2003 – 2009

AGREEMENT

Between
Mileage Plus, Inc.
And
The International Association
Of Machinists and Aerospace Workers

MILEAGE PLUS, INC.
PUBLIC CONTACT EMPLOYEES' AGREEMENT

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PREAMBLE

AGREEMENT
Between
MILEAGE PLUS, INC.
And
INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS

This Agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act as amended, by and between Mileage Plus, Inc., hereinafter referred to as the "Company" or "MPI" and the International Association of Machinists and Aerospace Workers, hereinafter referred to as the "Union", recognized by the Company as representing the employees comprising the craft and class of passenger service employees as if certified by the National Mediation Board into Case R-6595 on January 16, 2001. (For purposes of identification, this Agreement shall be known as the "Mileage Plus, Inc. Public Contact Employees' Agreement" or "MPI PCE Agreement.")

ARTICLE I
PURPOSE OF AGREEMENT

A. The purpose of this Agreement is, in the mutual interest of the Company and the employees, to provide for the operation of the services of the Company. The methods used will further, to the fullest extent possible, the safety of air transportation, the efficiency of operations, the satisfaction and differentiation of service to and for our customers, and the continuation of employment under conditions of reasonable hours, proper compensation, and reasonable working conditions. It is recognized by this Agreement to be the duty of the Company and of the employees to cooperate fully, both individually and collectively, in order for the Company to grow, prosper and provide the desired services to our customers.

B. No employee covered by this Agreement will be interfered with, restrained, coerced, or discriminated against by the Company, its officers or agents because of membership in or lawful activity on behalf of the Union.

C. The Union and the Company are dedicated to working in an atmosphere based on trust, respect, open communications, teamwork, and problem solving. The Union and Company are committed to basing decisions on the well being of all employees and customers.

D. There shall be no harassment and/or discrimination between employees covered by this Agreement based on race, color, sex, age, religion, national origin, disability, veteran status, or sexual orientation.

ARTICLE II
SCOPE OF AGREEMENT

A. The Company hereby recognizes the Union as the sole and exclusive bargaining agent for all Mileage Plus, Inc. Customer Representatives and Mileage Plus, Inc. Service Directors.

B. Mileage Plus, Inc.'s general policies, operating and other applicable regulations shall be available to all employees, and employees covered by this Agreement shall be governed by such policies and regulations and all applicable rules, regulations and orders issued by properly designated authorities of Mileage Plus, Inc. not in conflict with the terms of the Agreement.

C. 1. All work performed directly by the Company involving the work of Mileage Plus, Inc. Customer Representatives and Mileage Plus, Inc. Service Directors as described in the work classifications in Article IV of the Agreement, is recognized as coming within the jurisdiction of the Union and is covered by this Agreement.

2. Employees covered by this Agreement may be assigned to perform duties across classification lines. (If performing the work of a higher classification, the employee will be paid at the rate of the higher classification).

3. In order to promote the highest level of quality seamless service to valued United Mileage Plus customers, MPI and United employees will act in coordination and share work as necessary. The Company will give the Union at least sixty (60) days notice of the transfer of shared work between United and MPI or MPI and United.

4. The Company reserves the right to continue to contract out the types of work heretofore customarily contracted out or to contract out any additional work when its facilities or personnel are not sufficient or available.

5. The Company reserves the right to contract out other work but if such work comes within the scope of this Agreement, notice will be served on the Union before such contracting out takes place. After receipt of notice by the Union of intent to contract out such work, if such contracting indicates that any employee covered by this Agreement will be reduced or laid off or transferred as a result, either party to this Agreement may serve notice of a desire to negotiate for the procedure to be followed and the protection to be afforded employees involved. Actual negotiations under this provision will be initiated within ten (10) days from receipt of a notice of desire to negotiate the matter and no employee affected will be

reduced, laid off or transferred in less than forty (40) days after receipt of such notice.

6. Notwithstanding the provisions of subparagraphs C.3., C.4. and C.5. above, no work shall be contracted out and no sharing of work will be implemented unless the Company can demonstrate that such contracting out or sharing of work will not result in the layoff of any employee on the payroll as of January 26, 1994 unless the employee fails to exercise seniority in their classification on the Mileage Plus, Inc. system in filling a permanent vacancy or bumping an employee who was not on the payroll as of January 26, 1994 in a job they are qualified to perform, or refuses to fill a permanent job in a higher classification they are qualified to perform.

D. New Equipment, Technology and Methods

1. In the event of the introduction of new or different technology or methods which will have a significant impact on employees under this Agreement, the Company and the Union will meet and confer at least sixty (60) days prior to the implementation of the new or different technology or methods to objectively review and evaluate the impact of the technological or method change. The following shall be considered during the review and evaluation:

   a. A detailed description of the nature of the proposed technological or method changes.

   b. The approximate number, locations and employee classifications likely to be affected by the technological or method change.

   c. The impact on the job security of the employees in the affected classification(s).

   d. The reason for the change and the impact it will have on the Company's operation.

   e. The Company's plan to minimize the impact of the technological or method change on the employees affected.

If technological or method changes result in a reduction in force of employees covered by this Agreement, Mileage Plus, Inc. will meet with the Union to discuss making reasonable efforts to provide retraining and/or alternate job placement within Mileage Plus, Inc. for all affected employees.

ARTICLE III
STATUS OF AGREEMENT

A. The Company shall require any successor, assign, assignee, transferee, administrator, executor and/or trustee of Mileage Plus, Inc. (a "Successor") resulting from the transfer (in a single transaction or in multi-step transactions) to the Successor of the ownership and/or control of all or substantially all of the equity securities and/or assets of Mileage Plus, Inc. (a "Successorship Transaction") to employ the employees represented by the Union in accordance with the provisions of the Agreement and to assume and be bound by the Agreement.

B. The Company shall not conclude any agreement for a Successorship Transaction unless the Successor agrees in writing, as an irrevocable condition of the Successorship Transaction, to assume and be bound by the Agreement, to recognize the Union to the extent permitted by law, as the representative of the Successor's employees in the same classifications, and to guarantee that the employees represented by the Union will be employed by the Successor in accordance with the provisions of the Agreement.

ARTICLE IV
CLASSIFICATIONS OF WORK AND QUALIFICATIONS

For the purpose of this Agreement, recognized classifications of work will be hereinafter defined.

A. Mileage Plus, Inc. Service Director

The responsibilities of a Mileage Plus, Inc. Service Director (MPISD) consist of the same work as that of a Mileage Plus, Inc. Customer Representative (MPICR). As a working member of the group, the primary focus of the MPISD is to be available for both internal and external customers. The MPISD is responsible for, but not limited to, day to day leadership, coaching, feedback, input to management, and encouraging employee empowerment, goal achievement and accountability. The MPISD also provides technical program assistance to the MPICR and works with team members to attempt to resolve customer problems. The MPISD may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. In addition, the MPISD performs other functions within the scope of their duties to provide quality customer service.

B. Mileage Plus, Inc. Customer Representative

The responsibilities of a Mileage Plus, Inc. Customer Representative (MPICR) consist of providing quality customer service to United's Mileage Plus members by interpreting and processing customer requests. These responsibilities may include but are not limited to: enrolling new members, checking mileage balances, issuing award certificates, booking award-related travel, providing general information, and charging and collecting fees as appropriate. An MPICR may prepare written responses to internal and external customer requests, process mileage credit requests from United and participating partners, and promote Mileage Plus and partner programs as well as targeted special programs and promotions. Communication may occur through various means such as telephone, mail, electronic communication and the Internet. An MPICR may be required to use empowerment guidelines to resolve customer problems and questions. An MPICR who has completed one year of service in the classification may be required to give instruction and on-the-job training (OJT) to employees of the same or lower classification covered by this Agreement. In addition, an MPICR performs other functions within their duties to provide quality customer service.

ARTICLE V
TRADES

A. Subject to the advance approval of local management, employees in the same classification may be permitted to trade days or shift hours. In implementing a trade policy, local management will meet and confer with local IAM representatives in an effort to reach agreement on a local trade policy for their location. If no such local agreement can be reached, the Assistant General Chairperson and the local Human Resources Representative will meet with local management and the Local Committee to establish a mutually acceptable local agreement. However, all local trade policies will contain the following minimum standards:

1. Definitions:

   a. Scheduled Employee – means the employee who is regularly scheduled to work, and who will not be paid for the trade.

   b. Working Employee – means the employee who works and who is paid for working for the Scheduled Employee.

   c. Day Trades – means one employee agrees to work in the place of another employee who wishes to be off but is scheduled to work that day. Day trades can be either one-way or two-way.

   d. Shift Trades – means two employees agree to switch scheduled hours of work on a given day, each working the other's shift.

2. This trade policy will apply to regular full-time and regular part-time employees.

3. In order to maintain proficiency, local policies will require that employees work certain minimum number of hours per month. Provided this requirement is met, employees may one-way day trade a minimum of 30 times per calendar quarter. Two-way day trades and shift trades will be unlimited.

4. A trade is not authorized until approved in advance in writing by a manager or the manager's designee and recorded in appropriate records showing the date of the trade and names of the Scheduled Employee and Working Employee. Employees are expected to submit trades as far in advance as practical. Deadlines will be established for submitting trades. Such deadlines will not be more than twenty-four (24) hours prior to the start of the scheduled shifts.

5. Probationary employees may not engage in trades that reduce their scheduled hours unless approved by local management.

6. No cash payments or other items of monetary value may be exchanged between employees in connection with trades.

7. A Scheduled Employee may only trade with a Working Employee who has been trained and is currently proficient in the work assignment of the Scheduled Employee.

8. Once a trade has been approved, the Working Employee is responsible for ensuring that scheduled work time is performed. A Working Employee who is Unauthorized/No Pay on a trade may be subject to suspension of trades.

9. Vacation days and holidays may not be traded, nor may any day already part of a trade be taken as a vacation day or holiday.

10. Hours worked as a part of a trade may not be utilized in the computation of vacation or sick leave accrual, or eligibility for premium rate overtime pay.

B. A Working Employee who calls in sick on a day trade will not be paid sick leave. A Working Employee who calls in sick on a shift trade will be paid applicable sick leave pay.

C. No request under these trade provisions shall be honored if found to be in conflict with applicable state or federal law.

D. Overtime bypass rules will not apply to employees involved in a trade.

E. Additional trade flexibility may be negotiated locally.

ARTICLE VI
HOURS OF SERVICE

A. Full-time shifts will be scheduled for no more than ten (10) consecutive hours, exclusive of a thirty (30) minute meal period. A full-time work week will consist of forty (40) hours.

B. Part-time shifts will be scheduled for a minimum of four (4) hours per day and a maximum of ten (10) hours per day, exclusive of a thirty (30) minute meal period for employees scheduled for or who actually work in excess of five hours. A part-time work week shall consist of a minimum of sixteen (16) hours and a maximum of thirty (30) hours in a work week.

C. A work week shall be defined as the period from 0000 hours Sunday and last through 2359 hours the following Saturday.

D. Employees will have at least two regularly scheduled days off during each work week. Days off will be consecutive except where 1) employees are assigned to a Saturday/Sunday fixed days off schedule; 2) a rotating days off schedule that provides other than consecutive days off in order to repeat the schedule of regular days off; 3) where there are more than two (2) days off, in which case at least two (2) of the days off will be consecutive; or 4) other periodic anomalies. Where employees are assigned to a Saturday/Sunday fixed day off schedule, and where a Saturday and Sunday falling together are both worked, Saturday will be considered the first day off, and Sunday will be considered the second day off for overtime purposes. The rules covering overtime pay will govern as outlined in Article VII.

E. Employees who work four (4) hours or more shall be granted a fifteen (15) minute rest period. Employees who work more than six (6) hours shall be granted two fifteen (15) minute rest periods. An additional ten (10) minute rest period will be granted for every additional four (4) hours of work.

F. Employees on a relief schedule will be assigned a home shift and other shifts as necessary to augment the workforce on an as needed basis and provide replacement coverage for employees who are on vacation or otherwise absent from work for any reason in accordance with a schedule published at intervals of two (2) months or longer. Seven (7) days notice will be given to employees of changes in their schedule.

G. The starting times of work shifts will be governed by operational needs. There shall be no use of back to back part-time shifts to cover staffing needs that could otherwise be covered by a single full-time shift.

H. Work schedules are posted for bid by active employees, as far in advance as practical, or a minimum of seven (7) calendar days. The posting shall contain the scheduled start time, shift length, scheduled days off and effective date.

Once the bidding process is completed, schedule bid awards will be posted a minimum of seven (7) days prior to the effective date of the new work schedule. Employees unavailable to bid at their appointed bidding time, may bid by proxy, or by other means established locally. Active employees, who report late for bidding, but while the bidding process is ongoing, will be permitted to bid on the remaining available lines at the time they report. Active employees who fail to bid will be assigned an available work schedule after completion of the bid. An employee on an authorized leave of absence or on extended illness status will be permitted to bid provided the Company receives, prior to the start of the bidding period, a notice certifying their return to work date which must be within thirty (30) days of the effective date of the bid. If the leave is for medical reasons, the certification of return to work must be signed by the employee's treating physician.

I. Work Schedules will be rebid based on the needs of the service, approximately every one hundred-twenty (120) days, or a minimum of one (1) time per calendar year, unless locally agreed to otherwise between the Union and the Company.

J. Any change of one (1) hour or more in the starting or stopping time of a shift will call for a rebid.

K. During a bid period, if it becomes necessary to temporarily adjust employees' work schedules they will be given a minimum of seven (7) calendar days notice of such change. In the event these adjustments are expected to exceed thirty (30) days in duration, the Company shall post for rebid as provided in H., above.

L. Employees returning to active duty from an authorized leave of absence or extended illness status will be assigned to a shift and days off consistent with their MPI PCE seniority, except as provided in H., above.

M. Employees transferring into a classification may express a preference for a work schedule. If they cannot be accommodated, they will be assigned an available work schedule until the next rebid.

N. Meal Periods will be scheduled by mutual agreement on a local basis as close to the mid-point of the shift as practical. Employees who, because of the requirements of the service, are requested to start their meal period more than thirty (30) minutes in advance of, or one (1) hour after the starting time of their regularly scheduled meal period, will be allowed a thirty (30) minute meal period as close to the regular meal period as possible and paid for same at the straight time rate in addition to their regular compensation. In addition, if unable to take a meal period due to Company requirements, employees scheduled eight (8) hours or more will receive one (1) hour pay at the time and one half (1½) rate and employees scheduled less than eight (8) hours will receive thirty (30) minutes pay at the straight time rate.

O. No regular or laid off employee, excluding part-time employees, will be required to report for a work shift of less than eight (8) hours, or pay therefor except, in a situation wherein there is temporarily no work because of an Act of God or other circumstances over which the Company has no control, including strikes by employees of the Company or strikes by employees of United Air Lines curtailing flight operations of United Air Lines by fifty percent (50%) or more system-wide, the minimum reporting pay shall be fifty percent (50%) of the employee's scheduled hours at the regular hourly rate unless notified that there will be no work at the close of the last shift worked, or sixteen (16) hours before the start of their regular shift, whichever period is shorter.

ARTICLE VII
OVERTIME

An employee will be paid overtime pay at the straight time rate or premium time rate for time worked outside the employee's regular schedule, whether before or after the employee's normal shift or on a regular day off.

A. Overtime Pay

1. The rate of straight time shall be paid for work performed by part-time employees beyond their scheduled hours up to a maximum of forty (40) hours in a work week, except as provided below.

2. The overtime rate of time and one-half shall be paid:

   a. to all employees for the first four (4) hours of work in excess of eight (8) hours in a twenty-four (24) hour period (or the first two (2) hours in excess of ten (10) hours for employees assigned to ten (10) hour day schedules).

   b. to full-time employees for the first eight (8) hours of work (ten (10) hours for ten (10) hour day schedules) on the first regular day off worked in the employee's work week.

   c. to part-time employees for work in excess of forty (40) straight time hours in a calendar week.

