

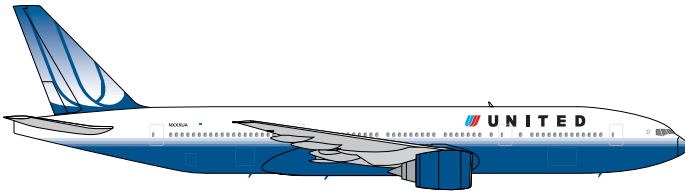
2005 - 2009 AGREEMENT

Between

United Air Lines, Inc.

and

The International Association
of Machinists and
Aerospace Workers (IAMAW)



 **UNITED**

**PUBLIC CONTACT
EMPLOYEES' AGREEMENT**

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Between

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and

**International Association
Of Machinists and Aerospace Workers**

PUBLIC CONTACT EMPLOYEES' AGREEMENT

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Underlining indicates paragraph revision as result of last negotiations.

**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 Air Lines, Inc., hereinafter referred to as the "Company" and International Association of Machinists, hereinafter referred to as the "Union", representing the employees comprising the craft and class of Passenger Service Employees as certified by the National Mediation Board in Case R-6595 on July 12, 1998 (For purposes of identification, this Agreement shall be known as the "Public Contact Employees' Agreement").

**ARTICLE I
PURPOSE OF AGREEMENT**

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

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

- C.** The Union and the Company are dedicated to creating and nurturing an employee owned atmosphere based on trust, respect, open communications, teamwork, and problem solving. The Union and Company are committed to basing decisions on the well being of all employees and customers.

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

**ARTICLE II
SCOPE OF AGREEMENT**

- A.** The Company hereby recognizes the Union as the sole and exclusive bargaining agent for all classes and grades of Air Freight Representative, Cargo Sales and Services Representative, Customer Service Representative, International Customer Service Representative, Valet Room Attendant, Customer Services Clerk, Reservations Sales and Services Representative, Baggage Services Representative, Ticket Sales Representative, Air Freight Operations Coordinator, Cargo Representative – Internal Support, Station Operations Representative, and Regional Key Account Representative employed by the Company.

- B.** The Company’s General Policy, Operating and other applicable Regulations shall be available to all employees, and employees covered by this Agreement shall be governed by such Regulations and all applicable rules, regulations and orders issued by properly designated authorities of the Company not in conflict with the terms of the Agreement.

- C. 1.** All work performed directly by the Company involving the work of all classes and grades of Air Freight Representatives, Cargo Sales and Services Representatives, Customer Service Representatives, International Customer Service Representatives, Valet Room Attendants, Customer Services Clerks, Reservations Sales and Services Representatives, Baggage Services Representatives, Ticket Sales Representatives, Air Freight Operations Coordinators, Cargo Representatives – Internal Support, Station Operations Representatives, and Regional Key Account Representatives as described in the work classifications in Article IV of the Agreement, is recognized as coming within the jurisdiction of the Union and is covered by this Agreement.

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

 - b.** within air freight facilities consistent with Letter 69-6R of the 1994-2000 UAL-IAM Ramp and Stores Agreement which is incorporated herein by reference and which shall become a term of this Agreement that may not be amended or modified to adversely affect the employees covered by this Agreement, except by the parties to this Agreement;

 - c.** within the scope of ramp service work consistent with Article II C. of the 1994-2000 UAL-IAM Ramp and Stores Agreement which is incorporated herein by reference and which shall become a term of this Agreement that may not be amended or modified to adversely affect the employees covered by this Agreement, except by the parties to this Agreement.

- 3.** In order to promote the highest level of quality seamless service to valued customers, United and Mileage Plus Inc. (MPI) employees will act in coordination and share work as necessary. The Company will give the Union at least sixty (60) days notice of the transfer of shared work between United and MPI or MPI and United.
- 4.** The Company reserves the right to continue to contract out the types of work heretofore customarily contracted out or to contract out any additional work when its facilities or personnel are not sufficient or available.
- 5.** The Company reserves the right to contract out other work but if such work comes within the scope of this Agreement, notice will be served on the Union before such contracting out takes place. After receipt of notice by the Union of intent to contract out such work, if such contracting indicates that any employee covered by this Agreement will be reduced or laid off or transferred as a result, either party to this Agreement may serve notice of a desire to negotiate for the procedure to be followed and the protection to be afforded employees involved. Actual negotiations under this provision will be initiated within ten (10) days from receipt of a notice of desire to negotiate the matter and no employee affected will be reduced, laid off or transferred in less than forty (40) days after receipt of such notice.
- 6.** Notwithstanding the provisions of subparagraphs C.4 and C.5 above, no work shall be contracted out unless the Company can demonstrate that such contracting out will not result in the layoff of any employee covered by this Agreement as of January 26, 1994, unless the employee fails to exercise seniority on the system in filling a permanent vacancy or bumping an employee in a job they are qualified to perform, or refuses to fill a permanent vacancy in a higher classification they are qualified to perform.

D. New Equipment, Technology and Methods

- 1.** In the event of the introduction of new or different technology or methods which will have a significant impact on employees under this Agreement, the Company and the Union will meet and confer at least sixty (60) days prior to the implementation of the new or different technology or methods to objectively review and evaluate the impact of the technological or method change. The following shall be considered during the review and evaluation:
 - a.** A detailed description of the nature of the proposed technological or method changes.
 - b.** The approximate number, locations and employee classifications likely to be affected by the technological or method change.

- c.** The impact on the job security of the employees in the affected classification(s).
- d.** The reason for the change and the impact it will have on the Company's operation.
- e.** The Company's plan to minimize the impact of the technological or method change on the employees affected.

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

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 Letter 03-02PRFS 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.
- 3.** In the event the Company or its Parent receives a proposal (a "Proposal") for a transaction which would result in a Successor if completed, and the Company or its Parent determines to pursue or facilitate the Proposal, the company or its Parent will in good faith seek to provide the Union with the opportunity to make a competing Proposal at such time and under such circumstances as the Board of Directors of UAL or the Company reasonably determines to be consistent with its or their fiduciary duties.

- 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 AND QUALIFICATIONS

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

A. Service Director – Air Freight

The responsibilities of a Service Director – Air Freight (SDAF) consist of the same work as that of an Air Freight Representative. As a working member of the group, the primary focus of the SDAF is to be available for both internal and external customers. The SDAF works with team members to attempt to resolve customer problems. The SDAF is responsible for, but not limited to, day to day leadership, encouraging employee empowerment, coaching, feedback and input to management. The SDAF acts as a team coordinator and encourages goal achievement and accountability at the front line. The SDAF may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. In addition, an SDAF performs other functions within the scope of their duties to provide quality customer service.

B. Air Freight Representative

The responsibilities of an Air Freight Representative (AFR) consist of a variety of duties involving customer contact and service work. Assignments may consist of work in the following areas; service counter and/or warehouse or other facilities as deemed necessary. Duties may include but are not limited to, receiving, delivering and verifying air freight shipments and processing appropriate paperwork, including the computation and completion of airbills for domestic and international shipments. An AFR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classification covered by this Agreement. In addition, an AFR performs other functions within the scope of their duties to provide quality customer service.

C. Service Director – Cargo Sales and Service

The responsibilities of a Service Director – Cargo Sales and Service (SDCSS) consist of the same work as that of a Cargo Sales and Service Representative. As a working member of the group, the primary focus of the SDCSS is to be available for both internal and external customers. The SDCSS works with team members to attempt to resolve customer problems. The SDCSS is responsible for, but not limited to, day to day leadership, encouraging employee empowerment, coaching, feedback and input to management. The SDCSS acts as a team coordinator and encourages goal achievement and accountability at the front line. The SDCSS may be required to give instruction and training to employees of the same or lower clas-

sification covered by this Agreement. In addition, an SDCSS performs other functions within the scope of their duties to provide quality customer service.

D. Cargo Sales and Service Representative

The responsibilities of a Cargo Sales and Service Representative (CSSR) consist of communicating with customers and others to promote, develop and finalize the sale of the Company's cargo product and services as well as tracing and tracking shipments. A CSSR's assignments may include, but are not limited to, answering calls from the general public and handling specialized functions serving key accounts, commercial accounts, or special service desks depending upon call volumes, service levels, and/or employee's skills. A CSSR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classification covered by this Agreement. In addition, the CSSR performs other functions within the scope of their duties to provide quality customer service.

E. Service Director – Customer Service

The responsibilities of a Service Director – Customer Service (SDCS) consist of the same work as that of a Customer Service Representative. As a working member of the group, the SDCS is to be available for both internal and external customers. The SDCS works with team members to attempt to resolve customer problems. The SDCS is responsible for, but not limited to, day to day leadership, encouraging employee empowerment, coaching, feedback and input to management. The SDCS acts as a team coordinator and encourages goal achievement and accountability at the front line. The SDCS may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. An SDCS who possesses or obtains a language qualification may be required to use such qualification in the course of their duties. In addition, the SDCS performs other functions within the scope of their duties to provide quality customer service.

F. Service Director – International Customer Service

The responsibilities of a Service Director – International Customer Service (SDICS) consist of the same work as that of a Customer Service Representative. As a working member of the group, the primary focus of the SDICS is to be available for both internal and external customers. The SDICS works with team members to attempt to resolve customer problems. The SDICS is responsible for, but not limited to, day to day leadership, encouraging employee empowerment, coaching, feedback and input to management. The SDICS acts as a team coordinator and encourages goal achievement and accountability at the front line. An SDICS must be able to speak a foreign language, as specified, to meet local market requirements at the assigned location. The SDICS may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. In addi-

tion, the SDICS performs other functions within the scope of their duties to provide quality customer service.

G. Customer Service Representative

The responsibilities of a Customer Service Representative (CSR) consist of a variety of tasks at an airport involving customer contact and operational duties. Assignments may consist of, but are not limited to, work in the following areas: Ticket Counter including Lobby, Gate, Baggage Services, International Departures and Arrivals, Air Freight, Ramp and Cabin Service, Automated Check-In Control, Operations Center, Premium Services, Red Carpet Room and Customer Assistance Areas. A CSR who possesses or obtains a language qualification may be required to use such qualification in the course of their duties. A CSR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classification covered by this Agreement. In addition, a CSR also performs other functions within the scope of their duties to provide quality customer service.

