the Fair Market Value of the Stock on the settlement date.

4. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the shares of Stock acquired upon vesting of the Restricted Stock Units unless such shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other applicable laws and regulations governing the shares and Participant may not sell the shares of Stock if the Company determines that such sale would not be in material compliance with such laws and regulations.

5. Participant's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including without limitation by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to any Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Stock are issued to the Participant in respect thereof.

6. Adjustment in Capitalization. The number, class or other terms of any outstanding Restricted Stock Units shall be adjusted by the Committee to reflect any extraordinary dividend, stock dividend, stock split or share combination or any recapitalization, business combination, merger, consolidation, spin-off, exchange of shares, liquidation or dissolution of the Company or other similar transaction affecting the Stock in such manner as it determines in its sole discretion.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries.

(c) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(d) Tax Withholding. The Company and its Subsidiaries shall have the right to deduct from all amounts paid to the Participant in cash (whether under the Plan or otherwise) any amount of taxes required by law to be withheld in respect of settlement of the Restricted Stock Units under the Plan as may be necessary in the opinion of the Employer to satisfy tax withholding required under the laws of any country, state, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are required by law to be withheld. The Company may require the recipient of shares of Stock or the cash, as applicable, to remit to the Company an amount in cash sufficient to satisfy the amount of taxes required to be withheld as a condition to the issuance of shares or payment of cash in settlement of the Restricted Stock Units. The Committee may, in its discretion, require the Participant, or permit the Participant to elect, subject to such conditions as the Committee shall impose, to meet such obligations by having the Company withhold or sell the least number of whole shares of Stock having a Fair Market Value sufficient to satisfy all or part of the amount required to be withheld. The Company may defer settlement until such requirements are satisfied.

(e) Forfeiture for Financial Reporting Misconduct. In the event that the Participant commits misconduct or gross negligence (whether or not such misconduct or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct or gross negligence the Company restates any of its financial statements, then the Company may require any or all of the following: (a) that the Participant forfeit some or all of the Restricted Stock Units subject to this Agreement held by such Participant at the time of such restatement, (b) that the Participant forfeit some or all of shares of Stock held by the Participant at the time of such restatement that had been received in settlement of Restricted Stock Units subject to this Agreement during the twelve-month period (or such other period as determined by the Committee) prior to the financial restatement, and (c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Stock that had been received in settlement of any Restricted Stock Units subject to this Agreement within the period commencing twelve months (or such other period as determined by the Committee) prior to the financial restatement. The Company may also cancel or reduce, or require a Participant to forfeit and disgorge to the

Company or reimburse the Company for, any Restricted Stock Units granted or vested and any gains earned or accrued, due to the vesting or settlement of Restricted Stock Units or sale of any Stock acquired in settlement of a Restricted Stock Unit, to the extent permitted or required by, or pursuant to any Company policy implemented as required by, applicable law, regulation or stock exchange rule as from time to time may be in effect (including but not limited to The Dodd–Frank Wall Street Reform and Consumer Protection Act and regulations and stock exchange rules promulgated pursuant to or as a result of such Act).

(f) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(g) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant acknowledges: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) that the Award does not create any contractual or other right to receive future grants of Awards; (c) that participation in the Plan is voluntary; (d) that the value of the Restricted Stock Units is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (e) that the future value of the Stock is unknown and cannot be predicted with certainty.

(h) Employee Data Privacy. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant: (a) authorizes the Company and the Participant's employer, if different, any agent of the Company administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its affiliates any information and data the Company requests in order to facilitate the grant of the Award and the administration of the Plan; (b) waives any data privacy rights the Participant may have with respect to such information; and (c) authorizes the Company and its agents to store and transmit such information in electronic form.

(i) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via Company website, email or other electronic delivery.

(j) Specified Employee Delay. If the Participant is deemed a "specified employee" within the meaning of Section 409A of the Code, as determined by the Committee, at a time when the Participant becomes eligible for settlement of the Restricted Stock Units upon his or her "separation from service" within the meaning of Section 409A of the Code, then to the extent necessary to prevent any accelerated or additional tax under Section 409A of the Code, such settlement will be delayed until the earlier of: (a) the date that is six months following the Participant's Termination of Service and (b) the Participant's death. Notwithstanding anything to the contrary in this Agreement, if settlement is to occur upon a Termination of Service other than due to death or Disability and the Participant is a Specified Employee and the Units are a Specified Award, to the extent necessary to comply with, and avoid imposition on the Participant of any additional tax or interest imposed under, Section 409A of the Code, settlement shall instead occur on the first business day following the six-month anniversary of the Participant's Termination of Service (or, if earlier, upon the Participant's death), or as soon thereafter as practicable (but no later than 90 days thereafter).