3. The overtime rate of double time shall be paid:

   a. to all employees for work in excess of twelve (12) hours in a twenty-four (24) hour period.

   b. to full-time employees for work on a regular day off if any time was worked on any regular day off in the same calendar week, unless the time on the preceding regular day off was worked as an early start to the employee's regular shift on a scheduled work day.

   c. to full-time employees for hours worked in excess of eight (8) hours on any regular day off (in excess of ten (10) hours for employees assigned to ten (10) hour day schedules).

   d. to part-time employees for all hours worked on the second day off provided the employee has worked 40 straight time hours and any part of the first day off was worked at time and one half. In addition, the rate will also be paid to part-time employees when straight time hours plus hours worked on regular days off exceed forty-eight (48) hours in a work week.

4. There shall be no compounding of overtime rates provided for in this Agreement, and no employee shall receive more than double the straight time rate for any hours worked except as provided in Article VIII Holidays.

5. For the purposes of computing overtime compensation, the twenty-four hour (24) period shall begin with the starting time of the employee's regularly assigned shift.

6. Overtime is computed in one-quarter (1/4) hour increments; e.g., 2.25 (2 hours and 15 minutes), 3.75 (3 hours and 45 minutes), 1.50 (one hour and a half).

7. When employees work less than one (1) hour of premium rate overtime immediately before or after their normal shift, they are compensated for one (1) full hour; in the latter case, the employee may be required to remain on duty for some or all of the remainder of the hour when a need exists. By mutual agreement the employee may leave before the end of the hour and be paid for time worked. This minimum does not apply to quick turns.

8. Notwithstanding Paragraph A.7 above, the one (1) hour minimum overtime provision will not apply when the facility, desk, or product is closing, or when work station constraints do not permit the employee to work the hour. In such case, the minimum provision of Paragraph 6 above will apply.

9. Notwithstanding Paragraph A.7 above, the one (1) hour minimum overtime provision will not apply when employees must remain on duty for five (5) minutes or less, to complete service to a customer. In such case, employees shall be paid the actual time worked.

B. Overtime Equalization

1. Overtime opportunities shall be distributed as equally as practical among those available qualified employees who have indicated a willingness to work overtime on an overtime sign-up sheet for the timeframe needed. Offers will be made to those employees on the sign-up sheet who have accrued the least number of overtime hours, without distinction between full-time, part-time, basic or premium classification. When all available overtime in the job classification has been exhausted, additional overtime may be hired from other employees.

2. Equalization Rules

   a. Overtime hours worked or declined by an employee on the appropriate overtime sign-up sheet will be recorded as straight time hours offered. Overtime opportunities of one (1) hour or less will

not be charged and are not subject to these overtime distribution rules. No charge will be made if overtime is cancelled by the Company.

b. Overtime balances shall be posted in places accessible to all employees affected except by local agreement between the Union and the Company. Overtime balances shall be zeroed on the first day of every month.

c. When an employee is placed on a different overtime list, they shall be charged with the average hours of the employees on the list.

d. Probationary employees will be placed on the bottom of the overtime list and will be offered overtime only after all other qualified non-probationary employees on the overtime list have been considered. After the completion of probation, an employee will be placed on the overtime list and will be charged with the average hours of employees on that list plus the overtime hours they worked during their probationary period.

e. When employees are bypassed for overtime through error or misapplication of local guidelines, they will be given priority for future overtime opportunities, by mutual agreement, equal to those for which they were bypassed, however, no payment is made for overtime not worked. If no mutual agreement is reached within fourteen (14) days, the employee may choose which hours they will work within the next fourteen (14) days, provided it is for the same number of hours and the same rate of overtime.

f. Nothing herein shall prohibit Local Management and the Local Committee from agreeing to assign Union Stewards or other designated Local Union members to make offers of overtime opportunities to employees.

g. Nothing herein shall require the establishment of a formal procedure for overtime distribution for groups where Local Management and the Local Committee determine that no such procedure is necessary.

C. Overtime Scheduling

1. Overtime shall be assigned as follows:

a. Overtime anticipated to be four (4) hours or less which is continuous following a scheduled shift will be offered to employees working on that shift.

b. Overtime anticipated to be four (4) hours or less in advance of and continuous with a scheduled shift will be offered to employees on regular work days on the oncoming shift.

c. Overtime anticipated to be four (4) hours or less and not continuous with a work shift will be offered to employees on regular work days, with the minimum recall pay being three (3) hours.

d. Overtime anticipated to be more than four (4) hours will be offered to employees on a regular day off, with the minimum call-in pay being four (4) hours. By local agreement, such overtime may be offered on a station, shift, or work function basis.

2. No employee will be offered overtime which would require them to work (including their regular shift) in excess of sixteen (16) hours in any period of twenty-four (24) consecutive hours.

3. Mandatory Overtime

a. The Company and the Union agree that mandatory overtime assignments are not in the best interest of either party. Employees will not be required to work overtime against their wishes, except in emergencies where the Company's operations cannot otherwise be maintained.

b. No employee will be forced to work overtime until all readily available employees within the basic classification have been offered an opportunity to work the overtime hours. Readily available means 1) employees who are currently at work, and if there are insufficient volunteers from among those employees, then 2) employees who are not at work but based upon time and proximity could reasonably be expected to cover the overtime if they were available.

c. Whenever possible, the Company will provide a minimum one-hour advance notice of mandatory overtime. This notice will contain the reason for the mandatory overtime and the expected duration of the need. In the event the need for mandatory overtime does not materialize, the employee may leave as scheduled or, at their option, may work the overtime. In circumstances where management personnel are on duty and less than one hour advance notice of mandatory overtime is provided, affected employees will be paid one hour at the straight time rate in addition to the appropriate overtime compensation. In cases where local management could not reasonably be aware of the need for overtime at least ninety (90) minutes in advance, no such payment

will be paid. Employees will not be entitled to more than one (1) such payment in any twenty-four (24) hour period.

d. Mandatory overtime will be limited to the number of employees and hours required to cover the emergency.

e. Mandatory overtime will be assigned in inverse seniority order to the junior qualified employee(s).

4. Employees will be given four (4) hours advance notice of contemplated overtime whenever possible.

5. Overtime shall not be worked except as directed by the Company unless an emergency exists and proper authority cannot be obtained.

ARTICLE VIII
HOLIDAYS

A. Employees are scheduled to work on days observed as holidays as necessary to maintain the Company's operations or to perform work of an emergency nature. When the total number of employees within a work area, shift and classification who are scheduled to work are not required to work on the holiday, employees, in order of MPI PCE seniority, will be given preference to work or be off. The Company will reduce and/or minimize the total number of employees required to work in so far as practical by work arrangements and/or overtime.

B. Fixed Holidays are defined as holidays that are observed on the actual calendar date of their occurrence.

1. Regular employees covered by this Agreement will observe the following fixed holidays:

   New Years Day

   Fourth of July

   Thanksgiving Day

   Day after Thanksgiving

   Christmas Day

2. A regular employee required to work on any of the fixed holidays shall be compensated at the maximum rate of pay of two and one half times (2 ½) normal base rate, including shift differential. An employee will be paid straight time for any scheduled hours not worked.

3. A regular employee in active service who does not work on a fixed holiday which is a scheduled work day shall be compensated for the day for their scheduled hours at the straight time rate and shall receive no additional time off.

4. When the holiday falls on a scheduled day off and the employee does not work, a regular full-time employee receives eight (8) hours of holiday pay, whether assigned to an eight (8) hour or ten (10) hour schedule; a part-time employee's holiday pay is equal to one-tenth (1/10) of the hours the

employee is scheduled to work in the two (2) week pay period containing the holiday.

C. Floating Holidays are defined as holidays that can be observed on a date chosen by the employee, subject to operational needs. Floating holidays and Day-At-A-Time (DAT) vacation days will be awarded with equal priority.

1. Regular employees covered by this Agreement will observe the following Floating Holidays:

   Good Friday

   Memorial Day

   Labor Day

   Employee's Birthday

   Presidents' Day

2. An employee is eligible for floating holidays that occur after the employee's date of hire. An employee may take a floating holiday either before, on or after its traditional date, however, in order to take a floating holiday after its traditional date, the employee must have been in active service on the traditional date. A request to take a birthday holiday on the actual day will be granted in accordance with local procedures.

3. When, on the same day, two or more employees submit a request for a floating holiday to be taken on the same day, the request is granted to the employee with the earliest company seniority date.

4. An employee may not use a floating holiday on a fixed holiday or RDO. Floating holidays must be taken by the end of the calendar year in which they occur or will be forfeited.

5. Regular employees on a floating holiday shall be compensated for their scheduled hours for the day at the straight time rate.

6. An employee may not schedule or reschedule floating holidays after 1) giving notice of resignation, 2) receiving notice of termination, or 3) receiving approval for inactive status. An employee who does not use

floating holidays before separating or beginning an inactive status is not paid for the unused days.

7. Except when the Family and Medical Leave Act (FMLA) leave is used for an employee's own serious illness (including maternity disability), an employee shall be required to use floating holidays as a part of FMLA leave. The employee's floating holiday will be moved to begin on the first day of the FMLA leave, unless the employee's vacation has been moved to the first day of such leave in which case the floating holiday will follow the vacation.

8. In the event an employee's birthday falls on February 29, March 1 shall be considered as their birthday date, and if the employee's birthday falls on a fixed holiday, the next following work day shall be considered their birthday date.

D. An employee who receives holiday pay will not also receive sick pay.

ARTICLE IX
TRAVEL, TRAINING AND MEETINGS

A. Expenses

When an employee travels away from their home station at Company direction, necessary and reasonable expenses will be reimbursed for transportation, laundry, meals and lodging when not provided by the Company. Where the Company approves overnight lodging for employees, single room accommodations will be provided where available. Upon application an employee will be given an advance by the Company to cover their expenses while away from their home station. Within five (5) days after returning to their home station or at the close of each week in the event the employee is away for a period longer than one week, the employee shall submit an expense account in accordance with Company regulations.

B. Schedule and Pay Exceptions for Training and Meetings

1. Time spent attending Company required meetings or training sessions is considered time worked and, if outside the employee's normal work schedule is compensated at the applicable overtime rate, not exceeding time and one-half.

2. When an employee's shift or regular days off are changed for training purposes, the Company will give seven (7) calendar days notice of such change, if possible. If this shift change results in a combination of work and training that exceeds the employee's normal work schedule in a twenty-four (24) hour period, the employee shall be paid at the applicable overtime rate for hours in excess of their normal schedule except where an employee voluntarily changes shifts for that day in lieu of the Company's changing their regular days off.

C. Travel

When an employee covered by this Agreement is required to attend training classes pertaining to their work, they shall receive compensation not to exceed eight (8) hours per day for time spent traveling or waiting. When employees are assigned to training at points other than their home station, they shall be paid for the travel and training on the following basis:

1. The employee is considered for pay purposes to remain on their normal twenty-four (24) hour period for overtime purposes until such time as they actually begin training. The start of their training begins a new cycle of twenty-four (24) hour periods, which is continued until such time as they resume work at their home station. Pay for travel is computed in accordance with their normal schedule of twenty-four (24)

hour periods for the travel to training, and travel returning to their home station is based upon the twenty-four (24) hour periods established by the training schedule.

2. If the employee works any part of their normal work shift, they are paid for those hours at straight time rates and additionally for travel time, whether in or out of their normal work shift, at the applicable rate with a maximum of eight (8) hours travel pay for that twenty-four (24) hour period.

3. The employee never receives less than their normal scheduled hours paid at the straight time rate for any twenty-four (24) hour period constituting a scheduled workday. As provided above, they receive compensation not to exceed eight (8) hours per day for time spent in traveling or waiting at the applicable rate.

4. Additionally, the employee's regular days off may be rescheduled if circumstances warrant so that they travel on their days off and are trained on their scheduled workdays.

D. When an employee covered by this Agreement voluntarily accepts an invitation (but is not required) to participate in any educational program sponsored or given by the Company, they shall receive their normal compensation and reasonable and necessary expenses as provided in Paragraph A., above but shall not be paid additional pay for traveling or waiting time.

E. When an employee is away from the home station filling a temporary vacancy or special assignment they shall be paid straight time and overtime in accordance with the provisions of this Agreement based on the shifts as scheduled at the new location. It is understood the Company may schedule an employee to take their regular days off without compensation; they will continue to be eligible for reimbursement of reasonable and necessary expenses as provided in Paragraph A., above.

ARTICLE X
SENIORITY

A. Seniority means the length of time established, accrued and retained in service in the MPI PCE Group. The work classifications that are contained within the MPI PCE Group are those listed in Article IV.

1. On the effective date of this Agreement, employees covered by this Agreement shall be credited with their continuous service with the Company as MPI PCE Group Seniority.

2. In all other instances, the MPI PCE seniority date will be the first day actually worked in the Company's public contact group except that the MPI PCE seniority date of a Company employee (but not the new pay rate or probationary period) shall be established as the date they are notified that they are awarded an open vacancy.

B1. Company seniority date, as established by the Company, plus the ability to satisfactorily perform the work required for the job in question shall govern all employees covered by this Agreement in case of lay off and re-employment after lay off. MPI PCE Seniority plus the ability to satisfactorily perform the work required for the job in question shall govern all employees covered by this Agreement in preference of shifts or start times, days off, full-time and part-time vacancies and bids within classifications.

2. Service Director selection shall be in accordance with Article XI, Paragraph C.

C. Except as otherwise provided in this Agreement, all newly hired or transferred employees shall be regarded as probationary employees for the first two-hundred ten (210) days of their employment or transfer. Employees may be discharged at any time during said probationary period without a hearing. If retained in the service of the Company after the probationary period, the names of such employees shall then be placed on the MPI PCE seniority list for their respective classifications in the order of their MPI PCE seniority date. An employee's probationary period may be extended in appropriate cases (such as the employee's extended absence because of accident or illness) by local agreement between the Union and the Company. If temporary employees are hired as regular employees, the period of temporary employment shall be credited against and deducted from their probationary period. Seniority shall accrue from the time assigned as a regular employee, as provided in A.2., above.

D.1.a. Master seniority lists by basic classification for the system, showing the name, classification, MPI PCE seniority date, and date of entering the Company's service of each employee covered by this Agreement shall be

posted in a convenient place July 1 each year at each location. It shall be the responsibility of the employee to immediately protest if such list is in error. Such claims may be processed by the Union directly to Step Three of the Grievance Procedure. In the event an employee fails to protest the list within sixty (60) days after their seniority date and position on the seniority list is first established or adjusted there shall be no monetary liability or other retroactive application for subsequent seniority adjustments. In addition, a juniority list showing each employee's current job code shall be produced no later than August 1 of each year. A copy of each list will be furnished to the designated Local Union Representative and the Union System General Chairperson.

b. Ties in MPI PCE seniority date on the master system seniority list will be broken first by Company seniority date and then by giving preference to the employee with the lowest number comprised of the last four digits in their social security number. On the rare occasion, the last four (4) digits of the social security number are identical, ties in the classification seniority date will be broken by giving preference to the employee with the lower number comprised of the last six (6) digits in the social security number.

c. Employees whose adjusted seniority (for example, an employee returning from a leave of absence in excess of ninety (90) days) results in a tie with other employees will be placed ahead of such other tied employees on a seniority list. When two (2) or more employees with adjusted seniority are tied in MPI PCE seniority date, their relative position will be determined as provided in subparagraph b., above.

2. Seniority lists for the classification higher than the basic classification containing only the names, classification, and MPI PCE seniority dates of employees shall be posted at the same time as the basic system classification seniority list at each location. Protests of omissions or incorrect listings shall be made in the same manner and under the same conditions as protests relating to seniority on the system seniority list by basic classification. When two (2) or more employees are placed on a higher classification seniority list with the same MPI PCE seniority date, they shall appear in the order of their position on the basic seniority list.

E. An employee covered by this Agreement shall lose their seniority status and their name shall be removed from the MPI PCE Seniority List under the following circumstances:

1. They quit or resign;

2. They are discharged for cause;

3. They are absent from work for two (2) consecutive days without properly notifying the Company of the reason for their absence and not then if a satisfactory reason is given for not so notifying the Company;

4. They do not inform the Company in writing of their intention to return to service within seven (7) days of sending of notice offering to re-employ them;

5. They do not return to the service of the Company on or before a date specified in the notice from the Company offering them re-employment, which date shall not be prior to fifteen (15) days after sending the notice; provided, however, that subdivisions 4 and 5 of this Section shall not apply to offers of temporary work.