H. International Customer Service Representative

The responsibilities of an International Customer Service Representative (ICSR) consist of the same work as that of a Customer Service Representative. An ICSR must be able to speak a foreign language, as specified, to meet local market requirements at the assigned location. An ICSR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classification covered by this Agreement. In addition, an ICSR also performs other functions within the scope of their duties to provide quality customer service.

I. Valet Room Attendant

The responsibilities of a Valet Room Attendant (VRA) consist of a variety of tasks at an airport involving services provided to our Premium Customers. Such tasks may include, but are not limited to, work in the arrivals lounge and/or Red Carpet facilities. A VRA provides services and information and facilitates requests from customers. A VRA who has completed their probationary period may be required to give instruction and on the job training to employees of the same classification covered by this Agreement. In addition, a VRA also performs other functions within the scope of their duties to provide quality customer service.

J. Customer Services Clerk

The responsibilities of a Customer Services Clerk (CSC) consist of a variety of duties at an airport involving customer contact and service/support work. Such tasks

may include, but are not limited to, performing routine international/domestic customer service assistance by giving information and direction; wheelchair, customer security checks, and baggage claim area assistance; administrative duties; operation of passenger boarding systems, such as gate entry readers, which includes making boarding announcements. A CSC may be required to operate computer systems to obtain information or to perform data input, but are precluded from selling tickets, making customer reservations, changing existing reservations, issuing boarding passes or issuing bag tags for customers. A CSC who has completed their probationary period may be required to give instruction and on the job training to employees of the same classification covered by this Agreement. In addition, a CSC performs other functions within the scope of their duties to provide quality customer service.

K. Service Director – Reservations

The responsibilities of a Service Director – Reservations (SDR) consist of the same work as that of a Reservations Sales and Services Representative. As a working member of the group, the primary focus of the SDR is to be available for both internal and external customers. The SDR works with team members to attempt to resolve customer problems. The SDR is responsible for, but not limited to, day to day leadership, encouraging employee empowerment, coaching, feedback and input to management. The SDR acts as a team coordinator and encourages goal achievement and accountability at the front line. The SDR may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. In addition, an SDR performs other functions within the scope of their duties to provide quality customer service.

L. Reservations Sales and Service Representative

The responsibilities of a Reservations Sales and Services Representative (RSSR) consist of communicating with customers and others to promote, develop, and finalize the sale of the Company's worldwide flight schedules, domestic and international products and services. Assignments may include, but are not limited to, specialized reservations functions and responding to sales and service opportunities from the general public, travel agencies, corporate accounts, group sales, special services, ticket by mail, updating flight information, other airline prepaid tickets, International Mileage Plus or internal support to ticket offices and airport locations, depending upon call volumes, service levels, and/or employee's skills. An RSSR who possesses or obtains a language qualification may be required to use such qualification in the course of their duties. An RSSR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classification covered by this Agreement. In addition, an RSSR performs other functions within the scope of their duties to provide quality customer service.

M. Service Director – Baggage Services Representative

The responsibilities of a Service Director – Baggage Services Representative (SDBSR) consist of the same work as that of a Baggage Services Representative. As a working member of the group, the primary focus of the SDBSR is to be available for both internal and external customers. The SDBSR works with team members to attempt to resolve customer problems. The SDBSR is responsible for, but not limited to, day to day leadership, encouraging employee empowerment, coaching, feedback and input to management. The SDBSR acts as a team coordinator and encourages goal achievement and accountability at the front line. The SDBSR may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. In addition, the SDBSR performs other functions within the scope of their duties to provide quality customer service.

N. Baggage Services Representative

The responsibilities of a Baggage Services Representative (BSR) consist of handling customer inquiries concerning all baggage related issues including, but not limited to, lost luggage/articles, damages and pilferage. A BSR operates the lost baggage system, advises the customer of related arrival and delivery information and maintains the profile of customer contact history. A BSR who possesses or obtains a language qualification may be required to use such qualification in the course of their duties. A BSR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classification covered by this Agreement. In addition, a BSR performs other functions within the scope of their duties to provide quality customer service.

O. Service Director – Ticket Sales

The responsibilities of a Service Director – Ticket Sales (SDTS) consist of the same work as that of a Ticket Sales Representative. As a working member of the group, the primary focus of the SDTS is to be available for both internal and external customers. The SDTS works with team members to attempt to resolve customer problems. The SDTS is responsible for, but not limited to, day to day leadership, encouraging employee empowerment, coaching, feedback and input to management. The SDTS acts as a team coordinator and encourages goal achievement and accountability at the front line. An SDTS who possesses or obtains a language qualification may be required to use such qualification in the course of their duties. The SDTS may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. In addition, an SDTS performs other functions within the scope of their duties to provide quality customer service.

P. Ticket Sales Representative

The responsibilities of a Ticket Sales Representative (TSR) consist of customer contact duties to promote and finalize the sale of the Company's flight schedules, products and services at a Company ticket office or other locations as assigned. The assignments of a TSR may include, but are not limited to, issuing customer, industry and employee tickets. At some locations, a TSR may be required to weigh and tag baggage, build damaged bag reports, issue boarding passes and oversee facility needs. A TSR who possesses or obtains a language qualification may be required to use such qualification in the course of their duties. A TSR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classification covered by this Agreement. In addition, a TSR performs other functions within the scope of their duties to provide quality customer service.

Q. Air Freight Operations Coordinator

The responsibilities of an Air Freight Operations Coordinator (AFOC) consist of planning and coordinating air freight activities on a shift. Receives and disseminates all data related to the air freight operation. Advises the Air Freight Control Center and the Station Control Center of all air freight situations affecting the current operation. Evaluates all data relative to irregular operations that affect air freight activities at the station and recommends action to be taken. Coordinates the movement of all special shipments. Assists supervisors of air freight in determining and arranging for manpower coverage. Maintains records to provide current measurements on the level of service to the customer. An AFOC who has completed one year of service in the classification may be required to give instruction or on the job training to employees of the same or lower classifications covered by this Agreement. In addition, an AFOC performs other functions within the scope of their duties to provide quality customer service.

R. Cargo Representative – Internal Support

The responsibilities of a Cargo Representative – Internal Support (CRIS) consist of providing real time support during an assigned shift to internal customers in cargo, ramp, sales, customer service and other operating groups. Support includes a broad variety of subject matter such as: product information, security and dangerous goods procedures/policies, automated system applications usage, embargoes, and freighter operations loading and decision making. Provides support to customers regarding dangerous goods handling, as required. A CRIS who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classifications covered by this Agreement. In addition, a CRIS performs other functions within the scope of their duties to provide quality customer service.

S. Station Operations Representative

The responsibilities of a Station Operations Representative (SOR) consist of providing operational support during a shift by coordinating and communicating aircraft gate assignments, flight delays, flight information, flight planning and other related functions with the local station, airport operations organizations, FAA Air Traffic Control, dispatch, flight operations and other system operations groups. Assists in arranging passenger protection, ground transportation, hotel accommodations and related services during irregular operations. Monitors and coordinates information for baggage connections, flight onload/offload instructions and disseminates final outbound load data for down line station use and company statistical reports. Assembles passenger, cargo, fuel, crew and other load data for automated or manual computation of aircraft weight and balance to optimize the payload for assigned flights. Provides and maintains local flight operating and connection information for station, public and Unimatic system use. Advises flight kitchen or local caterer of flight meal boarding requirements. Edits computer generated flight record information for dissemination and use in automated passenger check-in procedures (ACI). May perform Ramp Tower duties to provide direction, issue instruction and guidance to aircraft. May perform dispatch and crew desk duties associated with providing flight crews with trip release forms, flight plans, weather information and other pertinent data. An SOR who has completed one year of service in the classification may be required to give instruction and on the job training to employees of the same or lower classifications covered by this Agreement. In addition, an SOR may perform other customer service duties as assigned and may perform other functions within the scope of their duties to meet station operating needs.

T. Regional Key Account Representative

The Responsibilities of a Regional Key Account Representative (RKAR) consist of working with cargo sales and service teams on behalf of assigned key customers to assure the highest level of quality service. Provides assistance to customers in planning and tracking shipments to meet their specific and unique needs. Facilitates or conducts space firming, prioritization of shipments and related track and trace activities, and communicates proactively with customers to keep them informed about their shipments. Coordinates responsibilities with regional cargo sales and warehouse operating organizations and provides support to other employees in those groups. An RKAR may be required to visit key account sites and to book freight. An RKAR who has completed one year of service in the classification may be required to give instruction and training to employees of the same or lower classification covered by this Agreement. In addition, an RKAR performs other functions within the scope of their duties to provide quality customer service.

U. Qualifications and Progression to Service Director

Service Directors shall be selected in accordance with Article XI, Paragraph C, from employees in the basic classification with due consideration for ability to han-

include the special skills needed for critical customer contact and/or critical operational support responsibilities and consistent with the Service Director Program established by the Company. Service Director – International Customer Service and Service Director Customer Service may be selected from either of the basic classifications.

