

# **2005-2009 AGREEMENT**

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**Between**

**United Air Lines, Inc.**

**and**

**International Association  
Of Machinists and Aerospace Workers**

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**MAINTENANCE INSTRUCTORS AGREEMENT**



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Underlining indicates paragraph revision as result of last negotiation.

**AGREEMENT**  
**Between**  
**UNITED AIR LINES, INC.**  
**And**  
**INTERNATIONAL ASSOCIATION OF MACHINIST**  
**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 United Airlines, Inc hereinafter referred to as the 'Company', and International Association of Machinists and Aerospace Workers, hereinafter referred to as the 'Union', representing the employees composing the craft or class of Maintenance Instructor as certified by the National Mediation Board in Case R-6647 on February, 18, 1999.

**Article I**  
**PURPOSE OF AGREEMENT**

- A.** The purpose of this Agreement is, in the mutual interest of the Company and of the employees, to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency of operation, 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, for the advancement of that purpose.
- B.** The Union and Company are dedicated to creating and nurturing an employee owned atmosphere based on trust, respect, open communication, teamwork, and problem solving. The Union and Company are committed to basing decisions on the well being of all employees.
- C.** 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.
- D.** It is understood wherever in this Agreement employees or jobs are referred to in the male gender it shall be recognized as referring to both male and female employees.
- E.** There shall be no harassment and/or discrimination between employees covered by this Agreement because of 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 Maintenance Instructors and Lead Maintenance Instructors.
  
- B.** The Company's General Policy, Operating and Maintenance Regulations shall be available to all Maintenance Instructors at all facilities where Maintenance Instructors are domiciled. Maintenance Instructors covered by this Agreement shall be governed by such regulations and by all applicable rules, regulations, and orders issued by properly designated authorities of the Company not in conflict with this Agreement. The Company shall cause to be compiled and issued to each present and new employee a convenient sized book containing all applicable rules, regulations and orders and shall furnish each employee with amendments or changes from time to time as amendments or changes are made. This book of rules shall be supplementary to, but shall not supersede the aforementioned regulations.
  
- C.** All work performed directly by the Company involving the delivery of formal technical classroom and associated practical training as related to aircraft maintenance, including but not limited to the following; the maintenance, repair and operation of aircraft systems as related to the Aircraft Mechanic (Technician) and the tools and test equipment associated with aircraft maintenance is recognized as coming within the jurisdiction of the International Association of Machinists and is covered by the Maintenance Instructors' Agreement.

Maintenance Instructors and/or Lead Maintenance Instructors will be responsible for leading design team efforts, under the direction of the Education and Development department, to develop and revise technical training programs which includes course documentation and training resources.

It is understood that Maintenance Instructors and/or Lead Maintenance Instructors participate in training needs assessments and the development of evaluations for courses taught by Maintenance Instructors. Also, Maintenance Instructors may participate in the development and delivery of training not related to aircraft maintenance, as assigned by the Company.

It is further understood that any classroom and technical training courses as described in this Article, contracted by United Services, or its equivalent division/department, is recognized as coming within the jurisdiction of the International Association of Machinists and is covered by the Maintenance Instructors' Agreement.

Courses designed, developed and maintained by the Education and Development department that meet one or more of the following criteria may be performed by Designated Trainers (DTs):

1. less than 4 (four) hours in length; or
2. recurrent training; or
3. training which is developed to address reliability/performance issues and shall expire after a short time period; or
4. practicals that require the availability of an aircraft.

Lead Maintenance Instructors will participate with Management in determining which courses meet the above criteria and are to be part of the Designated Trainer (DT) program. Maintenance Instructors shall have the following responsibilities for the DT program:

1. The development and revisions, as described above, of the DT training programs.
2. The training and qualifying of the DTs.
3. Audit of Designated Trainers and program oversight.

- D.** The Company reserves the right to contract out work for a limited duration when its facilities or personnel are not sufficient or available. The Company will notify the Union before such contracting out of work occurs. Vendor training shall continue, as has been the customary practice by the Company. The Company reserves the right to contract out other work but notice will be served on the Union before such contracting takes place.

If any employee covered by this Agreement will be reduced, laid off or transferred, 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. Negotiations will begin within ten (10) days of receipt of notice of a desire to negotiate and no employee will be reduced, laid off or transferred in less than forty (40) days after receipt of such notice.

- E.** A minimum ratio of one (1) Maintenance Instructor for every one hundred twenty-five (125) aircraft mechanics will be protected in their classification and shall not be laid off during the term of this Agreement. This paragraph E shall remain in full force and effect through the **2003-2009** Agreement. This paragraph E does not apply under the following circumstances:

1. To an employee who fails to exercise his seniority in his classification on the system in filling a permanent vacancy or bumping an employee not protected by this paragraph in a job they are qualified to perform, or refuses to fill a permanent job in a higher classification that the employee is qualified to perform.

- 2.** To temporary employees.
- 3.** To employees being laid off as a direct result of:
  - a.** an act of nature;
  - b.** a strike or labor dispute;
  - c.** a reduction of the Company's operations because of a decrease in available fuel supply or other critical materials due to either governmental action or commercial supplier being unable to meet the Company's demands;
  - d.** a revocation of the Company's operating certificate(s) or the grounding of a substantial number of the Company's aircraft by government action;
  - e.** a declared or undeclared war or national emergency;
  - f.** compulsion by a government agency, legislative or court action.
- F.** The Company shall maintain Maintenance Instructors at the following locations: Chicago, Denver, and San Francisco. The Company may add stations to this list as necessary.

**ARTICLE III**  
**STATUS OF AGREEMENT**

**A.** It is expressly understood and agreed that when this Agreement is accepted by the parties and signed by their authorized representatives, it will supersede any and all agreements existing or previously executed between the Company and any Union or individual affecting the craft or class of employees covered by this Agreement.

**B. Successorship Transactions**

**1.** The Company and any Parent shall require any successor, assign, assignee, transferee, administrator, executor and/or trustee of the Company or of a Parent (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 50% or more of the equity of the Company or Parent or 50% or more of the value of the assets of the Company (for the purpose of this paragraph, including the Low Cost Operation ("LCO") as described in Attachment I whether or not such operation is in a subsidiary of UAL or UA or contained within UA) (a "Successorship Transaction") to employ or cause the Company to continue to employ the employees represented by the IAM in accordance with the provisions of the Agreement and to assume and be bound by the Agreement. "Parent" refers to UAL Corp. ("UAL") or any entity that has a majority control of the Company, whether directly or indirectly through the majority control of other entities that have majority control of the Company.

**2.** In order for a Successor to be required to employ or to cause the Company to continue to employ any of the employees covered by the Agreement in accordance with the provisions of the Agreement at any air carrier other than the Company, the Successor must be engaged in the operation of an air carrier.

**C.** The Company and its Parent 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 as the representative of the Successor's employees, and to guarantee that the employees represented by the IAM under the Agreement will be employed by the Successor in accordance with the provisions of the Agreement.

**D.** In the event of a Successorship Transaction in which the Successor is an air carrier or entity that controls or is under the control of an air carrier, the Successor shall provide employees represented by the IAM under the Agreement immediately prior to the transaction with seniority integration rights provided in Sections 2, 3 and 13 of the Labor Protective Provisions specified by the Civil Aeronautics Board in the Allegheny-Mohawk merger ("Allegheny-Mohawk LPPs").

- E.** The Company will join the IAM in strongly opposing any changes in U.S. law that would permit Foreign Air Carriers to engage in cabotage. However, if cabotage is permitted, the Company shall not be prohibited from code sharing with any Foreign Air Carrier code share partner who engages in it.

**ARTICLE IV**  
**CLASSIFICATIONS OF WORK**

**A. Lead Maintenance Instructor**

A Lead Maintenance Instructor shall be a Maintenance Instructor whose duties include teaching Education and Development courses and providing technical leadership and guidance to a group of Maintenance Instructors. In addition assigns Maintenance Instructors to classes, interfaces with support organizations in analysis and procurement of procedural information used in development of new programs and revision to existing programs. Advises Maintenance Instructors in developing course objectives, outlines, lesson plans, and selection of training aids. Monitors progress of program development and Maintenance Instructor course proficiency. Maintains proficiency in assigned training courses and conducts classes to demonstrate professional training techniques to Maintenance Instructors. Directs special projects and other work as assigned by the Company.

**B. Maintenance Instructor**

A Maintenance Instructor shall be an employee classified as a Maintenance Instructor on the effective date of this Agreement and thereafter any employee of the Company hired as a Maintenance Instructor or reclassified to Maintenance Instructor from a lower classification. The work of Maintenance Instructors shall include all work generally recognized as Maintenance Instructors' work performed by the Company conducting classroom and practical training at maintenance bases, line stations, and other facilities including, but not limited to, providing technical knowledge and practical instruction for the safe maintenance, repair, and operation of aircraft and aircraft systems as related to maintenance, ground equipment, tools, and test equipment according to established procedures. A Maintenance Instructor also analyzes technical information, develops training programs to meet established objectives, writes, edits, and produces materials for technical instruction, and develops and administers technical examinations where appropriate.

**ARTICLE V  
PROGRESSION, EXAMINATIONS,  
AND LICENSE REQUIREMENTS**

**A. Lead Maintenance Instructor**

The Company shall determine the number of Lead Maintenance Instructors which its services require at maintenance bases, line stations, and other facilities and they shall be selected under the procedures of Article XI of this Agreement from the Maintenance Instructor classification. At any domicile where three (3) or more Maintenance Instructors are located, one (1) employee will be designated as a Lead Maintenance Instructor. A Lead Maintenance Instructor's group may consist of any number of employees, but in no case shall there be included within his group more than twelve (12) employees.

**B. License Requirements**

- 1.** Lead Maintenance Instructors and Maintenance Instructors will be required to possess valid F.A.A. Airframe and Powerplant (A&P) Licenses, and/or a valid F.C.C. General RadioTelephone Operator's License.
- 2.** Employees covered by this Agreement will be allowed one shift off work without the loss of regular pay for the purpose of taking FAA and/or FCC examinations, provided the employee passes the examination(s) and is granted the certificate or license. One shift off work will be granted for each FAA Airframe and Powerplant (A&P) and/or FCC General RadioTelephone Operator license or certificate.
- 3.** In the event that Federal requirement or work organization are changed, the Company and the Union will meet and make such changes in the license requirement provisions as become necessary.

**ARTICLE VI  
HOURS OF SERVICE**

- A.** A Maintenance Instructor's normal workday shall be eight (8) consecutive hours of service inclusive of a thirty (30) minute meal period. Due to the complexity of their work schedule demands, Maintenance Instructors may establish their schedule on a local basis consistent with Company Policy and needs of the service. Maintenance Instructors shall select their normal workday starting time within the hours of 0530 and 0830 in accordance with locally established guidelines. Maintenance Instructor's may be assigned other starting times as required for training or technical support assignments.
- B.** All Maintenance Instructors will have Monday through Friday as their scheduled work days and Saturday and Sunday as their consecutive days off. If a Saturday and Sunday falling together are both worked, the first day will call for time and a half for the first eight (8) hours and double time thereafter, and the second day for double time for all hours worked.
- C.** Maintenance Instructors providing training shall furnish breaks to the class as customary and reasonable.
- D.** Maintenance Instructors not in classroom training will be granted one (1) ten (10) minute rest period during the first half of a work shift and one (1) ten (10) minute rest period during the second half of the work shift without loss of time, for the purpose of relaxation. An employee who works four (4) hours compensatory time shall be granted a ten (10) minute rest period, and an employee who works eight (8) hours compensatory time shall be granted two (2) ten (10) minute breaks.
- E. Scheduling**
- 1.** Maintenance Instructors will be given a minimum of seven (7) calendar days notice for teaching assignments requiring the instructor to travel. Advance notice is not required for Maintenance Instructors to teach locally.
  - 2.** Maintenance Instructors will be scheduled to provide a maximum of fifteen (15) days of classroom instruction per calendar month. Fifteen (15) day teaching assignments, occurring back to back in two (2) consecutive calendar months will be separated by an interval of five (5) calendar days.
  - 3.** Maintenance Instructors will not be scheduled to work or travel on January 1 or December 25 without concurrence of the employee. The above restrictions may be waived by the Maintenance Instructor or by the Company in the event of an emergency.

**F. Recall/Call-In/Reporting Compensation**

No regular or laid off employees, will be required to report for a work shift of less than eight (8) hours, or pay therefor except under the following circumstances:

- 1.** In a recall situation after a workday the minimum compensation shall be three (3) hours at the applicable compensatory time rate.
- 2.** In a call-in situation on the employee's regularly scheduled day off the minimum compensation shall be four (4) hours at the applicable compensatory time rate.
- 3.** 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 curtailing flight operations by fifty percent (50%) or more system wide, the minimum reporting pay shall be four (4) hours pay at the regular rate of pay unless notified that there will be no work at the close of the last workday worked, or sixteen (16) hours before the start of their scheduled workday, whichever period is the shorter.
- 4.** Notwithstanding Paragraph 3 above, the following provision will apply in the event of a natural disaster or governmental warning thereof. Employees who report for their regularly scheduled shift and are subsequently released from duty, due to lack of aircraft maintenance activity, will be compensated for the balance of the shift.
- 5.** In the event there is temporarily no work for reasons described in Paragraphs F.3 and F.4, at any location on the Company's system which affects some but not all employees, the Company will reassign employees so that the more senior qualified employees within a work function at a Line or Base location are allowed to perform the available work in accordance with their Maintenance Instructor classification seniority and the more junior employees are placed in without-pay status. Such reassignments shall be those which are practical considering the circumstances under which there is temporarily no work.

**ARTICLE VII  
OVERTIME AND COMPENSATORY TIME**

- A.** Maintenance Instructors are compensated for their contributions to the Company on a monthly basis. Maintenance Instructors are expected to observe, as the nature of the work permits, a forty (40) hour per week work schedule or its operational equivalent and salaries paid to Maintenance Instructors are not affected by incidental variations from their basic work schedule. However, time worked or spent traveling on Company business beyond what is considered a normal and reasonable work schedule, and work or travel on regular days off, will entitle employees to accrue compensatory time. Prior to Maintenance Instructors being eligible for accrual of compensatory time, management approval is necessary. If compensatory time has been approved, it shall be accrued as defined in paragraph C.
- B.** Maintenance Instructors will not be required to work beyond what is determined to be a normal and reasonable work schedule, as defined in Letter 00-021, except in travel assignments associated with scheduled training and/or emergencies.
- C. Compensatory Time Accrual**

If compensatory time is approved as defined in paragraph A, it shall be accrued at the following rates:

- 1.** Compensatory time shall be earned at the rate of time and one-half for all work performed in excess of eight (8) hours in any one day, for all work performed either in advance of or after regularly scheduled hours, for the first four (4) hours in excess of eight (8) hours in any regular work day, and for the first eight (8) hours worked on one of the two (2) regularly scheduled days off each work week.
- 2.** Compensatory time shall be earned at the rate of double time for all hours in excess of the first eight (8) hours worked on one of the two (2) regularly scheduled days off each work week, for all time worked on the second regularly scheduled day off in a work week if the first regularly scheduled day off has been worked and for all time worked in excess of twelve (12) hours in any twenty-four (24) hour period. For compensatory time purposes the twenty-four (24) hour period shall begin with the employee's actual starting time.
- 3.** There shall be no pyramiding of compensatory time rates provided for in this Agreement and no employee shall receive more than double the straight time rate for any hours worked.
- 4.** It is understood that compensatory time opportunities will be distributed in a fair and equitable manner.

5. Maintenance Instructors compensatory time balances will be maintained by the Company, and shall be posted in places accessible to all employees affected.
6. Maintenance Instructors may use their accrued compensatory time for absence from work with management approval.

**D. Overtime**

1. Maintenance Instructors who have accumulated compensatory time balances may at their option receive payment at the rate of the number of hours to be converted divided by 173, times their monthly salary.
2. If the Maintenance Instructor chooses to receive pay for accrued compensatory time the minimum conversion shall be eight (8) hours or the actual total balance if less than eight (8) hours.
3. Maximum compensatory time balance shall not exceed eighty (80) hours. Compensatory time accrued above the maximum allowed will be paid at the appropriate rate as accrued.

**ARTICLE VIII  
HOLIDAYS**

**A.** Employees covered by this Agreement will observe the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Except, however, Labor Day will not be observed in 2005.