6. They are not recalled before the expiration of their furlough recall rights.

F. All notices required to be sent under Paragraph E. shall be sent by certified mail, return receipt requested to the employee at the last address filed by them with the Company. There shall be no duty on the part of the Company to send a notice to a laid off employee unless the employee, when laid off, filed their address with their local Manager and thereafter promptly advised that local Manager of any changes in address.

G. Layoff

1. When it becomes necessary to lay off employees at any location on the Company's system, any temporary employees in that classification at the location will be terminated first and then Company seniority in the basic classification plus ability to perform the available work will govern.

2. For purposes of this Article, a location shall be defined as a Company facility with the same station or building designator codes.

3. When it becomes necessary to lay off employees due to a reduction in force, at least ten (10) calendar day's notice of such layoff or normal pay in lieu of such notice will be given all employees to be laid off except temporary employees.

   a. When notice of layoff is handed to an employee in person, the day this is done shall be considered the date of delivery of notice. The first day of the ten (10) calendar day's notice period is the day following delivery.

   b. When notice is given an employee by means of U.S. Mail, the day following the postmarked date shall be considered the date of delivery

to the employee. The first day of the ten (10) calendar day's notice period is the day following the date of delivery.

c. If the notice is served by mail and the date of delivery as defined above falls on a Sunday, holiday, or other day on which postal deliveries are not provided by the U.S. Postal Service, the date of delivery will be the day following the day on which postal deliveries are not provided, and the first day of the ten (10) calendar day's notice will be the next succeeding day.

d. The above shall apply to all employees covered by the Agreement at all times except employees on vacation. If an employee scheduled for vacation is given notice either by hand directly or by mail prior to the date they begin their vacation, they shall be considered under notice as provided in items a., b., and c. above. An employee already on vacation, however, shall not be given notice of layoff earlier than the first scheduled workday after completion of their authorized vacation. If an employee not on vacation is laid off under this procedure before an employee junior to them who is on vacation, no grievance or wage claim shall be allowed because of the deviation from seniority in the order of layoff.

4. Options for a full-time surplus employee to be considered in the order presented:

   a. May fill a part-time vacancy in their current job classification at their current location.

   b. If there are no part-time vacancies, the employee may displace the most junior part-time employee in the same job classification at their current location.

   c. If options a or b are not exercised, the employee may: 1) request system full-time placement options with recall to their current location or 2) accept layoff with severance and recall to their current location.

5. Options for a part-time surplus employee to be considered in the order they are presented.

   a. May fill a full-time vacancy in their current job classification at their current location.

   b. If there are no full-time vacancies, the employee may displace the most junior full-time employee in the same job classification at their current location.

c. If options a or b are not exercised, the employee may: 1) request system full-time placement options with recall to their current location or 2) accept layoff with severance and recall to their current location.

6. Options for an employee with less than one (1) year of Company seniority as of the effective date of the furlough are limited to local vacancies at the location.

7. When system furlough options are being offered, the Company will freeze all vacancies in the classification and compile a list of full-time vacancies by location. A list of employees desiring to exercise the option of system displacement, including their seniority, will be compiled. The Company and the Union will match the number of vacancies with the number of people electing displacement. If the number of vacancies is not sufficient to accommodate everyone opting for system placement, the Company and the Union will also identify the most junior full-time employees in the classification on the system.

   a. The Company will make two (2) lists:

      The first will have the names of all employees desiring system displacement.

      The second will list the vacancies and junior locations, which in total will match the first list.

   b. Employees opting system displacement must list all locations that they are willing to transfer to in order of preference.

   c. Awards will be made on the basis of seniority with the most senior employee being awarded their first choice.

8. The employee will have three (3) calendar days after notification of layoff and the furnishing of information to them to decide whether they will accept layoff or fill a vacancy or, if no vacancies are available, displace the junior full-time employee on the system, whichever may be applicable. Temporary vacancies (vacancies of a known, limited duration) shall not be considered as vacancies for the purpose of this entire paragraph and subdivisions thereof.

9. The temporary assignment of an employee filling a temporary vacancy shall be terminated before the layoff of any employee filling a permanent vacancy. Further, an employee who fills a temporary vacancy that is terminated for any reason shall not be entitled to be recalled to the location to which they temporarily transferred.

10. Employees transferring under this paragraph shall receive moving expenses as provided under Company policy.

11. In the case of a reduction in force affecting the Service Director classification, the employees reduced shall exercise their MPI PCE seniority in their basic classification at the location at which reduced.

12. These provisions will not apply if a surplus condition is caused by an Act of God, war emergency, revocation of United Air Lines' operating certificate, grounding of a substantial number of United Air Lines' planes, any work stoppage or other action that interrupts or interferes with any operations of the Company or United Air Lines or a temporary cessation of work beyond the Company's control. In such event, the Company may immediately reduce the workforce with the minimum pay provision of Article VI, Paragraph O. applying. If the reduction affects some but not all employees, the Company shall promptly reassign employees so that the more senior employees within skill and work function at an office are allowed to perform available work in accordance with their basic classification seniority and the more junior employees are placed in no-pay status. Such reassignments will be those which are practical considering the circumstance under which there is temporarily no work. The Company will not be subject to the normal requirements for notice of shift change or overtime pay because of such reassignment.

H. Recall

1. Active employees maintain recall rights as provided in subparagraphs G.4., and G.5. of this Article to the job classification and location from which they were laid off for as long as the employee remains in an active status in any job classification with the Company, or until recall is offered and is either accepted or declined.

2. Inactive employees maintain recall rights as provided above to the job classification and location from which furloughed for a period of six (6) years.

3. Employees will be offered recall in seniority order regardless of the work status from which laid off. Employees who are recalled to a work status other than the work status they held prior to layoff ("alternate work status"), may decline that recall and thereafter will maintain recall rights only to the job classification, work status and/or location from which laid off. Employees who accept recall to an alternate work status will maintain recall rights to the work status from which laid off.

4. A laid-off employee who accepts a temporary vacancy reverts to layoff status at the conclusion of the assignment.

5. An employee who accepts recall must be available to return to work by the sixteenth (16th) calendar day following the date recall was offered.

6. When an employee is offered recall to their old location, regardless of the length of time they have been at the new location, they must elect either to return to their old location with no further entitlement to seniority in any classification at the new location, or to remain at the new location with no further entitlement to recall or seniority in any classification at their old location.

I. Employees who have given long and faithful service in the employment of the Company and who have become unable to handle their normal assignments, will be given preference for such other available work as they are able to handle within their classification at the rate of pay for the job to which they are assigned.

J.1. Employees who enter "promoted" status will retain and continue to accrue seniority in the classification group from which promoted for a period of six (6) months following promotion, except that employees in such positions (on the effective date of this Agreement), shall retain and continue to accrue seniority for a period of six (6) months from that date. At the expiration of the six (6) month period, employees in promoted positions shall retain but shall no longer accrue seniority. "Promoted" as used herein shall mean assignment to a management position. Employees who transfer to positions not covered by this or any other Agreement but who are not in "promoted" status shall retain and accrue seniority for a maximum of one (1) year.

2. If an employee is temporarily assigned to a promoted position (as defined in subparagraph 1 above) for combined periods which exceed one hundred eighty-three (183) days in any period of twelve (12) consecutive months, the employee will retain seniority but will accrue no more than one hundred eighty-three (183) days seniority during that twelve (12) month period.

K.1. Except as provided in Paragraph G hereof, an employee who bids or is transferred for any reason to another location shall not be entitled to displace any employee at the new location upon their arrival at the location.

2. An employee accepting assignment to a temporary vacancy at another location shall be allowed to exercise their seniority at the new location to preference shift vacancies in the same manner as if they were filling a permanent vacancy. So long as they fill the temporary vacancy, however, they will not be entitled to exercise their seniority to bid local job vacancies at their temporary location, except vacancies at that location which are

filled from the system. At the termination of their temporary assignment they will exercise their seniority at their location of permanent assignment.

L. New regular employees will normally establish their permanent shift within the first one hundred-eighty (180) days of employment.

ARTICLE XI
VACANCIES

A. Vacancies in the basic classification of sixty (60) days or longer shall be filled within the classification by MPI PCE seniority, when no layoff is in progress, from among active or laid-off employees with system permanent bids on file. Such bids must have been received by the Company as of the Friday preceding the date the vacancy was declared.

System permanent bids will be sent to WHQZM – Human Resources by either U. S. mail (Human Resources, Mileage Plus, Inc., 1600 Golf Road Suite 520, Rolling Meadows, Illinois 60008) or Company mail (WHQZM), at the employee's option. Bids shall specify the location to which the employee desires to be transferred as vacancies occur. Bids will remain valid until withdrawn or replaced by a subsequent bid. Employees must submit bids in triplicate (electronically, if available), one copy to be retained by the Company and the other returned to the employee confirming the date such bid was received by WHQZM. The District Union shall be furnished a copy of each bid after it has been received by WHQZM (electronically, if available) and shall be notified in writing the name, location and MPI PCE seniority date of each employee awarded a vacancy, and the date of that vacancy, under this paragraph. Employees selected to fill such a vacancy shall be available to begin the assignment within a maximum of ten (10) days after being released from their previous job. Employees who are not considered qualified by the Company for a vacancy for which they file a system permanent bid shall be notified in writing of their disqualification and the reason therefor.

B.1. Vacancies of sixty (60) days or longer in the Mileage Plus, Inc. Service Director classification covered by this Agreement shall be bulletined at the location where the vacancy exists and, if not filled locally, shall then be bulletined at all locations where employees in the applicable basic classification are located. The bulletin shall state whether the vacancy is temporary, the number of vacancies to be filled, the classification of the job involved, the qualifications for the job, duties to be performed, the place where bids are to be sent, and the last date on which they will be received. Such date will be a minimum of seven (7) days after the date the bulletin is posted. Any employee bidding for a Mileage Plus, Inc. Service Director job must file a bid in writing (electronically, if available) with the Company as provided in the bulletin and may file a copy of the bid with the Union. Any employee selected to fill such a vacancy shall be available to begin the assignment within a maximum of ten (10) days after being released from their previous job. Employees who fill a Mileage Plus, Inc. Service Director job and subsequently resign from it within a period of six (6) months from the date they are declared the successful bidders shall not be entitled to exercise their basic classification MPI PCE seniority to displace to the shift

of their choice, but shall return in their basic classification to their former shift and location.

2. In cases where a vacancy bulletined under Paragraph B.1., above, is filled and the successful bidder is later displaced by a decision in the grievance procedure, the employee in the vacancy displaced by the grievant shall be returned to the previous assignment held. However, if the displaced employee would have been entitled to a Mileage Plus, Inc. Service Director vacancy which was bulletined and awarded while working in the higher classification, the employee shall be entitled to remain in the higher classification. The same procedure shall be followed with all other employees in the higher classification who were awarded Mileage Plus, Inc. Service Director vacancies subsequent to the vacancy awarded by the grievance decision.

C. In filling jobs under Paragraph A., above, MPI PCE seniority plus ability to satisfactorily perform the work required for the job in question will be considered. In filling jobs under Paragraph B., above, the Company will select the most senior bidder who meets the eligibility criteria and qualifications as outlined in Letter of Agreement 02-9MPI. The Union may, at its option be involved in the development and periodic review of the selection process.

D. Any employee covered by this Agreement will be eligible to bid on a vacancy in their basic classification or the applicable higher classification after one year of continuous service with the Company in their basic classification. When a vacancy is not filled through the bidding procedure, the Company may, but will not be required to, consider the transfer request of an employee who does not meet the minimum requirement for service in the basic classification.

E. An employee bidding for more than one vacancy shall indicate the order of preference on each bid. When the Company has selected an employee to fill a Mileage Plus, Inc. Service Director job, it shall post immediately at each station, office or location where the vacancy was announced, a bulletin showing the name of the employee selected to fill the job and the employee's MPI PCE seniority date. If an employee refuses to accept a job for which the employee is the successful bidder, the employee shall forfeit all bidding rights (except shift preference within the employee's classification or for the initial establishment of vacancies in a classification at a location) for a period of six months from the date the employee was notified of being the successful bidder.

F. An employee whose bid for a Mileage Plus, Inc. Service Director job is accepted shall hold the job on a trial basis for a reasonable time not to exceed one hundred and eighty (180) days in order to demonstrate the ability to perform the work required by the job. Once the trial period is over,

the employee will not be allowed to transfer for a six (6) month period, except by permission of the Company. An employee's trial period may be extended in appropriate cases by local agreement between the Union and the Company. During such trial period, if the employee is unable to demonstrate ability to perform the work required by the job, and after the Company confers with the Local Committee, the employee shall be returned to the employee's previous assignment, but shall not, for a period of six (6) months, be permitted to bid for a vacancy in the same or a higher classification of work in which the employee was unable to demonstrate ability.

G. During the interim required to bulletin a Mileage Plus, Inc. Service Director vacancy, the Company may select an employee to fill the vacancy temporarily.

H. In the case of vacancies not expected to exceed sixty (60) days, the Company may select an employee to fill such vacancy on a temporary basis without bulletining the job. In case of temporary vacancies for Mileage Plus, Inc. Service Director, the Company will select the senior, available, qualified individual. If no qualified employee is available, the senior available employee will be offered the vacancy. A wage claim will be paid where deviation from normal selection practice for temporary assignments is due to Company convenience. At the end of sixty (60) days, such vacancy will be filled as otherwise provided in the Agreement.

I. An employee under this Agreement assigned to a temporary job under Paragraphs G. and H. of this Article shall, upon discontinuance of such temporary job, be returned to the former job and status.

J. No employee will be compelled to accept a permanent transfer against their wishes.

K. When the needs of the service require, temporary employees may be employed and at the time and point of hiring the local manager will inform the employee and the Local Committee of the contemplated duration and daily hours of the job or jobs. In no event shall a temporary employee be hired for work contemplated to last in excess of five (5) consecutive months. All temporary employees are subject to all provisions of this Agreement unless otherwise noted except that they will accrue no seniority and will not be subject to recall after termination of their jobs.

ARTICLE XII
LEAVE OF ABSENCE

A. Where a justifiable reason exists and where the requirements of the service will permit, any employee covered by this Agreement will, upon proper application to the Company, be granted a leave of absence in writing for a period not in excess of ninety (90) days, and the local designated representative of the Union will be notified of all such leaves granted. An employee requesting a leave of absence who is required to maintain Union membership in accordance with the provisions of the Union Security Article of this Agreement shall present written evidence that their Union dues are paid up at the time they request a leave of absence. Such leave or leaves may be extended for additional periods not to exceed ninety (90) days upon appropriate application in writing to the Company and Union and approval in writing. An employee granted leave of absence shall retain and continue to accrue seniority during the first ninety (90) days of any such leave of absence. For leaves of absence in excess of ninety (90) days, the employee shall retain but shall not accrue seniority after ninety (90) days, except where the leave has been granted because of health, injury, pregnancy, service in the Peace Corps or special assignment by the Company, or election to Federal, State or Local Office. Special assignment leaves in the interest of the Company may be extended without approval from the Union. An employee applying for an educational leave of absence must specify the entire period of time they plan to remain on such leave in order to obtain the desired education and, if the leave is granted, they shall have no right to reemployment until the entire educational leave specified has elapsed. Such employees will not be required to apply for and receive extensions at ninety (90) day intervals during their leave as will other employees granted leave of absence.

B. Employees accepting full-time employment with the Union as representatives of the employees covered by this Agreement shall be granted an indefinite leave of absence by the Company. An employee on leave of absence for this purpose shall retain and continue to accrue seniority but, with the exception of the employees selected by the Union as System General Chairperson, Assistant System General Chairperson, and District Secretary-Treasurer, shall have no other employee benefits. The employees selected as System General Chairperson, Assistant System General Chairperson, and District Secretary-Treasurer, shall have all employee benefits that can reasonably be continued in effect during their leaves of absence.

C. Employees covered by this Agreement must advise the Company and the Union ten (10) days in advance of their intention to return from a leave of absence or extension thereof. Upon their return, they shall be returned to the job held when leave was granted; provided, however, that if they fail to meet the qualifications and performance requirements of the job within thirty

(30) days of the date of their return, they may be assigned to such other job for which they can qualify. If the job held prior to the leave of absence no longer exists, the employee may be assigned to any other job in their classification for which they can qualify.