(k) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(l) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

(m) Acceptance of Restricted Stock Units and Agreement. The Participant has indicated his or her consent and acknowledgement of the terms of this Agreement pursuant to the instructions provided to the Participant by or on behalf of the Company. The Participant acknowledges receipt of the Plan, represents to the Company that he or she has read and understood this Agreement and the Plan, and, as an express condition to the grant of the Restricted Stock Units under this Agreement, agrees to be bound by the terms of this Agreement and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a clickthrough button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of this Agreement and the Restricted Stock Units is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed this Agreement in paper form. The same use of electronic media may be used for any amendment or waiver of this Agreement.

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT

PERFORMANCE RESTRICTED STOCK UNIT AGREEMENT (the "Agreement") dated as of the Grant Date set forth in the Notice of Grant (as defined below), by and between Gogo Inc., a Delaware corporation (the "Company"), and the participant whose name appears in the Notice of Grant (the "Participant"), pursuant to the Gogo Inc. 2016 Omnibus Incentive Plan, as in effect and as amended from time to time (the "Plan"). Capitalized terms that are not defined herein shall have the meanings given to such terms in the Plan.

1. Grant of Restricted Stock Units. The Company hereby evidences and confirms its grant to the Participant, effective as of the Grant Date, of the number of restricted stock units (the "Restricted Stock Units") specified in the Gogo Inc. 2016 Omnibus Incentive Plan Performance Restricted Stock Unit Grant Notice delivered by the Company to the Participant (the "Notice of Grant"). This Agreement is subordinate to, and the terms and conditions of the Restricted Stock Units granted hereunder are subject to, the terms and conditions of the Plan, which are incorporated by reference herein. If there is any inconsistency between the terms hereof and the terms of the Plan, the terms of the Plan shall govern. The Restricted Stock Units shall be considered Performance Awards under the Plan.

2. Vesting of Restricted Stock Units.

(a) Vesting. Except as otherwise provided in this Section 2, the Restricted Stock Units shall vest, if at all, as of the date that both time vesting and performance vesting conditions are satisfied (each such date, a "Vesting Date", and the date a time vesting condition is satisfied, a "Time Vesting Date")) as set forth in the Notice of Grant, subject to the continued employment of the Participant by the Company or any Subsidiary thereof through such date. If any Restricted Stock Unit does not performance vest within the applicable performance period set forth in the Notice of Grant, such Restricted Stock Unit shall be forfeited as provided in the Notice of Grant.

(b) Termination of Employment.

(i) Death, Disability or Retirement. If a Participant's employment with the Company terminates due to death, Disability or Retirement, prior to the Vesting Date, the Restricted Stock Units shall be deemed time vested to the extent of the number of Restricted Stock Units that would have time vested had the Participant's Service continued until the next Time Vesting Date immediately following the date of the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement. Any remaining Restricted Stock Units that are not time vested shall immediately be

forfeited and canceled effective as of the date of the Participant's death or effective date of the Participant's Termination of Service due to Disability or Retirement. If any Restricted Stock Units have time vested (including pursuant to this Section 2(b)(i)) but not yet performance vested, such Restricted Stock Units shall continue to be eligible for performance vesting through the 90th day following the date of the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement. Any Restricted Stock Units that have not vested during such period following the Participant's death or the effective date of the Participant's Termination of Service due to Disability or Retirement shall be forfeited effective as of the date of the Participant's death or the effective date of the Participant's Termination of Service. For purposes of this Agreement, "Retirement" shall mean a Participant's Termination of Service with the Company (other than a termination for Cause) occurring on or after the date on which either (x) the Participant reaches the age of 65 or (y) the Participant's age plus years of service equal seventy-five (75) (as determined by the Committee in its sole discretion).

(ii) Other Terminations. If a Participant's employment with the Company is terminated due to circumstances other than as set forth in Section 2(b)(i) the Restricted Stock Units shall be vested only to the extent they are vested as of the effective date of the Participant's Termination of Service, and all unvested Restricted Stock Units shall be forfeited and cancelled, as of such effective date.

(c) Change in Control. In the event of a Change in Control, then Restricted Stock Units shall time vest in accordance with the Plan and performance vest if the Change in Control Price equals or exceeds the stock price in the applicable performance vesting conditions as set forth in the Notice of Grant and shall continue or be settled as provided in the Plan.

(d) Committee Discretion. Notwithstanding anything contained in this Agreement to the contrary, subject to Section 15(m) of the Plan, the Committee, in its sole discretion, may accelerate the vesting with respect to any Restricted Stock Units under this Agreement, at such times and upon such terms and conditions as the Committee shall determine.

3. Settlement of Restricted Stock Units. Subject to Section 7(d), the Company shall deliver to the Participant one share of Stock (or the value thereof) in settlement of each outstanding Restricted Stock Unit that has vested as provided in Section 2 on the first to occur of (i) the Vesting Date (or within 60 days thereafter) or (ii) a Change in Control in which the Restricted Stock Units do not continue, in each case, as determined by the Committee in its sole discretion (A) in Stock by either, (x) issuing one or more certificates evidencing the Stock to the Participant or (y) registering the issuance of the Stock in the name of the Participant through a book entry credit in the records of the

Company's transfer agent, (B) by a cash payment equal to the Fair Market Value of the Stock on the settlement date or (C) in the event of settlement upon a Change in Control, a cash payment equal to the Change in Control Price, multiplied by the number of vested Restricted Stock Units. No fractional shares of Stock shall be issued in settlement of Restricted Stock Units. Fractional Restricted Stock Units shall be settled through a cash payment equal to the Fair Market Value of the Stock on the settlement date.