ARTICLE V TRADES

- A.** Subject to the advance approval of local management, employees in the same classification may be permitted to trade days or shift hours. In implementing a trade policy, local management will meet and confer with local IAM representatives in an effort to reach agreement on a local trade policy for their location. If no such local agreement can be reached, the Assistant General Chairperson and a Human Resources Representative will meet with local management and the local committee to establish a mutually acceptable local agreement. However, all local trade policies will contain the following minimum standards:
- 1.** Definitions:
 - a.** Scheduled Employee – means the employee who is regularly scheduled to work, and who will not be paid for the trade.
 - b.** Working Employee – means the employee who works and who is paid for working for the Scheduled Employee.
 - c.** Day Trades – means one employee agrees to work in the place of another employee who wishes to be off but is scheduled to work that day. Day trades can be either one-way or two-way.
 - d.** Shift Trades – means two employees agree to switch scheduled hours of work on a given day, each working the other’s shift.
 - 2.** This trade policy will apply to regular full-time and regular part-time employees.
 - 3.** In order to maintain proficiency, local policies will require that employees work a certain minimum number of hours each month. Provided this requirement is met, employees may one-way day trade a minimum of thirty (30) times per calendar quarter. Two-way day trades and shift trades will be unlimited.
 - 4.** A trade is not authorized until approved in advance in writing by a manager or the manager’s designee and recorded in appropriate records showing the date of the trade and names of the Scheduled Employee and Working Employee. Employees are expected to submit trades as far in advance as practical. Deadlines will be established for submitting trades. Such deadlines will not be more than twenty-four (24) hours prior to the start of the scheduled shifts.

- 5.** Probationary employees may not engage in trades that reduce their scheduled hours unless approved by local management.
 - 6.** No cash payments or other items of monetary value may be exchanged between employees in connection with trades.
 - 7.** A Scheduled Employee may only trade with a Working Employee who has been trained and is currently proficient in the work assignment of the Scheduled Employee.
 - 8.** Once a trade has been approved, the Working Employee is responsible for ensuring that scheduled work time is performed. A Working Employee who is Unauthorized/No Pay (UNP) on a trade may be subject to suspension of trades.
 - 9.** Vacation days and holidays may not be traded, nor may any day already part of a trade be taken as a vacation day or holiday.
 - 10.** Hours worked as a part of a trade may not be utilized in the computation of vacation or sick leave accrual, or eligibility for premium rate overtime pay.
- B.** A Working Employee who calls in sick on a day trade will not be paid sick leave. A Working Employee who calls in sick on a shift trade will be paid applicable sick leave pay.
- C.** No request under these trade provisions shall be honored if found to be in conflict with applicable state or federal law.
- D.** Overtime bypass rules will not apply to employees involved in a trade.
- E.** Additional trade flexibility may be negotiated locally.

ARTICLE VI
HOURS OF SERVICE

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

- B.** Part-time shifts will be scheduled for a minimum of four (4) hours per day and a maximum of ten (10) hours per day, exclusive of a thirty (30) minute meal period for employees scheduled for or who actually work in excess of four and one half (4- $\frac{1}{2}$) hours. A part-time work week shall consist of a minimum of sixteen (16) hours and a maximum of thirty (30) hours in a work week.

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

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

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

- F.** Employees on a relief schedule will be assigned a home shift and other shifts as necessary to augment the workforce on an as needed basis and provide replacement coverage for employees who are on vacation or otherwise absent from work for any reason in accordance with a schedule published at intervals of three (3) months or longer. Seven (7) days notice will be given to employees of changes in their schedule.

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

- H.** Work schedules are posted for bid by active employees, as far in advance as practical, or a minimum of seven (7) calendar days. The posting shall contain the scheduled start time, shift length, scheduled days off and effective date. Once the bidding process is completed, schedule bid awards will be posted a minimum of seven (7) days prior to the effective date of the new work schedule. Employees unavailable to bid at their appointed bidding time, may bid by proxy, or by other means established locally. Active employees, who report late for bidding, but while the bidding process is ongoing, will be permitted to bid on the remaining available lines (work schedules) at the time they report. Active employees who fail to bid will be assigned an available work schedule after completion of the bid. An employee on an authorized leave of absence or on extended illness status, will be permitted to bid provided the Company receives, prior to the start of the bidding period, a notice certifying their return to work date which must be within thirty (30) days of the effective date of the bid. If the leave is for medical reasons, the certification of return to work must be signed by the employee's treating physician.
- I.** Work Schedules will be rebid based on the needs of the service, approximately every one hundred-twenty (120) days, or a minimum of one (1) time per calendar year, unless locally agreed to otherwise between the Union and the Company. Local Management and Local Committee representatives shall meet to discuss work schedules a minimum of five (5) days in advance of posting such schedules for bid, allowing for consideration of Union input.
- J.** Any change of one (1) hour or more in the starting or stopping time of a shift will call for a rebid.
- K.** During a bid period, if it becomes necessary to temporarily adjust employees' work schedules they will be given a minimum of seven (7) calendar days notice of such change. In the event these adjustments are expected to exceed thirty (30) days in duration, the Company shall post for rebid as provided in H., above.
- L.** Employees returning to active duty from an authorized leave of absence or extended illness status will be assigned to a shift and days off consistent with their Public Contact seniority, except as provided in H., above.
- M.** Employees transferring into a classification may express a preference for a work schedule. If they cannot be accommodated, they will be assigned an available work schedule until the next rebid.
- N.** Meal Periods will be scheduled by mutual agreement on a local basis as close to the mid-point of the shift as practical. Employees who, because of the requirements of the service, are requested to start their meal period more than thirty (30) minutes in advance of, or one (1) hour after the starting time of their regularly scheduled meal period, will be allowed a thirty (30) minute meal period as close to the regular meal period as possible and paid for same at the straight time rate in addition to their reg-

ular compensation. In addition, if unable to take a meal period due to company requirements, employees scheduled eight (8) hours or more will receive one (1) hour pay at the time and one half (1-1/2) rate and employees scheduled less than eight (8) hours will receive thirty (30) minutes pay at the straight time rate.

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

**ARTICLE VII
OVERTIME**

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

A. Overtime Pay

- 1.** The rate of straight time shall be paid for work performed by part-time employees beyond their scheduled hours up to a maximum of forty (40) hours in a work week, except as provided below.
- 2.** The overtime rate of time and one-half shall be paid:
 - a.** to all employees for the first four (4) hours of work in excess of eight (8) hours in a twenty-four (24) hour period (or the first two (2) hours in excess of ten (10) hours for employees assigned to ten (10) hour day schedules).
 - b.** to full-time employees for the first eight (8) hours of work (ten (10) hours for ten (10) hour day schedules) on the first regular day off worked in the employees' work week.
 - c.** to part-time employees for work in excess of forty (40) straight time hours in a calendar week.
- 3.** The overtime rate of double time shall be paid:
 - a.** to all employees for work in excess of twelve (12) hours in a twenty-four (24) hour period.
 - b.** to full-time employees for work on a regular day off if any time was worked on any regular day off in the same calendar week, unless the time on the preceding regular day off was worked as an early start to the employee's regular shift on a scheduled work day.
 - c.** to full-time employees for hours worked in excess of eight (8) hours on any regular day off (in excess of ten (10) hours for employees assigned to ten (10) hour day schedules).
 - d.** to part-time employees for all hours worked on the second day off pro-

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

4. There shall be no compounding of overtime rates provided for in this Agreement, and no employee shall receive more than double the straight time rate for any hours worked except as provided in Article VIII Holidays.
5. For the purposes of computing overtime compensation, the twenty-four hour (24) period shall begin with the starting time of the employee's regularly assigned shift.
6. Overtime is computed in one-quarter (1/4) hour increments; e.g., 2.12 (2 hours and 15 minutes), 3.75 (3 hours and 45 minutes), 1.50 (one hour and a half).
7. When employees work less than one (1) hour of premium rate overtime immediately before or after their normal shift, they are compensated for one (1) full hour; in the latter case, the employee may be required to remain on duty for some or all of the remainder of the hour when a need exists. By mutual agreement the employee may leave before the end of the hour and be paid for time worked. This minimum does not apply to quick turns.

B. Overtime Equalization

1. Overtime opportunities shall be distributed as equally as practical among those available qualified employees who have indicated a willingness to work overtime on an overtime sign-up sheet for the timeframe needed. Offers will be made to those employees on the sign-up sheet who have accrued the least number of overtime hours, without distinction between full-time, part-time, basic or premium classification. When all available overtime in the job classification has been exhausted, additional overtime may be hired from other employees.
2. **Equalization Rules**
 - a. Overtime hours worked or declined by an employee on the appropriate overtime sign-up sheet will be recorded as straight time hours offered. Overtime opportunities of one (1) hour or less will not be charged and are not subject to these overtime distribution rules. No charge will be made if overtime is cancelled by the Company.

- b.** Overtime balances shall be posted in places accessible to all employees affected except by local agreement between the Union and the Company. Overtime balances shall be zeroed on the first day of every month.
- c.** When an employee is placed on a different overtime list, they shall be charged with the average hours of the employees on the list.
- d.** Probationary employees will be placed on the bottom of the overtime list and will be offered overtime only after all other qualified non-probationary employees on the overtime list have been considered. After the completion of probation, an employee will be placed on the overtime list and will be charged with the average hours of employees on that list plus the overtime hours they worked during their probationary period.
- e.** When employees are bypassed for overtime through error or misapplication of local guidelines, they will be given priority for future overtime opportunities, by mutual agreement, equal to those for which they were bypassed, however, no payment is made for overtime not worked. If no mutual agreement is reached within fourteen (14) days, the employee may choose which hours they will work within the next fourteen (14) days, provided it is for the same number of hours and the same rate of overtime.
- f.** Nothing herein shall prohibit Local Management and the Local Committee from agreeing to assign Union Stewards or other designated Local Union members to make offers of overtime opportunities to employees.
- g.** Nothing herein shall require the establishment of a formal procedure for overtime distribution for groups where Local Management and the Local Committee determine that no such procedure is necessary.

C. Overtime Scheduling

- 1.** Overtime shall be assigned as follows:
 - a.** Overtime anticipated to be four (4) hours or less which is continuous following a scheduled shift will be offered to employees working on that shift.
 - b.** Overtime anticipated to be four (4) hours or less in advance of and continuous with a scheduled shift will be offered to employees on regular work days on the oncoming shift.