Additionally, the employee's Birthday and his Date of Employment as reflected on his most recent UG-100 will be observed as holidays.

All Federal holidays listed above will be observed as designated by Federal Pronouncement except that New Year's Day will continue to be observed on January 1, and Christmas Day will continue to be observed on December 25.

Maintenance Instructors assigned to a Monday-Friday schedule shall observe a holiday falling on Saturday on Friday and a holiday falling on Sunday on Monday. The Company will reduce the number of employees required to work on holidays to those needed to meet the requirements of its operation. If the Company expects the requirements of its operation will require employees at a location to work on a holiday, it will minimize the number of employees required to work insofar as practical by work arrangements prior to the holiday.

If Maintenance Instructors are required to work on the holiday, senior Maintenance Instructors will be given preference to work or be off, and junior Maintenance Instructors may be required to work.

Maintenance Instructors selected for holiday work in accordance with these procedures shall be notified a minimum of seven (7) calendar days in advance of a holiday whether it is anticipated that their services will be required on the holiday. In the event of an emergency, planned holiday coverage required by the needs of the service will be made by the end of the employees last shift worked prior to the holiday.

- B. 1.** A Maintenance Instructor will observe his birthday and Date of Employment Holidays on the actual date except that the Maintenance Instructor may observe these holidays on any other day other than another holiday provided the Maintenance Instructor is not scheduled to teach a class and the employee notifies the Company in advance of the date requested.

A Maintenance Instructor may also observe one or both of these holidays by connecting it (them) with his scheduled vacation provided he does so at the time he selects his vacation as provided in this Agreement.

- 2.** In the event a Maintenance Instructor's birthday falls on February 29, March 1 shall be considered as his birthday for purposes of this Paragraph, and, if the Maintenance Instructor's birthday falls on another of the holidays specified above, his next following work day shall be considered as his birthday.
- C. 1.** Regular employees in active service who do not work on the above-mentioned holidays shall be compensated for the day for eight (8) hours at the straight time rate and shall receive no additional time off.
- 2.** An employee who receives holiday pay will not also receive sick leave pay.
- 3.** A Maintenance Instructor required to work on any of the holidays as observed shall be compensated at the double time rate for all hours worked and shall receive no additional time off.
- 4.** A Maintenance Instructor who works on a holiday which is also one of his regularly scheduled days off will be compensated at the double time rate for all hours worked and, additionally, will be paid holiday pay at the straight time rate for the hours which coincide with day shift and are not worked. This provision shall not change the computation of compensatory time accrual or minimum compensatory time guarantees in any other respect.
- 5.** A Maintenance Instructor will not be scheduled to travel on a Holiday or a regularly scheduled day off associated with a Holiday weekend, without the Maintenance Instructor's consent.

**ARTICLE IX  
TRAVEL**

- A.** When employees covered by this Agreement travel away from their domicile to attend or conduct training or any Company required business, they shall be paid for such work on the same basis as at their domicile, with a minimum of eight (8) hours at the straight time rate for each regularly scheduled work day.

All employees required to travel by air will be flown on multi-engine aircraft of sufficient gross weight to safely carry passengers, tools, parts, supplies, and training materials. Two qualified pilots will fly the aircraft used to transport personnel. When the existing charter service contract comes up for renewal, the Union will be advised and a District 141-M representative will participate in the selection process.

- B. 1.** All hours spent in traveling or waiting in connection with attending or conducting training or any other Company required business will be paid for at the straight time or the applicable compensatory time rate. If employees are required to travel on regular days off, they will be paid for all hours traveling or working, with a minimum of four (4) hours, at the compensatory time rate applicable for the day. If such travel is interrupted for any reason and the employee is released by an agent of the Company for a period of seven and one-half (7 1/2) consecutive hours or more, he shall not be paid for the time released, but in no event shall any employee receive less than eight (8) hours pay at the straight time rate for any regularly scheduled work day while away from his domicile. It is understood the Company may schedule an employee to take his regular days off without compensation except for expenses provided for in this Article.
- 2.** For employees assigned to travel domestically, their travel assignment shall commence one (1) hour prior to their scheduled departure time and end one (1) hour after their actual arrival time or at the completion of their work assignment, whichever is later.
- C.** Employees required to work after traveling shall be paid at the compensatory time rate applicable for all hours worked in excess of eight (8) hours travel, waiting, and working time for the day in question.
- D.** Upon completion of training or other Company required business, employees shall return to their domicile in accordance with the orders received at the time they left their domicile, or in accordance with the orders they receive in the field, and shall be compensated for the return trip in accordance with the provisions of Paragraphs B and C above. Upon return to their domicile, they shall, if they have not had a rest period of at least seven and one-half (7 1/2) hours within the preceding sixteen (16) hour period, be entitled to a rest period not less than seven and one-half (7 1/2) hours before being required to report to work.

- E.** Employees who travel on Company business will receive per diem at the rate of \$1.85 per hour, to cover meal and incidental expenses, while away from their base station. Effective July 12, 2002, this hourly rate will be increased to \$1.90. Where the Company does not provide transportation and lodging, actual expenses will be reimbursed in addition to the above stated per diem. Where overnight lodging is approved by the Company for employees away from their domicile, single room accommodations will be provided where available. Upon application an employee will be given an advance by the Company to cover his expenses while away from his domicile. Within five (5) days after returning to his domicile, 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, and if the employee has returned to his domicile it shall be accompanied by the balance of any expense money advanced but not accounted for on the expense account. Employee expenses shall be reimbursed in a timely manner.
- F.** Employees who are temporarily transferred from their domicile to fill temporary vacancies shall be paid in accordance with Paragraphs B, C and E of this Article.
- G.** For work assignments less than 250 miles from the Maintenance Instructor's domicile, the Maintenance Instructor will be given the option of traveling on Company aircraft or by personal automobile and receiving compensation for mileage at the rate specified by Company Policy.
- H.** A committee comprised of an equal number of Management and Union appointed Maintenance Instructors shall establish guidelines for acceptable hotels. This committee shall create an approved hotel list based on these guidelines. Every reasonable effort will be made to provide Maintenance Instructors with hotels on the approved list. In the event an approved hotel is not available, Maintenance Instructors will be placed in a suitable hotel and the committee shall be notified.
- Employees will not be required to stay in hotels where union employees are on strike or picketing the hotel.
- I.** If a Maintenance Instructor requests a rental car, it shall be provided when they are away from their home domicile. Maintenance Instructors may be required to share rental cars with other Maintenance Instructors where appropriate.
- J.** Maintenance Instructors traveling for work assignments, shall be reimbursed for remote terminal parking at airports where parking and transportation are not available.
- K.** The Company will maintain information accessible to all Maintenance Instructors on travel assignments regarding airport security regulations, a local point of contact, and an emergency contact procedure for all locations where training is performed.

**ARTICLE X  
SENIORITY**

- A. 1.** Seniority shall be by work classification and shall accrue from the date of entering the classification. The work classifications to be recognized for seniority purposes shall consist of Lead Maintenance Instructor and Maintenance Instructor. The names of all supervisory employees of the Company who are promoted from classifications covered by this Agreement shall be maintained on the seniority list at the point from which promoted.
- a.** For bulletined jobs, the classification seniority date of the successful bidder or bidders will be the day following the last day for bidding on the job or jobs.
- b.** In all other instances, the classification seniority date will be the first day actually worked in the classification except that the classification seniority date of a Company employee shall be established as the date he is notified that he is awarded an open vacancy. The probationary period and pay in the new classification of such Company employees, however, will begin with the first day actually worked in the new classification.
- 2.** For seniority purposes under this Paragraph, the Chicago Midway Airport, O'Hare Field and WHQ shall be jointly identified as the Chicago point; the San Francisco Airport, San Jose Airport and Oakland Airport shall be jointly identified as the San Francisco point; and the Denver International Airport and the Colorado Springs Airport shall be jointly identified as the Denver point. There shall be no distinction made between airports at a point for seniority purposes.
- B.** Seniority 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, re-employment after lay off, and in all promotions, demotions, or transfers within or between classifications covered by this Agreement.
- C. 1.** In the event of the geographical relocation in whole or in part of the work performed by employees in classifications covered by this Agreement, which would result in a layoff of such employees at the point from which the work is moved (herein called old point) and the creation of additional jobs at the point to which the work is relocated (herein called new point) employees to be laid off at the old point shall be offered, in order of seniority, an opportunity to transfer and fill such additional jobs at the new point. If no employees are to be laid off at the old point, no transfers shall be made under this provision. Employees accepting such offers shall be transferred at Company expense. Employees refusing such offer of transfer shall be laid off at the old

point with no further rights under this provision. It is understood that if employees to be transferred under this provision have less seniority than any employee laid off at the new point who would be entitled to recall, the employee at the old point will be laid off at the old point and not transferred pursuant to this provision. It is further understood that if such relocation does not require additional employees at the new point the employees at the old point shall have no right to relocation unless it is determined within four (4) months after the work is relocated that additional employees covered by this Agreement are needed at the new point to perform the relocated work in order to maintain established work standards or to avoid excessive compensatory time which would make a job for an additional employee or employees in connection with the relocated work, in which event the provisions of this paragraph shall be used to effect transfers as of the time of such determination during said four (4) months. Compensatory time at the new point unrelated to relocated work shall not be a reason for transferring employees under this provision.

- 2.** The remaining employees at the old point may:
  - a.** Accept lay off at that point with no further rights under this provision of the Agreement;
  - b.** Exercise the rights available to them under Article X, Paragraph J.
- 3.** In the event of a geographical relocation of work the Company and the Union will meet prior to the effective date of such relocation to determine as nearly as possible the number of jobs to be created at the new point and the time limits to govern the move, considering the circumstances of the relocation.
- D.** Except as otherwise provided in this Agreement, all newly hired or transferred employees covered under the Maintenance Instructors Agreement shall be regarded as probationary employees for the first one hundred eighty (180) days of their employment or transfer. Employees may be discharged at any time during such probationary periods without hearing. If retained in the service of the Company after the probationary period, the names of such employees shall then be placed on the seniority list for their respective classifications in the order of their classification 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.
- E. 1. a.** Master seniority lists by basic classifications for the system showing the name, classification, classification seniority date, and date of entering the Company's service of each employee covered by this Agreement shall be posted in a convenient place April 1 each year at each point. 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 his 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 May 1 of each year. A copy of each list will be furnished to the designated Local Union Representative and the Union System General Chairman.

- b.** Ties in classification seniority date on the master system seniority list will be broken first by their basic mechanic classification seniority date and then by Company seniority date and then by giving preference to the employee with the lower number comprised of the last four digits in his 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 or more employees with adjusted seniority are tied in classification seniority date, their relative position will be determined as provided in subparagraph b. above.
- 2.** Seniority lists for classifications higher than basic classifications shall be posted at the same time as the basic system classification seniority lists at each point. 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 lists by basic classification. When two or more employees are placed on a higher classification seniority list with the same higher classification date, they shall appear in the order of their position on the basic seniority list.
- F.** An employee covered by this Agreement shall lose his seniority status and his name shall be removed from the seniority list under the following conditions:
  - 1.** He quits or resigns;
  - 2.** He is discharged for cause;
  - 3.** He is absent from work for two consecutive work days without properly notifying the Company of the reason for his absence and not then if a satisfactory reason is given for not notifying the Company;
  - 4.** He does not inform the Company in writing of his intention to return to service within seven (7) days of sending notice offering to re-employ him;

- 5.** He does not return to the service of the Company on or before a date specified in the notice from the Company offering him re-employment, which date shall not be prior to fifteen (15) days after sending such notice; provided, however, that subdivisions 4 and 5 of this Section shall not apply to offers of temporary work.
- G.** All notices required to be sent under Paragraph F shall be sent by certified mail, return receipt requested, to the employee at the last address filed by him 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 his address with his Local Manager and thereafter promptly advised that Local Manager of any change in address.
- H.** When it becomes necessary to lay off employees at any location on the Company's system, any temporary employees at the point will be terminated first and then system seniority in the basic classification plus ability to perform the available work will govern.
- I. 1.** When it becomes necessary to lay off employees due to a reduction in force, at least twenty (20) calendar days' 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 twenty (20) calendar days' notice period is the day following delivery.
  - b.** When notice is given an employee by U.S. Mail, the day following the postmark date shall be considered the date of delivery to the employee. The first day of the twenty (20) calendar days' 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 Post Office Department, the date of delivery will be the day following the day on which postal deliveries are not provided, and the first day of the twenty (20) calendar days' notice will be the next succeeding day.
- 2.** The above shall apply to all employees covered by the Agreement at all times excepting employees on vacation. If an employee scheduled for vacation is given notice either by hand directly or by mail prior to the day he begins his vacation, he 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 work day after completion of his authorized vacation. If an employee not on vacation is laid off under this procedure before an employee junior to him who is on vacation, no grievance or wage claim shall be allowed because of the deviation from seniority in the order of layoff.

- J. 1.** The Company will furnish to employees to be laid off a list of available permanent vacancies, probationary employees, or junior employees on the system, whichever is applicable, at the time the employees are notified of layoff. The employee will have three calendar days after notification of layoff and the furnishing of this information to him to decide whether he will accept layoff or fill a vacancy or, if no vacancies are available, displace a probationary employee or the junior employee on the system, whichever may be applicable. Temporary vacancies (vacancies of a known, limited duration) shall not be considered vacancies for the purpose of this entire Paragraph and subdivisions thereof.
- 2.** An employee being laid off in a basic seniority classification because of a reduction in force may:
- a.** Accept layoff with right of recall at his point, or
  - b.** exercise his seniority to transfer to any other point on the system where vacancies exist for which he is qualified with the privilege of returning to his home station when the force is increased and he is entitled to be recalled.
  - c.** If unable to fill a vacancy under b above, he may submit an order of preference among stations where probationary employees are located, and will be permitted in the order of his station preference to displace a probationary employee whose work he is qualified to perform. He shall have the privilege of returning to his home station when the force is increased and he is entitled to be recalled.
  - d.** If unplaced through the operation of subparagraphs b or c he may exercise system seniority in his basic seniority classification to displace the junior employee on the system whose work he is qualified to perform. He shall have the privilege of returning to his home station when the force is increased and he is entitled to be recalled. If two or more employees are to be laid off at the same time, the most senior employee will indicate his intention to displace the most junior employee in his basic seniority classification whose job he can perform, after which the next most senior employee to be laid off will indicate his intention to displace the most junior employee in his basic seniority classification whose job he can perform, et cetera.

- e.** An employee may limit his willingness to displace to only a given location or locations from among several locations listed by the Company in application of subparagraphs c and d above. No employee may choose to displace a junior employee at another location so long as he is able to displace a probationary employee at any location on the system. Such employee, if unable to displace at the locations he has indicated, will be placed on lay off.
  
- 3.** When an employee is offered recall to his old point, regardless of the length of time he has been at the new point, he must elect either to return to his old point with no further entitlement to seniority in any classification at the new point, or to remain at the new point with no further entitlement to recall or seniority in any classification at his old point.
  
- 4.** 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 which is terminated for any reason shall not be entitled to be recalled to the point to which he temporarily transferred.
  
- 5.** Employees transferring under this Paragraph shall receive moving expenses as provided under Company policy as of November 12, 1993 for salaried employees, except that during the first two hundred seventy (270) days following transfer under this Paragraph, or until the employee's actual household move, whichever occurs first, the employee shall be entitled to unlimited non-revenue space available (NRSA) business passes between the point to which transferred and his former point.
  
- 6.** The Company will notify the System General Chairman of all employees' names, stations involved, and effective dates of all transfers under this Paragraph.
  
- K.** Employees, except temporary employees, laid off by the Company who desire to seek employment elsewhere will, upon application within twelve (12) months from the date of their layoff, be granted on one occasion free one-way contingent air transportation on the Company's planes to any point on the system within the continental limits of the United States.
  
- L.** Employees who have given long and faithful service in the employ 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.
  
- M. 1.** An employee whose transfer request to a different classification represented

by the Union is accepted by the Company shall retain and continue to accrue seniority in his former classification for two (2) years. If the employee does not complete his probationary period in his new classification and after the Company confers with the Local Committee, the employee shall be returned to his previous assignment. If returned, the employee shall lose seniority in the classification from which returned. In the event an employee exercises his seniority to return to a lower-rated classification, he must return to the highest lower-rated classification in which he holds seniority or forfeit all seniority held in that or any other classification higher than the classification to which he returns.