4. Securities Law Compliance. Notwithstanding any other provision of this Agreement, the Participant may not sell the shares of Stock acquired upon vesting of the Restricted Stock Units unless such shares are registered under the Securities Act of 1933, as amended (the "Securities Act"), or, if such shares are not then so registered, such sale would be exempt from the registration requirements of the Securities Act. The sale of such shares must also comply with other applicable laws and regulations governing the shares and Participant may not sell the shares of Stock if the Company determines that such sale would not be in material compliance with such laws and regulations.

5. Participant's Rights with Respect to the Restricted Stock Units.

(a) Restrictions on Transferability. The Restricted Stock Units granted hereby are not assignable or transferable, in whole or in part, and may not, directly or indirectly, be offered, transferred, sold, pledged, assigned, alienated, hypothecated or otherwise disposed of or encumbered (including without limitation by gift, operation of law or otherwise) other than by will or by the laws of descent and distribution to the estate of the Participant upon the Participant's death; provided that the deceased Participant's beneficiary or representative of the Participant's estate shall acknowledge and agree in writing, in a form reasonably acceptable to the Company, to be bound by the provisions of this Agreement and the Plan as if such beneficiary or the estate were the Participant.

(b) No Rights as Stockholder. The Participant shall not have any rights as a stockholder including any voting, dividend or other rights or privileges as a stockholder of the Company with respect to any Stock corresponding to the Restricted Stock Units granted hereby unless and until shares of Stock are issued to the Participant in respect thereof.

6. Adjustment in Capitalization. The number, class or other terms of any outstanding Restricted Stock Units shall be adjusted by the Committee to reflect any extraordinary dividend, stock dividend, stock split or share combination or any recapitalization, business combination, merger, consolidation, spin-off, exchange of shares, liquidation or dissolution of the Company or other similar transaction affecting the Stock in such manner as it determines in its sole discretion.

7. Miscellaneous.

(a) Binding Effect; Benefits. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or assigns any legal or equitable right, remedy or claim under or in respect of any agreement or any provision contained herein.

(b) No Right to Continued Employment. Nothing in the Plan or this Agreement shall interfere with or limit in any way the right of the Company or any of its Subsidiaries to terminate the Participant's employment at any time, or confer upon the Participant any right to continue in the employ of the Company or any of its Subsidiaries.

(c) Interpretation. The Committee shall have full power and discretion to construe and interpret the Plan (and any rules and regulations issued thereunder) and this Award. Any determination or interpretation by the Committee under or pursuant to the Plan or this Award shall be final and binding and conclusive on all persons affected hereby.

(d) Tax Withholding. The Company and its Subsidiaries shall have the right to deduct from all amounts paid to the Participant in cash (whether under the Plan or otherwise) any amount of taxes required by law to be withheld in respect of settlement of the Restricted Stock Units under the Plan as may be necessary in the opinion of the Employer to satisfy tax withholding required under the laws of any country, state, city or other jurisdiction, including but not limited to income taxes, capital gains taxes, transfer taxes, and social security contributions that are required by law to be withheld. The Company may require the recipient of shares of Stock or the cash, as applicable, to remit to the Company an amount in cash sufficient to satisfy the amount of taxes required to be withheld as a condition to the issuance of shares or payment of cash in settlement of the Restricted Stock Units. The Committee may, in its discretion, require the Participant, or permit the Participant to elect, subject to such conditions as the Committee shall impose, to meet such obligations by having the Company withhold or sell the least number of whole shares of Stock having a Fair Market Value sufficient to satisfy all or part of the amount required to be withheld. The Company may defer settlement until such requirements are satisfied.

(e) Forfeiture for Financial Reporting Misconduct. In the event that the Participant commits misconduct or gross negligence (whether or not such

misconduct or gross negligence is deemed or could be deemed to be an event constituting Cause) and as a result of, or in connection with, such misconduct or gross negligence the Company restates any of its financial statements, then the Company may require any or all of the following: (a) that the Participant forfeit some or all of the Restricted Stock Units subject to this Agreement held by such Participant at the time of such restatement, (b) that the Participant forfeit some or all of shares of Stock held by the Participant at the time of such restatement that had been received in settlement of Restricted Stock Units subject to this Agreement during the twelve-month period (or such other period as determined by the Committee) prior to the financial restatement, and (c) that the Participant pay to the Company in cash all or a portion of the proceeds that the Participant realized from the sale of shares of Stock that had been received in settlement of any Restricted Stock Units subject to this Agreement within the period commencing twelve months (or such other period as determined by the Committee) prior to the financial restatement. The Company may also cancel or reduce, or require a Participant to forfeit and disgorge to the Company or reimburse the Company for, any Restricted Stock Units granted or vested and any gains earned or accrued, due to the vesting or settlement of Restricted Stock Units or sale of any Stock acquired in settlement of a Restricted Stock Unit, to the extent permitted or required by, or pursuant to any Company policy implemented as required by, applicable law, regulation or stock exchange rule as from time to time may be in effect (including but not limited to The Dodd–Frank Wall Street Reform and Consumer Protection Act and regulations and stock exchange rules promulgated pursuant to or as a result of such Act).