D. Any employee covered by this Agreement who engages in gainful employment for someone other than the Company while on leave of absence without prior written permission from the Company and Union, except employees on special assignments in the interest of the Company, shall be deemed to have resigned from the Company's service and their name will be stricken from the seniority roster.

E. An employee who enters military service and has re-employment rights under applicable federal law and regulations thereunder shall be considered on military leave of absence and shall retain and continue to accrue seniority during such leave of absence. In the event the employee does not return to service with the Company during the period they had re-employment rights, their leave of absence shall automatically terminate and they shall lose all seniority.

ARTICLE XIII
VACATIONS

A. The calendar year will be used for computing vacation allowances and scheduling vacations. Vacation will be taken during the calendar year following that in which accrued. Vacation is earned and used in hours and will be paid at the employee's regular rate of pay in effect at the time the vacation is taken.

B. Vacation Accrual

1. Full-time

   During the first calendar year of employment, a regular full-time employee will accrue six and two-thirds (6 2/3) hours of vacation for each calendar month of active service. Thereafter, vacation accrual for each full year of active service will be based on the employee's length of service as determined by the employee's Date of Employment as follows:

Length of Company Service	Vacation Weeks	Accrual Hours
1 year	2	80
5 years	3	120
10 years	4	160
17 years	5	200

2. Part-time

   A regular part-time employee will accrue vacation hours based upon length of service and the ratio of such employee's scheduled work hours to a full-time forty (40) hour work week. For purposes of determining a part-time employee's scheduled hours, the employee will be credited with the greater of scheduled or actual hours paid including any Authorized No Pay (ANP) time.

C. An employee taking a leave(s) of absence in excess of thirty (30) calendar days, except in case of sickness or injury on the job, shall have their vacation hours and pay reduced by one-twelfth (1/12) for each month or part thereof that they are on leave of absence in excess of thirty (30) days.

D. Fixed holidays recognized by this Agreement at the beginning or end of a vacation period or falling within a vacation period will not be considered as part of the vacation. Fixed holidays falling within a vacation period will be taken by extending the vacation period one day for each such holiday. When the fixed holiday falls on an employee's regular day off during a vacation period, the employee may elect to extend their vacation period by one (1) day

for each holiday, or elect to retain the same vacation period and be certified for an additional day of pay for the holiday.

E. Employees who leave the Company, regardless of their length of service with the Company, shall be paid for all accrued but unused vacation credit for the preceding calendar year regardless of the reason for leaving the Company. In addition, an employee having a full year or more of service with the Company at the time of leaving will receive all accrued vacation credit in the current year up to the end of the month preceding the separation, if: 1) they give the Company ten (10) calendar days notice of intent to quit; 2) they are not discharged for cause. Employees laid off in a reduction of force and employees granted an indefinite leave of absence as full time representatives of the Union shall be granted vacation pay for all unused vacation time accrued to the end of the month preceding the layoff or leave of absence. In the event of the death of an employee after one (1) year of service, pay for any unused vacation time will be given to their executor, administrator or legal heirs.

F. Day-At-A-Time (DAT) Vacation

1. Employees with two (2) or more weeks of accrued vacation may reserve the equivalent of one (1) week of their accrued vacation to be taken as DAT. When taken, the hours shall be used in amounts equivalent to a day of the employee's schedule, not to exceed the number of days in a week for which an employee is normally scheduled. Employees will receive a maximum of five (5) DAT days for each week of vacation taken as DAT.

2. Employees with three (3) or more weeks of accrued vacation may reserve the equivalent of two (2) weeks of their accrued vacation to be taken as DAT. When taken, the hours shall be used in amounts equivalent to a day of the employee's schedule, not to exceed the number of days in a week for which an employee is normally scheduled. Employees will receive a maximum of five (5) DAT days for each week of vacation taken as DAT.

3. DAT must be elected at the time the vacation lists are compiled.

4. An eligible employee may take DAT by obtaining the advance approval of their supervisor. The number of employees granted DAT on any specific date will be subject to Company and departmental service requirements. DAT days and floating holidays will be awarded with equal priority. An earnest effort will be made by all parties to schedule and use all DAT vacation by December 31 of the year for which it was reserved.

5. If for any reason, an employee does not use all of their DAT vacation days in the current calendar year, they will be carried forward only to the next following calendar year and if not then scheduled and used will be forfeited. If the employee also sets aside new DAT vacation days to be used in the

next calendar year, they may not then use the new DAT vacation but will be required to select a regular vacation week only from the vacation weeks remaining.

6. For each DAT day used, the employee is paid for the number of hours the employee would have been scheduled to work on that day, and the corresponding number is deducted from their reserved DAT hours.

7. Additional flexibility in the scheduling of DAT may be implemented on a local basis consistent with operational service requirements. Such local rules shall not prejudice the system application of the DAT program and shall be deemed to expire each vacation year unless renewed.

8. A fixed holiday, RDO, or another vacation day cannot be designated as a DAT day. Further, Paragraphs D., H., (as related to the splitting of vacations), I., J. and L. are not applicable to DAT.

G.1. The Local Management and Local Union Committee shall meet at least thirty (30) days in advance of the vacation scheduling period to discuss the method of scheduling vacations, including DAT vacation, for the coming year.

2. Vacation lists shall be compiled for each vacation scheduling group beginning on November 15 preceding the vacation year and shall be posted no later than the following January 15. Such dates may be modified by local agreement between the Company and the Union.

H. Subject to Company and departmental service requirements employees covered by this Agreement will be permitted to select their vacation in the office or department in which they are employed in accordance with Company seniority. Employees with two (2) or more weeks of vacation may elect to split their vacation and may exercise their seniority for a primary choice of no more than two (2) segments of the split vacation at once. Each scheduled segment of such split vacation must be at least one (1) calendar week. A secondary exercise of seniority for a third segment must await the primary selection of junior employees, et cetera. When vacation schedules have been established, senior employees will not be permitted to take the vacation period already assigned to a junior employee. An employee who is transferred to a different vacation group shall be allowed to reschedule their vacation period(s) to available vacation weeks or, at their option, to retain their scheduled vacation period(s) except when extreme staffing requirements exist or the planned vacation list has already been exceeded.

I. If an employee's regular day off pattern is involuntarily changed by the Company after the employee has been assigned their vacation period, they shall be permitted at their option to move their regular days off or their

vacation period in the work week in which their vacation starts to allow their regular days off and vacation period to occur back to back.

J. Vacation leave is not cumulative except where an employee has been specifically requested by the Company in writing to forego their vacation during the year. Otherwise if not taken within the calendar year in which it is due, the vacation will be forfeited, except that an employee who is sick or injured prior to the commencement of their scheduled vacation and whose illness or injury disables them through the entire period of their scheduled vacation shall, at their option, receive vacation pay for their scheduled vacation or receive sick pay for this period of time and have their vacation rescheduled. An employee cannot receive both sick pay and vacation pay for the same period. If the Company does not reschedule their vacation in the current year, the employee shall then receive pay for their vacation in lieu thereof.

K. Except when the Family and Medical Leave Act (FMLA) leave is used for an employee's own serious illness (including maternity disability), an employee shall be required to use accrued vacation as a part of FMLA leave. The employee's vacation will be moved to begin on the first day of FMLA leave. If FMLA leave extends beyond the employee's vacation, the employee shall be placed on Authorized No Pay (ANP) status or personal leave of absence.

L. Employees shall be given one hundred percent (100%), less payroll deductions, of their vacation pay prior to the commencement of their vacation provided the employee makes application therefor in writing on a form to be prescribed and furnished by the Company which shall be signed by the employee. Such request for vacation pay must be filed in time to have it in the payroll office of the Company at least twelve (12) days prior to the employee's last working day before their vacation. Any pay due an employee for work performed prior to taking their vacation shall be paid on the regular payday.

ARTICLE XIV
SICK LEAVE

A. The purpose of paid sick leave is to provide income protection to employees who are unable to work for all or part of the work day, where the disability is produced specifically by the symptoms or effects of a legitimate illness or injury and from which the employee is making a bona fide and medically reasonable effort to recover.

B. Non-occupational Sick Leave

1. Regular Full-Time Employees

a. Employees will be credited with one-half (½) day (four (4) hours) of sick leave during the first six (6) calendar months of employment. During such first six (6) months of employment, an employee will not be paid sick leave pay for absences due to illness or injury.

b. Employees will be credited with one (1) full day (eight (8) hours) for the second six (6) calendar months of employment. During such second six (6) months of employment, an employee may use sick leave credit for up to six (6) days at one-half (½) pay for absences due to illness or injury.

c. At the start of the second year of employment the employee will have a total of nine (9) full days of sick leave credit, minus any sick leave used during the first year, and will continue to accrue one (1) day of sick leave credit for each calendar month of service during which the employee receives pay from the Company, up to a maximum of thirty five (35) days or two hundred eighty (280) hours of sick leave credit.

2. Regular Part-Time Employees

a. Employees will accrue sick leave credit for each month of service based upon a ratio of straight time hours paid plus Authorized No Pay (ANP) to the total hours in a full work schedule in the applicable calculation period to a maximum of two hundred eighty (280) hours.

b. During the first six (6) months of employment, the employee will not be paid sick leave pay for absences due to illness or injury. During the second six (6) months of employment, the employee may use sick leave credit for up to six (6) days at one-half (½) pay.

c. Sick leave accrual for an employee who transfers to a regular part-time position shall be four (4) hours per month until the following January, at which time the part-time accrual rate will be calculated pursuant to Paragraph 2.a., above.

3. After one year of employment, an employee will be paid sick leave for absences due to illness or injury up to the number of hours credited to the employee. The number of hours paid will be charged against the number of sick leave hours credited to the employee. Thereafter, one (1) day of sick leave will be credited for each month of service during which the employee receives pay from the Company until the total credit again reaches the maximum.

4. Employees who request payment for sick leave must do so in writing, on a form provided by the Company, no later than the pay period following their return to service.

5. The Company may require a doctor's certificate before paying any sick leave in excess of three (3) days.

6. In the event an employee receives paid sick leave benefits from the Company and disability benefits from a State disability benefits program for the same period of absence, the employee shall give the State disability benefit to the Company. The State disability benefit shall be used to restore the employee's sick leave to the extent that the State disability benefit offsets the sick leave paid.

C. Occupational Illness or Injury Leave

1. Regular Full-Time Employees

Employees will accrue one (1) day of occupational illness or injury leave for each month of service during which they receive pay from the Company to a maximum of thirty five (35) days or two hundred eighty (280) hours. In January 2003, each employee's initial occupational illness and injury leave bank shall be credited with an amount equal to the number of days in their non-occupational sick leave bank.

2. Regular Part-Time Employees

Employees will accrue four (4) hours of occupational illness or injury leave for each month during their first year of employment. Thereafter, they will accrue based upon a ratio of straight time hours paid plus ANP in the previous calendar year up to the number of hours in a full-time work schedule to a maximum of two

hundred eighty (280) hours. In January 2003 each employee's initial occupational illness and injury leave bank shall be credited with an amount equal to the number of days in their non-occupational sick leave bank.

3. Accrual of Occupational Leave is in addition to non-occupational sick leave and may be used solely for absence resulting from occupational illness or injury. After exhausting their occupational illness or injury leave, an employee may use their non-occupational sick leave credits. An employee may not, however, use occupational illness or injury leave for non-occupational illness or injury under any circumstances. When an employee on occupational illness or injury leave exhausts their leave and uses non-occupational sick leave, their ensuing accrual of occupational illness or injury leave shall be credited to their non-occupational sick leave balance until such time as they have replaced all non-occupational sick leave which was used for their occupational illness or injury.

4. When it is necessary for an employee to be absent from work due to occupational illness or injury, the employee must request payment for such leave in writing, on a form provided by the Company, no later than the pay period following their return to service.

5. A doctor's certificate may be required before paying occupational illness or injury leave pay. In the event the employee received Worker's Compensation because of such absence, the employee is required to give such compensation to the Company. The Worker's Compensation benefit will be used to restore the employee's non-occupational sick leave and occupational illness and injury leave credit to the extent that the compensation offsets the pay granted. An employee who does not receive paid sick leave or occupational illness or injury leave may retain any Worker's Compensation benefits received.

D. All credit for non-occupational sick leave and occupational illness and injury leave will be cancelled if employment ceases for any reason and no payment for such accumulated credit will be made at any time.

E. No credit will be given for non-occupational sick leave or occupational illness or injury leave while an employee is on leave of absence.

F. Dental and doctor appointments will not be considered a basis for paid sick leave or occupational illness or injury leave, unless it can be shown that the doctor in question does not maintain office hours outside the employee's regular work time or the employee's regular days off.

G. Employees covered by this Agreement and the Union recognize their obligation to be truthful and honest in preventing unnecessary absence or other abuse of either non-occupational sick leave or occupational illness or injury leave privileges. No employee shall be reprimanded for the legitimate use of sick leave and/or injury leave. An employee whose dependability record is unsatisfactory shall be so advised, furnished a copy of their record, and given a reasonable opportunity for improvement before any disciplinary action is taken.

ARTICLE XV
EXTENDED ILLNESS STATUS

A. An employee who exhausts their sick leave or who is off work because of illness or injury longer than sixteen (16) days without sick leave pay shall be placed on extended illness status up to a maximum of one (1) year from the first day placed on extended illness status. The employee shall, when placed on extended illness status, file their address with the Company and shall thereafter promptly advise the Company of any change in address. The System General Chairperson will be notified by two (2) copies of a letter stating the employee's name, home address, work location, job title and the date they are placed on extended illness status.

B. While on extended illness status, the employee:

1. shall retain and continue to accrue seniority

2. may continue insurance coverages according to the provisions of the Company's insurance plan

3. may be granted free or reduced rate transportation upon request to his supervisor.

4. may be required to submit to physical examinations at Company request or to furnish medical reports of their current physical condition. If the employee is examined by a Company medical examiner or is directed to a specific medical examiner by the Company, the cost of the examination will be borne by the Company. If the employee is required to furnish a medical report of their current physical condition and elects to be examined by their own doctor rather than go to a Company medical examiner, they shall assume the cost of their examination. The Union will be notified of the date of a Company required medical examination if the employee requests the Company to do so in writing.

5. shall not accrue or be entitled to any other employee benefits, such as vacation accrual, sick leave accrual, holiday pay, etcetera, except that an employee who is off work because of occupational illness or injury will continue to accrue vacation credit.

C. If while on extended illness status the employee accepts employment elsewhere without prior approval by the Company and the Union, they shall be deemed to have severed their employee relationship with the Company.

D. At least sixty (60) days prior to the end of the employee's extended illness status, the employee's condition shall be reviewed by the Company and further extensions in the period of extended illness status may be granted if circumstances warrant. Thirty (30) days before the end of the employee's

extended illness status, the Company shall notify the employee, the System General Chairperson, and the Local Committee of its decision to extend the employee's extended illness status or to separate the employee. Separation by termination of the employee's extended illness status shall be automatic and the Company shall not be required to follow the procedures specified in the Disciplinary Action Article of the Agreement.

1. If the Company grants an extension of the period of extended illness status, the extension will be confirmed by letter to the Union indicating the length of the extension and the reason(s) therefor.

2. Following notice to the Union and the employee that the employee will be separated, the employee may file a grievance protesting their separation and the Union may appeal the Company's decision directly to Step Three of the grievance procedure as provided in the Bargaining and Grievance Procedure Article of the Agreement.

3. The grievance must be filed within ten (10) days after the date of separation. If such appeal is not filed, the Company's action shall be final and binding.

4. Further appeal, if desired, shall be to the System Board of Adjustment provided for in this Agreement.

ARTICLE XVI
TRANSPORTATION

A. It is agreed that the pass transportation regulations as established by Company policy on May 14, 2002 will apply to employees covered by this Agreement and will not be substantially changed or discontinued during the term of this Agreement without first advising the Union of the reason therefore and affording the Union an opportunity to confer with the Company. Any improvements in pleasure pass benefits provided to other Mileage Plus, Inc. domestic non-management employee groups will be offered to employees covered by this Agreement.

B. The System General Chairperson and Assistant System General Chairperson of the Union if they are employed by United Air Lines will be furnished with a non-contingent pass over United Air Lines system during their term of office for use in connection with their work in administering this contract.