- 2.** Employees promoted to supervisory positions or to other positions (not covered by this or any other Agreement unless otherwise agreed upon) will retain and continue to accrue seniority in the classification from which promoted for a period of six (6) months following promotion. At the expiration of the six (6) months period, employees in promoted positions shall retain but shall no longer accrue seniority. "Promoted" as used herein shall mean assignment to a position in which the salary received is higher than that paid the highest classification in the promoted employee's general seniority classification. Employees who transfer to such positions but are not in "promoted" status shall retain and accrue seniority for a maximum of one (1) year.
  - 3.** If an employee is temporarily assigned to a promoted position (as defined in subparagraph 2 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.
  - 4.** Any employee covered by this Agreement transferring to the position of Second Officer (formerly Flight Engineer) or Flight Attendant shall retain and continue to accrue all seniority held under this Agreement for the duration of his basic Second Officer or Flight Attendant training.
- N.** Employees holding seniority in the Lead Maintenance Instructor classification who bid to other points shall lose all seniority in the Lead Maintenance Instructor classification at the point from which they bid. In the case of a reduction in force affecting the Lead Maintenance Instructor classification, the employees reduced shall exercise their basic classification seniority or other seniority held at the point at which reduced.
- 1.** When the number of employees in any type of job in the Lead Maintenance Instructor classifications is to be reduced, the surplus junior employee or employees in the classification in that type of job at the work location where the reduction in force is to occur will be notified of layoff from the classification. After notification, the employee must displace the junior employee in any of the types of jobs in his classification at his point in which he has had

successful experience on a permanent basis. If he does not, he shall lose all seniority in the classification.

- 2.** If unable to remain in his classification through exercise of seniority under subparagraph 1 above, the employee may, but shall not be required to, displace the junior employee in any other type of job in the classification at his point, provided he has both greater classification seniority and greater Maintenance Instructor seniority and has the ability to satisfactorily perform the work required for the job in question. An employee whose displacement right is denied by the Company may file a grievance.
  - 3.** An employee laid off from his classification will be offered reemployment in order of Lead Maintenance Instructor classification to those types of jobs in his classification at his point in which he has had successful experience on a permanent basis. He must accept such offer of reemployment or lose all seniority in the classification.
  - 4.** A laid off employee who did not displace under subparagraph 2 above or who was unable to exercise his seniority to hold a job in his classification at the time of layoff shall have seniority rights in the classification from which laid off only for the purpose of reemployment as specified in subparagraph 3 above. He may, however, bid on any bulletined vacancy in the classification from which laid off based on his Maintenance Instructor seniority.
  - 5.** The procedure specified in subparagraphs 1 through 4 above is confined solely to layoffs, exercise of seniority after layoff, and reemployment after layoff in the Lead Maintenance Instructor classification.
- O.** Temporary employees may be hired to perform specific jobs by agreement between the Company and the Union. Under such agreements, temporary employees will not accrue seniority but will be subject to the wage and hour provisions governing other employees covered by this Agreement and such other employee benefits as may be agreed upon at the time.
- P. 1.** Except as provided in Paragraph J hereof, an employee who transfers or is transferred for any reason to another point shall not be entitled to displace any employee at the new point upon his arrival at the point. After an employee has completed thirty (30) days service at the new point, he shall be entitled to exercise his seniority to bid job vacancies in premium classifications or in his classification. If such vacancies have not been filled from among employees with more than thirty (30) days service at that point, the bid of a transferred employee with less than thirty (30) days service at the new point shall be considered. For the purposes of this Paragraph the thirty (30) days of service at the new point shall be considered to commence the day following the date bids are closed on a bulletined vacancy or the day following the date a vacancy filled through a permanent bid procedure is declared.

- 2.** An employee accepting assignment to a temporary vacancy at another point shall be allowed to exercise his seniority at the new point to preference shift vacancies in the same manner as if he were filling a permanent vacancy. So long as he fills the temporary vacancy, however, he will not be entitled to exercise his seniority to bid local job vacancies at his temporary point except vacancies at that point which are filled from the system. At the termination of his temporary assignment he will exercise his seniority at his point of permanent assignment.
  
- 3.** For transfers under this Paragraph, free non-revenue space available (NRSA) air transportation on the Company's system will be furnished to the employee to report to his new location.

**ARTICLE XI  
VACANCIES**

- A. 1.** Employees desiring a transfer within the Maintenance Instructor classification at their point may file a local bid on posted vacancies with their local management, on forms to be provided by the Company and must give a copy to the Local Union. Prior to filling vacancies under this Paragraph, the Local Union will be notified of the number of vacancies, the qualifications for the job and the duties to be performed and the names of the successful bidders, when selected. When a permanent job opening occurs at a point at which employees are on layoff, such vacancy will be filled by the senior employee who has the ability to satisfactorily perform the work required for the job in question and who is (a) on layoff, or (b) is in active service and has submitted a local bid for the vacancy, or (c) is in active service and is surplus in a work function at that point.
- 2.** Vacancies in the Maintenance Instructor classification at a point of sixty (60) days or longer not filled locally in accordance with Paragraph A-1 shall be filled, when no layoff is in progress, from among active or laid-off Maintenance Instructors at other locations with system permanent bids on file. Such bids must have been received by the Company as of the preceding Friday.

System permanent bids will be sent to SFOED by either U.S. mail (SFOED, United Airlines, San Francisco International Airport, 94128), Company mail, or overnight courier (electronically, when available system wide), at the employee's option. When the employee requests a return receipt from the U.S. Mail or courier, the date of receipt at SFOED will be considered the effective date of receipt by the Company. Bids shall specify the location and group to which the employee desires to be transferred as vacancies occur. Employees must submit bids in duplicate, one copy to be retained by the Company and the other will be returned to the employee confirming the date such bid was received by SFOED. 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 his job. An employee who is not considered qualified by the Company for a vacancy for which he files a system permanent bid shall be notified in writing of his disqualification and the reason therefore.

- 3.** Vacancies of sixty (60) days or longer in the Lead Maintenance Instructor classification shall be bulletined at the point where the vacancy exists and, if not filled locally, shall then be bulletined in all work areas in stations where employees covered by this Agreement are located. Bulletins shall state whether the vacancy is temporary, the number of vacancies to be filled, the classification of the job involved, the station or location, the qualifications for the job, duties to be performed, compensation to be paid, 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 selected to fill such a vacancy shall be available to begin the assignment within a maximum of ten (10) days after being released from his job. The first vacancies at any new point of sixty (60) days or longer in the Maintenance Instructor classification shall be similarly bulletined at all domiciles in offices where employees covered by this Agreement are located. An employee who fills a bulletined job in the Lead Maintenance Instructor classification and subsequently resigns from it within a period of six (6) months from the date he is declared successful bidder shall not be entitled to exercise his basic classification seniority to displace to the bid area of his choice, but shall return in his basic classification to his former bid area.

- 4.** Maintenance Instructor classification seniority will be used for filling vacancies in paragraphs A-1, A-2, and A-3.
  
  - 5.** Vacancies in the Maintenance Instructor classification or Lead Maintenance Instructor classification not filled in accordance with paragraphs A-1, A-2 or A-3 shall be bulletined where employees covered by the Mechanics Agreement are located at the point where the vacancy exists and, if not filled locally, shall then be bulletined at all shops and service stations where employees covered by the Mechanics Agreement are located. Basic Mechanic classification seniority date shall be used for bidding under this provision. Bulletins shall state whether the vacancy is temporary, the number of vacancies to be filled, the classification of the job involved, the station or location, the qualifications for the job, duties to be performed, compensation to be paid, 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 selected to fill such a vacancy shall be available to begin the assignment within a maximum of ten (10) days after being released from his job. The first vacancies at any new point in the Maintenance Instructor classification not filled in accordance with paragraphs A-1, A-2 or A-3 shall be bulletined where employees covered by the Mechanics Agreement are located at the point where the vacancy exists and, if not filled locally, shall then be bulletined at all shops and service stations where employees covered by the Mechanics Agreement are located.
- B.** A Maintenance Instructor will be eligible to bid on a vacancy in a higher classification after twelve (12) months of continuous service with the Company as a Maintenance Instructor. When a vacancy is not filled through the bidding procedure, the Company may, but is not required to, consider the transfer request of a Maintenance Instructor with less than twelve (12) months of service.
  
  - C.** Any employees bidding for a bulletined job must file their bid in writing with the Company as provided in the bulletin and may file a copy of the bid with the Union.

- D. 1.** In filling jobs under the bidding procedures provided in this Agreement, seniority plus ability to satisfactorily demonstrate competency in technical and instructional skills required for the job in question will be considered. Any person aggrieved by the action of the Company in filling such vacancies may file a grievance pursuant to the procedure set forth in the Agreement.
- 2.** In cases where a vacancy in the Maintenance Instructor or Lead Maintenance Instructor classification bulletined under Article XI, Paragraph A-3 and A-5, above is filled by bids from employees in a lower classification and the successful bidder is later displaced by a decision in the grievance procedure or by an award of the System Board of Adjustment, the following procedure shall govern:
- a.** The employee in the vacancy awarded the senior bidder by the System Board's award or the grievance decision shall lose all seniority in the higher classification and be returned to the job held at the time of promotion except under the following conditions:

If the employee's seniority in the lower classification would have entitled him to a vacancy in the higher classification with substantially the same qualifications and duties which was bulletined and awarded while he was working in the higher classification, he shall be entitled to remain in the higher classification and his seniority shall be adjusted as though he had bid on and been awarded that vacancy. The same procedure shall be followed with all other employees in the higher classification who were awarded vacancies subsequent to the vacancy awarded the senior bidder by the System Board award or a grievance decision.

- E.** When the Company has selected an employee to fill a bulletined job, it shall post immediately at each work area or location where the vacancy was announced a bulletin showing the name of the employee selected to fill the job and his seniority date. The Company will not be required to consider bids submitted by an employee within six (6) months after the date on which he was notified that he was a successful bidder.
- F.** If the employee whose bid for a bulletined job is accepted is stationed at a location other than the location of the bulletined job, the Company will furnish contingent air transportation on its system for the employee affected and for the members of his immediate family to the extent permitted by law from the location from which he is transferring to the location of the bulletined job. All other expenses incident to such transfer will be borne by the employee. The employee will be allowed a reasonable period between the time he is relieved of his duties until he is required to report at the new location. Such a period shall be established in advance and be dependent upon the means of travel.

- G.** An employee whose bid for a job is accepted shall hold the job for a reasonable period but not to exceed ninety (90) days on a trial basis in order to demonstrate his ability to perform the work required by the job. An employee's trial 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. 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 his previous assignment but he shall not, for a period of six (6) months, be permitted to bid for a vacancy in the same group in which he was unable to demonstrate ability. The return to his former station shall be without expense to the Company, except that the Company will furnish contingent air transportation on its system for the employee and his immediate family to the extent permitted by law, and the employee will be allowed a reasonable period from the time he is relieved of his duties until he is required to report for work at his previous station established as aforementioned.
- H.** During the interim required to bulletin a vacancy, the Company may select an employee to fill the vacancy temporarily. Employees temporarily transferred from their regular work to the work of any other classification covered by this Agreement shall receive their regular rate of pay or the minimum rate of the classification, plus longevity, whichever is the higher, for performing such work.
- I.** 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 vacancies in higher classifications, the selection will be based on seniority insofar as practical and 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 the vacancy will be filled as otherwise provided in this Agreement.
- J.** The Company is not required to fill temporary vacancies of thirty (30) calendar days or less, exclusive of vacation requirements, in the Lead Maintenance Instructor classification. If the vacancy still exists after sixty (60) calendar days, the position shall be filled as provided for in this Agreement.
- K.** Employees under this Agreement assigned to a temporary job under Paragraphs H, I and J of this Article shall, upon such discontinuance of such temporary job, be returned to their former job and status.
- L.** No employees will be compelled to accept a permanent transfer against their wishes.
- M.** In the event there are no eligible bidders for a vacancy in a Maintenance Instructor or Lead Maintenance Instructor classification at any location on the Company's system, the Company may fill such vacancy by assigning any Maintenance Instructor willing to accept the assignment or by assigning the junior qualified Maintenance Instructor at the location to fill the vacancy.

- N.** It shall be the policy of the Company to promote its own employees, and only when competent employees cannot be found in the ranks, or when competent employees will not accept vacancies or new positions in the supervisory force, will it be the disposition of the Company to vary from this policy.

**ARTICLE XII**  
**LEAVES OF ABSENCE**

- A.** An employee covered by this Agreement upon proper application with the Company may be granted, on a one (1) time basis, a leave of absence in writing for a period not in excess of two (2) years, 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 his Union dues are paid up at the time he requests 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 he plans to remain on such leave in order to obtain the desired education and, if the leave is granted, he 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 Chairman, Assistant System General Chairman, and District Secretary-Treasurer, shall have no other employee benefits. The employees selected as System General Chairman, Assistant System General Chairman, 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 his classification for which he can qualify.

- D.** Any employee covered by this Agreement who engages in gainful employment for another air carrier, in a position similar to those covered by United IAM Agreements, shall be deemed to have resigned from the Company's service and his name will be stricken from the seniority roster.
  
- E.** An employee who enters military service and has reemployment 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 he has reemployment rights, his leave of absence shall automatically terminate and he shall lose all seniority.
  
- F.** In accordance with the Company's Family Medical Leave Policy, an eligible employee may request family leave due to the serious health condition of the employee, spouse, child or parent or for the birth or placement of a child. Leave terms and conditions, eligibility criteria and administrative procedures are contained in company policy, as exists at the time the leave is requested.

In the administration of the Company Family Medical Leave policy for employees, an employee may designate complete current year vacation period to run concurrently with a Family Medical Leave. Such vacation will commence on the first day of the Family Medical Leave. Use of accrued sick leave shall only be in cases of actual illness, including maternity or injury of the employee. The Company shall not require an employee to use either his/her vacation or sick leave in any instance.

**ARTICLE XIII  
VACATIONS**

- A.** The calendar year will be used for computing vacation allowances and scheduling vacations. Vacations will be taken during the calendar year following that in which accrued and will be paid at the employee’s regular rate of pay in effect at the time the vacation is taken.
- B.** Vacation Accrual - The first vacation will be taken during the following calendar year. 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:

<u>Length of Company Service</u>	<u>Vacation Accrual Weeks</u>	<u>Hours</u>
1 year	2	80
4 years	3	120
9 years	4	160
16 years	5	200
24 years	6	240
29 years	7	280

- C.** An employee taking a leave of absence or leaves of absence in excess of thirty (30) calendar days, except in case of sickness or injury on the job, shall have his vacation hours and pay reduced by one-twelfth (1/12) for each month or part thereof that he is on leave of absence in excess of thirty (30) days.
- D.** 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. Holidays falling within a vacation period will be taken by extending the vacation period one day for each such holiday. The vacation period is considered to be the period from the end of the last regularly scheduled work shift prior to the vacation to the start of the first regularly scheduled work shift following the vacation.
- 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) he gives the Company ten (10) calendar days notice of intent to quit; (2) he is 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 his executor, administrator, or other legal heirs.

#### **F. Day-At-A-Time (DAT) Vacations**

- 1.** Employees with two (2) weeks of accrued vacation may elect to schedule one of their weeks as Day-At-A-Time (DAT) vacation. Employees with three or more weeks of accrued vacation may schedule two weeks of DAT.
- 2.** An eligible employee may take DAT vacation by obtaining the advance approval of his supervisor. The number of employees granted a DAT vacation day on any specific date will be subject to Company and departmental service requirements. An earnest effort will be made by all parties to schedule and use DAT vacation so as to avoid scheduling problems at year end.
- 3.** Additional flexibility in the scheduling of DAT vacation may be implemented on a local basis consistent with operational manpower 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.
- 4.** A holiday, RDO, or another vacation day cannot be designated as a DAT vacation day. Further, Paragraphs D, H (as related to the splitting of vacations), I, J and K are not applicable to DAT vacation.
- 5.** If for any reason, an employee does not use all of his 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, he may not then use the new DAT vacation but will be required to select a regular vacation week only from the vacation weeks remaining.

**G. 1.** Education and Development Management and appropriate Union Representatives 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 for each team.