(f) Applicable Law. This Agreement shall be governed by and construed in accordance with the law of the State of Delaware regardless of the application of rules of conflict of law that would apply the laws of any other jurisdiction.

(g) Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant acknowledges: (a) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (b) that the Award does not create any contractual or other right to receive future grants of Awards; (c) that participation in the Plan is voluntary; (d) that the value of the Restricted Stock Units is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; and (e) that the future value of the Stock is unknown and cannot be predicted with certainty.

(h) Employee Data Privacy. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, the Participant: (a) authorizes the Company and the Participant's employer, if different, any agent of the Company administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its affiliates any information and data the Company requests in order to facilitate the grant of the Award and the administration of the Plan; (b) waives any data privacy rights the Participant may have with respect to such information; and (c) authorizes the Company and its agents to store and transmit such information in electronic form.

(i) Consent to Electronic Delivery. By entering into this Agreement and accepting the Restricted Stock Units evidenced hereby, Participant hereby consents to the delivery of information (including, without limitation, information required to be delivered to the Participant pursuant to applicable securities laws) regarding the Company and the Subsidiaries, the Plan, this Agreement and the Restricted Stock Units via Company website, email or other electronic delivery.

(j) Specified Employee Delay. If the Participant is deemed a "specified employee" within the meaning of Section 409A of the Code, as determined by the Committee, at a time when the Participant becomes eligible for settlement of the Restricted Stock Units upon his or her "separation from service" within the meaning of Section 409A of the Code, then to the extent necessary to prevent any accelerated or additional tax under Section 409A of the Code, such settlement will be delayed until the earlier of: (a) the date that is six months following the Participant's Termination of Service and (b) the Participant's death. Notwithstanding anything to the contrary in this Agreement, if settlement is to occur upon a Termination of Service other than due to death or Disability and the Participant is a Specified Employee and the Units are a Specified Award, to the extent necessary to comply with, and avoid imposition on the Participant of any additional tax or interest imposed under, Section 409A of the Code, settlement shall instead occur on the first business day following the six-month anniversary of the Participant's Termination of Service (or, if earlier, upon the Participant's death), or as soon thereafter as practicable (but no later than 90 days thereafter).

(k) Headings and Captions. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

(l) Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

(m) Acceptance of Restricted Stock Units and Agreement. The Participant has indicated his or her consent and acknowledgement of the terms of this Agreement pursuant to the instructions provided to the Participant by or on behalf of the Company. The Participant acknowledges receipt of the Plan, represents to the Company that he or she has read and understood this Agreement and the Plan, and, as an express condition to the grant of the Restricted Stock Units under this Agreement, agrees to be bound by the terms of this Agreement and the Plan. The Participant and the Company each agrees and acknowledges that the use of electronic media (including, without limitation, a clickthrough button or checkbox on a website of the Company or a third-party administrator) to indicate the Participant's confirmation, consent, signature, agreement and delivery of this Agreement and the Restricted Stock Units is legally valid and has the same legal force and effect as if the Participant and the Company signed and executed this Agreement in paper form. The same use of electronic media may be used for any amendment or waiver of this Agreement.

GOGO INC.
ANNUAL INCENTIVE PLAN
(as amended as of April 14, 2016)

SECTION 1. PURPOSE

The purposes of the Plan are to enable the Company and its Subsidiaries to attract, retain, motivate and reward the best qualified executive officers and key employees by providing them with the opportunity to earn competitive compensation directly linked to the Company's performance.

SECTION 2. DEFINITIONS

Unless the context requires otherwise; the following words as used in the Plan shall have the meanings ascribed to each below, it being understood that masculine, feminine and neuter pronouns are used interchangeably and that each comprehends the others.

(a) "Board" means the Board of Directors of the Company.

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

(c) "Committee" means the Compensation Committee of the Board or such other committee of the Board as the Board shall designate from time to time, consisting of two or more members, each of whom is an "independent" director under the listing requirements of any exchange on which the Common Stock is then listed, a "Non-Employee Director" within the meaning of Rule 16b-3, as promulgated under the Exchange Act, and an "outside director" within the meaning of Section 162(m), provided that, to the extent that Section 162(m) is not applicable to the Company and the Plan, or for awards that are not intended to qualify as performance-based compensation under Section 162(m), the directors need not be "outside directors."

(d) "Common Stock" means the common stock of the Company, par value $0.01 per share.