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

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

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

**ARTICLE VIII
HOLIDAYS**

- A.** Employees are scheduled to work on days observed as holidays as necessary to maintain the company's operations or to perform work of an emergency nature. When the total number of employees within a work area, shift and classification who are scheduled to work are not required to work on the holiday, employees, in order of public contact seniority, will be given preference to work or be off. The Company will reduce and/or minimize the total number of employees required to work in so far as practical by work arrangements and/or overtime.
- B.** Fixed Holidays are defined as holidays that are observed on the actual calendar date of their occurrence.
1. Regular employees covered by this Agreement will observe the following fixed holidays:

New Years Day
Thanksgiving Day
Christmas Day
 2. A regular employee required to work on any of the holidays shall be compensated at the maximum rate of pay of two times (2) normal base rate, including shift differential. An employee will be paid straight time for any scheduled hours not worked
 - 3.** A regular employee in active service who does not work on a fixed holiday which is a scheduled work day shall be compensated for the day for their scheduled hours at the straight time rate and shall receive no additional time off.
 - 4.** When the holiday falls on a scheduled day off and the employee does not work, a regular full-time employee receives eight (8) hours of holiday pay, whether assigned to an eight (8) hour or ten (10) hour schedule; a part-time employee's holiday pay is equal to one-tenth (1/10) of the hours the employee is scheduled to work in the two (2) week pay period containing the holiday.
- C.** Floating Holidays are defined as holidays that can be observed on a date chosen by the employee, subject to operational needs. Floating holidays and Day-At-A-Time (DAT) vacation days will be awarded with equal priority.
1. Regular employees covered by this Agreement will observe the following Floating Holidays:

Good Friday
Memorial Day
Labor Day
Employee's Birthday
Presidents' Day

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

An employee may observe a maximum of two (2) of these floating holidays by connecting it (them) to their scheduled vacation provided they do so at the time they bid their vacation.

The work schedules of City Ticket Offices may differ by location. If an office is closed on any of the above holidays, such day will be considered a holiday for all employees assigned to the office who are not required to attend a staff meeting on that day. Employees will be notified if their City Ticket Office will be closed on any of the floating holidays by December 31 of the previous year.

- 2.** An employee is eligible for floating holidays that occur after the employee's date of hire. An employee may take a floating holiday either before, on or after its traditional date, however, in order to take a floating holiday after its traditional date, the employee must have been in active service on the traditional date. A request to take a birthday holiday on the actual day will be granted in accordance with local procedures.
- 3.** When, on the same day, two or more employees submit a request for a floating holiday to be taken on the same day, the request is granted to the employee with the earliest company seniority date.
- 4.** An employee may not use a floating holiday on a fixed holiday or RDO. Floating holidays must be taken by the end of the calendar year in which they occur or will be forfeited.
- 5.** Regular employees on a floating holiday shall be compensated for their scheduled hours for the day at the straight time rate.
- 6.** An employee may not schedule or reschedule floating holidays after 1) giving notice of resignation, 2) receiving notice of termination, or 3) receiving approval for inactive status. An employee who does not use floating holidays before separating or beginning an inactive status is not paid for the unused days.

- 7.** Except when the Family and Medical Leave Act (FMLA) leave is used for (i) an employee's own serious illness regardless of length (including maternity disability), or (ii) any other reason when the length of absence is greater than fifteen (15) consecutive work days, an employee shall be required to use floating holidays as a part of FMLA leave. The employee's floating holiday will be moved to begin on the first day of the FMLA leave, unless the employee's vacation has been moved to the first day of such leave in which case the floating holiday will follow the vacation.

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

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

**ARTICLE IX
TRAVEL, TRAINING AND MEETINGS**

A. Expenses

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

B. Schedule and Pay Exceptions for Training and Meetings

1. Time spent attending Company required meetings or training sessions is considered time worked and, if outside the employee's normal work schedule is compensated at the applicable overtime rate, not exceeding time and one-half.
2. When an employee's shift or regular days off are changed for training purposes, the Company will give seven (7) calendar days notice of such change, if possible. If this shift change results in a combination of work and training that exceeds the employee's normal work schedule in a twenty-four (24) hour period, the employee shall be paid at the applicable overtime rate for hours in excess of their normal schedule except where an employee voluntarily changes shifts for that day in lieu of the Company's changing their regular days off.

C. Travel

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

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

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

- 2.** If the employee works any part of their normal work shift, they are paid for those hours at straight time rates and additionally for travel time, whether in or out of their normal work shift, at the applicable rate with a maximum of eight (8) hours travel pay for that twenty-four (24) hour period.
 - 3.** The employee never receives less than their normal scheduled hours paid at the straight time rate for any twenty-four (24) hour period constituting a scheduled workday. As provided above, they receive compensation not to exceed eight (8) hours per day for time spent in traveling or waiting at the applicable rate.
 - 4.** Additionally, the employee's regular days off may be rescheduled if circumstances warrant so that they travel on their days off and are trained on their scheduled workdays.
- D.** When an employee covered by this Agreement voluntarily accepts an invitation (but is not required) to participate in any educational program sponsored or given by the Company, they shall receive their normal compensation and reasonable and necessary expenses as provided in Paragraph A, above but shall not be paid additional pay for traveling or waiting time.
- E.** When an employee is away from the home station filling a temporary vacancy or special assignment they shall be paid straight time and overtime in accordance with the provisions of this Agreement based on the shifts as scheduled at the new location. It is understood the Company may schedule an employee to take their regular days off without compensation; they will continue to be eligible for reimbursement of reasonable and necessary expenses as provided in Paragraph A., above.

**ARTICLE X
SENIORITY**

- A.** Seniority means the length of time established, accrued and retained in service in the Public Contact Group. The work classifications that are contained within the Public Contact Group are those listed in Article IV.
- 1.** On June 3rd, 1999, employees covered by this Agreement shall be credited with their continuous service with the Company as Public Contact Group Seniority.
 - 2.** In all other instances, the Public Contact seniority date will be the first day actually worked in the Public Contact Group except that the Public Contact seniority date of a Company employee (but not the new pay rate or probationary period) shall be established as the date they are notified that they are awarded an open vacancy. In cases where multiple vacancies are processed at the same time, a common classification seniority date will be assigned to all Company employees on the initial notification. When additional offers are necessary to fill the remaining vacancies, each additional group of offers will receive another common classification seniority date.
- B.**
- 1.** Company seniority date, as established by the Company, plus the ability to satisfactorily perform the work required for the job in question shall govern all employees covered by this Agreement in case of lay off and re-employment after lay off. Public Contact Seniority plus the ability to satisfactorily perform the work required for the job in question shall govern all employees covered by this Agreement in preference of shifts or start times, days off, full-time and part-time vacancies and bids within classifications.
 - 2.** Service Director selection shall be in accordance with Article XI, Paragraph C.
- C.** Except as otherwise provided in this Agreement, all newly hired or transferred employees shall be regarded as probationary employees for the first one hundred and eighty (180) days of their employment or transfer. Depending on training needs, probation may be a maximum of two hundred and ten (210) days from date of hire or transfer. Employees may be discharged at any time during said probationary period without a hearing. If retained in the service of the Company after the probationary period, the names of such employees shall then be placed on the seniority list for their respective classifications in the order of their Public Contact seniority date. An employee's probationary period may be extended in appropriate cases (such as the employee's extended absence because of accident or illness) by local agreement between the Union and the Company. If temporary employees are hired as regular employees, the period of temporary employment shall be credited against and deducted from their probationary period. Seniority shall accrue from the time assigned as a regular employee, as provided in A.2, above.

- D. 1. a.** Master seniority lists by basic classifications for the system, showing the name, classification, Public Contact seniority date, and date of entering the Company's service of each employee covered by this Agreement shall be posted in a convenient place July 1 each year at each 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 their seniority date and position on the seniority list is first established or adjusted there shall be no monetary liability or other retroactive application for subsequent seniority adjustments. In addition, a juniorty list showing each employee's current job code shall be produced no later than August 1 of each year. A copy of each list will be furnished to the designated Local Union Representative and the Union System General Chairperson.
- b.** Ties in classification seniority date on the master system seniority list will be broken first by Company seniority date and then by giving preference to the employee with the lower number comprised of the last four digits in their Social Security number. On the rare occasion, the last four (4) digits of the Social Security number are identical, ties in classification seniority date will be broken by giving preference to the employee with the lower number comprised of the last six (6) digits in the Social Security number. This procedure will not be used to disrupt established relationship of employees already appearing on a seniority list based upon the last point at which the employee worked or is working in that classification.
- c.** Employees whose adjusted seniority (for example, an employee returning from a leave of absence in excess of ninety (90) days) results in a tie with other employees will be placed ahead of such other tied employees on a seniority list. When two (2) or more employees with adjusted seniority are tied in Public Contact seniority date, their relative position will be determined as provided in subparagraph b., above.
- 2.** Seniority lists for classifications higher than basic classifications containing only the names, classifications, and Public Contact seniority dates of employees 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 (2) or more employees are placed on a higher classification seniority list with the same Public Contact seniority date, they shall appear in the order of their position on the basic seniority list.
- E.** An employee covered by this Agreement shall lose their seniority status and their name shall be removed from the seniority list under the following circumstances:

1. They quit or resign;
 2. They are discharged for cause;
 3. They are absent from work for two (2) consecutive days without properly notifying the Company of the reason for their absence and not then if a satisfactory reason is given for not so notifying the Company;
 4. They do not inform the Company in writing of their intention to return to service within seven (7) days of sending of notice offering to re-employ them;
 5. They do not return to the service of the Company on or before a date specified in the notice from the Company offering them re-employment, which date shall not be prior to fifteen (15) days after sending the notice; provided, however, that subdivisions 4 and 5 of this Section shall not apply to offers of temporary work.
- F.** All notices required to be sent under Paragraph E shall be sent by certified mail, return receipt requested to the employee at the last address filed by them with the Company. There shall be no duty on the part of the Company to send a notice to a laid off employee unless the employee, when laid off, filed their address with their local Manager and thereafter promptly advised that local Manager of any changes in address.