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

**H.** Subject to Company and departmental service requirements, employees covered by this Agreement will be permitted to select their vacation in the domicile, team or

department in which they are employed in accordance with Company seniority. Employees with two (2) or more weeks of vacation who are allowed to split their vacation 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 five (5) scheduled working days. 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 his vacation period(s) to available vacation weeks or, at his option, to retain his scheduled vacation period(s) except when extreme manpower 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 his vacation period, he shall be permitted at his option to move his regular days off or his vacation period in the work week in which his vacation starts to allow his regular days off and vacation period to butt.
  
- J.** Vacation leave is not cumulative except where an employee has been specifically requested by the Company in writing to forego his 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 his scheduled vacation and whose illness or injury disables him through the entire period of his scheduled vacation shall, at his option, receive vacation pay for his scheduled vacation or receive sick pay for this period of time and have his vacation rescheduled. He cannot receive both sick pay and vacation pay for the same period. If the Company does not reschedule his vacation in the current year and/or the following year, he shall then receive pay for his vacation in lieu thereof.
  
- K.** Employees shall be given one hundred percent (100%), less payroll deductions, of their vacation pay the day 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 his vacation. Any pay due an employee for work performed prior to taking his vacation shall be paid on the regular payday.

**ARTICLE XIV  
SICK LEAVE**

- A.** Employees will be credited with one-half (1/2) day of non-occupational sick leave for each month of employment during the first six (6) months of employment and one (1) full day for each month of employment during their second six (6) months employment. During the second six (6) months of employment an employee may be granted six (6) days of non-occupational sick leave with one-half (1/2) pay. At the start of the second year of employment an employee will have a total of nine (9) full days of non-occupational sick leave credit less any sick leave used during the first year, and will continue to accrue one (1) day of such sick leave credit for each month of continuous service up to a maximum of one hundred ten (110) days.
- B.** After one year of employment, non-occupational sick leave with pay in case of actual sickness will be granted up to the number of days to the credit of the employee at the time. When such sick leave is granted the number of days paid for will be charged against the number of days credited to an employee and thereafter one (1) day of non-occupational sick leave for each month of continuous service shall again be credited to the employee until the total credit again reaches the maximum.
- C.** Employees will be required to request payment for non-occupational sick leave in writing not later than the pay period following their return to service, on a form provided by the Company. Such sick leave with pay will be granted only in cases of actual sickness. The Company may require a doctor's certificate before paying such requests for sick leave in excess of three (3) days.

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

- D.** Employees will accrue one (1) day of occupational illness or injury leave for each month of continuous service to a maximum of one hundred (100) days. This accrual will be in addition to non-occupational sick leave and may be used for absence resulting from occupational illness or injury only. After exhausting his occupational illness or injury leave, the employee may use his non-occupational sick leave credits. He 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 exhausts his occupational leave and uses non-occupational leave, his ensuing accrual of occupational injury leave shall be credited to his non-occupational sick leave until such time as he has replaced all non-occupational sick leave which was used for his occupational illness or injury. The provisions of Paragraph E of this Article will apply to Workmen's Compensation paid to an employee while he is receiving occupational illness or injury leave.

- E.** When it is necessary for an employee to be absent from work because of occupational injury or illness he must request payment for occupational illness or injury leave in writing not later than the pay period following his return to service on a form provided by the Company. A Doctor's certificate may be required before granting pay for this purpose. In the event he receives Workmen's Compensation because of such absence he shall turn over such compensation to the Company and shall have his sick leave or occupational illness or injury credit used in connection with such injury or illness restored to the extent that the compensation offsets the pay granted; provided, however, that such credits will be restored only in units of one-half (1/2) day.
  
- F.** All credit for non-occupational sick leave or occupational illness or injury leave will be cancelled if employment ceases for any purpose and no payment for such accumulated credit will be made at any time. No credit will be given for non-occupational or occupational illness or injury leave purposes while an employee is on leave of absence.
  
- G.** The employees covered by this Agreement and the Union recognize their obligation of being truthful and honest in preventing unnecessary absence or other abuse of either non-occupational or occupational illness or injury leave privileges. No employee shall be reprimanded for the legitimate use of sick and/or injury leave. An employee whose dependability record is unsatisfactory shall be so advised, furnished a copy of his record, and given a reasonable opportunity for improvement before any disciplinary action is taken.

**ARTICLE XV  
EXTENDED ILLNESS STATUS**

- A.** An employee who exhausts his 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 three (3) years from the first day placed on extended illness status. The employee shall, when placed on extended illness status, file his address with the Company and shall thereafter promptly advise the Company of any change in address. The System General Chairman will be notified by two (2) copies of a letter stating the employee's name, home address, work location, job title and the date he is 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 privileges upon request to their supervisor.
  - 4.** may be required to submit to physical examinations at Company request or to furnish medical reports of his 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 his current physical condition and elects to be examined by his own doctor rather than to go to a Company medical examiner, he shall assume the cost of his 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, et cetera, 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, he shall be deemed to have severed his 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 Chairman, 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) therefore.
- 2.** Following notice to the Union and the employee that the employee will be separated, the employee may file a grievance protesting his 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 the date of signing this Agreement 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 therefor and affording the Union an opportunity to confer with the Company. Any improvements in pleasure pass benefits provided to other domestic non-management employee groups will be offered to employees covered by this Agreement.
  
- B.** The System General Chairman and Assistant General Chairman of the Union will be furnished with non-contingent, non-revenue positive space (NRPS) pass over the Company's 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 shall be given non-revenue positive space (NRPS) air transportation over the lines of the Company, to the extent permitted by law, to attend such meetings. Requests for NRPS transportation for other Union Officials will be made by District 141M directly to SFOLR for review and approval.

**ARTICLE XVII  
DISCIPLINARY ACTION**

- A.** An employee who is to be questioned by Company Representatives in the investigation of an incident which may result in disciplinary action being taken against him, will be informed of his 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 or clarify facts. The above does not apply to inquiries of employees by Supervisors in the normal course of work.
- B.** No employee shall be discharged without a prompt, fair and impartial investigative hearing at which he may be represented and assisted by Union Representatives. An employee will also be entitled to investigative review hearing if he so requests 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.
- C.** Appeals of suspensions shall be made directly to Step Two of the Grievance Procedure. Appeals of discharge and appeals of employees laid off because of lack of qualifications 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) as well as non-disciplinary letters of counsel or concern, will be removed from the employee's file after a period of two (2) years (excluding periods while on layoff, Leave of Absence or Extended Illness Status) from the date they were issued. Decisions relating to appeals of disciplinary action may not be used by the Company as part of the employee's past record when assessing subsequent discipline if more than two (2) such years have elapsed from the date of the disciplinary action taken.
- E.** 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.

- F.** 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, Leave of Absence or Extended Illness Status) without issuance of a Notice of Investigative Review Hearing which results in further disciplinary action.
- G.** If, as a result of any hearing or appeals therefrom, it is found the suspension or discharge was not justified, the employee shall be reinstated without loss of seniority and made whole for any loss of pay he suffered by reason of his suspension or discharge, and his personnel records shall be corrected and cleared of such charge; or, if a suspension rather than discharge results, the employee shall have that time he has been held out of service credited against his period of suspension. In determining the amount of back wages due an employee who is 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 he would have earned in the service of the Company had he not been discharged or suspended.
- H.** Necessary hearings and investigations called by the Company shall, insofar as possible, be conducted during regular business hours and all stewards, Local Committeemen 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.
- I.** 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 Labor Relations will forward, by letter, to the President and General Chairman, an explanation of the Company's rationale for such action. If this explanation is unacceptable to the Union, the President and General Chairman may immediately submit the matter to the Arbitration step of the Grievance Procedure.

**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.** An employee having a complaint should first discuss the matter with his Supervisor who will attempt to settle the matter.
- 2.** If the issue is not satisfactorily resolved, he 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 his 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 station or base management representative(s) and the Local Union Committee. Grievance hearings will be scheduled within fifteen (15) days of perfecting the appeal. The Local Committee may specify that a specific grievance shall be heard by the Department or Station Head rather than his 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. Grievance hearings will be scheduled within fifteen (15) days of perfecting the appeal.

### **E. Step Three**

If not settled, the grievance shall be reviewed by a representative(s) of the Labor Relations Staff and the appropriate Assistant General Chairman. The review will be held within ten (10) days of perfecting such appeal. If unable to reach an agreement in the review process, a third step hearing will be scheduled within ten (10) days. The Company shall provide its written answer within fourteen (14) days of the hearing. 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 Labor Relations Officer, the Corporate Director of Labor Relations-Ground, and the System General Chairman.

### **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 Corporate Director of Labor Relations to the System General Chairman 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 3 above, the System General Chairman 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 members, the CHAIRMAN, 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 Chairman will sit on the Board and he shall decide the case.

- 2.** The Board shall meet in the city where the General Offices of United Air Lines, Inc. 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. A delay in the filing of such Statement of Position will not cause a delay in the scheduling of the hearing. The statement of Position 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 Chairman 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 the Company 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 Chairman will be borne equally between the Company and the Union.

- 12.** The Chairman shall give his written decision within thirty (30) days of the close of the hearing unless extended by mutual agreement.
  
- 13.** The Chairman'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.
  
- 14.** No post hearing briefs will be written following System Board hearings unless both parties agree to do so.

**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 his employment or re-call to service after a lay off due to reduction in force. If it becomes necessary to hold an employee out of service due to his 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 his 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.** Employees covered by this Agreement who are uniformly and periodically required by the Company to take physical examinations because of the duties they perform shall be scheduled and paid for the time spent taking such examinations in accordance with the Company's established procedure for employees under this Agreement who are assigned to taxi and run-up duties. The provisions of this Paragraph shall not apply to employees required to take physical examinations after absence due to illness or any physical examinations other than those specified above.
- D.** The Company hereby agrees to maintain safe, sanitary and healthful working conditions in all shops and 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, and that certain employees will be given first aid training. 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.
- E.** The Company agrees to furnish good drinking water and sanitary fountains; the floors of the toilets and washrooms will be kept in good repair and in a clean, dry,

sanitary condition. Employees will cooperate in maintaining the foregoing conditions. Shops and washrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available.

- F.** 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.

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. A copy of the factual account of all accidents (UA Form 1845 or equivalent), with any medical information deleted, will also be provided to the Union Safety Committee.

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.

- G.** 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.
- H.** The Company will furnish appropriate aprons, gloves and shoes to all employees required to work with acids and chemicals that are injurious to clothing while such employees are engaged in such activities, and employees will be required to wear such equipment.
- I.** The Company will furnish, upon request, each Maintenance Instructor and Lead Maintenance Instructor with a shop coat, a pair of coveralls and a line jacket. These items shall be replaced by the Company at such a time as they become worn beyond their useful life.

- J.** 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, which they may have for compensation arising out of such sickness or injury.
  
- K.** In cases of occupational injury or illness employees may elect to be treated by their personal physician, and decline treatment from others, provided they have their physician registered with United's medical department prior to the occurrence of illness or injury. The Company's physician will retain the right to monitor the employee's course of treatment.

**ARTICLE XX  
GENERAL AND MISCELLANEOUS**

- A.** If there is any change during the life of this Agreement in the licenses employees covered by this Agreement are required to have, all employees affected shall be given one (1) year from the date of such change to obtain each license and there shall be no change in their status or pay during said one (1) year period.
  
- B.** Service records shall be maintained for all employees by the Company. When an employee covered by this Agreement leaves the Company for any reason, he will, upon request, be furnished with a copy of his service record.
  
- C.** Any employee leaving the service of the Company will, upon request, be furnished with a letter setting forth the Company's record of his qualifications and stating his length of service.
  
- D.** 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. Training received which is contiguous with, or during an employees work shift, will be paid at employees regular classification rate on a straight time basis. Training sessions will not be scheduled on contractual holidays and if scheduled on an employee's regular day off, will be compensated for at the applicable compensatory time rate.
  
- E.** Any qualified employee, upon request, shall be furnished with a certificate by the Company for presentation to the proper government agency for procuring FAA or FCC licenses.
  
- F.** All orders or notices to an employee covered by this Agreement involving a transfer, promotion, demotion, lay off, or leave of absence shall be given in writing.
  
- G.** The Company shall furnish the Union, through its System Chairman, twice each year the names, locations, classifications and monthly 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.
  
- H.** The Company shall provide bulletin boards for use by the Union for posting official notices of Union business related to employees covered by this Agreement at all domiciles in offices where Maintenance Instructors are located.

- I.** The right to hire; promote; discharge or discipline for cause, and to maintain discipline and efficiency of employees is the sole responsibility of the Company except that employees will not be discriminated against because of Union membership or activities. In addition, the equipment to be used and the location of facilities and offices, training course standards, methods of instruction, and scheduling of training classes are the sole and exclusive function and responsibility of the Company unless otherwise specified in this Agreement.
  
- J. 1.** 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; neither will the Union nor the employees covered hereunder engage in a strike, sit-down, walkout or stoppage, slowdown, or curtailment of work until the bargaining procedures outlined in this Agreement and provided for in the Railway Labor Act have been exhausted.
  
- 2.** It is understood that the Agreement contains no contractual prohibition on the ability of the IAM represented employees to honor lawful picket lines at the Company.
  
- K.** Supervisors or Team Leaders and higher ranking officials of the Company shall not be permitted to perform work on any job covered by this Agreement except in an emergency.
  
- L.** 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.
  
- M.** The Company will provide each employee covered by this Agreement with a copy of the Agreement printed in a union shop and bound in a convenient pocket-size booklet bearing the union label and distributed within ninety (90) days of signing.
  
- N.** Employees covered by this Agreement shall be entitled to time off without loss of pay for 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 and any other relative living with the employee at the time of death.
  
- O.** The Company will, for employees covered by this Agreement, insure such employees against loss by fire or theft of a tool box or contents owned by the employee while such tool box is on Company premises for use in connection with the employee's work or when in transit in connection with a Company assignment where reasonable security has been maintained. The maximum reimbursement for such loss shall be five thousand dollars (\$5,000) total actual cash value subject to the deductible amount of one hundred dollars (\$100) which shall be borne by the

employee. The employee shall report his loss immediately and shall file such claim within thirty (30) days. The employee shall be responsible for furnishing itemized proof of loss and any other pertinent information.

- P.** In the event free parking facilities are not available for employees working at airport 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 replacement charges to employees for parking decals, stickers, gate keys or similar items.
- Q.** An employee who is called for jury service will be granted necessary time off to fulfill his responsibilities in accordance with Company policy. An employee required by the court to report for jury service will not also be required to work his scheduled shift the same day, including midnight shift prior to actually reporting for jury duty or afternoon shift following serving jury duty.
- R.** Where the Company requires a commercial driver's license, passport or special security badge, the Company will permit and schedule the necessary time to obtain such documentation without loss of pay, provided in the case of a license that the employee successfully obtains it. The fee for obtaining or renewing such license, passport or special security badge will also be paid by the Company, except in case of loss. This will not disturb local practices, which currently provide assistance in obtaining such documents. The Company will attempt to get local licensing and security authorities to provide services on the employees' shifts.
- S.** The Union will be permitted to participate in new-hire employee orientation or initial training sessions, which include Union-represented employees.
- T.** Maintenance Instructors will not be held responsible for transportation of students off the airport property.
- U.** In preparation for upgrading to teach a new class, or teach a class that has not been taught for six (6) months, the Maintenance Instructor, Lead Maintenance Instructor and Supervisor shall discuss appropriate upgrade time consistent with needs of the service.
- V.** Training opportunities shall be offered as equally as possible among eligible employees.

**ARTICLE XXI  
WAGE RULES**

- A.** The minimum monthly 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 their monthly rate as a result of this Agreement, and nothing in this Agreement shall be construed to prevent increases in individual rates or classifications over and above the minimum specified.
- C.** Employees shall be paid on the first (1st) and fifteenth (15th) of each month during their regular working hours. The payment on such days shall include all regular wages due. Any adjustments will be made on the paycheck following a timely submission of the pay-cert.
- 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 his supervisor, be furnished a copy of his time record for the preceding pay period. Included on the pay check stubs will be the employee's pass travel charges and sick leave balance.
- G.** Employees leaving the service of the Company will be given their final check within forty-eight (48) hours after final clearance at points where payroll offices are located or mailed within seventy-two (72) hours at other points, or earlier when possible.
- H.** Employees recalled to work from a lay off shall be returned to their former position if the job still exists and shall not be paid at a lower rate than they were receiving prior to the lay off, unless a new contract as to wages shall at the time of recall be in effect between the Company and the Union; provided that if the job does not exist the recalled employee shall receive the rate of the job accepted.