(e) "Company" means Gogo Inc.

(f) "Covered Employee" means any "covered employee" as defined in Section 162(m)(3) of the Code.

(g) "Exchange Act" means the Securities and Exchange Act of 1934, as amended.

(h) "Executive Officer" means any "officer" within the meaning of Rule 16(a)-1(f) promulgated under the Exchange Act or any Covered Employee.

(i) "Omnibus Plans" means the Gogo Inc. 2013 Omnibus Incentive Plan and the Gogo Inc. 2016 Omnibus Incentive Plan.

(j) "Participant" means (i) each executive officer of the Company and (ii) each other key employee of the Company or a Subsidiary whom the Committee designates as a participant under the Plan.

(k) "Performance Goals" means the objectives established by the Committee for a Performance Period pursuant to Section 4(a) hereof for the purpose of determining whether a bonus under the Plan has been earned.

(l) "Performance Period" means each fiscal year or another period as designated by the Committee, so long as such period does not exceed one year.

(m) "Plan" means this Gogo Inc. Annual Incentive Plan, as set forth herein and as may hereafter be amended from time to time.

(n) "Section 162(m)" means Section 162(m) of the Code, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

(o) "Section 409A" means Section 409A of the Code, as amended from time to time, and the applicable rules and regulations promulgated thereunder.

(p) "Subsidiary" means any business entity in which the Company owns, directly or indirectly, fifty percent (50%) or more of the total combined voting power of all classes of stock entitled to vote, and any other business organization, regardless of form, in which the Company possesses, directly or indirectly, 50% or more of the total combined equity interests.

SECTION 3. ADMINISTRATION

The Committee shall administer and interpret the Plan, provided that, in no event, shall the Plan be interpreted in a manner which would cause any award intended to be qualified as performance based compensation under Section 162(m) to fail to so qualify. The Committee shall establish the Performance Goals for any fiscal year or other Performance Period determined by the Committee in accordance with Section 4 hereof and certify whether such Performance Goals have been obtained. Any determination made by the Committee under the Plan shall be final and conclusive. The Committee may employ such legal counsel, consultants and agents (including counsel or agents who are employees of the Company or a Subsidiary) as it may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel

or consultant or agent and any computation received from such consultant or agent. All expenses incurred in the administration of the Plan, including, without limitation, for the engagement of any counsel, consultant or agent, shall be paid by the Company. No member or former member of the Board or the Committee shall be liable for any act, omission, interpretation, construction or determination made in connection with the Plan other than as a result of such individual's willful misconduct.

SECTION 4. BONUSES

(a) Performance Criteria. The Committee shall establish the performance objective or objectives that must be satisfied in order for a Participant to receive a bonus award for such Performance Period and the objective formula or standard for computing the amount of the bonus award payable to the Participant if the Performance Goals(s) are attained, provided that, to the extent Section 162(m) is applicable to the Company and the Plan, and for those awards intended to qualify as performance-based compensation under Section 162(m), the Committee shall establish the objective or objectives that must be satisfied in order for a Participant to receive an award for a Performance Period no later than 90 days after the commencement of the Performance Period (or such other date as may be required or permitted under Section 162(m)) and, in no event, later than the date on which 25% of the Performance Period has elapsed. Unless the Committee determines at the time of grant not to qualify the award as performance-based compensation under Section 162(m) or Section 162(m) is otherwise not applicable to an award under the Plan, any such Performance Goals will be based upon the relative or comparative attainment of one or more of the following criteria, whether in absolute terms or relative to the performance of one or more similarly situated companies or a published index covering the performance of a number of companies, and whether gross or net, before or after taxes, and/or before or after other adjustments as determined by the Committee for the Performance Period: enterprise value, total return to the Company's shareholders (inclusive of dividends paid), operating earnings, net earnings, revenues, sales, basic or diluted earnings per share, earnings before interest and taxes, earnings before interest and taxes or earnings before interest, taxes, depreciation and/or amortization, earnings before interest and taxes or earnings before interest, taxes, depreciation and/or amortization minus capital expenditures, increase in the Company's earnings or basic or diluted earnings per share, revenue growth, share price performance, return on invested capital, assets, equity or sales, operating income, income, net income, economic value added, profit margins, cash flow, cash flow on investment, free cash flow, improvement in or attainment of expense levels, capital expenditure levels and/or working capital levels, budget and expense management, debt reduction, gross profit, market share, cost reductions, workplace health and/or safety goals, workforce satisfaction goals, sales goals, diversity goals, employee retention, completion of key projects, planes under contract or memoranda of understanding, strategic plan development and implementation and/or achievement of synergy targets, and, in the case of persons who are not Executive Officers, such other criteria as may be determined by the Committee. Performance Goals

may be established on a Company-wide basis or with respect to one or more business units, divisions, Subsidiaries, or products; and in either absolute terms or relative to the performance of one or more comparable companies or an index covering multiple companies.