C. Union Officials engaged in meetings with Company Officials of either United Air Lines or Mileage Plus, Inc. shall be given business positive space air transportation over the lines of United Air Lines, to the extent permitted by law, to attend such meetings.

ARTICLE XVII
DISCIPLINARY ACTION

A. Employees who are to be questioned by Company Representatives in the investigation of an incident which may result in disciplinary action being taken, will be informed of their right to have a Union Representative present before such questioning begins. Such Union Representative will not interfere with the Company's questioning of an employee. However, at the conclusion of the Company's questioning, the Union Representative will be free to ask questions to clarify facts. The above does not apply to inquiries of employees by Supervisors in the normal course of work.

B. Employees shall not be discharged without a prompt, fair and impartial investigative hearing at which they may be represented and assisted by Union Representatives. Employees will also be entitled to an investigative review hearing if they so request upon being advised of a disciplinary suspension. The hearing will be held before any suspension is served. Prior to the actual hearing the Union and employee will be given copies of any previous disciplinary action letters which are to be considered and the Union will be advised in writing of the precise charges against the employee. The Union and employee will have at least forty-eight (48) hours advance notification of the hearing should they so desire. Nothing herein shall be construed as preventing the Company from holding an employee out of service pending such investigation.

   In those exceptional discipline cases where the Company holds an employee out of service, without a Letter of Charge, for more than thirty (30) days, the Director of Human Resources will forward, by letter, to the President and General Chairperson, an explanation of the Company's rationale for such action. If this explanation is unacceptable to the Union, the President and General Chairperson may immediately submit the matter to the Arbitration step of the Grievance Procedure.

C. Appeals of suspensions shall be made directly to Step Two of the Grievance Procedure. Appeals of discharge shall be filed directly to Step Three of the Grievance Procedure. A hearing will be held within ten (10) days of perfecting such appeal. Oral and written evidence may be introduced at such hearings and witnesses may be required to testify under oath. All time limits for answers and appeals shall conform to the limitations imposed in the grievance procedure.

D. All disciplinary letters (letters of warning, reprimand or suspension) will be removed from the employee's file after a period of two (2) years (excluding periods while on layoff or Leave of Absence) from the date they were issued, except as it may be required by law or regulation. Decisions relating to appeals of disciplinary action may not be used by the Company as part of an

employee's past record when assessing subsequent discipline if more than two (2) years have elapsed from the date of the disciplinary action taken.

E. If, as a result of any hearing, or appeals there from, it is found the suspension or discharge was not justified, the employees shall be reinstated without loss of seniority and made whole for any loss of pay they suffered by reason of their suspension or discharge, and their personnel records shall be corrected and cleared of such charge; or, if a suspension rather than discharge results, the employees shall have the time that they have been held out of service credited against their period of suspension. In determining the amount of back wages due employees who are reinstated as a result of the procedures outlined in this Agreement, the maximum liability of the Company shall be limited to the amount of normal wages they would have earned in the service of the Company had they not been discharged or suspended.

F. Necessary hearings and investigations called by the Company shall, insofar as possible, be conducted during regular business hours and all Stewards, Local Committeepersons and witnesses necessary for a proper hearing or investigation will be compensated at straight-time rate for all time spent attending such hearing or investigation.

ARTICLE XVIII
BARGAINING AND GRIEVANCE PROCEDURE

A. Should a grievance occur, both the Union and the Company shall make an earnest effort to ascertain the facts and seek a fair and equitable settlement through the following procedure. It is the intent of the parties to settle complaints and grievances at the lowest possible level in the procedure based upon the facts and common sense.

B. Grievance Time Limits

In order to document relevant facts, complaints must be lodged promptly after the cause giving rise to the incident. The Company shall have no monetary liability for any period beyond thirty (30) days prior to the filing of the complaint in writing. Any answers not appealed in writing within the specified time limits at any step of the procedure shall be considered closed on the basis of such answer, unless such time limits have been extended by mutual agreement. Grievances not answered within the specified time limits may be appealed to the next step of the procedure. Time limits for appeals, decisions, and System Board responses will be exclusive of Saturdays, Sundays, and Holidays.

C. Step One

1. Employees having a complaint should first discuss the matter with their Supervisor, and they will attempt to settle the matter.

2. If the issue is not satisfactorily resolved, employees may request the Steward to handle the matter with the Supervisor.

3. If the matter is not resolved the Steward will reduce the facts to writing on a Form provided by the Company. The Supervisor shall then have three (3) days to write a response. Each party shall get a copy of the completed form. Such document will not prejudice either party at future steps of the Grievance Procedure.

D. Step Two

The Local Committee shall determine if a grievance exists. If so, a grievance must be filed within fifteen (15) days from the Supervisor's written response. Such grievance will be filed on a Standard Form and shall be considered by the designated management representative(s) and the Local Committee. The Local Committee may specify that a specific grievance shall be heard by the Department Head rather than their designee. A written answer shall be provided within five (5) days after discussions have concluded. The Union may appeal the grievance to the next step of the procedure within fifteen (15)

days from the date of the Company's written answer. Such appeal may contain any disputed facts or additional germane facts.

E. Step Three

If not settled, the grievance shall be reviewed by a representative(s) of the Human Resources Staff or their designee, and the appropriate Assistant General Chairperson. The Company shall provide its written answer within fourteen (14) days from the meeting. If the Union decides to appeal the answer to the System Board, it will submit a written appeal perfecting all facts within forty (40) days from the Company's answer. Copies of the appeal shall be sent to the Director of Human Resources or their designee, and the System General Chairperson.

F. Stenographic Report

When it is mutually agreed that a stenographic report is to be taken by a public stenographer of any investigation or hearing provided for in this Agreement, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings be taken by a public stenographer, the stenographic record of any such investigation or hearing may be taken by either of the parties to the dispute. A copy of such stenographic record will be furnished to the other party to the dispute upon request at pro rata cost. The cost of any additional copies requested by either party shall be borne by the party requesting them, whether the stenographic record is taken by mutual agreement or otherwise.

G. Management Grievance

The Company has the right to file a grievance against the Union. Such grievance will be proper when filed by the Director of Human Resources or their designee to the System General Chairperson who will provide a written answer within fourteen (14) days. If the answer is unsatisfactory the Company may appeal the grievance to the System Board within fourteen (14) days following receipt of the Union's answer.

H. Step Four - System Board

If the grievance remains unsettled after being processed through Step Three above, the System General Chairperson may request the case be heard by the System Board in compliance with Section 204, Title II of the Railway Labor Act as amended.

1. The System Board of Adjustment shall consist of three (3) members, the Chairperson, who will be a neutral member selected in a manner agreeable to the Company and Union, the Company member, who will be

appointed by the Company, and the Union member, who will be appointed by the Union. In matters relating to contract interpretation, all members of the Board will hear and decide the case by majority vote. In disciplinary cases, only the Chairperson will sit on the Board and shall decide the case.

2. The Board shall meet in the city where the headquarters of MPI are maintained (unless a different place of meeting is agreed upon by the parties).

3. The Board shall have the power to make sole, final, and binding decisions on the Company, the Union, and the employee(s) insofar as a grievance relates to the meaning and application of this Agreement. The Board shall have no power to modify, add to, or otherwise change the terms of this Agreement, establish or change wages, rules, or working conditions covered by this Agreement.

4. All appeals properly referred to the Board shall include:

   a. The question or questions at issue.
   b. A statement of the specific Agreement provisions which are claimed to have been violated.
   c. All facts relating to the dispute which it intends to cite in support of its position.
   d. The full position of the appealing party.

   A copy of the Submission shall be served on the other party.

5. Except in cases involving appeals of disciplinary action, letters in the file, suspension, or discharge, in which the only written procedural step will be the Union's Submission to the Board, the other party to the dispute shall, within forty (40) days after receipt of the appealing party's Submission, file a Statement of Position with the other party which shall include:

   a. The question or questions at issue.
   b. All facts relating to the dispute which it intends to cite in support of its position.
   c. The full position on which it will rely.

   Within fifteen (15) days after the date the Statement of Position is filed with the other party, the parties shall advise the Board the facts, if any, on which they desire to present evidence during the hearing. Each party shall have the opportunity at the hearing to present evidence on the facts on which the other party presents evidence. The Chairperson may also advise the parties the facts on which he desires to have evidence.

6. If the parties agree, the following procedure will be used in place of that specified in Paragraph 5., above.

   In advance of the Board hearing, the Company and Union will confer for the purpose of preparing a joint Submission to the Board. The Submission shall include:

   a. The issue or issues to be decided.
   b. The facts on which the parties agree.
   c. The disputed facts.
   d. The primary position of each party.

   The Submission shall be signed by each representative and presented to the System Board Member(s).

7. Witnesses who are employees of the Company shall receive free non-revenue positive space (NRPS) transportation over the lines of United Air Lines from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

8. Witnesses testifying at the hearing may be required to do so under oath if requested by either party.

9. Evidence presented at the hearing may include sworn depositions, written evidence, or oral testimony.

10. A stenographic record may be requested by either party. If such record is requested the cost will be borne equally by the parties.

11. Each of the parties hereto will assume the compensation, travel expense and other expenses of the witnesses they call or summon. The expenses of the Chairperson will be borne equally between the Company and the Union.

12. The Chairperson shall render a written decision within thirty (30) days of the close of the hearing unless extended by mutual agreement.

13. The Chairperson's copy of all transcripts and/or all records of cases will be filed in a place to be provided by the Company, and will be accessible to the parties.

ARTICLE XIX
SAFETY AND HEALTH

A. Employees entering the service of the Company may be required to take a physical examination specified by the Company. The cost of such examination will be paid by the Company. Thereafter, the Company may request an employee to submit to further physical examinations during the course of their employment or recall to service after a lay-off due to reduction in force. If it becomes necessary to hold an employee out of service due to the employee's physical condition, the Union will, on the employee's request, be fully informed of the circumstances and every effort will be made to return the employee to service at the earliest possible date. The cost of such further examinations shall be paid by the Company.

B. In the event the Company's physician considers that an employee does not meet the physical requirements of the job as determined by the Company, or in the event the Company's physician considers that the employee meets the physical requirements of the job as determined by the Company, and in either event the employee's physician has made a contrary determination, these two physicians shall select a third impartial qualified physician to examine the employee and the decision of the majority as to the employee's medical fitness to perform the regular duties of the employee's classification shall be binding upon the Company and the employee. The expense of the employee's physician shall be borne by the employee; the expense of the Company's physician shall be borne by the Company; and the expense of the impartial physician shall be borne one-half (1/2) by the employee and one-half (1/2) by the Company. This third physician procedure shall not apply to assignments involving restricted duty, whether temporary or permanent.

C. The Company hereby agrees to maintain safe, sanitary and healthful working conditions in all facilities and to maintain on all shifts emergency first-aid equipment at a first-aid station to take care of its employees in case of accident or illness. It is understood that this does not require the Company to maintain a nurse or doctor on the property, but the Company will designate a doctor to call in an emergency.

D. The Company agrees to furnish good drinking water and sanitary fountains. The floors of the breakrooms, restrooms, and readyrooms will be kept in good repair and in a clean, dry, sanitary condition. Employees will cooperate in maintaining the foregoing conditions. Work places, breakrooms, restrooms and readyrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available. Individual lockers will be provided for all employees where space and lockers are available.

E.1. The Company, Union and employees will cooperate toward the prevention of accidents and the furtherance of an aggressive safety program. A joint Company-Union Safety Committee will be established at each location where represented employees are assigned. Such Committees shall be comprised of an equal number of Company and Union representatives as designated by the parties. The Union member(s) shall function in an advisory capacity. Safety Committees will meet at least once a month to resolve safety issues and review corrective action taken for all lost time accidents which may have occurred.

2. Reasonable time without loss of pay will be allowed Union member(s) of the Safety Committee to investigate and handle safety complaints. Such Union member(s) will be promptly informed of all lost time accidents and shall be provided with the results of environmental air, noise, and contaminants testing conducted by the Company. The Company shall provide OSHA Form 200 for review by the Union.

3. The Company and Union will review summaries of employee injuries and illnesses to identify potential ergonomic problems in order to recommend improvements in workstation design or work practices, documenting such improvements as they are implemented. Video Display Terminals/Cathode Ray Tubes (VDTs/CRTs) should be used and maintained with the safety and health of the operator in mind.

4. Each employee has the responsibility to work in a safe manner and to eliminate unsafe and hazardous conditions within that employee's control. An employee with a concern about or knowledge of a potential safety problem in any facet of the Company's operation should immediately bring it to the attention of the employee's supervisor. Both the Company and the Union shall cooperate in seeking solutions to help reduce the accident frequency and severity rates and shall jointly participate in safety education. The Company will maintain a safe working environment and no employee will be required to work under unsafe or unsanitary conditions. Both the Union and Company shall encourage employees to utilize the Safety Committee for all unresolved safety related matters.

F. The Company shall furnish all necessary safety devices for employees working on hazardous or unsanitary work, and employees will be required to use or wear such devices in performing such work.

G. The Company will make cleaning solutions available to employees who work with computer equipment. Additionally, the Company will evaluate, on an individual basis, requests for ergonomically appropriate equipment (e.g., wrist and foot rests, standing workstations and non-glare screens) for employees who are required to regularly work with computers.

H. Employees taken sick or injured while at work shall be given medical attention as promptly as reasonably practicable. Employees will not be refused permission to return to work because they have not signed releases of liability pending the disposition or settlement of any claims that they may have for compensation arising out of such sickness or injury.

ARTICLE XX
GENERAL AND MISCELLANEOUS

A. Service records shall be maintained for all employees by the Company. When an employee covered by this Agreement leaves the Company for any reason, they will, upon request, be furnished with a copy of their service record. Additionally, upon request, the employee will be furnished with a letter setting forth a record of their qualifications and stating their length of service.

B. When any new equipment is put into service by the Company, employees covered by this Agreement will be given an opportunity to become familiar with such new equipment without change of classification or rate of pay provided, however, that the Company may fix a reasonable time within which such employees must become familiar with such new equipment.

C. Twice each year, the Company shall furnish the Union, through its System Chairperson, the names, locations, classifications, and hourly rates of pay for all employees covered by this Agreement. Said list shall be given on February 1 and August 1 of each year showing the information set out above as of January 1 and July 1 of each year.

D. Bulletin Boards accessible to employees covered by this Agreement will be provided by the Company at all Mileage Plus, Inc. Public Contact Employee locations marked "International Association of Machinists" for posting notices restricted to:

   1. Notices of Union recreational and social affairs;
   2. Notices of Union elections;
   3. Notices of Union appointments and results of Union elections;
   4. Notices of Union meetings;
   5. Educational material relating to contract administration;
   6. Excerpts from the Union official publications.

   There shall be no other general distribution or posting by employees of advertising or political material, notices or other kinds of literature on the Company's property other than herein provided.

E. The right to manage the operation and direct the workforce; to establish as necessary the number and type of jobs needed; to establish the standards of quality of its product; to hire; promote; demote; furlough; discharge or discipline for cause; and to maintain order among and efficiency of employees is the sole responsibility of the Company. In addition, it is understood and agreed that the equipment to be used; the location of facilities, stations, offices and other work sites; the scheduling of work; and the selection of the methods, processes, procedures and means of operating the Company and accomplishing work are the sole and exclusive function and responsibility of the Company.

F. Monitoring of phone calls and correspondence will be done as a source of information for instruction, employee performance and to provide quality assurance. Once the monitoring is completed the employee will promptly receive a copy of any monitoring assessment. Only monitoring reports prepared by management will be used as the basis for disciplinary action involving employees who have completed probation.

   1. The Company reserves the right to monitor trunk lines and make check calls for the purpose of determining the office or system overall quality of customer service.

   2. Employees with two (2) or more years of service in the current classification will be notified of the Company's intent to monitor within the following thirty (30) work days provided their most recent monitoring assessment was rated "meets" expectations or higher.

   3. When it is determined by the Company that an investigative monitoring for cause is necessary, the Company will complete its investigative monitoring within the next thirty (30) days the employee works.