G. Layoff

1. When it becomes necessary to lay off employees at any location on the Company's system, any temporary employees in that classification at the location will be terminated first and then Company seniority in the basic classification plus ability to perform the available work will govern.
2. **a.** For purposes of this Article, a location shall be defined as a Company facility with the same station or building designator codes.
b. For purposes of this Article, Point shall be defined as combined locations within a geographical area as follows:
 - Chicago Point: Includes CHI, MDW, ORD, RFD and WHQ.
 - Hawaii Point: Includes HNL, ITO, KOA, LIH and OGG.
 - Los Angeles Point: Includes BUR, LAX, LGB, ONT, RAL and SNA.
 - Miami Point: Includes FLL, MIA and PBI.

- New York Point: Includes EWR, HPN, JFK and LGA.
- San Francisco Point: Includes OAK, SFO, SJC and VLO.
- Washington Point: Includes BWI, DCA and IAD.

If circumstances warrant, the Union and the Company may agree to add to, delete from or modify these Point definitions.

- c.** For the purpose of this Article, all City Ticket Offices in a metropolitan area are considered one (1) location.
- 3.** When it becomes necessary to lay off employees due to a reduction in force, at least twenty (20) calendar day's notice of such layoff or normal pay in lieu of such notice will be given all employees to be laid off except temporary employees.
- a.** When notice of layoff is handed to an employee in person, the day this is done shall be considered the date of delivery of notice. The first day of the twenty (20) calendar days notice period is the day following delivery.
 - b.** When notice is given an employee by means of U.S. Mail, the day following the postmarked date shall be considered the date of delivery to the employee. The first day of the 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 U.S. Postal Service, the date of delivery will be the day following the day on which postal deliveries are not provided, and the first day of the twenty (20) calendar day's notice will be the next succeeding day.
 - d.** The above shall apply to all employees covered by the Agreement at all times excepting employees on vacation. If an employee scheduled for vacation is given notice either by hand directly or by mail prior to the date they begin their vacation, they shall be considered under notice as provided in items a, b, and c above. An employee already on vacation, however, shall not be given notice of layoff earlier than the first scheduled workday after completion of their authorized vacation. If an employee not on vacation is laid off under this procedure before an employee junior to them who is on vacation, no grievance or wage claim shall be allowed because of the deviation from seniority in the order of layoff.
- 4.** Options for a full-time surplus employee to be considered in the order

presented:

- a.** May fill a part-time vacancy in their current job classification at their current location.
 - b.** If there are no part-time vacancies, the employee may displace the most junior part-time employee in the same job classification at their current location.
 - c.** If the employee does not elect number a or b above, they must fill a full-time vacancy in their current job classification at the point. If the employee declines, they are laid off without severance pay and recall is limited to their current location.
 - d.** If there is no full-time vacancy in their job classification at their point, they may: 1) accept layoff with severance pay and elect recall to either the point or location (such election to be made at the time of layoff), or 2) they may fill a part-time vacancy in their current job classification at their current point.
 - e.** If the employee does not accept either alternative in d, above, the employee must displace the most junior full-time employee in their current job classification at their point.
 - f.** If options a, b or d are not exercised and options c and e are not available, the employee may elect one of the following: 1) displace the most junior part-time employee in the same job classification at their point, or 2) They may request system full-time placement options in the current job classification and elect recall to either the point or location (such election to be made at the time of layoff).
- 5.** Options for a part-time surplus employee to be considered in the order they are presented.
 - a.** May fill a full-time vacancy in their current job classification at their current location.
 - b.** If there are no full-time vacancies, the employee may displace the most junior full-time employee in the same job classification at their current location.
 - c.** If the employee does not elect letter a. or b. above, they must fill a part-time vacancy in their current job classification at the point. If the

employee declines, they are laid off without severance pay and recall is limited to their current location.

- d.** If there is no part-time vacancy in their job classification at their point, they may: 1) accept layoff with severance pay and elect recall to either the point or location (such election to be made at the time of layoff), or 2) they may fill a full-time vacancy in their current job classification at their current point.
 - e.** If the employee does not accept either alternative in d. above, the employee must displace the most junior part-time employee in their current job classification at their point.
 - f.** If options a, b, or d are not exercised and options c. and e. are not available, the employee may elect one of the following: 1) displace the most junior full-time employee in the same job classification at their point, or 2) they may request full-time system placement options in the current job classification and elect recall to either the point or location (such election to be made at the time of layoff).
- 6.** If the options in subparagraphs 4.c, 4.e, 5.c, and 5.e above, increase the distance from the employee's home address to the work location by more than twenty (20) miles, the employee may decline the option, elect layoff with severance pay, and retain recall rights to their current location.
- 7.** Options for an employee with less than one (1) year of Company seniority as of the effective date of the furlough are limited to local vacancies at the point.
- 8.** When system furlough options are being offered, the Company will freeze all vacancies in the classification and compile a list of full-time vacancies by location. A list of employees desiring to exercise the option of system displacement, including their seniority, will be compiled. The Company and the Union will match the number of vacancies with the number of people electing displacement. If the number of vacancies is not sufficient to accommodate everyone opting for system placement the Company and the Union will also identify the most junior full-time employees in the classification on the system.
- a.** The Company will make two (2) lists:

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

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

will match the first list.

- b.** Employees opting system displacement must list all locations that they are willing to transfer to in order of preference.
 - c.** Awards will be made on the basis of seniority with the most senior employee being awarded their first choice.
- 9.** The employee will have three (3) calendar days after notification of layoff and the furnishing of information to them to decide whether they will accept lay-off or fill a vacancy or, if no vacancies are available, displace the junior full-time employee on the system, whichever may be applicable. Temporary vacancies (vacancies of a known, limited duration) shall not be considered as vacancies for the purpose of this entire paragraph and subdivisions thereof.
- 10.** The temporary assignment of an employee filling a temporary vacancy shall be terminated before the layoff of any employee filling a permanent vacancy. Further, an employee who fills a temporary vacancy that is terminated for any reason shall not be entitled to be recalled to the point to which they temporarily transferred.
- 11.** Employees transferring under this paragraph shall receive moving expenses as provided under Company policy as of August, 1998, for salaried employees, except that during the first two hundred and 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 for travel on their regular days off between the point to which they transferred and their former point.
- 12.** In the case of a reduction in force affecting Service Director classifications, the employees reduced shall exercise their Public Contact seniority in their basic classification at the location at which reduced.
- 13.** 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 lay-off, be granted on one occasion free one-way non-revenue space available (NRSA) air transportation on the Company's planes to any point on the system within the continental limits of the United States.
- 14.** These provisions will not apply if a surplus condition is caused by an Act of God, war emergency, revocation of the Company's operating certificate, grounding of a substantial number of the Company's planes, any work stoppage or other action that interrupts or interferes with any operations of the

Company or a temporary cessation of work beyond the Company's control. In such event, the Company may immediately reduce the workforce with the minimum pay provision of Article VI, Paragraph O. applying. If the reduction affects some but not all employees, the Company shall promptly reassign employees so that the more senior employees within skill and work function at an airport or office are allowed to perform available work in accordance with their basic classification seniority and the more junior employees are placed in no-pay status. Such reassignments will be those which are practical considering the circumstance under which there is temporarily no work. The Company will not be subject to the normal requirements for notice of shift change or overtime pay because of such reassignment.

H. Recall

- 1.** Employees maintain recall rights as provided in subparagraphs G.4, G.5 and G.6 of this Article to the job classification, work status, point and/or location from which they were laid off until recall is offered and is either accepted or declined.
 - 2.** A laid-off employee who accepts a temporary vacancy reverts to layoff status at the conclusion of the assignment.
 - 3.** An employee who accepts recall must be available to return to work by the sixteenth (16th) calendar day following the date recall was offered.
 - 4.** When an employee is offered recall to their old point, regardless of the length of time they have been at the new point, they must elect either to return to their 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 their old point.
- I.** Employees who have given long and faithful service in the employment of the Company and who have become unable to handle their normal assignments, will be given preference for such other available work as they are able to handle within their classification at the rate of pay for the job to which they are assigned.
- J. 1.** 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 their former classification for two (2) years. If the employee does not complete their probationary period in their new classification and after the Company confers with the Local Committee, the employee shall be returned to their previous assignment. If returned, the employee shall lose seniority in the classification from which they returned. In the event an employee exercises their seniority to return to a lower-rated classification, they must return to the highest lower-rated classification in which they hold seniority or forfeit

all seniority held in that or any other classification higher than the classification to which they return.

- 2.** Employees who enter “promoted” status will retain and continue to accrue seniority in the classification group from which promoted for a period of six (6) months following promotion, except that employees in such positions on June 3rd, 1999, shall retain and continue to accrue seniority for a period of six (6) months from that date. At the expiration of the six (6) month period, employees in promoted positions shall retain but shall no longer accrue seniority. “Promoted” as used herein shall mean assignment to a management position. Employees who transfer to positions not covered by this or any other Agreement but who are not in “promoted” status shall retain and accrue seniority for a maximum of one (1) year.
 - 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.** Employees covered by this Agreement transferring to the position of Flight Officer shall retain and continue to accrue all seniority held under this Agreement for the duration of their Initial Flight Officer training.
 - 5.** An employee who is accepted for Flight Attendant Training will be placed in authorized No Pay or Personal Leave of Absence status for the duration of that training and will retain and accrue seniority under the IAM Agreements in accordance with those Agreements. After that training, if and when the employees enter the Flight Attendant classification, they will lose all IAM Agreement seniority held effective with the date of that reclassification.
- K. 1.** Except as provided in Paragraph G hereof, an employee who bids or is transferred for any reason to another location shall not be entitled to displace any employee at the new location upon their arrival at the location.
- 2.** An employee accepting assignment to a temporary vacancy at another location shall be allowed to exercise their seniority at the new location to preference shift vacancies in the same manner as if they were filling a permanent vacancy. So long as they fill the temporary vacancy, however, they will not be entitled to exercise their seniority to bid local job vacancies at their temporary location, except vacancies at that location which are filled from the system. At the termination of their temporary assignment they will exercise their seniority at their location of permanent assignment.