When establishing Performance Goals for a Performance Period, the Committee may exclude any or all "unusual or infrequently occurring items" as determined under U.S. generally accepted accounting principles and as identified in the financial statements, notes to the financial statements or management's discussion and analysis in the annual report, including, without limitation, the charges or costs associated with restructurings of the Company or any Subsidiary, discontinued operations, capital gains and losses, dividends, unusual or infrequently occurring items, share repurchase, other unusual, infrequently occurring or non-recurring items, and the cumulative effects of accounting changes. Except in the case of awards intended to qualify as performance-based compensation under Section 162(m), the Committee may also adjust the Performance Goals for any Performance Period as it deems equitable in recognition of unusual or non-recurring events affecting the Company, changes in applicable tax laws or accounting principles, or such other factors as the Committee may determine (including, without limitation, any adjustments that would result in the Company paying non-deductible compensation to a Participant).

(b) Maximum Amount Payable. Subject to Section 4(c), if, pursuant to Section 4(f) hereof, the Committee certifies in writing that any of the Performance Goals established for the relevant Performance Period under Section 4(a) has been satisfied, each Participant who is employed by the Company or one of its Subsidiaries on the last day of the Performance Period for which the bonus is payable shall be entitled to receive an annual bonus in an amount not to exceed $5,000,000.

(c) Termination of Employment. Unless otherwise determined by the Committee in its sole discretion at the time the performance criteria are selected for a particular Performance Period in accordance with Section 4(a) or as otherwise provided in a Participant's employment or similar agreement, if a Participant's employment terminates for any reason prior to the date on which the award is paid hereunder, such Participants shall forfeit all rights to any and all awards which have not yet been paid under the Plan; provided that if a Participant's employment terminates as a result of death, disability or retirement (as defined under any retirement plan of the Company or a Subsidiary) the Committee shall give consideration at its sole discretion to the payment of a partial bonus with regard to the portion of the Performance Period worked; provided further, that if a Participant's employment terminates for any reason prior to the date on which the award is paid hereunder, the Committee, in its discretion, may waive any forfeiture pursuant to Section 4 in whole or in part, but, to the extent Section 162(m) is applicable to the Company and the Plan, the Committee may not waive satisfaction of Performance Goals with respect to any Covered Employee. For any Participant who is a

Covered Employee to the extent Section 162(m) is applicable to the Company and the Plan, if such Participant's employment terminates for any reason prior to the last day of the Performance period for which the bonus is payable and the Committee exercises its discretion under this Section 4(c) to waive forfeiture of all or a portion of such award under the Plan, the maximum bonus payable to such Participant under Section 4(b) above shall be multiplied by a fraction, the numerator of which is the number of days that have elapsed during the Performance Period in which the termination occurs prior to and including the date of the Participant's termination of employment and the denominator of which is the total number of days in the Performance Period.

(d) Negative Discretion. Notwithstanding anything else contained in Section 4(b) to the contrary, the Committee shall have the right, in its absolute discretion, (i) to reduce or eliminate the amount otherwise payable to any Participant under Section 4(b) based on individual performance or conduct or any other factors that the Committee, in its discretion, shall deem appropriate and (ii) to establish rules or procedures that have the effect of limiting the amount payable to each Participant to an amount that is less than the maximum amount otherwise authorized under Section 4(b).

(e) Affirmative Discretion. Notwithstanding any other provision in the Plan to the contrary (including, without limitation, the maximum amounts payable under Section 4(b)), but subject in the case of bonuses paid in shares of the Company's Common Stock to the maximum number of shares available for issuance under any Omnibus Plan, (i) the Committee shall have the right, in its discretion, to grant any annual bonus in cash, in shares of the Company's Common Stock, other awards under any Omnibus Plan or in any combination thereof, to any Participant (except to the extent Section 162(m) is applicable to the Company and the Plan for a Participant who is a Covered Employee, for the year in which the amount paid would ordinarily be deductible by the Company for federal income tax purposes in an amount up to the maximum bonus payable under Section 4(b)), based on individual performance or any other criteria that the Committee deems appropriate and (ii) in connection with the hiring of any person who is or becomes a Covered Employee, the Committee may provide for a minimum bonus amount in any Performance Period, regardless of whether performance objectives are attained.

(f) Certification of Attainment of Performance Goals. As soon as practicable after the end of a Performance Period and prior to any payment in respect of such Performance Period, the Committee shall certify in writing the portion of the bonus amount which has been earned on the basis of performance in relation to the established Performance Goals.

(g) Post-IPO Transition Period. For the avoidance of doubt, to the extent that Section 162(m) does not apply to the Plan prior to the first meeting of shareholders at which directors are to be elected that occurs after the close of the third calendar year following the calendar year in which the Common Stock of the Company becomes

publicly held pursuant to an initial public offering, the Committee shall have the discretion to establish performance objectives without reference to the criteria set forth in the regulations under Section 162(m), including but not limited to §1.162-27(e), to exercise affirmative discretion with respect to Covered Employers, to waive pro ration of an award upon termination and to take action by a committee that is not composed of "outside directors" as defined in Section 162(m).