- I.** All employees covered by this Agreement are normally assigned to the day shift. Additional compensation, over the rate paid on day shift, for the afternoon shift (5% per hour) and night shift (10% per hour) shall be paid to employees for all hours assigned to the off-shift.

Any shift starting at 11:00 AM or later and before 5:00 PM shall be considered an afternoon shift and any shift starting at 5:00 PM or later and before 6:00 AM shall be considered a night shift.

- J.** An employee covered by this Agreement required to participate in test flights shall, while on such flights, be covered by a standard aviation accident insurance policy with a death benefit of two hundred and fifty thousand dollars (\$250,000.00) at no cost to the employee.

- K.** Increases provided for in this Agreement will be effective on the nearest date commencing a regular pay period.

- L.** The Company will provide death and disability insurance coverage, at no cost to the employee and in the amounts set forth below, for any employee who in the course of his employment is killed, permanently disabled, or loses a member (as described herein) by a bomb explosion or felonious assault.

Death	\$100,000
Total Permanent Disability	\$100,000
Total Loss of Two Members	\$100,000
Total Loss of One Member	\$ 50,000

A "member" as described herein is defined as an arm, leg, or eye.

No employee will be required to participate in a "bomb scare" investigation against his wishes.

**M. 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 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, pilots 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) 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.
- d.** 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: 0.5% of Wages

Target Performance: 1.0% of Wages

Maximum Performance: 2.0% of Wages

- e.** Qualifying income shall include base pay, overtime, holiday pay, longevity, sick pay, vacation pay, shift differential, and premiums but shall exclude expense reimbursement, incentive or profit sharing payments, pension payments, imputed income or other similar awards or allowances.
- f.** Incentive payments will be made to Union employees on the same date as incentive payments are made to management employees.
- g.** Incentive payments will be pensionable under the final average earnings pension plans applicable to IAM 141M members.
- h.** The incentive plan will cover each calendar year beginning in 2004.
- i.** Incentive payments will be paid to the employee, subject to applicable 401(k) deferral election, withholding and taxes.

- j. 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 141M) of the Annual Profit Sharing Pool is 13.85% of the 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, withholding and taxes.

<b>Effective Date of Profit Sharing Plan:</b>	<u>As of January 1, 2005 (so that the first year covered by the profit sharing plan shall be calendar year 2005).</u>
<b>Profit Sharing Pool:</b>	<u>In the event that the Company has more than \$10 million in Pre-Tax Earnings in the relevant calendar year, then 7.5% of Pre-Tax Earnings in 2005 and 2006 and 15% of Pre-Tax Earnings in each calendar year thereafter.</u>
<b>Pre-Tax Earnings:</b>	<u>UAL consolidated net income as determined in accordance with GAAP, but excluding (i) consolidated federal, state and local income tax expense (or credit); (ii) unusual, special, or nonrecurring charges, (iii) charges with respect to the grant, exercise or vesting of equity, securities or options granted to UAL and United employees, and (iv) expense associated with the profit sharing contributions.</u>
<b>Eligibility:</b>	<u>All domestic employees of UAL Corp. or United Air Lines, Inc. (including all IAM-represented employees) who have completed one year of service as of December 31 st of the year for which Pre-Tax Earnings are being measured.</u>
<b>Allocation:</b>	<u>For each eligible employee, a pro rata share of the Profit Sharing Pool for each calendar year based on the ratio of the employee's Considered Earnings for the year to the aggregate amount of Considered Earnings for all eligible employees that year.</u>
<b>Considered Earnings:</b>	<u>As currently defined in the Company's Success Sharing Plan (i.e., base pay, overtime, holiday pay, longevity pay, sick pay, vacation pay, shift differential, premiums, pre-tax contributions to a 401(k) plan, pre-tax medical plan contributions, and flexible spending account contributions but not expense reimbursement, incentive or profit sharing payments, imputed income or other similar awards or allowances) for that portion of the calendar year for which the employee was eligible to participate.</u>
<b>Payment Date:</b>	<u>By no later than April 30th of the following year.</u>
<b>Distribution:</b>	<u>In cash.</u>
<b>Relationship to Other Programs:</b>	<u>Incremental to the Success Sharing Plan; in lieu of the Articles of the 2003 PCE, Ramp, SO, Food and MI Agreements and the Compensation Article of the 2003 FTI Agreement.</u>
<b>Documentation:</b>	<u>Implementing documentation reasonably acceptable to the Union.</u>
<b>Duration:</b>	<u>Continuing unless and until terminated in future IAM collective bargaining agreements.</u>

**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 his own, shall receive severance pay as provided in Paragraph B of this Article, subject to the limitations and conditions set forth herein, but he shall receive no severance pay if any one or more of the following conditions exist:
- a.** He exercises his seniority in order to remain in the employ of the Company.
  - b.** He accepts any other employment with the Company or refuses to accept a job in his own or comparable work classification under this Agreement at his location.
  - c.** He fails to exercise his seniority in any classification, which would enable him to remain in the employ of the Company, except that refusal to exercise his seniority at another location shall not prevent him from receiving severance pay.
  - d.** The layoff is caused by an Act of God, a war emergency, revocation of the Company's operating certificate or certificates, or grounding of a substantial number of Company aircraft.
  - e.** The layoff is caused by a strike or picketing of the Company's premises or any work stoppage or other action which would interrupt or interfere with any operations of the Company.
  - f.** He is dismissed for cause, resigns or retires.
  - g.** There is a temporary cessation of work because of circumstances beyond the Company's 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 he may be entitled under applicable labor protective conditions.
- B.** The amount of severance pay due under this Article shall be based on the length of actual service with the Company since the employee's last date of hire with the Company (Company seniority date), and shall be computed on a pro-rata basis based on the Maintenance Instructor's monthly rate at time of layoff as follows:

<b>If Employee Has Completed</b>	<b>Severance Allowance</b>
Less than 1 year of service	None
1 year but less than 2 years of service	2 weeks
2 years but less than 3 years of service	2 weeks
3 years but less than 4 years of service	3 weeks
4 years but less than 5 years of service	4 weeks
5 years but less than 6 years of service	5 weeks
6 years but less than 7 years of service	6 weeks
7 years but less than 8 years of service	7 weeks
8 years but less than 9 years of service	8 weeks
9 years but less than 10 years of service	9 weeks
10 years but less than 11 years of service	10 weeks
11 years but less than 12 years of service	11 weeks
12 years or more of service	12 weeks

**C.** An employee shall begin receiving his 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 he accepts other employment with the Company.

**D. 1.** An employee returning to the service of the Company from layoff shall be credited:

**a.** With any unused severance allowance, or

**b.** If it results in a greater amount the employee, upon completion of one (1) year of compensated service after recall, will be credited with up to five (5) weeks of severance allowance computed as provided in Paragraph B based upon his total service prior to recall. Any leaves of absence without pay voluntarily accepted by the employee at the Company's request shall be considered as compensated service credit for purposes of this paragraph. This credit shall not include periods of leave granted solely at the request and convenience of the employee, leaves for EIS, or any other unpaid absences.

**2.** In addition, such employee will accrue severance allowance credit as computed in Paragraph B based upon his straight-time compensated service with the Company after his return to the Company's service from the last layoff in which severance pay was received. If the employee has never received severance pay under these Agreements, then severance pay will be based on total compensated service as provided in Paragraph B.

**3.** If the employee is again laid off under conditions entitling him to severance allowance he shall be entitled to the allowance credited to him under

Subparagraphs 1 and 2 above up to but not exceeding the severance allowance specified in Paragraph B based upon his straight-time compensated service with the Company.

- E.** A period of layoff shall not be deemed to be broken by the duration of periods of temporary employment. Except as provided herein, severance pay shall not be paid twice for the same periods of compensated service.

**ARTICLE XXIII  
HEALTH AND WELFARE BENEFITS**

- A.** It is agreed that benefits offered under the Employee Welfare Benefit Plan for management employees on the date of signing this Agreement, except for the sick leave benefits, will apply to employees covered by this Agreement, and will be subject to change during the term of this Agreement. The Company will advise the Union of the reason for any change affording the Union an opportunity to confer with the Company.

**ARTICLE XXIV  
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.** Stewards - One (1) active employee for each domicile, on the system.
  - 2.** Local Committee - One (1) active employee member elected by the local membership at each point on the system where Maintenance Instructors are domiciled.
  - 3.** System General Chairman, Assistant General Chairmen, and Executive Committee - As elected and agreed who will represent the Union with general officials of the Company. The System General Chairman of the Union shall be permitted, at any time, to enter offices, shops and facilities of the Company for the purpose of investigating grievances and disputes arising under this Agreement after contacting and advising the Company officer in charge the purpose of the visit.
- B.** The Company will 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.

**REPRESENTATION TIME**

- C.** Stewards and Local Union Committeemen will be permitted, after reporting to their Team Leader 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 shop or office, they will report in with the Team Leader or Supervisor of the other shop or office. The Company will allow straight time compensation for such investigation and presentations during working hours.
- D.** The Local Committeeman at the San Francisco/Oakland point and Indianapolis domicile will be allowed a reasonable amount of time for this purpose. Stewards and other Local Committeemen will be allowed to a maximum of five (5) hours in any one (1) week for this purpose.
- E.** 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 his 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 his initiation (or reinstatement) fee and/or monthly membership dues deducted from his earnings as provided in Paragraph P of this Article or he must pay his initiation (or reinstatement) fee and/or membership dues directly to the Financial Secretary of the local lodge.

- F.** 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.
- G.** Any employee maintaining, or maintaining and accruing, seniority under this Agreement (except as provided in Paragraph J 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 his option. Should such employee return to a classification covered by this Agreement, he shall be required to become a member of the Union within fifteen (15) days after the date he returns to such classification, and shall, as a condition of employment in classifications covered by this Agreement, become a member 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.
- H.** 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 employees 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.
- I.** Any employee covered by this Agreement who has resigned from the Company and is re-employed he shall be governed by Paragraph E of this Article.
  - 1.** Employees laid off and recalled from lay off shall be governed by Paragraph G 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 E of this Article.
  
- J.** 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.
  
- K.** Notwithstanding the provisions of Paragraph B of Article XVII 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 Chairman of the Union shall notify such employee in writing, certified mail, return receipt requested, copy to the employee’s system Department Head, that such employee must become a member of the Union within the time limits specified in Paragraph F 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 F of this Article such new employee has not become a member of the Union, the System General chairman of the Union shall certify in writing to the employee’s system Department Head, 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. The employee’s system Department Head or his designee shall then promptly notify the employee involved that he is to be discharged from the services of the Company, and shall promptly take proper steps to so 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 his category covered by this Agreement, the System General Chairman 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.

Such employee's system Department Head or his designee shall then promptly notify the employee involved that he 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 Chairman of the Union shall notify the employee in writing, certified mail, return receipt requested, copy to the employee's system 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 he must remit the required payment to the Financial Secretary of his local lodge by the twenty-second (22) day of the month in which notice from the System General Chairman 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 his notice from the System General Chairman was received, the System General Chairman of the Union shall certify in writing to the employee's system Department Head, 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. The employee's system Department Head or his designee shall then promptly notify the employee involved that he is 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.
- L.** 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 his classification of employment at his 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.
- M.** 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 desires a review must submit a request for review in writing within five (5) days from the date of notification by the System Department Head or designee as provided in Paragraph K, subparagraph 2, of this Article. The request will be submitted to the Director of Labor Relations with a copy to the System General Chairman of the Union. The System General Chairman of the Union or their designee may be present at the review of the grievance to represent the Union interest in the case. The Director of Labor Relations or designee will review the grievance and render a decision in writing with a copy to the System General Chairman of the Union not later than ten (10) days following the receipt of the grievance.
  - 2.** The Director of Labor Relations or designee will forward the decision to the employee with a copy to the System General Chairman. If the decision is not satisfactory to either the employee or the Union, then either may appeal the grievance directly to the 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 Labor Relations or designee or after final decision by the 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 M.
- N.** 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 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 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 and the Union.
- O.** 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**

- P.** 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.

**ASSIGNMENT AND AUTHORIZATION  
FOR CHECK OFF OF UNION DUES**

TO: United Air Lines, Inc.

I, \_\_\_\_\_,  
(Name) (Print initial and last name)

hereby assign to the 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 Chairman of the Union), from one pay check 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)

Organization Code \_\_\_\_\_  
(See UG100 or Paycheck Stub)

Employee's File Number \_\_\_\_\_  
(See UG 100 or Paycheck Stub)

Payroll Code Number \_\_\_\_\_  
(Do not fill in - for Payroll Use)

Classification \_\_\_\_\_

Station Location \_\_\_\_\_

Local Union Number \_\_\_\_\_

Date \_\_\_\_\_

Signature of Employee \_\_\_\_\_

**ASSIGNMENT AND AUTHORIZATION  
FOR CHECK OFF OF INITIATION/REINSTATEMENT FEE**

TO: United Air Lines, Inc.

I \_\_\_\_\_,  
(Name) (Please print initial and last name)

hereby assign to the 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 pay checks 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)

Organization Code \_\_\_\_\_  
(See UG100 or Paycheck Stub)

Employee's File Number \_\_\_\_\_

Payroll Code Number \_\_\_\_\_  
(Do not fill in - for Payroll Use)

Classification \_\_\_\_\_

Station Location \_\_\_\_\_

Local Union Number \_\_\_\_\_

Date \_\_\_\_\_

Signature of Employee \_\_\_\_\_

- Q.** When a member of the Union properly executes such check off form the System General Chairman of the Union shall forward the original signed copy to the appropriate Payroll Manager, 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 Chairman 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 Chairman of the Union. Dues deductions will be continued until one (1) copy of such notice of revocation is received by the appropriate Payroll Manager from the System General Chairman of the Union. Check off forms and notices received by the appropriate Payroll Manager will be stamp-dated on the date received and will constitute notice to the Company on the date received and not when mailed.
- R.** When a check off form, as specified herein, for the initiation (or reinstatement) fee is received by the appropriate Payroll Manager, one-half of the total amount due will be deducted from each of two regular pay checks due the employee. When a check off form as specified herein for membership dues is received by the appropriate Payroll Manager, twelve (12) days or more before the issuing date of the first bi-weekly pay check of the month or the corresponding weekly pay check at locations where weekly checks are issued, deductions will commence with such pay check and continue thereafter until revoked or cancelled 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 pay day 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 Chairman 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.
- S.** 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 their 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 their dues deductions automatically reinstated upon direct recall to an IAM Agreement classification.
- T.** 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 suf-

ficient 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 and will not be the subject of payroll deductions. It will be the Union's responsibility to verify apparent errors with the individual Union member before contacting the Company's Payroll Manager.

- U.** Deductions of initiation (or reinstatement) fees shall be in accordance with paragraph R of this Article and deductions of membership dues shall be made in a flat sum from one (1) pay check each month provided there is a balance in the pay check sufficient to cover such amounts after all other deductions 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 July 1, 2005 except as otherwise provided, and shall continue in full force and effect through December 31, 2009 and shall thereafter renew itself yearly without change each January 1 st 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 December 31, 2009 or December 31 of any year thereafter upon written notice of either party thereto. If such notice is served, negotiations will commence no more than 30 days after service. If a new tentative agreement is not reached by August 1, 2009 (or any August 1 thereafter, if applicable), the parties will jointly invoke the mediation services of the National Mediation Board under Section 5 of the Act.

WITNESSES:

For UNITED AIR LINES, INC.