- 3.** For transfers under this Paragraph, free non-revenue space available (NRSA BP-7) air transportation on the Company's system will be furnished to the employee and their eligible dependents, to report to the new location.

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

**ARTICLE XI
VACANCIES**

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

System Permanent Bids will be sent to WHQES by either US Mail (WHQES United Airlines, P.O. Box 66100, Chicago, IL 60666) or Company mail, at the employee's option. Bids shall specify the location to which the employee desires to be transferred as vacancies occur. Bids will remain valid until withdrawn. Employees must submit bids in triplicate (electronically, when available systemwide), one copy to be retained by the Company, and one copy returned to the employee confirming the date such bid was received by WHQES. The District Union shall be furnished a copy of each bid after it has been received by WHQES (electronically, when available systemwide) and shall be notified in writing the name, location, and seniority date of each employee awarded a vacancy, and the date of that vacancy, under this paragraph. Employees selected to fill such a vacancy shall be available to begin the assignment within a maximum of ten (10) days after being released from their previous job. Employees who are not considered qualified by the Company for a vacancy for which they file a system permanent bid shall be notified in writing of their disqualification and the reason therefor.

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

ture, the employee in the vacancy displaced by the grievant shall be returned to the previous assignment held. However, if the displaced employee would have been entitled to a Service Director vacancy which was bulletined and awarded while working in the higher classification, the employee shall be entitled to remain in the higher classification. The same procedure shall be followed with all other employees in the higher classification who were awarded Service Director vacancies subsequent to the vacancy awarded by the grievance decision.

- C. 1.** In filling jobs under Paragraph A, above, seniority plus ability to satisfactorily perform the work required for the job in question will be considered.
- 2.** In filling jobs under Paragraph B, above, the Company will select the most senior bidder who meets the following eligibility criteria:
- a.** Successful completion of objective technical and reasoning tests.
 - b.** Not have an active Level 3 Report or higher of Non-Punitive Disciplinary Action for any reason. If the most senior bidder is found ineligible because of this provision and a grievance decision determines that discipline at Level 3 or higher was inappropriate, the employee will be awarded the job retroactively, and the provisions of Article XI, paragraph B.2 will apply.
- 3.** The following rules apply to the Service Director process:
- a.** An employee who wishes to withdraw from the Service Director selection/training process may do so at any time during the process, but will be required to wait a minimum of six (6) months before reapplying.
 - b.** An employee who participates in the selection process but does not qualify, or who is unsuccessful in completing training, must wait a minimum of six (6) months before reapplying.
 - c.** An employee who wishes to resign from their Service Director position must give the Company two (2) weeks notice, but must wait a minimum of six (6) months before reapplying.
 - d.** An employee will be removed from the Service Director Classification based upon either (1) demotion due to failure to perform Service Director responsibilities or (2) receipt of a Level 3 report or higher of non-punitive disciplinary action. Demotion must be preceded by a meeting involving the employee and a member of management to review the

reasons why demotion may be appropriate. The employee will be entitled to Union representation at this meeting. Notwithstanding Paragraph 9 of Letter 99-3P, an Investigative Review Hearing will be conducted prior to issuing a report of non-punitive disciplinary action at Level 3 or higher that causes an employee to be removed from a Service Director Classification. If the Service Director is removed due to this provision and a grievance decision determines that demotion or discipline at Level 3 or higher was inappropriate, the employee will be reinstated, and the provisions of Article XI, paragraph B.2 will apply.

- 4.** The Company will offer any available Service Director training in location seniority order, as determined by staffing needs, to those individual employees who have satisfied all eligibility criteria as stated in C.2 above.
- D.** Any employee covered by this Agreement will be eligible to bid on a vacancy in their basic classification or the applicable higher classification after one year of continuous service with the Company in their basic classification. When a vacancy is not filled through the bidding procedure, the Company may, but will not be required to, consider the transfer request of an employee who does not meet the minimum requirement for service in the basic classification.
 - E.** An employee bidding for more than one vacancy shall indicate the order of preference on each bid. When the Company has selected an employee to fill a Service Director job, it shall post immediately at each station, office or location where the vacancy was announced, a bulletin showing the name of the employee selected to fill the job and the employee's public contact seniority date. If an employee refuses to accept a job for which the employee is the successful bidder, the employee shall forfeit all bidding rights (except shift preference within the employee's classification or for the initial establishment of vacancies in a classification at a location) for a period of six months from the date the employee was notified of being the successful bidder.
 - F.** An employee whose bid for a Service Director job is accepted shall hold the job on a trial basis for a reasonable time not to exceed one hundred and eighty (180) days in order to demonstrate the ability to perform the work required by the job. Once the trial period is over, the employee will not be allowed to transfer for a six (6) month period, except by permission of the Company. An employee's trial period may be extended in appropriate cases by local agreement between the Union and the Company. During such trial period, if the employee is unable to demonstrate ability to perform the work required by the job, and after the Company confers with the Local Committee, the employee shall be returned to the employee's previous assignment, but shall not, for a period of six (6) months, be permitted to bid for a vacancy in the same or a higher classification of work in which the employee was unable to demonstrate ability.

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

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

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

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

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

**ARTICLE XII
LEAVE OF ABSENCE**

- A.** Where a justifiable reason exists and where the requirements of the service will permit, any employee covered by this Agreement will, upon proper application to the Company, be granted a leave of absence in writing for a period not in excess of ninety (90) days, and the local designated representative of the Union will be notified of all such leaves granted. An employee requesting a leave of absence who is required to maintain Union membership in accordance with the provisions of the Union Security Article of this Agreement shall present written evidence that their Union dues are paid up at the time they request a leave of absence. Such leave or leaves may be extended for additional periods not to exceed ninety (90) days upon appropriate application in writing to the Company and Union and approval in writing. An employee granted leave of absence shall retain and continue to accrue seniority during the first ninety (90) days of any such leave of absence. For leaves of absence in excess of ninety (90) days, the employee shall retain but shall not accrue seniority after ninety (90) days, except where the leave has been granted because of health, injury, pregnancy, service in the Peace Corps or special assignment by the Company, or election to Federal, State or Local Office. Special assignment leaves in the interest of the Company may be extended without approval from the Union. An employee applying for an educational leave of absence must specify the entire period of time they plan to remain on such leave in order to obtain the desired education and, if the leave is granted, they shall have no right to reemployment until the entire educational leave specified has elapsed. Such employees will not be required to apply for and receive extensions at ninety (90) day intervals during their leave as will other employees granted leave of absence.
- B.** Employees accepting full-time employment with the Union as representatives of the employees covered by this Agreement shall be granted an indefinite leave of absence by the Company. An employee on leave of absence for this purpose shall retain and continue to accrue seniority but, with the exception of the employees selected by the Union as System General Chairperson, Assistant System General Chairperson, and District Secretary-Treasurer, shall have no other employee benefits. The employees selected as System General Chairperson, Assistant System General Chairperson, and District Secretary-Treasurer, shall have all employee benefits that can reasonably be continued in effect during their leaves of absence.
- C.** Employees covered by this Agreement must advise the Company and the Union ten (10) days in advance of their intention to return from a leave of absence or extension thereof. Upon their return, they shall be returned to the job held when leave was granted; provided, however, that if they fail to meet the qualifications and performance requirements of the job within thirty (30) days of the date of their return, they may be assigned to such other job for which they can qualify. If the job held prior to the leave of absence no longer exists, the employee may be assigned to any other job in their classification for which they can qualify.

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

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

**ARTICLE XIII
VACATIONS**

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

B. Vacation Accrual

1. Full-time

During the first calendar year of employment, a regular full-time employee will accrue three and one-third (3-1/3) hours of vacation for each calendar month of active service. Thereafter, vacation accrual for each full year of active service will be based on the employee’s length of service as determined by the employee’s Date of Employment as follows:

<u>Length of Company Service</u>	<u>Vacation Weeks</u>	<u>Accrual Hours</u>
<u>0-1 Year</u>	<u>1</u>	<u>40</u>
<u>1 years</u>	<u>2</u>	<u>80</u>
<u>9 years</u>	<u>3</u>	<u>120</u>
<u>16 years</u>	<u>4</u>	<u>160</u>
<u>24 years</u>	<u>5</u>	<u>200</u>
<u>29 years</u>	<u>6</u>	<u>240</u>

2. Part-time

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

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

D. Fixed holidays recognized by this Agreement at the beginning or end of a vacation period or falling within a vacation period will not be considered as part of the vacation. Fixed holidays falling within a vacation period will be taken by extending the

vacation period one day for each such holiday. When the fixed holiday falls on an employee's regular day off during a vacation period, the employee may elect to extend their vacation period by one (1) day for each holiday, or elect to retain the same vacation period and be certified for an additional day of pay for the holiday.

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

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

- 1.** Employees with two (2) or more weeks of accrued vacation may reserve the equivalent of one (1) week of their accrued vacation to be taken as DAT. When taken, the hours shall be used in amounts equivalent to a day of the employee's schedule, not to exceed the number of days in a week for which an employee is normally scheduled. Employees will receive a maximum of five (5) DAT days for each week of vacation taken as DAT.
- 2.** Employees with three (3) or more weeks of accrued vacation may reserve the equivalent of two (2) weeks of their accrued vacation to be taken as DAT. When taken, the hours shall be used in amounts equivalent to a day of the employee's schedule, not to exceed the number of days in a week for which an employee is normally scheduled. Employees will receive a maximum of five (5) DAT days for each week of vacation taken as DAT.
- 3.** DAT must be elected at the time the vacation lists are compiled.
- 4.** An eligible employee may take DAT by obtaining the advance approval of their supervisor. The number of employees granted DAT on any specific date will be subject to Company and departmental service requirements. DAT days and floating holidays will be awarded with equal priority. An earnest effort will be made by all parties to schedule and use all DAT vacation by December 31st of the year for which it was reserved.