G. It is the intent of the parties to this Agreement that the procedures herein shall serve as a means of peaceable settlements for all disputes that may arise between them. During the life of this Agreement the Company will not lock out any employee; the Union will not cause, support, or authorize its members to cause, nor will any member of the Union take part in any sit-down, stay-in, or slow-down in any office, work site or facility of the Company or in any curtailment or restriction of operations, servicing of airplanes, or any work of the Company. The Union will not cause, support, or authorize its members to cause, nor will any member of the Union take part in any strike or stoppage of any of the Company's operations, or picket any of the Company's plants or premises until the bargaining procedures outlined in this Agreement and provided for in the Railway Labor Act have been exhausted; and in no case where a grievance or dispute comes under the jurisdiction of the System Board of Adjustment as provided for herein. The Company reserves the right to discipline any employee taking part in any violation of this provision of the Agreement. Notwithstanding the provisions of this paragraph, it is understood that (1) there is no contractual prohibition on the ability of employees to honor lawful picket lines of the Company's employees and employees of United Air Lines on or in front of the premises; and (2) the employees covered by this Agreement are not prohibited from engaging in a concerted refusal to perform "Struck Work". Struck Work for purposes of this contract is defined to be when the Company, in response to a labor dispute at a company where the employees are engaged in a lawful strike, is performing work for that company pursuant to an agreement or arrangement with the company and the Company has not previously performed such work.

H. Management shall not be permitted to perform work on any hourly-rated job covered by this Agreement, except as follows: 1) in the case of emergencies; 2) to perform instruction or training of employees; or 3) when the effect on the employees is minor in nature and short in duration.

I. No employee covered by this Agreement shall engage in solicitation of membership for any Union, collection of dues or other Union activities not provided for in this Agreement during their working hours.

J. The Company will provide each employee covered by this Agreement with a copy of the Agreement.

K. Employees covered by this Agreement shall be entitled to time off without loss of pay up to a maximum of three (3) days in the event of death in the immediate family of an employee or an employee's spouse. "Immediate family" includes husband, wife, children, parents, brothers, sisters, daughters-in-law, sons-in-law, grandparents, grandchildren, step parents, step children, and any other relative living with the employee at the time of death. In case of the death of other relatives, and after reviewing the circumstances with the employee, the supervisor may grant one-half (1/2) day off without loss of pay and may approve up to one (1) full day off in unusual cases where the additional time off is warranted.

L. In the event free parking facilities are not readily available for employees working at Mileage Plus, Inc. office locations, the Company will assume the monthly parking charge as assessed by the appropriate authority for parking in an area designated for employees. This provision does not apply to original or replacement charges to employees for parking decals, stickers, gate keys or similar items.

M. An employee who is called for jury duty will be granted necessary time off to fulfill their responsibilities in accordance with Company policy. In the event the employee serves on jury duty for five (5) or more working days, at their request they will be transferred to the day shift with Saturday and Sunday as their regular days off. Upon completion of their jury duty, said employee will return to their former shift and days off.

N. Where the Company requires a special security badge, the Company will permit and schedule the necessary time to obtain such documentation without loss of pay. The Company will attempt to get security authorities to provide services on the employees' shifts.

O. The Union will be permitted to participate in new-hire employee orientation or initial training sessions, which include Union-represented employees.

P. No employee shall be required to conduct a physical search of a facility against their wishes during a “bomb scare” investigation.

Q. Employees covered by this Agreement will continue their eligibility and participation in the 401(K) plan according to its terms.

ARTICLE XXI
WAGE RULES

A. The minimum hourly rates set forth on Schedule A attached hereto and made a part of this Agreement shall prevail on and after the effective date as set forth in Article XXVI of this Agreement.

B. No employee shall suffer any reduction in hourly rate as a result of this Agreement, and nothing in this Agreement shall be construed to present increases in individual rates or classifications over and above the minimum specified except that temporary employees will be hired at the minimum rate of pay for the classification.

C. Employees covered by this Agreement shall continue to be paid on their current schedule during regular working hours.

D. In the event a regular payday falls on a legal holiday, the Company will make every reasonable effort to have pay checks prepared and distributed on the day preceding such legal holiday. In the event the distribution cannot reasonably be made prior to a legal holiday, the distribution will be made the day following such legal holiday.

E. When there is a shortage of one day's pay or more in the pay due an employee, the Company shall issue a supplementary payroll check to cover the shortage as soon as reasonably possible and within seventy-two (72) hours after it is determined what is due.

F. Pay checks will be enclosed in envelopes and will include a statement of all wages and deductions made for the pay period; and, in addition, an employee will, upon request to their supervisor, be furnished a copy of their time record for the preceding pay period.

G. Employees leaving the service of the Company will have their final check mailed within seventy-two (72) hours, or earlier when possible.

H. Shift Differential:
All employees covered by this Agreement working in the afternoon or night shifts shall be paid additional compensation over the rate paid on day shifts for all hours worked as follows:

Afternoon Shift:
Any shift scheduled to start between 11:00 a.m. and 4:59 p.m. inclusive.

Effective	5/1/03	5/1/04	5/1/05	5/1/06	5/1/07	5/1/08
Afternoon	45¢	46¢	47¢	48¢	49¢	50¢

Night Shift:
Any shift scheduled to start between 5:00 p.m. and 4:59 a.m., inclusive.

Effective	5/1/03	5/1/04	5/1/05	5/1/06	5/1/07	5/1/08
Night	54¢	55¢	56¢	57¢	58¢	59¢

I. Increases provided for in this Agreement will be effective on the first (1st) day of a regular pay period.

J. Success Sharing

1. Performance Incentive Program

All employees covered by this Agreement will participate in an annual incentive program that aligns the interests of management and other employees.

a. Prior to each calendar year beginning with 2004, the Compensation Committee of the UAL Board of Directors ("BOD") will establish a performance incentive formula (the "Annual Incentive Formula") that will provide a "Threshold" or minimum incentive payment, a "Target" or average incentive payment and a "Maximum" incentive payment for senior management, other management, and other employees.

b. The Annual Incentive Formula will be based on the following performance measures as reasonably weighted by the Compensation Committee. Each business unit (e.g., United Airlines, ULS, MPI) may have its own incentive plan measures. For example: financial performance (e.g., EBITDAR margin, pre-tax margin), operational performance (e.g., on-time performance), customer satisfaction (e.g., intent to repurchase), employee engagement, safety performance (e.g., lost time injuries) and reasonably comparable measures as adopted by the Committee.

c. A significant cash portion of the target cash compensation of management employees is payable through the Annual Performance Incentive Program. It is understood that the Compensation Committee of the BOD will, from time to time, review and adjust the target compensation levels, cash compensation levels and the portion of cash compensation at risk, provided that such compensation at risk remains a

significant portion of the target cash compensation of management employees.

Employees covered by this Agreement will receive the following cash incentive payments based on United's actual performance under the annual incentive program (with linear interpolation between the performance points):

Threshold Performance: 2.5% of Wages

Target Performance: 5% of Wages

Maximum Performance: 10% of Wages

d. Qualifying income shall include base pay, overtime, holiday pay, sick pay, vacation pay, shift differential, and premiums but shall exclude expense reimbursement, incentive or profit sharing payments, imputed income or other similar awards or allowances.

e. Incentive payments will be made to 141 members on the same date as incentive payments are made to management employees.

f. The incentive plan will cover each calendar year beginning in 2004.

g. Incentive payments will be paid to the employee, subject to applicable 401(k) deferral election (to the extent such deferral can be implemented for MPI), withholding and taxes.

h. The Company will provide any information requested by the Union to audit calculation of UAL's performance under the incentive plan and under the profit sharing program below. The parties agree that expedited arbitration shall be available for any disputes over incentive payment and profit sharing calculations.

2. Profit Sharing Program

All employees covered by this Agreement will participate in a pre-tax profit sharing program with respect to calendar years beginning in 2005.

a. Pre-tax Profit is consolidated UAL pre-tax earnings as calculated under U.S. generally accepted accounting principles and reported in regulatory filings but excluding (i) unusual, special or extraordinary charges or (ii) charges with respect to grant or exercise of employee

equity or options or (iii) charges with respect to payments under this profit sharing program.

b. The Annual Profit Sharing Pool is 15% of the excess of (i) annual Pretax Profit over (ii) the Annual Plan Threshold, but in no event more than the Pool Cap.

c. The Annual Plan Threshold is the product of (i) net UAL revenues and (ii) the following percentages (which represent net pretax profit margins):

2005	8%
2006	10%
2007	10%
2008	10%
2009	10%

d. The Pool Cap is 8% of Wages of all participating employees.

e. The Union's share (IAM 141) of the Annual Profit Sharing Pool is 17.7% of the total Pool.

f. The Union will determine the manner in which its represented employees share of the Annual Profit Sharing Pool is distributed.

g. Profit Sharing payments will be made on May 1st of the year following each program year.

h. Profit Sharing payments will be paid to the employee, subject to applicable 401(k) deferral election (to the extent such deferral can be implemented for MPI), withholding and taxes.

ARTICLE XXII
SEVERANCE PAY

A.1. An employee covered by this Agreement who has completed one (1) year of compensated service with the Company, laid off through no fault or action of their own, shall receive severance pay as provided in Paragraph B. of this Article, subject to the limitations and conditions set forth herein, but they shall receive no severance pay if any one of the following conditions exist:

a. They exercise their seniority in order to remain in the employ of the Company.

b. They accept any other employment with the Company.

c. They fail to exercise their seniority in any classification which would enable them to remain in the employ of the Company, except that refusal to exercise their seniority at another location shall not prevent them from receiving severance pay.

d. The layoff is caused by an Act of God, a war emergency, revocation of the Company's right to conduct business or revocation of United Air Lines' operating certificate or certificates, or grounding of a substantial number of United Air Lines' aircraft.

e. The layoff is caused by a strike or picketing of the Company's or United Air Lines' premises or any work stoppage or other action which would interrupt or interfere with any operations of the Company or United Air Lines.

f. They are dismissed for cause, resign or retire.

g. There is a temporary cessation of work because of circumstances beyond the Company's or United Air Lines' control.

2. An employee unable to retain employment as a result of a merger shall be entitled to severance pay as provided in this Article less any severance, dismissal, or other allowances for loss of employment to which they may be entitled under applicable labor protective provisions.

B.1. The amount of severance pay due under this Article shall be based on the length of total actual straight time compensated service with the Company since the employee's last date of hire with the Company (Company seniority date), and shall be computed on the basis of the employee's regular straight time basic hourly rate at the time of layoff.

2. A part-time employee receives severance pay based on the scheduled hours during the two (2) pay periods before the date of notification of layoff.

3. Calculation for both full-time and part-time employees is based on the following severance pay table:

If Employee has completed:	Severance Allowance
Less than 1 year of service	None
1 year but less than 3 years	2 weeks
3 years but less than 4 years	3 weeks
4 years but less than 5 years	4 weeks
5 years but less than 6 years	5 weeks
6 years but less than 7 years	6 weeks
7 years but less than 8 years	7 weeks
8 years but less than 9 years	8 weeks
9 years but less than 10 years	9 weeks
10 years but less than 11 years	10 weeks
11 years but less than 12 years	11 weeks
12 years or more of service	13 weeks

C.1. An employee shall begin receiving their severance pay at the time of layoff and such severance pay shall be the equivalent of normal straight time earnings, at regular pay periods and continue until all such pay credit is used. Severance pay shall not be due after the recall of any such employee by the Company or if they accept other employment with the Company.

2. An employee who is declared surplus and who is at least fifty-five (55) years of age, with twenty (20) years or more of service may retire in lieu of layoff and receive a severance allowance of twenty (20) weeks in a lump sum, if retirement occurs before the effective date of layoff. The layoff allowance may be paid either in the year of the layoff or in the year following layoff.

D. An employee returning to the service of the Company from layoff shall be credited with any unused allowance or two (2) weeks of severance pay whichever is greater. When an employee completes two years of active service following recall, their severance allowance will be completely restored.

E. A period of layoff shall be deemed not to be broken by periods of temporary employment. Severance pay shall not be paid during periods of temporary employment.

F. When an employee dies while receiving a severance allowance, the unpaid balance is paid to their executor, administrator or legal heirs.

ARTICLE XXIII
UNION REPRESENTATION

A. In order to provide for orderly and peaceful labor relations the Company shall recognize the following Union Representatives to participate in settling disputes within the framework of the Grievance Procedure:

   1. Union Stewards – one (1) active employee for each station, office, or work area, at each location on the system for each shift.

   2. Local Committee – one (1) active employee elected by the local membership for each office.

   3. System General Chairperson, Assistant General Chairpersons and Executive Board members – as elected and agreed who will represent the Union with general officials of the Company. The System General Chairperson of the Union shall be permitted, at any time, to enter stations, offices, or work areas of the Company for the purpose of investigating grievances and disputes arising under this Agreement after contacting the Company officer in charge and advising them of the purpose of the visit.

B. The Company shall designate a representative(s) at each location where persons covered by this Agreement are employed who is empowered to settle all local grievances not involving change in Company policy, or interpretations, or changes in the intent and purpose of this Agreement.

C. The Union and Company will, at all times, keep the other party advised through written notice of any change in authorized representatives.

D. Union Stewards and Local Committee members shall be permitted, after reporting to their manager or supervisor, a reasonable amount of time during working hours to investigate or present grievances. In the event it is necessary to go to another station, office, or work area, they will report in with the manager or supervisor of the other location. The Company shall allow straight time compensation for such investigation and presentations during working hours.

E. Local Committee members shall be allowed time off for this purpose as follows: 1) at offices with five hundred (500) or more employees covered by this Agreement, members will be allowed time off on a full time basis; 2) at offices with fewer than 500 employees covered by this Agreement, members will be allowed eight (8) hours per week for each one hundred (100) employees (rounded to the nearest one hundred (100)). Local Committee members may be assigned to the day shift and to Saturday and Sunday as regular days off if requested by the Union and agreed to by the Company.

F. Union Stewards will be allowed up to a maximum of five (5) hours each, in any one (1) week, to perform Union Steward responsibilities.

ARTICLE XXIV
UNION SECURITY

A. Any employee in a classification covered by this Agreement on the effective date of this Article shall become a member of the Union within sixty (60) days after the effective date of this Article and shall be required as a condition of continued employment by the Company to maintain their membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and monthly membership dues no greater than as hereinafter set forth. Such employee may have their initiation (or reinstatement) fee and/or monthly membership dues deducted from their earnings as provided in Paragraph L. of this Article or they must pay their initiation (or reinstatement) fee and/or membership dues directly to the Financial Secretary of the local lodge.

B. Any new employee covered by this Agreement who is hired on or after the effective date of this Article shall become a member of the Union within ninety (90) days after employment in a classification covered by this Agreement and shall be required as a condition of continued employment by the Company to maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation (or reinstatement) fee and monthly membership dues as hereinafter set forth.

C. Employees maintaining, or maintaining and accruing, seniority under this Agreement (except as provided in Paragraph F. of this Article) but not employed in a classification covered by this Agreement shall not be required to maintain Union membership during such employment but may do so at their option. Should such employees return to a classification covered by this Agreement, they shall be required to become members of the Union within fifteen (15) days after the date of return to such classification, and shall, as a condition of employment in classifications covered by this Agreement, become members of the Union and maintain membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and/or monthly membership dues.

D. The provisions of this Article shall not apply to any employee covered by this Agreement to whom membership in the Union is not available by payment of initiation (or reinstatement) fee, if applicable, and monthly dues, upon the same terms and conditions as are generally applicable to any other employee of the classification at the point on the Company's system or in the local lodge on the Company's system to which assigned by the Union, or to any employee to whom membership in the Union is denied or terminated for any reason other than the failure of the employee to pay initiation (or reinstatement) fee, if applicable, and monthly dues. Nothing in this Article shall require the payment of any initiation (or reinstatement) fee by an

employee if an authorized or permissible transfer according to the By-Laws or Constitution of the Union is involved.

E. Any employee covered by this Agreement who has resigned from the Company and is re-employed shall be governed by Paragraph A. of this Article.

1. Employees laid off and recalled from lay off shall be governed by Paragraph C. of this Article.
2. The seniority status and rights of employees granted leaves of absence to serve in the Armed Forces shall not be terminated by reason of any of the provisions of this Article, but such employees shall upon resumption of employment in classifications covered by this Agreement be governed by the provisions of Paragraph A. of this Article.