/s/ Alan R. Koehler

/s/ Peter B. Kain

Peter B. Kain

/s/ Susan E. Franzella

Vice President - Labor Relations

WITNESSES:

For INTERNATIONAL  
ASSOCIATION OF MACHINISTS  
AND AEROSPACE WORKERS

/s/ Ray Perry

/s/ Scotty Ford

Scotty Ford

/s/ Ron Shepard

President and

General Chairman

District 141-M

**Maintenance Instructors' Agreement  
Schedule A  
Monthly Salaries**

**Lead Maintenance Instructor**

	<u>Current</u> 05/01/04	<u>Less 3.0%</u> 07/01/05	<u>Plus 1.5%</u> 01/01/06	<u>Plus 1.5%</u> 05/01/07	<u>Plus 1.5%</u> 05/01/08	<u>Plus 2.5%</u> 05/01/09
<u>Lead Mech</u>	\$26.90	\$26.09	\$26.48	\$26.88	\$27.28	\$27.96
<u>License</u>	\$3.98	\$3.86	\$3.92	\$3.98	\$4.04	\$4.14
<u>Skill</u>	\$1.33	\$1.29	\$1.31	\$1.33	\$1.35	\$1.38
	\$32.21	\$31.24	\$31.71	\$32.19	\$32.67	\$33.48
<u>* 2080 / 12</u>	\$5,583.07	\$5,414.93	\$5,496.40	\$5,579.60	\$5,662.80	\$5,803.20
<u>5% override</u>	\$279.15	\$270.75	\$274.82	\$278.98	\$283.14	\$290.16
	\$5,862.22	\$5,685.68	\$5,771.22	\$5,858.58	\$5,945.94	\$6,093.36
<u>6% Lead pay</u>	\$351.73	\$341.14	\$346.27	\$351.51	\$356.76	\$365.60
<b><u>Pay Rate</u></b>	<b>\$6214</b>	<b>\$6,027</b>	<b>\$6,117</b>	<b>\$6,210</b>	<b>\$6,303</b>	<b>\$6,459</b>

**Maintenance Instructor**

	<u>Current</u> 05/01/04	<u>Less 3.0%</u> 07/01/05	<u>Plus 1.5%</u> 01/01/06	<u>Plus 1.5%</u> 05/01/07	<u>Plus 1.5%</u> 05/01/08	<u>Plus 2.5%</u> 05/01/09
<u>Lead Mech</u>	\$26.90	\$26.09	\$26.48	\$26.88	\$27.28	\$27.96
<u>License</u>	\$3.98	\$3.86	\$3.92	\$3.98	\$4.04	\$4.14
<u>Skill</u>	\$1.33	\$1.29	\$1.31	\$1.33	\$1.35	\$1.38
	\$32.21	\$31.24	\$31.71	\$32.19	\$32.67	\$33.48
<u>* 2080 / 12</u>	\$5,583.07	\$5,414.93	\$5,496.40	\$5,579.60	\$5,662.80	\$5,803.20
<u>5% override</u>	\$279.15	\$270.75	\$274.82	\$278.98	\$283.14	\$290.16
	\$5,862	\$5,686	\$5,771	\$5,859	\$5,946	\$6,093
<b><u>Pay Rate</u></b>	<b>\$5,862</b>	<b>\$5,686</b>	<b>\$5,771</b>	<b>\$5,859</b>	<b>\$5,946</b>	<b>\$6,093</b>

**Letters of Agreement**

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Letter 72-2  
September 15, 1972

Mr. George J. Robinson  
President and General Chairman  
International Association of  
Machinists - District 141  
P.O. Box 391  
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm statements made to you by Company representatives in our current negotiations.

The Company will revise its free and reduced rate transportation policy effective October 1, 1972 to provide that employees with ten (10) years of service with United will be entitled to unlimited trip passes.

Sincerely,

/s/ Clark E. Luther  
Clark E. Luther  
Vice President  
System Personnel

Letter 72-6  
September 15, 1972

Mr. George J. Robinson  
President and General Chairman  
International Association of  
Machinists - District 141  
P.O. Box 391  
Burlingame, California 94010

Dear Mr. Robinson:

This letter will confirm the understanding and agreement reached between the Company and the Union with respect to the proper application of Article VI, Paragraph J, of the Mechanics' Agreement.

It was understood and agreed that in the event there is temporarily no work for the reasons described in Article VI, Paragraph J, at any location on the Company's system which 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 airport or Maintenance Base shop are allowed to perform the available work in accordance with their basic classification seniority and the more junior employees are placed in without-pay status. Such reassignments shall be those which are practical considering the circumstances under which there is temporarily no work. The Company shall not be subject to the provisions of Article VI, Paragraph H-1 and H-2 with respect to changes of starting times, shifts, and/or days off, or to the overtime pay requirements of Article VII, Paragraphs A and B, because of such reassignments.

If this conforms to your understanding of our agreement, please date and sign in the space provided below and return four (4) copies to us for our files.

Sincerely,  
/s/ Clark E. Luther  
Clark E. Luther  
Vice President  
System Personnel

Accepted and agreed to this  
15th day of September, 1972.

/s/ George J. Robinson  
President and General Chairman

**Letters of Agreement**

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Letter 84-2M  
September 15, 1972  
July 5, 1984

Mr. Louis R. Schroeder  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers - District 141  
P.O. Box 391  
Burlingame, California 94010

Dear Lou:

This letter will confirm that during the 1983 negotiations the parties agreed that IAM-represented employees will be offered an opportunity to participate in a 401-k plan.

The details of such plan were discussed and it will be similar to the plan offered to other United employees.

Sincerely,

/s/ David L. Pringle  
David L. Pringle  
Vice President  
Industrial Relations

Letter 84-5M  
October 24, 1984  
Revised December 23, 1991

Mr. Louis R. Schroeder  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers - District 141  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Lou:

This will confirm the agreement between the Union and the Company regarding the New Hire pay rate for a regular full-time employee transferring between IAM-represented classifications and an employee changing from temporary or part-time status to regular full-time status in such classifications.

1. An active regular full-time employee transferring to an equal or higher paying basic classification will receive the beginning rate of the new classification if it is equal to or higher than his current Wage Schedule pay rate. If his current rate is higher than the beginning rate for the new classification, the employee shall receive the next higher pay rate of the new classification which is equal to or higher than the employee's current Wage Schedule pay rate.
2. An active regular full-time employee transferring to a lower paying basic classification will receive the pay rate in the Wage Schedule of the new classification corresponding to his length of Company service as determined by his Company Seniority Date.
3. An active regular part-time employee who accepts a regular full-time job in his classification will remain on his current Wage Schedule with no reduction in pay.
4. In all other situations, any employee, including inactive employees, accepting a regular full-time job in a classification covered by these Agreements, will be paid the New Hire starting rate for his classification. If a laid off employee is offered recall to a lower classification where his pay would be higher than that received in his current classification, he may elect to remain in his current classification but be compensated as an employee transferring in paragraph 1 above.

Progression from the entry rates established herein to each next step of the New Hire Wage Schedule will be based on regular full-time service in the classification. If this is in accordance with your understanding of our agreement, please date and sign in the space below.

**Letters of Agreement**

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Sincerely,

/s/ John R. Samolis  
John R. Samolis  
Vice President  
Employee Relations

Accepted and agreed to this  
9th day of January, 1992

/s/ Louis R. Schroeder  
Louis R. Schroeder  
President and General Chairman  
District 141

Letter 87-3M  
November 25, 1987

Mr. Louis R. Schroeder  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers - District 141  
P.O. Box 391  
Burlingame, California 94010

Dear Lou:

This letter will reflect the understanding reached between the Company and the Union during our negotiations leading to the 1986-89 Agreements concerning the possible passage of federal law(s) requiring substance abuse testing in the airline industry.

We agreed that in the event such law(s) becomes applicable to employees covered by the UAL/IAMAW Agreements, we will meet to discuss its implementation, including its application to various classifications, types of screening tests, selection of appropriate testing facilities, etc.

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

Sincerely,

/s/ John R. Samolis  
John R. Samolis  
Vice President  
Labor Relations

Accepted and agreed to this  
10th day of December, 1987.

/s/ Louis R. Schroeder  
Louis R. Schroeder  
President and General Chairman  
District 141

Letter 87-7M  
November 25, 1987  
Revised July 12, 1994

Mr. Kenneth W. Thiede  
President & General Chairman  
International Association of Machinists  
and Aerospace Workers - District 141  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Ken:

This will confirm the understanding reached during our current negotiations relating to the Company's contracting out of its work as provided in Article II, Paragraph C of the UAL-IAMAW Mechanics' Agreement.

The Union expressed its concern that some of this subcontracting may have been occurring with inadequate consideration for possible savings, which could result from performing the work "in-house" with Agreement-covered employees. The Union expressed its desire to provide such input so that consideration could be given.

Accordingly, it was agreed that three (3) Committees would be formed to review instances of subcontracting which the Union believes could more efficiently or economically be performed "in-house" by IAMAW-represented employees. One Committee will be formed for the San Francisco Maintenance Operations Center, one for the Indianapolis Maintenance Center and another for line stations. Each Committee will consist of four (4) members; two (2) each representing the Union and the Company. The Union's Committee members at the San Francisco MOC will be selected from among full-time members of the Local Union Committee.

When practicable to do so, the Company will share reasonably available information relating to a given subcontract or anticipated subcontract. It is understood that it will not be the purpose of the Committees to pre-review all anticipated subcontracts. When a Committee agrees that an instance of subcontracting should more appropriately have been performed within the Company, it will make recommendations accordingly to the organization having contracted the work, for purposes of present and/or future consideration. Such recommendations will also be forwarded to the Vice President charged with the responsibility.

These Committees are established in the spirit of positive labor-management relations. Accordingly, the process established by this letter will not be the basis for the filing of grievances; however, nothing in this letter prohibits the Union from filing a grievance where the Union believes the Company has violated the Agreement.

It is understood that nothing in this Letter of Agreement changes or otherwise affects Article II, Paragraph C or any other provision of the Agreement.

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

Sincerely,

/s/ John R. Samolis  
John R. Samolis  
Vice President  
Employee Relations

Accepted and agreed to this  
12th day of July, 1994.

/s/ Kenneth W. Thiede  
Kenneth W. Thiede  
President and General Chairman  
District 141

**Letters of Agreement**

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Letter 00-01I  
November 27, 2000

President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

This will confirm the understanding reached during the 2000 Maintenance Instructor negotiations that the Company shall indemnify a Maintenance Instructor or his estate and provide defense against any claims whether by third parties or fellow employees arising out of such Maintenance Instructor's performance of his duties with the Company as a Maintenance Instructor unless such claims arise from willful misconduct of the Maintenance Instructor.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford

Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-021  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty,

During negotiations leading to the 2000 Maintenance Instructors' Agreement, the parties agreed to establish guidelines to determine what is considered a normal and reasonable work schedule. These guidelines were developed by the Company and the Union negotiating committees and will be included in the Education and Development Handbook. These guidelines may be modified as necessary following discussion and mutual agreement by the Company and the Union.

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

Sincerely,

/s/ Peter B. Kain  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-031  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty,

During negotiations leading to the 2000 Agreement there was considerable discussions about concerns raised by the Maintenance Instructor group over the facilities used to conduct formal classroom training assignments at the ED domiciles. The Union requested that the Company consider development of classroom standards at these locations.

This will confirm the Company will endeavor to develop such standards, and while such efforts will continue to be the sole responsibility of the Company, the Company will welcome input from members of this Group for this effort. Once such standards are identified, the Company will evaluate the ED classrooms against the identified standard and will endeavor to establish a plan to address areas identified as needing attention. The established standards will be recorded in the ED Handbook.

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

Sincerely,

/s/ Peter B. Kain \_\_\_\_\_  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford \_\_\_\_\_  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-04I  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty,

WHEREAS United Air Lines, Inc. (hereinafter called the "Company") and the International Association of Machinists and Aerospace Workers (hereinafter called the "Union") wish to record their agreement relating to the pension benefits for the employees covered by the Maintenance Instructors Agreement (hereinafter referred to as the "Agreement").

NOW, THEREFORE, it is hereby mutually agreed as follows:

1. Pension benefits have been discussed in the negotiations leading to the 2000 Maintenance Instructors' Agreement. It is agreed effective the first day of the month following the effective date of this Agreement, employees covered by this Agreement will be included as eligible employees under the terms of the United Airlines Management, Administrative, Public Contact Employees Defined Benefit Pension Plan applicable to the Public Contact Employees. Any changes to the terms of the Plan applicable to Public Contact Employees on or after the effective date of this Agreement shall be applicable to employees covered by this Agreement.
2. The Plan is subject to approval of the U.S. Treasury Department in the form of continuing qualification of the Plan by the Internal Revenue Service. In the event the Plan is not acceptable to the Internal Revenue Service, the Union and the Company agree to effect the revisions necessary to secure proper qualification.
3. The Maintenance Instructors will no longer be eligible to participate in the portion of the Plan applicable to Management and Administrative Employees as of the first day of the month following the effective date of this Agreement.

**Letters of Agreement**

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Sincerely,

/s/ Peter B. Kain \_\_\_\_\_  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford \_\_\_\_\_  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-05I  
November 27, 2000

President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

This will confirm that in the event the Company intends to release a Bulletin announcing Maintenance Instructor vacancies in Hawaii, the Company and Union will meet and confer regarding the appropriate Hawaii differential.

Sincerely,

/s/ Peter B. Kain  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-06I  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
And Aerospace Workers-District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

During negotiations for the Maintenance Instructors' first Agreement, the Company and the Union established guidelines to be used to determine the seniority dates for the Instructors. The parties wish to record these guidelines for future reference.

1. Current employees in the Maintenance Instructor Classification who have performed formal, technical classroom training shall be given Maintenance Instructor Classification seniority consistent with the UG-100 date they began performing this work.

The only exception to this rule is any Maintenance Instructor who was furloughed from the Maintenance Instructor Classification prior to February 18, 1999 (NMB certification date) and subsequently returned to the Maintenance Instructor Classification before the ratification date. Day for day credit will be given for previous Maintenance Instructor Classification seniority.

2. Employees not in the Maintenance Instructor Classification as of the ratification date of this Agreement including furloughed Maintenance Instructors who did not return to the classification as of the ratification date of this Agreement, shall not establish Maintenance Instructor seniority and will have no recall rights to the Maintenance Instructor Classification.
3. Maintenance Instructors furloughed prior to February 18, 1999 who reenter the Maintenance Instructor Classification after the ratification date, will establish classification seniority per Article X A. of the Maintenance Instructor Agreement.
4. Employees in the Maintenance Instructor Classification as of February 18, 1999 and who have transferred to a promoted position, shall retain and accrue seniority for six (6) months from date of promotion. At the expiration of the six (6) month period, such employees shall retain but no longer accrue seniority.

Promoted is defined for the purpose of this letter to mean assignment to a position in which the salary received is higher than the salary they received as a Maintenance Instructor. After ratification promoted shall be defined as per Article X.M.2 of the Agreement.

5. Employees who were in the Maintenance Instructor Classification as of February 18, 1999 and who have since transferred to another position in a non-promoted status, shall retain and accrue seniority for a maximum of one (1) year from date of transfer.
6. Any employee who has worked in the Maintenance Instructor Classification and who exercises other IAM seniority prior to the ratification date of this Agreement shall be considered to have forfeited their Maintenance Instructor Classification seniority.
7. Mechanics who have transferred to the Maintenance Instructor Classification since August 18, 1998 will have no adjustment to their Mechanic seniority date or any applicable premium classification seniority.
8. Employees in the Maintenance Instructor Classification prior to August 18, 1998 who had previously established and maintained mechanic seniority, will have the period of time between their Mechanic's seniority retention date and February 18, 1999 used to calculate a new adjusted Mechanic classification seniority date. The same shall apply to any applicable premium classification seniority. Mechanic seniority and any applicable premium classification seniority shall then be accrued from February 18, 1999 (NMB certification date).
9. The Lead Maintenance Instructor Classification has been established as a result of this Agreement. The seniority provisions contained in Article X of this Agreement shall apply.
10. The parties have agreed that a seniority list containing company, classification, adjusted mechanic and any other accrued seniority shall be made available to employees within ninety (90) days after ratification. After receipt of this list employees shall have ninety (90) days to file a complaint if they believe an error has been made using these guidelines to determine their seniority.

**Letters of Agreement**

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Sincerely,

/s/ Peter B. Kain \_\_\_\_\_  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford \_\_\_\_\_  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-071  
November 27, 2000

President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

This letter will confirm our understanding with respect to the proper interpretation and application of Article X (Seniority) of the 2000 Mechanics' Agreement and the 2000 Maintenance Instructors' Agreement for employees who are awarded a vacancy in the Maintenance Instructor Classification.

Mechanics who successfully bid to a Maintenance Instructor position shall retain and continue to accrue their basic Mechanic classification seniority at the point at which employed as a Maintenance Instructor. If the Mechanic has any premium Mechanic classification seniority, he shall retain and continue to accrue the appropriate premium seniority so long as he remains at the point at which the seniority is held. Should the employee bid to another point, the employee's name shall be removed from all seniority lists in such premium classifications.