- 5.** If for any reason, an employee does not use all of their DAT vacation days in the current calendar year, they will be carried forward only to the next following calendar year and if not then scheduled and used will be forfeited. If the employee also sets aside new DAT vacation days to be used in the next calendar year, they may not then use the new DAT vacation but will be required to select a regular vacation week only from the vacation weeks remaining.
 - 6.** For each DAT day used, the employee is paid for the number of hours the employee would have been scheduled to work on that day, and the corresponding number is deducted from their reserved DAT hours.
 - 7.** Additional flexibility in the scheduling of DAT may be implemented on a local basis consistent with operational service requirements. Such local rules shall not prejudice the system application of the DAT program and shall be deemed to expire each vacation year unless renewed.
 - 8.** A fixed holiday, RDO, or another vacation day cannot be designated as a DAT day. Further, Paragraphs D, H, (as related to the splitting of vacations), I, J and L are not applicable to DAT.
- G.**
- 1.** The Local Management and Local Union Committee shall meet at least thirty (30) days in advance of the vacation scheduling period to discuss the method of scheduling vacations, including DAT vacation, for the coming year.
 - 2.** Vacation lists shall be compiled for each vacation scheduling group beginning on November 15 preceding the vacation year and shall be posted no later than the following January 15. Such dates may be modified by local agreement between the Company and the Union.
- H.** Subject to Company and departmental service requirements employees covered by this Agreement will be permitted to select their vacation in the station, office, or department in which they are employed in accordance with Company seniority. Employees with two (2) or more weeks of vacation may elect to split their vacation and may exercise their seniority for a primary choice of no more than two (2) segments of the split vacation at once. Each scheduled segment of such split vacation must be at least one (1) calendar week. A secondary exercise of seniority for a third segment must await the primary selection of junior employees, et cetera. When vacation schedules have been established, senior employees will not be permitted to take the vacation period already assigned to a junior employee. An employee who is transferred to a different vacation group shall be allowed to reschedule their vacation period(s) to available vacation weeks or, at their option, to retain their scheduled vacation period(s) except when extreme staffing requirements exist or the planned vacation list has already been exceeded.

- I. If an employee's regular day off pattern is involuntarily changed by the Company after the employee has been assigned their vacation period, they shall be permitted at their option to move their regular days off or their vacation period in the work week in which their vacation starts to allow their regular days off and vacation period to occur back to back.

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

- K. Except when the Family and Medical Leave Act (FMLA) leave is used for (i) an employee's own serious illness regardless of length (including maternity disability), or (ii) any other reason when the length of absence is greater than fifteen (15) consecutive scheduled work days, an employee shall be required to use accrued vacation as a part of FMLA leave. The employee's vacation will be moved to begin on the first day of FMLA leave. If FMLA leave extends beyond the employee's vacation, the employee shall be placed on Authorized No Pay (ANP) status or personal leave of absence.

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

ARTICLE XIV SICK LEAVE

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

B. Non-occupational Sick Leave

1. Regular Full-Time Employees

- a.** Employees will be credited with one-half (?) day (four (4) hours) of sick leave during the first six (6) calendar months of employment. During such first six (6) months of employment an employee will not be paid sick leave pay for absences due to illness or injury.
- b.** Employees will be credited with one (1) full day (eight (8) hours) for the second six (6) calendar months of employment. During such second six (6) months of employment, an employee may use sick leave credit for up to six (6) days at one-half (?) pay for absences due to illness or injury.
- c.** At the start of the second year of employment the employee will have a total of nine (9) full days of sick leave credit, minus any sick leave used during the first year, and will continue to accrue one (1) day of sick leave credit for each calendar month of service during which the employee receives pay from the Company, up to a maximum of one hundred and ten (110) days or eight hundred and eighty-eight (880) hours of sick leave credit.

2. Regular Part-Time Employees

- a.** Employees will accrue sick leave credit for each month of service based upon a ratio of straight time hours paid plus Authorized No Pay (ANP) to the total hours in a full work schedule in the applicable calculation period to a maximum of eight hundred and eighty (880) hours.
- b.** During the first six (6) months of employment, the employee will not be paid sick leave pay for absences due to illness or injury. During the second six (6) months of employment, the employee may use sick leave credit for up to six (6) days at one-half (1/2) pay.
- c.** Sick leave accrual for an employee who transfers to a regular part-time

position shall be four (4) hours per month until the following January, at which time the part-time accrual rate will be calculated pursuant to Paragraph 2.a, above.

3. After one year of employment, an employee will be paid sick leave for absences due to illness or injury up to the number of hours credited to the employee. The number of hours paid will be charged against the number of sick leave hours credited to the employee. Thereafter, one (1) day of sick leave will be credited for each month of service during which the employee receives pay from the Company until the total credit again reaches the maximum.
4. Employees who request payment for sick leave must do so in writing, on a form provided by the Company, no later than the pay period following their return to service.
5. The Company may require a doctor's certificate before paying any sick leave in excess of two (2) days.
6. In the event an employee receives paid sick leave benefits from the Company and disability benefits from a State disability benefits program such as those available in California, New York, New Jersey, Hawaii, Rhode Island and Puerto Rico, for the same period of absence, the employee shall give the State disability benefit to the Company. The State disability benefit shall be used to restore the employee's sick leave to the extent that the State disability benefit offsets the sick leave paid.

C. Occupational Illness or Injury Leave

1. Regular Full-Time Employees

Employees will accrue one (1) day of occupational illness or injury leave for each month of service during which they receive pay from the Company to a maximum of one hundred (100) days or eight hundred (800) hours.

2. Regular Part-Time Employees

Employees will accrue four (4) hours of occupational illness or injury leave for each month during their first year of employment. Thereafter, they will accrue based upon a ratio of straight time hours paid plus ANP in the previous calendar year up to the number of hours in a full-time work schedule to a maximum of eight hundred (800) hours.

3. Accrual of Occupational Leave is in addition to non-occupational sick leave

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

- 4.** When it is necessary for an employee to be absent from work due to occupational illness or injury, the employee must request payment for such leave in writing, on a form provided by the Company, no later than the pay period following their return to service.
 - 5.** A doctor's certificate may be required before paying occupational illness or injury leave pay. In the event the employee received Worker's Compensation because of such absence, the employee is required to give such compensation to the Company. The Worker's compensation benefit will be used to restore the employee's non-occupational sick leave and occupational illness and injury leave credit to the extent that the compensation offsets the pay granted. An employee who does not receive paid sick leave or occupational illness or injury leave may retain any Worker's Compensation benefits received.
- D.** All credit for non-occupational sick leave and occupational illness and injury leave will be cancelled if employment ceases for any reason and no payment for such accumulated credit will be made at any time.
 - E.** No credit will be given for non-occupational sick leave or occupational illness or injury leave while an employee is on leave of absence.
 - F.** Dental and doctor appointments will not be considered a basis for paid sick leave or occupational illness or injury leave, unless it can be shown that the doctor in question does not maintain office hours outside the employee's regular work time or the employee's regular days off.
 - G.** Employees covered by this Agreement and the Union recognize their obligation to be truthful and honest in preventing unnecessary absence or other abuse of either non-occupational sick leave or occupational illness or injury leave privileges. No employee shall be reprimanded for the legitimate use of sick leave and/or injury leave. An employee whose dependability record is unsatisfactory shall be so advised, furnished a copy of their record, and given a reasonable opportunity for improvement before any disciplinary action is taken.

- H.** Each hour of occupational or non-occupational sick leave charged to the employee's bank will be paid at eighty percent (80%) of the employee's hourly rate.

In the event of illness or injury requiring absence of seven (7) or more consecutive scheduled work days, sick time will be paid at one hundred percent (100%) of the employee's hourly rate commencing with the eighth (8th) consecutive work day.

**ARTICLE XV
EXTENDED ILLNESS STATUS**

- A.** An employee who exhausts their sick leave or who is off work because of illness or injury longer than sixteen (16) days without sick leave pay shall be placed on extended illness status up to a maximum of three (3) years from the first day placed on extended illness status. The employee shall, when placed on extended illness status, file their address with the Company and shall thereafter promptly advise the Company of any change in address. The System General Chairperson will be notified by two (2) copies of a letter stating the employee's name, home address, work location, job title and the date they are placed on extended illness status.
- B. While on extended illness status, the employee:**
- 1.** shall retain and continue to accrue seniority.
 - 2.** may continue insurance coverages according to the provisions of the Company's insurance plan.
 - 3.** may be granted free or reduced rate transportation upon request to his supervisor.
 - 4.** may be required to submit to physical examinations at Company request or to furnish medical reports of their current physical condition. If the employee is examined by a Company medical examiner or is directed to a specific medical examiner by the Company the cost of the examination will be borne by the Company. If the employee is required to furnish a medical report of their current physical condition and elects to be examined by their own doctor rather than go to a Company medical examiner, they shall assume the cost of their examination. The Union will be notified of the date of a Company required medical examination if the employee requests the Company to do so in writing.
 - 5.** shall not accrue or be entitled to any other employee benefits, such as vacation accrual, sick leave accrual, holiday pay, 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, they shall be deemed to have severed their employee relationship with the Company.
- D.** At least sixty (60) days prior to the end of the employee's extended illness status, the employee's condition shall be reviewed by the Company and further extensions

in the period of extended illness status may be granted if circumstances warrant. Thirty (30) days before the end of the employee's extended illness status, the Company shall notify the employee, the System General Chairperson, and the Local Committee of its decision to extend the employee's extended illness status or to separate the employee. Separation by termination of the employee's extended illness status shall be automatic and the Company shall not be required to follow the procedures specified in the Disciplinary Action Article of the Agreement.

- 1.** If the Company grants an extension of the period of extended illness status, the extension will be confirmed by letter to the Union indicating the length of the extension and the reason(s) therefor.
- 2.** Following notice to the Union and the employee that the employee will be separated, the employee may file a grievance protesting their separation and the Union may appeal the Company's decision directly to Step Three of the grievance procedure as provided in the Bargaining and Grievance Procedure Article of the Agreement.
- 3.** The grievance must be filed within ten (10) days after the date of separation. If such appeal is not filed, the Company's action shall be final and binding.
- 4.** Further appeal, if desired, shall be to the System Board of Adjustment provided for in this Agreement.