F. The payment of membership dues shall not be required as a condition of employment during leave of absence without pay or during periods of promotion to a classification not covered by this Agreement. Employees who retain and accrue seniority up to one (1) year in other than a "promoted" position will be required to be a member of the Union and pay monthly dues as a condition of maintaining and accruing seniority under this Agreement.

G. Notwithstanding the provisions of Paragraph B. of Article XXII of this Agreement, when an employee does not become a member of the Union by payment of an initiation (or reinstatement) fee as provided in this Article or who is a member of the Union and becomes delinquent in the payment of monthly dues as provided in this Paragraph the following procedure shall apply:

1. Employee Who Does Not Become a Member of the Union:

   a. If a new employee has not become a member of the Union upon completion of seventy-five (75) days of service with the Company, the System General Chairperson of the Union shall notify such employee in writing, certified mail, return receipt requested, copy to MPI's Vice President Customer Service, that such employee must become a member of the Union within the time limits specified in Paragraph B. of this Article or be subject to discharge as an employee of the Company. If upon expiration of the period of time specified in Paragraph B. of this Article such new employee has not become a member of the Union, the System General Chairperson of the Union shall certify in writing to MPI's Vice President Customer Service, copy to the employee, that the employee has failed to become a member of the Union as provided in this Article and is, therefore, to be discharged. MPI's Vice President Customer Service or designee shall then promptly notify the employee involved that the employee is to be discharged from the services of the Company, and shall promptly take proper steps to discharge the employee.

b. If an employee other than a new employee who is required to become a member of the Union as provided in this Article does not become a member of the Union within the time limits specified in this Article for employees in this category covered by this Agreement, the System General Chairperson of the Union shall notify the Company, copy to the employee, that such employee has failed to become a member of the Union as required by this Article and is, therefore, to be discharged. MPI's Vice President Customer Service or designee shall then promptly notify the employee involved that the employee is to be discharged from the services of the Company and shall promptly take proper steps to discharge said employee.

2. Employee Delinquent in Payment of Monthly Membership Dues:

   a. If an employee covered by this Agreement becomes delinquent by more than two (2) calendar months in the payment of monthly dues, the System General Chairperson of the Union shall notify the employee in writing, certified mail, return receipt requested, copy to Department Head, that said employee is delinquent in the payment of monthly membership dues as specified herein and accordingly will be subject to discharge as an employee of the Company. Such letter shall also notify the employee that they must remit the required payment to the Financial Secretary of the local lodge by the twenty-second (22) day of the month in which notice from the System General Chairperson is received or be subject to discharge. If such employee still remains delinquent in the payment of dues on the twenty-second (22) day of the month in which notice from the System General Chairperson was received, the System General Chairperson of the Union shall certify in writing to MPI's Vice President Customer Service, copy to the employee, that the employee has failed to remit payment of dues within the grace period allowed herein and is, therefore, to be discharged. MPI's Vice President Customer Service or designee shall then promptly notify the employee involved that they are to be discharged from the services of the Company and shall promptly take proper steps to so discharge the employee.

3. An employee discharged by the Company under the provisions of this Paragraph shall be deemed to have been discharged for cause within the meaning of the terms of this Agreement.

H. Any discharge under the terms of this Article shall be based solely upon the failure of the employee to pay or tender initiation (or reinstatement) fee and/or membership dues upon the same terms and conditions as are generally applicable to any other member of the Union in the classification of employment at the point on the Company's system or local lodge on the Company's system to which assigned by the Union within the time limits specified herein and not because of denial or termination of membership in the Union for any other reason.

I. Notwithstanding the provisions of Article XVIII of this Agreement, a grievance by an employee who is to be discharged as the result of an interpretation or application of the provisions of this Article, shall be subject to the following procedure:

1. Employees who believe that the provisions of this Article pertaining to them have not been properly interpreted or applied and who desire a review must submit the request for review in writing within five (5) days from the date of the notification by MPI's Vice President Customer Service or designee as provided in Paragraph G., subparagraph 2., of this Article. The request will be submitted to the Director of Human Resources at Mileage Plus, Inc. with a copy to United Air Lines' Director of People Services and the System General Chairperson of the Union. The System General Chairperson of the Union or designee may be present at the review of the grievance to represent the Union interest in the case. The Director of Human Resources at Mileage Plus, Inc. or designee will review the grievance and render a decision in writing with a copy to United Air Lines' Director of People Services and the System General Chairperson of the Union not later than ten (10) days following the receipt of the grievance.

2. The Director of Human Resources at Mileage Plus, Inc. or designee will forward the decision to the employee with a copy to the System General Chairperson. If the decision is not satisfactory to either the employee or the Union, then either may appeal the grievance directly to the United Air Lines' System Board of Adjustment, established under Article XVIII of this Agreement within fifteen (15) days from the date of the decision. The terms and provisions of such Article shall be applicable, except as otherwise specified herein.

3. During the period a grievance is filed under the provisions of this paragraph and until after decision by the Director of Human Resources at Mileage Plus, Inc. or designee or after final decision by the United Air Lines' System Board of Adjustment, if appeal is made to that Board, the employee shall not be discharged from the Company because of non-compliance with the terms and provisions of this Article.

4. Saturdays, Sundays and holidays shall be excluded only from the time limits specified in this Paragraph I.

J. No employee or employees covered by this Agreement or an employee whose employment is terminated pursuant to the provisions of this Article or the Union shall have any claim for loss of time, wages or any other damages against the Company or United Air Lines because of agreeing to this Article of this Agreement or because of any alleged violation, misapplication, compliance or non-compliance with any of the provisions of this Article. If notwithstanding the provisions of the first sentence of this paragraph a Board,

Court or other competent authority shall in a particular instance or case enter an award, decision or judgment monetary or otherwise against the Company or United Air Lines because of agreeing to this Article of this Agreement or because of alleged violation, misapplication, compliance or non-compliance with any provision of this Article such award, decision or judgment shall be borne equally between the Company, United Air Lines and the Union, except that the Union will completely indemnify the Company and United Air Lines if such award, decision or judgement is entered against the Company or United Air Lines because of the Company or United Air Lines having agreed with the Union to include this Article in this Agreement.

K. During the life of this Agreement, the Union agrees the maximum initiation (or reinstatement) fee shall not exceed two hundred and fifty dollars ($250.00).

Initiation (or Reinstatement) Fee and Dues Check Off

L. During the life of this Agreement the Company agrees to deduct from the pay of each member of the Union and remit to the Union "standard" initiation (or reinstatement) fee and monthly membership dues uniformly levied in accordance with the constitution and by-laws of the Union as prescribed by the Railway Labor Act, as amended, provided such member of the Union voluntarily executes the agreed upon form(s) which are hereinafter included in this Agreement, to be known as "check-off forms," which shall be prepared and furnished by the Union.

M. When a member of the Union properly executes such check off form the System General Chairperson of the Union shall forward the necessary information to the appropriate Payroll Representative, or other designated Accounting official of the Company. A check off form must be completed in a legible manner acceptable to the Company or it will be returned to the System General Chairperson of the Union for correction. Any notice of revocation as provided for in this Article or the Railway Labor Act as amended, must be in writing, signed by the employee and two copies delivered by certified mail, addressed to the System General Chairperson of the Union for correction. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and two copies delivered by certified mail, addressed to the System General Chairperson of the Union. Dues deductions will be continued until one (1) copy of such notice of revocation is received by the appropriate Payroll Representative from the System General Chairperson of the Union. Check off forms and notices received by the appropriate Payroll Representative will be stamp-dated on the date received and will constitute notice to the Company on the date received and not when mailed.

ASSIGNMENT AND AUTHORIZATION FOR CHECK OFF OF UNION DUES

TO: Mileage Plus, Inc.

I _____, hereby assign to the
(Name) (Print initial and last name)

International Association of Machinists, my Union dues from wages earned or to be earned by me as your employee and authorize and direct you to deduct the flat sum of $_____ each month, which are the standard monthly membership dues, (or such standard monthly membership dues as may hereinafter be established by the local Union as dues for employees in my present or future classification under the Agreement upon notification to the Company by the System General Chairperson of the Union), from one paycheck per month and to remit same to the Union.

This assignment and authorization may be revoked by me in writing after the expiration of one (1) year from the date hereof, or upon the termination date of the applicable labor agreement in effect at the time this is signed, whichever occurs sooner.

This authorization and direction is made subject to the provisions of the Railway Labor Act, as amended, and in accordance with existing Agreement between the Union and the Company.

State Number

_____

(Do not fill in - for Payroll Use)

Department Number

_____

(See ESR or Paycheck Stub)

Employee's File Number

_____

(See ESR or Paycheck Stub)

Payroll Code Number

_____

(Do not fill in - for Payroll Use)

Classification

_____

Location

_____

Local Union Number

_____

Date

_____

Signature of
Employee_____

ASSIGNMENT AND AUTHORIZATION FOR CHECK OFF OF INITIATION/REINSTATEMENT FEE

TO: Mileage Plus, Inc.

I _____, hereby assign to the
(Name) (Please print initial and last name)

International Association of Machinists my initiation (or reinstatement) fee from my wages earned or to be earned by me as your employee and authorize and direct you to deduct from two paychecks and remit to the Union the total sum of $_____ which is the standard initiation (or reinstatement) fee for my local lodge.

This authorization and direction is made subject to the provisions of the Railway Labor Act, as amended, and in accordance with existing Agreement between the Union and the Company.

State Number

_____

(Do not fill in - for Payroll Use)

Department Number

_____

(See ESR or Paycheck Stub)

Employee's File Number

_____

(See Paycheck Stub)

Payroll Code Number

_____

(Do not fill in - for Payroll Use)

Classification

_____

Location

_____

Local Union Number

_____

Date

_____

Signature of
Employee_____

N. When a check off form, as specified herein, for the initiation (or reinstatement) fee is received by the appropriate Payroll Representative, one-half (1/2) of the total amount due will be deducted from each of two (2) regular paychecks due the employee. When a check off form as specified herein for membership dues is received by the appropriate Payroll Representative, twelve (12) days or more before the issuing date of the first bi-weekly paycheck of the month or the corresponding weekly paycheck at locations where weekly checks are issued, deductions will commence with such paycheck and continue thereafter until revoked or canceled as provided in this Article. The Company will remit to the Union a check in payment of all initiation (or reinstatement) fees and dues collected as soon after the payday on which deductions were made, as practicable. The Company remittance of Union initiation (or reinstatement) fees and membership dues to the office of the System General Chairperson of the Union will be accompanied by two (2) copies of a list which includes 1) names, 2) employee file numbers, 3) state codes, and 4) individual amounts deducted.

O. An employee who has executed a check off form and who has been 1) promoted to a job not covered by the Agreement, 2) who resigns from the Company, 3) who is laid off and accepts employment in classifications not covered by any IAM Agreement, or 4) is otherwise terminated from the employ of the Company, shall be deemed to have automatically revoked assignment as of the date of such action and if the employee 1) transfers back or returns to a job covered by the Agreement, 2) is rehired, 3) is recalled or 4) re-employed, further deductions of Union dues will be made only upon execution and receipt of another check off form. An employee who has executed a check off form who enters layoff status directly from a position covered by an IAM Agreement shall have the dues deductions automatically reinstated upon direct recall to an IAM Agreement classification.

P. Collection of any back dues owed at the time of starting deductions for any employee, collection of dues missed because the employee was delinquent in dues at the time of going on leave of absence or because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, and collection of initiation (or reinstatement) fee or dues missed because of accidental errors in the accounting procedure, will be the responsibility of the Union. It will be the Union's responsibility to verify apparent errors with the individual Union member before contacting the Company's Payroll Representative.

Q. Deductions of initiation (or reinstatement) fees shall be in accordance with Paragraph N. of this Article and deductions of membership dues shall be made from one (1) or more paychecks each month as needed provided there is a balance in the paycheck sufficient to cover such amounts after

all other necessary deductions, including those authorized by the employee or required by law have been justified. In the event of termination of employment, there shall be no obligation of the Company to collect initiation (or reinstatement) fee or dues until all such other deductions (including money claims of the Company and the Credit Union) have been made, and such obligation to collect dues shall not extend beyond the pay period to which the employee's last day of work occurs.

ARTICLE XXV
SAVING CLAUSE

Should any part or provision of this Agreement be rendered invalid by reason of any existing or subsequently enacted legislation, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof, and they shall remain in full force and effect. In the event of any invalidation, either party may, upon thirty (30) days notice, request negotiation for modification or amendment of this Agreement.

ARTICLE XXVI
EFFECTIVE DATE AND DURATION

This Agreement shall become effective May 1, 2003, shall continue in full force and effect until May 1, 2009 and shall thereafter renew itself yearly without change unless written notice of intended change is served in accordance with Title I, Section 6, of the Railway Labor Act by either party at least thirty (30) but not more than two hundred and seventy (270) days prior to May 1, 2009 or May 1 of any year thereafter upon written notice by either party thereto.

IN WITNESS WHEREOF, the parties have signed this Agreement this 14th day of May, 2003.

/s/ S. R. Canale
S. R. (Randy) Canale
President and Directing General Chairman

/s/ Karen C. Walsh
Karen C. Walsh
President and CEO

Witnessed by:

/s/ Thomas L. Brickner

/s/ Irene F. Gaughan

/s/ Robyn G. Eulo

/s/ Jack Lampe

/s/ William L. Gray

/s/ Pamela A. King

MPI Customer Representative
Schedule A

	05/01/03	05/01/04	05/01/05	05/01/06	05/01/07	05/01/08
Step 1	$8.34	$8.47	$8.60	$8.73	$8.86	$8.99
Step 2	8.81	8.94	9.07	9.21	9.35	9.49
Step 3	9.27	9.41	9.55	9.69	9.84	9.99
Step 4	9.83	9.98	10.13	10.28	10.43	10.59
Step 5	10.39	10.55	10.71	10.87	11.03	11.20
Step 6	10.94	11.10	11.27	11.44	11.61	11.78
Step 7	11.49	11.66	11.83	12.01	12.19	12.37
Step 8	12.05	12.23	12.41	12.60	12.79	12.98
Step 9	12.74	12.93	13.12	13.32	13.52	13.72
Step 10	13.45	13.65	13.85	14.06	14.27	14.48
Step 11	14.23	14.44	14.66	14.88	15.10	15.33
Thereafter	14.23[1]	15.75	15.99	16.23	16.47	16.72

Employees will progress to the next step of the pay scale on the date commencing a regular pay period which is nearest to the anniversary of their entry into the classification.

Service Director Premium

All employees covered by this Agreement will receive a premium when classified as a Service Director according to the schedule outlined below.

05/01/03	05/01/04	05/01/05	05/01/06	05/01/07	05/01/08
$1.13	$1.15	$1.17	$1.19	$1.21	$1.23

[1] This rate will change to $15.52 on 1-14-04

Letter 02-1MPI

Mr. S. R. Canale
President and General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL. 60018

Dear Randy:

We write to confirm the following agreement made between the IAMAW and United Air Lines, Inc. ("United"), and Mileage Plus Holdings, Inc. ("MPHI") in the negotiations leading up to the 2002 IAMAW – Mileage Plus, Inc. collective bargaining agreement (the "Agreement").

United and MPHI agree that they are bound by Article II - Scope of Agreement and Article III Status of Agreement in the same manner as Mileage Plus, Inc. so that every reference to "Company" in Articles II and III expressly refers to and binds United and MPHI.

Sincerely,

/s/ Chris Bowers
Chris Bowers
Chairman, Mileage Plus Holdings, Inc.
Sr. Vice President – Marketing, Sales
and Reservations, United Airlines

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-2MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the discussions between the Company and the Union during recent negotiations for the Mileage Plus, Inc. Public Contact Employees' Agreement. During the course of negotiations, the Union expressed concern that the Company may intend to use the sharing of customer service work among the employees of United Air Lines and MPI to detrimentally change the proportion of work performed by employees covered by the Agreement. The Company assured the Union that it has no such intention.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Letter 02-3MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations concerning the continuation of health and welfare benefits.

- The Company will continue to provide current medical, dental, life, and long-term disability benefits to active regular full-time employees and will extend this coverage to active regular part-time employees covered by this Agreement. Such benefits will not be reduced without Union approval except when the reduction is accompanied by a simultaneous improvement in benefits.