A Flight Simulator Technician, Computer Technician, or Ground Communication Technician who is a successful bidder to a Maintenance Instructor position shall retain and continue to accrue seniority in these classifications so long as the Maintenance Instructor remains at the point at which the seniority for these classifications are held. Should the employee successfully bid to a new point, the employee's name shall be removed from all seniority lists in these classifications at their old point.

Current Maintenance Instructors who have previously worked as Mechanics shall accrue their Mechanic Seniority in accordance with the following:

1. Mechanics who have transferred to the Maintenance Instructor Classification since August 18, 1998 will have no adjustment to their Mechanic classification seniority date or any applicable premium classification seniority.
2. Employees in the Maintenance Instructor Classification prior to August 18, 1998 who had previously established and maintained mechanic seniority, will have the period of time between their Mechanic's seniority retention date and February 18, 1999 used to calculate a new adjusted Mechanic classification seniority date. The same shall apply to any applicable premium classification seniority. Mechanic seniority and any applicable premium classification seniority shall then be accrued from February 18, 1999 (NMB certification date).

**Letters of Agreement**

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Sincerely,

/s/ Peter B. Kain

Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford

Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-08I  
November 27, 2000

President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

Discussions have been held during negotiations leading to the 2000 Maintenance Instructors' Agreement relative to sick leave benefits. The parties have achieved agreement regarding sick leave (Article XIV).

The Union has requested that, in the event changes are made to sick leave provisions constituting an improvement in total benefits in the Mechanics' Agreement during those negotiations which are continuing, such improvements be applicable to the Maintenance Instructors' Agreement as well. The Company has agreed to this request and will meet with the Union, in the event such improvements occur, to identify applicable changes to be made to the Maintenance Instructors' Agreement.

Sincerely,

/s/ Peter B. Kain  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

## Letters of Agreement

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Letter 00-09I  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers - District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

This will confirm that, during negotiations leading to the 2000 Maintenance Instructors' Agreement, the parties agreed to the following:

Maintenance Instructors covered by this Agreement who are on Illness Leave of Absence as of the date of ratification of this Agreement will remain under the terms of the Management Illness Leave policy. If such employee returns to work he / she will be subject to the terms of the Maintenance Instructors' Agreement in all respects, including the Extended Illness Status provisions.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford

Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-10I  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers - District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

This will confirm that, during negotiations leading to the 2000 Maintenance Instructors' Agreement, the parties agreed to the following:

In the event that during the course of the current negotiations between the Company and the Union, relative to the Public Contact Employees' Agreement, if the parties agree to establish a supplemental IAM Pension Benefit Plan or a Matching 401-k Program, such changes will be applicable to employees covered by the Maintenance Instructors' Agreement.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford

Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

## **Letters of Agreement**

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Letter 00-111  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers - District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

During the course of negotiations leading to the 2000 Maintenance Instructors' Agreement relative to the License requirements in Article V, the parties discussed the fact that a few incumbent Maintenance Instructors do not possess one (1) or two (2) Licenses (Airframe, Powerplant or F.C.C. General RadioTelephone Operator's License).

This will confirm our agreement that incumbent Maintenance Instructors not meeting the License requirements of Article V, will be afforded a two (2) year period from the date of ratification of the Agreement to obtain such License(s). In the event such License(s) are not obtained in the specified period, the Maintenance Instructor's salary will be reduced by a monthly amount equivalent to the License pay found in the Mechanics Agreement, until such time as they meet the License requirements.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford

Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-12I  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

During negotiations leading to the 2000 Maintenance Instructors' Agreement the parties had considerable discussion regarding Article XI, Paragraph D. 1, and the process of filling vacancies in the Maintenance Instructor classification.

The importance of a consistent, equitable selection process recognizing seniority of candidates was reviewed, along with the recognition that Maintenance Instructor work requires unique skills and qualifications. This includes oral and written communication and presentation skills as well as technical expertise.

The Company will continue with the practice of having Maintenance Instructors participate in developing selection criteria and candidate interviews. However, it is understood that no Maintenance Instructor will be required to do so.

It is not the intent of this understanding to deviate from selection of the senior qualified candidate for any vacancy.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford

Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

**Letters of Agreement**

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Letter 00-13I  
November 27, 2000

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141-M  
321 Allerton Avenue  
South San Francisco, California 94080

Dear Scotty:

This will confirm the discussions and understanding reached in the 2000 negotiations regarding the concern expressed by the Union with respect to the reclassification of employees for assignment to conduct classes at international locations.

While the parties understand that the provisions of this Agreement do not extend to international locations, we have agreed that when practical to do so, international assignments and will be offered to Maintenance Instructors qualified to present the required class. It is understood that international assignments are voluntary.

Sincerely,

/s/ Peter B. Kain  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and Agreed to this  
21st day of December, 2001

/s/ Scotty Ford  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

Letter 00-151  
November 27, 2001

Mr. Scotty Ford  
President and General Chairman  
International Association of Machinists  
and Aerospace Workers-District 141  
P.O. Box 3141  
South San Francisco, California 94080

Dear Scotty:

During the course of these negotiations both the Union and Company discussed our current disciplinary system in an exploratory attempt to find a better way of addressing disciplinary problems.

The traditional method of responding to Company rule violators has been to impose punishment in the form of progressive disciplinary suspensions. The effectiveness of this form of behavior modification has been questionable, particularly in dealing with those types of problems such as absenteeism.

The concept of eliminating most disciplinary suspensions and replacing such actions with progressive disciplinary letters and joint counseling by both the Company and the Union was thought to be potentially beneficial to all parties and worthy of further exploration. Accordingly, the Company and the Union agreed to implement a new corrective disciplinary procedure throughout the system on a trial basis. 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.

## Letters of Agreement

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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 his 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.

Notwithstanding the above, employees held out of service under circumstances which do not involve theft, acts of violence, refusal to comply with a direct order (non-safety related), use or possession of alcohol or illegal drugs on Company property, or possession of weapons on Company property will continue on pay status pending the results of the Investigative Review Hearing. Cases involving felony charges/convictions will be reviewed on an individual basis. In the event an employee is held out of service, prompt discussions with the local committee will be held.

8. This program will not limit the Union's right to grieve all disciplinary action including Letters of Discipline.
9. This program may be modified by mutual agreement as experience is gained.

The program is on a trial basis and may be cancelled upon written notice from the System General Chairman or the Corporate Director of Industrial Relations.

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

Sincerely,

/s/ Peter B. Kain  
Peter B. Kain  
Vice President  
Labor Relations

Accepted and agreed to this  
21st day of December, 2001

/s/ Scotty Ford  
Scotty Ford  
President & General Chairman

**Letter 05-01PRFSIT**

July 1, 2005

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 letter will confirm the agreement between the IAMAW and United Airlines in the negotiations leading to the 2005-2009 IAM Agreements with respect to participation in the IAM National Pension Plan.

Subject to Paragraph 5 below, the Company agrees to participate in the IAM National Pension Plan ( NPP ) in accordance with the following terms.

- 1.** Participation. All full-time and part-time active employees who are represented by the International Association of Machinists and Aerospace Workers shall be eligible to participate in the Plan effective March 1, 2006 or beginning on the first day of employment, if later. Notwithstanding the above, contributions on behalf of new-hire employees will be made retroactively after the first sixty (60) calendar days of service have been completed.
  
- 2.** Contribution Rate. There shall be no contribution prior to March 1, 2006. The contribution rate shall be equivalent to 4.0% of Considered Earnings and Success Sharing Payments effective March 1, 2006; 5.0% effective March 1, 2007, 6.0% effective March 1, 2008; and 6.5% effective March 1, 2009. The Company will not be required to contribute more than the contribution rate set forth in the preceding sentence.<sup>1</sup> Considered Earnings shall include base pay, overtime, holiday pay, longevity pay, sick pay, vacation pay (while employed), shift differential and premiums, employee 401(k) pre-tax contributions, and Flexible Spending Account contributions but shall exclude expense reimbursement, incentive or profit sharing payments, imputed income or other similar awards or allowances. Actual Contribution Rates shall be derived by applying a one-time adjustment factor to the foregoing contribution rates, as applicable, to reflect the difference between Considered Earnings and the Hourly Pension Rate Compensation, as defined below, for all IAM represented employees under a mutually agreeable methodology. The parties agree to work together to develop a mutually agreeable methodology for converting the contribution rate to a cents per hour rate. The Company's contribution per hour worked shall be adjusted automatically as the Hourly Pension Rate Compensation changes.

<sup>1</sup> This provision will not limit any withdrawal liability.

**Letters of Agreement**

<b>Class</b>	<b>Classifications</b>	<b>Hourly Pension Rate Compensation Definition</b>
A	Classifications Covered by the Ramp and Stores Agreement	Base rate at top-of-scale for Ramp Serviceman Class plus line premium and maximum longevity
B	Classifications Covered by the Public Contact Employees Agreement	Base rate at top-of-scale for Customer Service Representative Class plus maximum longevity
C	Classifications Covered by the Security Officers Agreement	Base rate at top-of-scale for Security officer Class plus maximum longevity
D	Classifications Covered by the Food Services Agreement	Base rate at top-of-scale for Food Service Employee Class plus maximum longevity
E	Classifications Covered by the Fleet Technical Instructors and Related Agreement	Base rate at top-of-scale for Fleet Technical Instructor Class
F	Classifications Covered by the Maintenance Instructors Agreement	Base rate at top-of-scale for Maintenance Instructor Class including license and skill premium and override

- 3. Contribution Base.** The Company shall make the applicable cents per hour contribution on behalf of each eligible participant for all hours for which compensation is received by the employee (including vacation, sick leave, OJI, Union business and other paid leave), up to a maximum of forty (40) pay hours per week.
  
- 4. Benefit Levels and Other Terms.** District Lodge 141 and United hereby adopt and agree, subject to Paragraph 5 below, to be bound by the Trust Agreement, dated May 1, 1960, as amended, creating the I.A.M. National Pension Fund and the Plan rules adopted by the Trustees of the I.A.M. National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended, from time to time.
  
- 5. Conditions of Participation.** The Company's agreement to participate in the NPP shall be subject to the following conditions.
  - a.** The Company's verification of the accuracy of the information and representations in the letter of May 26, 2005 from S.R. Canale to Pete Kain.
  
  - b.** Agreement of the PBGC that the contribution rates set forth in Paragraph 2 shall not be considered an abusive follow-on plan. If PBGC does not approve these contribution rates, the contribution rates shall be reduced as necessary to obtain PBGC approval and rates of pay shall be adjusted accordingly.

**c.** NPP meeting the following criteria:

- (1)** The ratio of inactive to active participants in the Plan is not greater than 2 including the Company.
- (2)** The Company's projected average annual Plan contributions are not greater than 25 percent of total projected annual plan contributions, including the Company. A somewhat higher percentage may apply if the Plan uses the direct attribution method and the other criteria are met.
- (3)** The NPP is not less than 100 percent funded for vested liability based on the market value of the Plan's assets and vested liabilities (using an earning assumption not greater than 7 1/2 percent) determined as of a date on or about 90 days before the Company joins the Plan.
- (4)** The Plan is maintained by a reasonably diverse group of reasonably financially-sound employers.
- (5)** The Company will have the opportunity to nominate a representative to sit on the NPP Board of Trustees.
- (6)** There are no major problems with Plan administration (such as Government investigations or litigation that pose a significant risk to the Plan), and the cost of Plan administration is reasonable.
- (7)** The Company may waive any of these requirements in its sole discretion.

**6.** Alternative Pension Benefit Plans. In the event the conditions set forth in Paragraph 5 are not satisfied 90 days prior to the Company's proposed date to exit bankruptcy or by March 1, 2006, whichever is earlier, the Company and the Union will meet to agree upon the terms of an alternative pension benefit plan for IAM-represented employees. The Contribution Rate shall be as set forth in Paragraph (a) below.

- a.** There shall be no contribution prior to March 1, 2006; the Contribution Rate shall be 4% of each eligible employee's Considered Earnings and Success Sharing Payments effective March 1, 2006; 5% effective March 1, 2007; 6% effective March 1, 2008; and 6.5% effective March 1, 2009.
- b.** In the event the conditions set forth in Paragraph 5 are satisfied but the Company's exit from bankruptcy is delayed beyond March 1, 2006, the Company shall make a monthly contribution to the alternate pension benefit plan beginning with the later of (i) March 1, 2006 or (ii) the first day of the calendar month following the Exit Date; provided, however, that in the event the Exit

## Letters of Agreement

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Date follows March 1, 2006, contributions will accrue from March 1, 2006 through the Exit Date and will be contributed in a single lump sum as soon as practicable after the Exit Date.

- 7.** This agreement shall replace the letters of agreement in the existing IAM Agreements establishing a defined benefit plan for benefit of IAM-represented employees, and any related provisions of the agreement or side letters of agreements that contemplate maintenance of a defined benefit pension plan. The Company shall have no further obligation under the IAM Agreements to maintain the Ground Employees Retirement Plan or the Management, Administrative and Public Contact Defined Benefit Pension Plan, and the IAM shall not oppose termination of such plans.
  
- 8.** No contributions provided for in Paragraphs 2 or 6 above will be made unless (1) the IAM withdraws with prejudice any and all opposition to termination of the Ground Employees' Retirement Plan and the Management, Administrative and Public Contact Defined Benefit Pension Plan, including but not limited to any appeal of the Bankruptcy Court's order approving the Company's settlement agreement with the PBGC or any motion to stay termination of those plans; or (2) any opposition by the IAM to the termination of the Ground Employees' Retirement Plan and the Management, Administrative and Public Contact Defined Benefit Pension Plan is resolved such that termination of those plans occurs. In no event and at no time shall the Company be obligated to maintain the Ground Employees' Retirement Plan or the Management, Administrative and Public Contact Defined Benefit Pension Plan in addition to a) participation in the NPP; or b) the Alternative Pension Benefit Plans under the terms set forth above. Nothing in this Letter of Agreement shall be construed, deemed or characterized by UAL or the Company as any agreement of any form by IAM that the Plan should be terminated, or as limiting IAM's right to proceed against the PBGC under ERISA/4003 to challenge the termination date of the Plan.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain

Vice President - Labor Relations

Accepted and Agreed to this

1 st day of July, 2005

/s/ S. R. Canale

S.R. (Randy) Canale

President and Directing General Chairman

International Association of Machinists

And Aerospace Workers-- District 141

**Letter 05-02PRFSIT**  
July 1, 2005

Mr. S.R. (Randy) 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 letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company on the subjects addressed below.

**1. Indemnification.**

UAL and the Company (collectively, United ) hereby indemnify and hold harmless IAM, its members, officers, committee members, agents, employees, counsel, financial advisors and representatives (each, an Indemnified Person ) from any and all losses, damages, fines, penalties, taxes, expenses, claims, lawsuits, or administrative charges of any sort whatsoever (including reasonable attorney's fees and costs arising in connection with the investigation and defense of any such matter) relating to, concerning or connected with the negotiation or implementation of this Letter of Agreement (any such event, a Claim ), except to the extent that a Claim against an Indemnified Person is finally determined by a court of competent jurisdiction to have resulted from the gross negligence, fraud or willful misconduct of such Indemnified Person.

**2. Indemnification Procedure.**

- a.** An Indemnified Person must give prompt notice to the Company of the facts and circumstances that may constitute a Claim under this Indemnity Agreement; provided, however, that any delay by an Indemnified Person in giving such notice shall not relieve United of its obligations under this Indemnity Agreement except to the extent that such delay causes material damage or prejudice to United.
- b.** United shall be entitled to participate in judicial, administrative proceeding concerning an actual or potential Claim (an Action ) and, upon ten (10) days notice to the applicable Indemnified Person, may assume the defense of such Claim with counsel reasonably satisfactory to the Indemnified Person. Following any assumption of the defense of an Action by United, United shall not be liable for any subsequent fees of legal counsel or other expenses incurred by the Indemnified Person in connection with the defense of such Action, subject to reimbursement for actual out-of-pocket expenses incurred by the Indemnified

## Letters of Agreement

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Person as the result of a request for cooperation or assistance by United; provided, however, that if, in the reasonable opinion of outside counsel to the Indemnified Person, there exists an actual, material conflict of interest between the United and the Indemnified Person, United shall be liable for the legal fees and expenses of separate counsel to the Indemnified Person; provided, further, that the Indemnified Person shall have the right to participate in the defense of an Action with its own counsel at its own expense.