SECTION 5. PAYMENT

Except as otherwise provided hereunder, payment of any bonus amount determined under Section 4 shall be made to each Participant as soon as practicable after the Committee certifies that one or more of the applicable Performance Goals have been attained (or, in the case of any bonus payable under the provisions of Section 4(d), after the Committee determines the amount of any such bonus), but in all events during (and, in the case of any Participant whose employment terminates prior to the end of the Performance Period and is entitled to a bonus pursuant to Section 4(c), in no event later than March 15 of) the year immediately following the end of the fiscal year in which the Performance Period ends.

SECTION 6. FORM OF PAYMENT

The Committee shall determine whether any bonus payable under the Plan is payable in cash, in shares of Common Stock or other awards under any Omnibus Plan, or in any combination thereof. The Committee shall have the right to impose whatever conditions it deems appropriate with respect to the award of shares of Common Stock or other awards, including conditioning the vesting of such shares or awards on the performance of additional service.

SECTION 7. GENERAL PROVISIONS

(a) Effectiveness of the Plan. The Plan shall be effective with respect to calendar years beginning on or after January 1, 2013; provided; however, that, unless otherwise determined by the Board, it is intended that the material terms of the Performance Goals under this Plan will be disclosed to and reapproved by the Company's shareholders on or before December 31, 2016 to the extent necessary to continue to qualify the amounts payable hereunder to Covered Employees as performance-based compensation under Section 162(m).

(b) Withholding. Any amount payable to a Participant or a beneficiary under this Plan shall be subject to any applicable Federal, state and local income and employment taxes and any other amounts that the Company or a Subsidiary is required at law to deduct and withhold from such payment.

(c) Designation of Beneficiary. Each Participant may designate a beneficiary or beneficiaries (which beneficiary may be an entity other than a natural person) to receive any payments which may be made following the Participant's death. Such designation may be changed or canceled at any time without the consent of any such beneficiary. Any such designation, change or cancellation must be made in a form approved by the Committee and shall not be effective until received by the Committee. If no beneficiary has been named, or the designated beneficiary or beneficiaries shall have predeceased the Participant, the beneficiary shall be the Participant's spouse or, if no spouse survives the Participant, the Participant's estate. If a Participant designates more than one beneficiary, the rights of such beneficiaries shall be payable in equal shares, unless the Participant has designated otherwise.

(d) Non-alienation of Benefits. Except as expressly provided herein, no Participant or beneficiary shall have the power or right to transfer, anticipate, or otherwise encumber the Participant's interest under the Plan. The Company's obligations under this Plan are not assignable or transferable except to (i) a Subsidiary or affiliate of the Company, (ii) a corporation or other entity which acquires all or substantially all of the Company's or a Subsidiary's assets or (iii) any corporation into which the Company or any Subsidiary may be merged or consolidated. The provisions of the Plan shall inure to the benefit of each Participant and the Participant's beneficiaries, heirs, executors, administrators or successors in interest.

(e) No Limitation on Compensation. Nothing in the Plan shall be construed to limit the right of the Company to establish other plans or to pay compensation to its employees, in cash or property, in a manner which is not expressly authorized under the Plan.

(f) No Right of Continued Employment. 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 be retained in the employ of the Company. The grant of an award hereunder, and any future grant of awards under the Plan is entirely voluntary, and at the complete discretion of the Company. Neither the grant of an award nor any future grant of awards by the Company shall be deemed to create any obligation to grant any further awards, whether or not such a reservation is explicitly stated at the time of such a grant. The Plan shall not be deemed to constitute, and shall not be construed by the Participant to constitute, part of the terms and conditions of employment and participation in the Plan shall not be deemed to constitute, and shall not be deemed by the Participant to constitute, an employment or labor relationship of any kind with the Company. The employer expressly reserves the right at any time to dismiss a Participant free from any liability, or any claim under the Plan, except as provided herein and in any agreement entered into with respect to an award. The Company expressly reserves the right to require, as a condition of participation in the Plan, that award recipients agree and acknowledge the above in writing. Further, the Company expressly reserves the right to

require award recipients, as a condition of participation, to consent in writing to the collection, transfer from the employer to the Company and third parties, storage and use of personal data for purposes of administering the Plan.

(g) No Limitation on Actions. Nothing contained in the Plan shall be construed to prevent the Company or any Subsidiary from taking any action which is deemed by it to be appropriate or in its best interest (as determined in its sole and absolute discretion), whether or not such action would have an adverse effect on any awards made under the Plan. No Participant (or anyone claiming through a Participant), employee, beneficiary or other person shall have any claim against the Company or any Subsidiary as a result of any such action.