- The Company will continue to make HMOs available where possible.

- Vision coverage will continue to be provided for those employees covered by the Company's vision plan on May 14, 2002.

- Current waiting periods will remain in effect except where otherwise specified in this letter.

- The Company will offer medical and dental coverage to same sex Domestic Partners who meet Company eligibility requirements, no later than May 14, 2003.

- Medical and dental benefits will be provided on the first day of the month after 30-days of employment, including coverage for eligible dependent(s), except as otherwise specified.

- The Company Medical and Dental benefits (including dependent coverage) of an employee who is laid off from active service due to a reduction in force will be continued while the employee is on layoff for a period of ninety (90) days from the date of layoff, provided the employee pays the cost of coverage they would have paid if they had been an active employee.

- The cost to participating employees will be 10% of the Company's premiums. Premiums may be subject to change. However, the Company will review its premiums periodically and attempt to improve premiums whenever and wherever possible.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-4MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations concerning the Company's annual review of Health and Welfare benefits.

Consistent with past practice, Mileage Plus, Inc. will continue to review on an annual basis and rebid when the Company deems appropriate, health and welfare benefit costs in an effort to minimize costs to both employees and the Company.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-5MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations concerning the Mileage Plus, Inc. Investment Plus Plan (the "Plan").

Not later than November 14, 2002, the Company will make a 3 % of earnings contribution for employees covered by this Agreement and who meet the eligibility requirements of the Plan ("Company Contribution").

In addition, the Company will retain the 401(k) savings feature of the Plan for employees wishing to participate. However, for those employees who are entitled to the Company Contribution the Company will no longer match such employee's elective contributions to the 401(k) feature of the Plan. The matching contributions for these employees will end concurrent with the date the Company is obligated to make the Company Contribution.

Employees will have the opportunity to direct the investment of the Company Contribution on the same basis as is currently provided for in the investment of the company matching contribution.

The Company Contribution will be made bi-weekly and will be determined by multiplying three percent (.03) times the employee's base hourly rate of pay by the number of straight-time hours worked or paid as sick time, holiday or vacation during the calculation period.

Not later than November 14, 2002 a loan feature will be added to the 401(k) plan which meets the requirements of the Internal Revenue Code and permits employees to take a loan of their contributions. Loans of the Company Contribution or Company match will not be available. Details of the loan feature will be developed by the Company.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-6MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

During the course of our recent negotiations regarding the Disciplinary Action Article, the Company and the Union agreed to implement a non-punitive disciplinary procedure. Implementation will be on a location-by-location basis as fast as the appropriate training can be reasonably accomplished.

The new concept includes the following principles:

1. The Union and the Company both realize that rules of conduct are necessary for the welfare of the Company and of all employees but believe through mutual efforts improved standards of conduct can be achieved in most cases by utilization of this program.

2. Letters of Discipline may be given in place of traditional disciplinary suspensions.

3. Such Letters of Discipline shall have the full force and effect of disciplinary suspensions and will be considered as equivalent corrective discipline in reviewing the merits of any subsequent suspension or discharge.

4. Such letters will be progressive in nature and will represent various levels of severity depending upon the offense and/or previous disciplinary record.

5. The employee's Supervisor or other designated Management Representative shall be responsible for administering this program.

6. Letters of Discipline shall be presented to the employee in the presence of a Steward, if requested, and shall contain an explanation of the infraction and the future corrective action expected.

7. This program will not limit the Company's current rights to discharge employees for a single serious offense, to hold an employee out of service without pay, or to issue disciplinary suspensions if circumstances so warrant.

8. This program will not limit the Union's right to grieve all disciplinary action including Letters of Discipline.

9. An Investigative Review Hearing will be conducted prior to issuing a Report of Non-Punitive Discipline at Level 4 and Level 5. Any appeals of such discipline shall be made directly to Step Three of the grievance procedure using the rules and time limits which apply to that Step.

10. If an employee has received a Report of Non-Punitive Discipline at Level 4, that discipline shall be reduced to Level 3 after a period of one year (excluding periods while on layoff or Leave of Absence) without issuance of a Notice of Investigative Review Hearing which results in further disciplinary action.

11. This program may be modified by mutual agreement as experience is gained.

12. The program is on a trial basis and may be cancelled upon written notice from the System General Chairman or the Mileage Plus, Inc. Director of Human Resources.

If this conforms to your understanding of our agreement, please date and sign below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-7MPI

S. R. Canale
President and General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This will confirm the understanding reached between the Company and the Union during the negotiations leading to the 2002 – 2004 Agreement. The parties agreed to explore the use of grievance mediation as an optional addition to the contractually established grievance procedure. The parties will mutually agree which, if any, cases to refer to grievance mediation.

This letter shall remain in full force and effect through the 2002 – 2004 Agreement.

If this conforms to your understanding, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-8MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

During negotiations the Union expressed concern about work being contracted out and/or transferred out of the United States. The grievance procedure is expected to serve as a satisfactory forum to resolve these questions.

However, it is jointly believed many of these problems stem from inadequate communication. The Union has recommended and the Company concurs that the Company will give the Union notice any time it plans to take such actions and that joint meetings will be held at locations where the Union believes problems may exist as a result.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-9MPI

Mr. S.R. Canale
President & General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton
Des Plaines, IL 60018

Dear Randy:

This will confirm our agreement regarding continuation of the current Support Representative selection process.

The Company will continue to use the current selection process which will be renamed the Mileage Plus, Inc. Service Director Selection Process. If during the course of this agreement, the Union identifies any concerns regarding this selection process, the Union and the Company will meet to discuss these issues.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-10MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations regarding methods of assignments to work areas for MPI employees.

The Company and the Union both understand from these discussions that the nature and identification of assignments, which vary from location to location, may require a process by which they would be preferenced.

When the Assistant General Chairperson of the Union requests a review of the existing practices at the location, mutual efforts will be made to establish local procedures to allow employee work area preferences. If mutual agreement is not reached, the Union may request a review of the matter by the Director of Human Resources.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-11MPI

Mr. S. R. Canale
President and General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This will confirm discussions during the recently concluded Mileage Plus, Inc. (MPI) negotiations regarding MPI management employees taking telephone calls.

Notwithstanding the provisions of Article XX, Paragraph H, management employees may periodically take incoming customer telephone calls solely for the purpose of understanding the Mileage Plus products and maintaining a working knowledge of those products, with the following conditions:

1. Each management employee may perform such work up to four (4) hours per month.
2. Should a question arise regarding the number of phone work hours dedicated to this function, the local Union representative may request documentation supporting the number of hours actually utilized.

This shall continue in effect during the term of the 2002 Agreement.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-12MPI

Mr. S. R. Canale
President and General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This will confirm our discussion during negotiations regarding Article VII, overtime distribution and equalization rules.

The Company and the IAMAW – District 141 are committed to avoiding misapplication of overtime procedures. The Local Committee and Management will develop and institute local overtime rules (consistent with Article VII) no later than May 14, 2003. Assistant General Chairpersons and Human Resources Representatives may assist the local parties in the process.

The Local Committee and Local Management shall meet periodically during the first year of implementation of the overtime rules to protect the process from misuse or abuse through adjustment of overtime rules if necessary.

Effective May 14, 2004 the overtime bypass language in Article VII, Paragraph B.2.e, of the Mileage Plus, Inc. Public Contact Employees' Agreement will no longer be in effect, and the following language will replace it:

> "An employee who is bypassed in violation of these overtime distribution procedures shall be paid at the applicable rate and charged at the straight time rate for the overtime hours missed."

If this conforms to your understanding, please sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-13MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations concerning the definition of Company Moving Policy as referenced in Article X, Paragraph G.10.

For purposes of this provision, Mileage Plus, Inc. shall establish a moving policy for employees dated May 14, 2002. The provisions outlined in this policy will apply to all employees covered by this Agreement.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-14MPI

Mr. S.R. Canale
President & General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations concerning the implementation of the change to Holidays contained in Article VIII.

During 2002, Mileage Plus, Inc. Customer Representatives and Mileage Plus, Inc. Service directors will maintain the current holiday scheduling processes as outlined in the existing Company policy. Effective January 1, 2003, the provisions of Article VIII will become effective.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-15MPI

Mr. S.R. Canale
President & General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton
Des Plaines, IL 60018

Dear Randy:

This will confirm our agreement with respect to the change in the vacation accrual process for employees covered by this Agreement which will commence January 1, 2003. Under this new process, vacation will be accrued in one calendar year and taken in the following calendar year rather than accrued and taken in the same year. In order to minimize potential hardship to employees during the transition year, the Company will agree that for the balance of this year, employees may, at their option, elect to carry all or part of their unscheduled unused 2002 vacation to 2003. Employees may also cancel scheduled vacation and carry it forward to 2003. All vacation carried over to 2003 will be scheduled in accordance with the provisions of Article XIII Vacations and used in 2003 or will be forfeited.

At the end of 2002, employees will be afforded one last opportunity to convert unused sick time to vacation and/or cash out vacation time in accordance with the current Company policy as outlined in Company Regulations.

This agreement is valid for the transition year only. If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-16MPI

Mr. S.R. Canale
President & General Chairman
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton
Des Plaines, IL 60018

Dear Randy:

This will confirm our agreement with respect to the transition into the new sick leave accrual program which will commence January 1, 2003.

At the end of 2002, employees will be afforded one last opportunity to convert unused sick time to vacation and/or cash out sick time in accordance with the current Company policy as outlined in Company Regulations.

Additionally, for purposes of the new sick leave accrual, employees will be considered as new hires during the first six months of the new program.

This agreement is valid for the transition year only. If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-17MPI

Mr. S. R. Canale
President and General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton Street
Des Plaines, IL 60018

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations concerning the implementation of the transition to the new wage scale as outlined in Schedule A.

On May 14, 2002 employees will be assigned to a step on the wage scale commensurate with their Company seniority up to a maximum of Step 10, ("Initial Step"). Thereafter, employees will progress to the next step on the wage scale on the anniversary of their entry into the classification (Company seniority date). Employees whose wage rates immediately prior to May 14, 2002 exceed the wage rates for their Initial Step will not have their wage rates reduced. Such employees will be paid in accordance with the higher wage rate until such time as their advancement on the scale triggers a higher rate of pay.

If this conforms to your understanding of our agreement, please date and sign in the space provided below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-18MPI

Randy Canale
President & General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton
Des Plaines, IL

Dear Randy:

This will confirm the understanding reached in the negotiation of the 2002 - 2004 Agreement regarding Mileage Plus, Inc. ("MPI" or "Company") employees who receive preferential hiring consideration from United Air Lines, Inc. ("United") pursuant to the Letter of Agreement dated May 14, 2002 between United and the International Association of Machinists and Aerospace Workers ("Union") attached hereto for reference purposes only.

1. Right of Return
Employees who accept an offer of employment pursuant to the terms of the above-referenced Letter of Agreement may elect to return to MPI during their probationary period at United. Such election to return to MPI will be made in writing to United and MPI not later than seven (7) calendar days after the conclusion of the probationary period. This paragraph will not apply to employees who have been terminated from United for cause.

2. Seniority
Employees who return to MPI under this provision will be entitled to seniority for all purposes as if they had maintained continuous employment with MPI.

3. Return Process
Employees who elect to return to MPI pursuant to Paragraph 1, above, will be entitled to return to their former position and location.

4. Termination of Preferential Hiring Consideration
Employees who elect to return to MPI will thereafter be ineligible for preferential hiring consideration.

5. Enforcement of Disputes
This Letter of Agreement may be enforced by the Company or the Union, following the procedures of Article XVIII of the Agreement. This Letter of Agreement is intended to create a process for preferential hiring consideration but is not intended to create enforceable rights for any individual or third party. Any disputes regarding this Letter of Agreement will be filed directly to Step Three in accordance with Article XVIII, Paragraph E.

6. Effective Date
This Letter of Agreement will become effective July 14, 2002. This Letter of Agreement will terminate in the event MPI ceases to have a corporate relationship with United.

If this conforms to your understanding of our agreement, please date and sign below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 02-19MPI

Mr. Randy Canale
President & General Chairperson
International Association of Machinists
And Aerospace Workers – District 141
50 West Oakton
Des Plaines, IL

Dear Randy:

This will confirm the discussions between Mileage Plus, Inc. ("MPI" or "Company") and the International Association of Machinists and Aerospace Workers ("Union") during the negotiations for the Mileage Plus, Inc. Public Contact Employees' Agreement ("MPI-PCEA") covering employees in the service of the Company. The Company has agreed to provide a preferential hiring opportunity for United Air Lines, Inc. ("United") employees covered by the Public Contact Employees' Agreement between the Union and United dated May 14, 2002 who have completed one (1) year of active service at United on the following terms:

1. Preferential Consideration for Hiring

In the event the Company has vacancies in the Mileage Plus, Inc. Customer Representative ("MPICR") classification of the MPI-PCEA covering employees in the service of the Company, after exhausting all provisions for filling such vacancies with Company employees, the Company will give preferential consideration to United employees who satisfy the terms of this Letter of Agreement.

2. Application

Each employee who desires to be considered for an MPICR position will be required to file and maintain an application for employment and such other forms as the Company requires for its hiring process. Employees who desire preferential consideration in accordance with this Letter of Agreement must have a current employment application on file with the Company prior to the vacancy being released to the Company's employment offices.

3. Qualifications

In order to be eligible for preferential hiring consideration under the terms of this Letter of Agreement an employee must meet the MPICR hiring requirements then in effect at the Company. The Company remains the sole judge of MPICR qualifications and will have no obligation to hire any individual employee. The

Company will give United employees preferential consideration consistent with the Company's competitive transfer process.

4. New Hire Status

Employees hired pursuant to this Letter of Agreement will be considered new hire employees for all purposes and will be subject to the provisions of the MPI-PCEA covering employees in the service of the Company to the same extent as any other new hire employee.

5. Refusal of Offer

An employee to whom the Company makes an offer of employment pursuant to the terms of this Letter of Agreement may refuse such offer but will thereafter be ineligible for preferential hiring consideration. The Company may, in its discretion, waive the provisions of this Paragraph 5, on a "hardship" basis.

6. Right of Return

Employees who accept an offer of employment pursuant to the terms of this Letter of Agreement may elect to return to United during their probationary period at MPI. Such election to return to United will be made in writing to MPI and United. Provided that employees who fail their probationary period with MPI will be entitled to elect to return to United if written notice is provided to MPI and United within seven (7) business days from the date of notice to the employee of the failed probation. This paragraph will not apply to employees who have been terminated from MPI for cause. Employees who elect to return to United will thereafter be ineligible for preferential hiring consideration.

7. Enforcement of Disputes

This Letter of Agreement may be enforced by the Company or the Union, following the procedures of Article XVIII of the Agreement. This Letter of Agreement is intended to create a process for preferential hiring consideration but is not intended to create enforceable rights for any individual or third party. Any disputes regarding this Letter of Agreement will be filed directly to Step Three in accordance with Article XVIII, Paragraph E.

8. Effective Date

This Letter of Agreement will become effective July 14, 2002. This Letter of Agreement will terminate in the event United ceases to have a corporate relationship with the Company.

If this conforms to your understanding of our agreement, please date and sign below.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
14th day of May, 2002

/s/ S.R. Canale
S.R. Canale
President & General Chairperson
IAMAW – District 141

Letter 03-01MPI
May 1, 2003

Mr. S. R. Canale
President and Directing General Chairman
International Association of Machinists
And Aerospace Workers – District 141
1771 Commerce Drive, Suite 103
Elk Grove Village, IL 60007

Dear Randy:

This will confirm discussions during negotiations leading to the 2003 – 2009 Mileage Plus, Inc. Public Contact Employees' Agreement. The parties agreed that the following shall apply:

1. Employees who work four (4) hours or more shall be granted a fifteen (15) minute rest period.

2. Employees who work more than six (6) hours shall be granted two fifteen (15) minute rest periods.

3. An additional fifteen (15) minute rest period will be granted for every additional four (4) hours of work.

Sincerely,

/s/ Karen C. Walsh
Karen C. Walsh
President & CEO
Mileage Plus, Inc.

Accepted and agreed to this
1st day of May, 2003.

/s/ S.R. Canale
S. R. (Randy) Canale
President and Directing General Chairman
IAMAW – District 141