- c.** No compromise or settlement of any Action shall be binding on United for purposes of United's obligations under this Indemnity Agreement without United's express written consent, which consent shall not be unreasonably withheld. United shall not compromise or settle any Action or otherwise admit to any liability for any Claim on a basis that would reasonably be expected to adversely affect the future activity or conduct of the Indemnified Person without the prior written consent of the Indemnified Person, which consent shall not be unreasonably withheld.
- d.** In the event United assumes the defense of any Action under this Indemnity Agreement, United shall (i) keep IAM and the applicable Indemnified Person informed of material developments in the Action, (ii) promptly provide IAM and such Indemnified Person with copies of all pleadings, responsive pleadings, motions and other similar legal documents and papers received in connection with the Action, (iii) permit IAM and such Indemnified Person and their counsel, to the extent practicable, to confer on the defense of the Action, and (iv) permit IAM and such Indemnified Person and their counsel, to the extent practicable, an opportunity to review all legal papers to be submitted prior to their submission. The parties shall provide to each others such assistance as may be reasonably required to insure the proper and adequate defense of the Action, and each party shall use its good faith efforts and cooperate with each other party to avoid the waiver of any privilege of another party.

### **3. Plan of Reorganization; Survival.**

This indemnity agreement shall be assumed under the Plan of Reorganization and shall continue in full force and effect thereafter without regard to the terms of the Duration Articles of the 2003-2009 IAM Agreements.

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

Sincerely,  
/s/ Peter B. Kain  
Peter B. Kain  
Vice President - Labor Relations

Accepted and Agreed to this  
1 st day of July, 2005

/s/ S. R. Canale  
S.R. (Randy) Canale  
President and Directing General Chairman  
International Association of Machinists  
And Aerospace Workers-- District 141

July 1, 2005

Mr. S.R. (Randy) 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 letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company on convertible notes.

<b>Issuer:</b>	Reorganized UAL Corp.
<b>Guarantor:</b>	United Air Lines, Inc.
<b>Issue:</b>	[__]% Senior Subordinated Convertible Notes Due 2021 (the Notes ) to be issued no later than 180 days following the Exit Date (the Issuance Date ).
<b>Initial Holder:</b>	A trust or similar non-permanent vehicle for the benefit of eligible United employees represented by IAM; the Notes or the value of the Notes to be distributed to such employees or their retirement accounts as soon as reasonably practicable given tax, accounting, securities and market considerations; all rights of the Notes to be exercised by individual employees while the notes remain in the trust. Distribution mechanics, eligibility and allocation among such employees to be reasonably determined by IAM.
<b>Principal Amount:</b>	\$60,000,000 in denominations of \$1,000.
<b>Term:</b>	15 years from the Issuance Date.
<b>Amortization:</b>	None prior to maturity; full principal to be repaid at the maturity date except to the extent converted or prepaid.

The parties shall work together to set an interest rate for the Notes no later than thirty (30) days prior to the Issuance Date which shall ensure that the Notes will trade at par value or better on Issuance (the Par Value Interest Rate ). Failing agreement on the Par Value Interest Rate, the parties shall solicit rate recommendation from two national trading firms and shall adopt the average of the two suggested rates.

<b>Interest Rate:</b>	Semi-annually in arrears, in cash, at an annual rate of [ ]%; provided, however, that (i) the first full year of interest from the Issuance Date may be paid in cash or in kind at the option of the Issuer; (ii) if such interest is paid in kind, it will be in Common Stock, but only to the extent there exists Common Stock that is exempt from registration under 11 U.S.C. / 1145; and (iii) if such interest is paid in kind, it shall be delivered to the Holders under applicable market terms at issuance for public convertible debt securities of this type (e.g., any notice period and stock payment premium).
<b>Security:</b>	None.
<b>Ranking:</b>	Junior to the Reorganized UAL exit facility, customary secured indebtedness, indebtedness contemplated under a plan of reorganization, and other mutually agreed-upon indebtedness; pari passu to all current and future UAL or United Airlines senior unsecured debt; senior to all current and future subordinated debt.
<b>Conversion Rights:</b>	The Holder may convert any number of the Notes into the Issuer's common stock (the Common Stock), at any time, at the Conversion Price.
<b>Conversion Price:</b>	The product of (x) 125% and (y) the average closing price of the Common Stock for the sixty consecutive trading days following the Exit Date.
<b>Transferability:</b>	To the greatest extent feasible under applicable law, the Notes and the Common Stock shall be issued under 11 U. S.C. / 1145, and the Notes and the Common Stock into which they shall be convertible shall be freely transferable by the Holders without registration under the Securities Act of 1933.
<b>Common Stock:</b>	When delivered, the Common Stock into which Notes may convert shall be fully paid and non-assessable. Issuer shall use its best efforts to list the Common Stock on a national stock exchange or NASDAQ prior to the Issuance Date.

The parties shall work together to set an interest rate for the Notes no later than thirty (30) days prior to the Issuance Date which shall ensure that the Notes will trade at par value or better on Issuance (the Par Value Interest Rate). Failing agreement on the Par Value Interest Rate, the parties shall solicit rate recommendation from two national trading firms and shall adopt the average of the two suggested rates.

## Letters of Agreement

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<b>Call Rights:</b>	No call for five years from the Issuance Date; thereafter, callable in cash or Common Stock if the Common Stock has traded at no less than 125% of the Conversion Price for the sixty (60) consecutive trading days prior to the call date.
<b>Put Rights:</b>	Soft put right on the fifth and tenth anniversary of the Issuance Date for all principal and accrued interest as of such date; payable in cash or shares of Common Stock.
<b>Mandatory Prepayments:</b>	Mandatory prepayment upon a fundamental change with a customary make whole premium, if any, for public convertible debt securities of this type; no prepayment obligations for mergers in which the Issuer is the surviving entity; no make whole premium in other mergers.
<b>Anti-Dilution Protections:</b>	The Conversion Price will be subject to customary anti-dilution adjustments,* including upon (i) stock or extraordinary cash dividends, (ii) reclassifications, subdivisions or combinations of the Common Stock, (iii) the issuance of rights or warrants to all holders of Common Stock convertible into or exercisable for Common Stock at less than the then-current market price, (iv) distribution of the capital stock of an Issuer subsidiary to holders of the Common Stock and (v) any other distributions of assets by the Issuer to holders of the Common Stock.
<b>Mergers and Business Combinations:</b>	The Notes will enjoy customary adjustments and protections in the event the Common Stock is converted into, reclassified into or exchanged for cash, other assets or securities.
<b>Other Terms and Conditions:</b>	The Notes are intended to be public market securities and to trade at par value. The documentation of the Notes shall include such other terms and conditions as are customarily found in public market convertible securities of this type.
<b>Implementation:</b>	Implementing documentation reasonably acceptable to IAM and the Company.
<b>Distribution:</b>	IAM and the Company will coordinate any distribution of the Notes so that such distribution does not unreasonably interfere with capital markets activities of UAL or the Company.

\* Anti-dilution adjustments shall not be applicable to securities issued or assets distributed under the Plan of Reorganization.

Sincerely,  
/s/ Peter B. Kain \_\_\_\_\_  
Peter B. Kain  
Vice President - Labor Relations

Accepted and Agreed to this  
1 st day of July, 2005

/s/ S. R. Canale \_\_\_\_\_  
S.R. (Randy) Canale  
President and Directing General Chairman  
International Association of Machinists -- District 141

**Letter 05-04PRFSIT**

July 1, 2005

(new) Mr. S.R. (Randy) 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 letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company regarding the Distribution Agreement, as set forth below. This letter supersedes Attachment Q in the amendment to the 2000 IAM Agreements in its entirety.

UAL Corporation ( UAL ), United Airlines, Inc. (the Company ) and the International Association of Machinists, District 141 ( IAM 141 ), hereby agree as follows (the Distribution Agreement ):

- 1.** UAL, the Company, and IAM 141 are committed to the principle that the employees represented by IAM 141 should receive equity, securities, and/or other consideration under a plan of reorganization in an amount that fairly reflects the value of the IAM 141 members contribution to the reorganization of UAL and the Company.
- 2.** In consideration for the IAM's contract revisions under the Section 1113 Restructuring Agreement reached between UAL, the Company, and the IAM effective May 1, 2003 (the 2003 Restructuring Agreements ), which modifies the parties 2000 collective bargaining agreements ( 2000 Agreements ), and in consideration of the IAM contract revisions under the revisions to the 2003 IAM Agreements effective in 2005 (the Revised 2003 IAM Agreements ), any plan of reorganization proposed or supported by UAL and the Company as proposed and/or amended from time to time (the Plan ), shall provide that, on or as soon as reasonably practicable after the effective date of such Plan, the IAM 141 members will receive a percentage distribution of the equity, securities and/or other consideration provided to general unsecured creditors under the Plan (the Distribution ) calculated by the following formula:

$A/(A+B)$ , where:

A is the sum of (i) \$1,155,654,657, representing the dollar value of 30 months of average cost reductions under the 2003 Restructuring Agreement as reasonably

measured under Labor Model 1.1A FINAL<sup>2</sup>, and (ii) \$271,570,007 - "2005Distribution", representing the dollar value of 20 months of average cost reductions under the Revised 2003 IAM Agreements as reasonably measured by the Final 2004 Labor Model (the "IAM Amount"); and

B is the total amount of all other allowed prepetition general unsecured claims against the Debtors (UAL and its 27 debtor subsidiaries).

3. In the event the other employees of the Company receive a Distribution in excess of 20 months of average cost reductions (as measured by the Final 2004 Labor Model) in connection with the 2005 labor cost reductions (the Other Employee Distribution), the \$271,570,007 amount described in paragraph 2 of this Distribution Agreement shall instead be the product of (x) \$271,570,007 and (y) a fraction, the numerator of which is the actual amount of the Other Employee Distribution, and the denominator of which is 20 months of average cost reductions (as measured by the Final 2004 Labor Model) for all other employees.
4. If, for any reason, a confirmed plan of reorganization in UAL or the Company's Chapter 11 cases does not provide for both the Distribution and the Allocation, then IAM 141 on behalf of the IAM 141 members will be entitled to a stipulated and allowed nonpriority prepetition general unsecured claim equal to 110% of the IAM 141 Amount (the Alternative Distribution). This Distribution Agreement in no way converts any such claim into an administrative claim or any other claim with priority superior to a prepetition general unsecured claim. IAM141 agrees that it will neither assert, support, nor solicit any assertion in any proceeding before the Bankruptcy Court or any other tribunal that any claims allegedly arising from this Distribution Agreement constitute administrative claims (or any other claims with priority superior to a prepetition general unsecured claim) under Sections 503, 507 or any other Section of the Bankruptcy Code.
5. Following approval of the Distribution Agreement, and prior to the effective date of the Plan, IAM (in consultation with the Company) will develop a reasonable method for allocating the Distribution or Alternative Distribution as applicable (which allocation will distribute all of the Distribution or Alternative Distribution to the IAM members). The Company (in consultation with IAM) will develop and implement a mechanism and timetable for issuing the Distribution or Alternative Distribution to the IAM members which would take into account tax, legal, corporate liquidity and securities concerns as well as practical considerations.
6. The equities, securities and other consideration provided for, received and to be received under this Distribution Agreement and the other consideration provided for, received and to be received under this Restructuring Agreement, will be the sole

<sup>2</sup> Including subsequent analysis and communication to account for AMFA/IAM split.

## **Letters of Agreement**

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and exclusive remedy for IAM 141 for a claim arising under the bankruptcy code with respect to the modifications made to the 141 Agreements by this Restructuring Agreement.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain

Vice President - Labor Relations

Accepted and Agreed to this  
1 st day of July, 2005

/s/ S. R. Canale

S.R. (Randy) Canale

President and Directing General Chairman

International Association of Machinists -- District 141

**Letter 05-05PRFSIT**

July 1, 2005

Mr. S.R. (Randy) 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 letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company on fees and expenses.

- 1.** United shall reimburse IAM for the reasonable, actual fees and out-of-pocket expenses incurred by IAM in connection with the review, design, negotiation, approval, effective ratification, and execution of the Letter of Agreement (its Expenses ) including:
  - a.** reasonable base wages lost by IAM Negotiating Committee members in connection with meetings called for the purpose of negotiating, reviewing, approving or ratifying the agreed Term Sheet and this Letter of Agreement; and
  - b.** the reasonable, actual fees and expenses of IAM's outside legal, pension, and other professional advisors (in each case based on normal hourly rates for actual time expended) up to a maximum, aggregate total of \$2.5 million. Of the total reimbursement for Expenses, \$1.25 million shall be paid on the Effective Date as defined in the agreed Letter of Agreement, and the remaining \$1.25 million will be paid on the Exit Date.
- 2.** The Company shall seek judicial approval for its obligations under this Exhibit E at the same time that it seeks judicial approval of the agreed Letter of Agreement.
- 3.** The parties acknowledge and agree that the Company's agreement to reimburse IAM for fees and expenses under this Letter of Agreement is a result of the special collective bargaining circumstances created by the parties' desire to negotiate modifications to the IAM Agreements as part of the Company's bankruptcy reorganization.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain

Vice President - Labor Relations

**Letters of Agreement**

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Accepted and Agreed to this  
1 st day of July, 2005

/s/ S. R. Canale \_\_\_\_\_  
S.R. (Randy) Canale  
President and Directing General Chairman  
International Association of Machinists -- District 141

**Letter 05-06 PRFSIT**

July 1, 2005

May 1, 2003

Mr. Robert Roach  
General Vice President - Transportation  
International Association of Machinists  
And Aerospace Workers  
9000 Machinists Place  
Upper Marlboro, MD 20772.2687

Dear Robert,

In discussions leading up to the 2003-2009 Agreements, the parties agreed that the International Association of Machinists and Aerospace Workers (the "IAM") will be entitled to designate a member (an "IAM Director") to the UAL Corporation Board of Directors. This letter of agreement confirms that the provisions of Article Fourth, Part VIII of the Restated Certificate of Incorporation of UAL Corporation (As Restated on April 16, 2003) (the "Restated Certificate") which provide for an IAM Director on the UAL Board of Directors satisfy the requirements of the preceding sentence. The parties also agree that any and all provisions of the certificate of incorporation of UAL Corporation immediately following UAL Corporation's exit from Chapter 11 (the "Emergence Certificate") will provide for the right to designate an IAM Director on the same terms as Article Fourth, Part VIII of the Restated Certificate, except that the Emergence Certificate shall provide that an "IAM Termination Date" shall occur if none of the IAM collective bargaining agreements provides for the IAM's appointment of an IAM Director.

Nothing in this letter shall be construed to limit the IAM in establishing its own procedures for the designation, removal and replacement of the IAM Director without the consent of any other party to the extent permitted by law.

This letter of agreement will become effective upon execution and will remain in effect concurrently with the 2003-2009 Agreements.

If this letter accurately reflects our agreement, please sign and return two (2) copies for our file.

Sincerely,

/s/Glenn F. Tilton \_\_\_\_\_

Glenn F. Tilton

Chairman, President and

Chief Executive Officer

UAL Corporation and United Air Lines, Inc.

Accepted and agreed this

1 st day of May 2003.

/s/Robert Roach \_\_\_\_\_

Robert Roach

General Vice President - Transportation

## Letters of Agreement

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Letter 05-07IT  
July 1, 2005

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 letter will confirm the agreement between the IAMAW and United Airlines in the negotiations leading to the 2005-2009 IAM Agreements with respect to health and welfare benefits for employees covered by the FTI and MI Agreements.

Effective September 1, 2005, the Company-paid retiree life insurance benefit will be eliminated.

As soon as practicable after the Effective Date of the 2005-2009 FTI and MI Agreements, the Fleet Technical Instructors and Related employees and Maintenance Instructor employees will participate in an open enrollment in the Employee Welfare Benefit Plan for Management Employees at the rates applicable to Management Employees.

Upon completion of the foregoing open enrollment, employees covered by the FTI and MI Agreements will contribute 20% of the total monthly cost of the Medical PPO, HMO, Traditional Dental and DHMO options.

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

Sincerely,  
/s/ Peter B. Kain  
Peter B. Kain  
Vice President - Labor Relations

Accepted and Agreed to this  
1 st day of July, 2005

/s/ S. R. Canale  
S.R. (Randy) Canale  
President and Directing General Chairman  
International Association of Machinists -- District 141

**DISTRICT 141M  
MAINTENANCE INSTRUCTORS' AGREEMENT  
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