(h) Forfeiture, Cancellation or "Clawback" of Awards under Applicable Laws or Regulations. The Company may cancel or reduce, or require a Participant to forfeit and disgorge to the Company or reimburse the Company for, any awards granted or vested and any gains earned or accrued, due to the exercise, vesting or settlement of awards or sale of any Common Stock pursuant to an award under the Plan, to the extent permitted or required by, or pursuant to any Company policy implemented as required by, applicable law, regulation or stock exchange rule in effect on or after the effective date of this Plan.

(i) Construction of the Plan. The validity, construction, interpretation, administration and effect of the Plan and of its rules and regulations, and rights relating to the Plan, shall be determined solely in accordance with the laws of the State of Delaware (without reference to the principles of conflicts of law or choice of law that might otherwise refer the construction or interpretation of this Plan to the substantive laws of another jurisdiction).

(j) Rules of Construction. Whenever the context so requires, the use of the masculine gender shall be deemed to include the feminine and vice versa, and the use of the singular shall be deemed to include the plural and vice versa. That this plan was drafted by the Company shall not be taken into account in interpreting or construing any provision of this Plan.

(k) Amendment and Termination. Notwithstanding Section 7(a), the Board or the Committee may at any time amend, suspend, discontinue or terminate the Plan; provided; however, that no such action shall be effective without approval by the shareholders of the Company to the extent necessary to continue to qualify the amounts payable hereunder to Covered Employees as performance-based compensation under Section 162(m).

(l) Unfunded Plan; Plan Not Subject to ERISA. The Plan is an unfunded plan and Participants shall have the status of unsecured creditors of the Company. The Plan is not intended to be subject to the Employee Retirement Income and Security Act of 1974, as amended.

(m) 409A Compliance. This Plan is intended to provide for payments that are exempt from the provisions of Section 409A to the maximum extent possible and otherwise to be administered in a manner consistent with the requirements, where applicable, of Section 409A. Where reasonably possible and practicable, the Plan shall be administered in a manner to avoid the imposition on Participants of immediate tax recognition and additional taxes pursuant to Section 409A. In the case of any "nonqualified deferred compensation" (within the meaning of Section 409A) that may be treated as payable in the form of "a series of installment payments," as defined in Treasury Regulation Section 1.409A-2(b)(2)(iii), a Participant's or designated beneficiary's right to receive such payments shall be treated as a right to receive a series of separate payments for purposes of such Treasury Regulation. Notwithstanding the foregoing, neither the Company nor the Committee, nor any of the Company's directors, officers or employees shall have any liability to any person in the event Section 409A applies to any payment or right under this Plan in a manner that results in adverse tax consequences for the Participant or any of his beneficiaries or transferees. Notwithstanding any provision of this Plan to the contrary, the Board or the Committee may unilaterally amend, modify or terminate the Plan or any right hereunder if the Board or Committee determines, in its sole discretion, that such amendment, modification or termination is necessary or advisable to comply with applicable U.S. law, as a result of changes in law or regulation or to avoid the imposition of an additional tax, interest or penalty under Section 409A.

Notwithstanding the terms of this Plan to the contrary, if at the time of the Participant's "separation from service" within the meaning of Section 409A, he or she is a "specified employee" within the meaning of Section 409A, any payment of any "nonqualified deferred compensation" amounts (within the meaning of Section 409A and after taking into account all exclusions applicable to such payments under Section 409A) required to be made to the Participant upon or as a result of the separation from service (as defined in Section 409A) shall be delayed until after the six-month anniversary of the termination from service to the extent necessary to comply with and avoid the imposition of taxes, interest and penalties under Section 409A. Any such payments to which he or she would otherwise be entitled during the first six months following his or her termination from service will be accumulated and paid without interest on the first payroll date after the six-month anniversary of the separation from service (unless another Section 409A-compliant payment date applies) or within thirty days thereafter. These provisions will only apply if and to the extent required to avoid the imposition of taxes, interest and penalties under Section 409A.

(n) No Attachment. Except as required by law, no right to receive payments under this Plan shall be subject to anticipation, commutation, alienation, sale, assignment,

encumbrance, charge, pledge or hypothecation, or to execution, attachment, levy or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect.

(o) Severability. If any provision of this Plan is held unenforceable, the remainder of the Plan shall continue in full force and effect without regard to such unenforceable provision and shall be applied as though the unenforceable provision were not contained in the Plan.

(p) Headings. Headings are inserted in this Plan for convenience of reference only and are to be ignored in a construction of the provisions of the Plan.

Exhibit 31.1

Gogo Inc.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Small, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gogo Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2016

/s/ Michael Small

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

Exhibit 31.2

Gogo Inc.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) OF THE EXCHANGE ACT, AS AMENDED,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Norman Smagley, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gogo Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2016

/s/ Norman Smagley

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

Exhibit 32.1

Gogo Inc.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Small, President and Chief Executive Officer of Gogo Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2016

/s/ Michael Small

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

Exhibit 32.2

Gogo Inc.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Norman Smagley, Executive Vice President and Chief Financial Officer of Gogo Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) the Quarterly Report on Form 10-Q of the Company for the quarter ended June 30, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 4, 2016

/s/ Norman Smagley

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