**ARTICLE XVI
TRANSPORTATION**

- A.** It is agreed that the pass transportation regulations as established by Company policy on 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 Chairperson and Assistant System General Chairperson of the Union will be furnished with a non-contingent 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 business positive space air transportation over the lines of the Company, to the extent permitted by law, to attend such meetings.

**ARTICLE XVII
DISCIPLINARY ACTION**

- A.** Employees who are to be questioned by Company Representatives in the investigation of an incident which may result in disciplinary action being taken, will be informed of their right to have a Union Representative present before such questioning begins. Such Union Representative will not interfere with the Company's questioning of an employee. However, at the conclusion of the Company's questioning, the Union Representative will be free to ask questions to clarify facts. The above does not apply to inquiries of employees by Supervisors in the normal course of work.
- B.** Employees shall not be discharged without a prompt, fair and impartial investigative hearing at which they may be represented and assisted by Union Representatives. Employees will also be entitled to an investigative review hearing if they so request upon being advised of a disciplinary suspension. The hearing will be held before any suspension is served. Prior to the actual hearing the Union and employee will be given copies of any previous disciplinary action letters which are to be considered and the Union will be advised in writing of the precise charges against the employee. The Union and employee will have at least forty-eight (48) hours advance notification of the hearing should they so desire. Nothing herein shall be construed as preventing the Company from holding an employee out of service pending such investigation.

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

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

- D.** All disciplinary letters (letters of warnings, 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 or Leave of Absence or Extended Illness Status) from the date they were issued, except as it may be required by law or regulation. Decisions relating to appeals of disciplinary action may not be used by the Company as part of an employee's past record when assessing subsequent discipline if more than two (2) years have elapsed from the date of the disciplinary action taken.
- E.** If, as a result of any hearing, or appeals therefrom, it is found the suspension or discharge was not justified, the employees shall be reinstated without loss of seniority and made whole for any loss of pay they suffered by reason of their suspension or discharge, and their personnel records shall be corrected and cleared of such charge; or, if a suspension rather than discharge results, the employees shall have the time that they have been held out of service credited against their period of suspension. In determining the amount of back wages due employees who are reinstated as a result of the procedures outlined in this Agreement, the maximum liability of the Company shall be limited to the amount of normal wages they would have earned in the service of the Company had they not been discharged or suspended.
- F.** Necessary hearings and investigations called by the Company shall, insofar as possible, be conducted during regular business hours and all stewards, Local Committee persons and witnesses necessary for a proper hearing or investigation will be compensated at straight-time rate for all time spent attending such hearing or investigation.

ARTICLE XVIII
BARGAINING AND GRIEVANCE PROCEDURE

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

B. Grievance Time Limits

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

C. Step One

- 1.** Employees having a complaint should first discuss the matter with their Supervisor, and they will attempt to settle the matter.
- 2.** If the issue is not satisfactorily resolved, employees may request the Steward to handle the matter with the Supervisor.
- 3.** If the matter is not resolved the Steward will reduce the facts to writing on a Form provided by the Company. The Supervisor shall then have three (3) days to write a response. Each party shall get a copy of the completed form. Such document will not prejudice either party at future steps of the Grievance Procedure.

D. Step Two

The Local Committee shall determine if a grievance exists. If so, a grievance must be filed within fifteen (15) days from the Supervisor's written response. Such grievance will be filed on a Standard Form and shall be considered by the management representative(s) and the Local Committee. Grievance hearings will be scheduled within fifteen (15) days of receipt of such appeal. The Local Committee may specify that a specific grievance shall be heard by the Department Head. A written

answer shall be provided within five (5) days after discussions have concluded. The Union may appeal the grievance to the next step of the procedure within fifteen (15) days from the date of the Company's written answer. Such appeal may contain any disputed facts or additional germane facts.

E. Step Three

If not settled, the grievance shall be reviewed by a representative(s) of the Human Resources Staff and the appropriate Assistant General Chairperson. The review will be held within ten (10) days of perfecting such appeal. If unable to reach an agreement, and at the request of the Union, a Step Three Hearing will be scheduled within ten (10) days of the conclusion of the review process. The Company shall provide its written answer within fourteen (14) days from the meeting. If the Union decides to appeal the answer to the System Board, it will submit a written appeal perfecting all facts within forty (40) days from the Company's answer. Copies of the appeal shall be sent to the appropriate labor relations officer and the System General Chairperson.

F. Stenographic Report

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

G. Management Grievance

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

H. Step Four - System Board

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

- 1.** The System Board of Adjustment shall consist of three (3) members, the Chairperson, who will be a neutral member selected in a manner agreeable to the Company and Union, the Company member, who will be appointed by the Company, and the Union member, who will be appointed by the Union. In matters relating to contract interpretation, all members of the Board will hear and decide the case by majority vote. In disciplinary cases, only the Chairperson will sit on the Board and shall decide the case.

- 2.** The Board shall meet in the city where the General Offices of United Airlines, 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 unless expressly agreed to by the Company and the Union. 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 Chairperson may also advise the parties the facts on which he desires to have evidence.

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

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

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

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

- 7.** Witnesses who are employees of the Company shall receive free non-revenue positive space (NRPS) transportation over the lines of 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 Chairperson will be borne equally between the Company and the Union.
- 12.** The Chairperson shall render a written decision within thirty (30) days of the close of the hearing unless extended by mutual agreement.
- 13.** The Chairperson's copy of all transcripts and/or all records of cases will be filed in a place to be provided by the Company, and will be accessible to the parties.
- 14.** No post hearing briefs will be required following System Board hearings unless agreed to by both parties.

ARTICLE XIX
SAFETY AND HEALTH

- A.** Employees entering the service of the Company may be required to take a physical examination specified by the Company. The cost of such examination will be paid by the Company. Thereafter, the Company may request an employee to submit to further physical examinations during the course of their employment or recall to service after a lay-off due to reduction in force. If it becomes necessary to hold an employee out of service due to the employee's physical condition, the Union will, on the employee's request, be fully informed of the circumstances and every effort will be made to return the employee to service at the earliest possible date. The cost of such further examinations shall be paid by the Company.
- B.** In the event the Company's physician considers that an employee does not meet the physical requirements of the job as determined by the Company, or in the event the Company's physician considers that the employee meets the physical requirements of the job as determined by the Company, and in either event the employee's physician has made a contrary determination, these two physicians shall select a third impartial qualified physician to examine the employee and the decision of the majority as to the employee's medical fitness to perform the regular duties of the employee's classification shall be binding upon the Company and the employee. The expense of the employee's physician shall be borne by the employee; the expense of the Company's physician shall be borne by the Company; and the expense of the impartial physician shall be borne one-half (1/2) by the employee and one-half (1/2) by the Company. This third physician procedure shall not apply to assignments involving restricted duty, whether temporary or permanent.
- C.** The Company hereby agrees to maintain safe, sanitary and healthful working conditions in all facilities and to maintain on all shifts emergency first-aid equipment at a first-aid station to take care of its employees in case of accident or illness. It is understood that this does not require the Company to maintain a nurse or doctor on the property, but the Company will designate a doctor to call in an emergency.
- D.** The Company agrees to furnish good drinking water and sanitary fountains. The floors of the breakrooms, restrooms, and readyrooms will be kept in good repair and in a clean, dry, sanitary condition. Employees will cooperate in maintaining the foregoing conditions. Work places, breakrooms, restrooms and readyrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available. Individual lockers will be provided for all employees where space and lockers are available.
- E. 1.** The Company, Union and employees will cooperate toward the prevention of accidents and the furtherance of an aggressive safety program. A joint Company-Union Safety Committee will be established at each location where represented employees are assigned. Such Committees shall be comprised of

an equal number of Company and Union representatives as designated by the parties. The Union member(s) shall function in an advisory capacity. Safety Committees will meet at least once a month to resolve safety issues and review corrective action taken for all lost time accidents which may have occurred.

- 2.** Reasonable time without loss of pay will be allowed Union member(s) of the Safety Committee to investigate and handle safety complaints. Such Union member(s) will be promptly informed of all lost time accidents and shall be provided with the results of environmental air, noise, and contaminants testing conducted by the Company. The Company shall provide OSHA Form 200 for review by the Union. 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.
 - 3.** The Company and Union will review summaries of employee injuries and illnesses to identify potential ergonomic problems in order to recommend improvements in workstation design or work practices, documenting such improvements as they are implemented. Video Display Terminals/Cathode Ray Tubes (VDTs/CRTs) should be used and maintained with the safety and health of the operator in mind.
 - 4.** Each employee has the responsibility to work in a safe manner and to eliminate unsafe and hazardous conditions within that employee's control. An employee with a concern about or knowledge of a potential safety problem in any facet of the Company's operation should immediately bring it to the attention of the employee's supervisor. Both the Company and the Union shall cooperate in seeking solutions to help reduce the accident frequency and severity rates and shall jointly participate in safety education. The Company will maintain a safe working environment and no employee will be required to work under unsafe or unsanitary conditions. Both the Union and Company shall encourage employees to utilize the Safety Committee for all unresolved safety related matters.
- F.** The Company shall furnish all necessary safety devices for employees working on hazardous or unsanitary work, and employees will be required to use or wear such devices in performing such work.
- G.** The Company will make kneepads available to employees who are required to work in aircraft pits while loading or unloading baggage or cargo. The company will make cleaning solutions available to employees who work with computer equipment. Additionally, the Company will evaluate, on an individual basis, requests for ergonomically appropriate equipment (e.g., wrist and foot rests, standing workstations and non-glare screens) for employees who are required to regularly work with computers.

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

- I.** 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.** Service records shall be maintained for all employees by the Company. When an employee covered by this Agreement leaves the Company for any reason, they will, upon request, be furnished with a copy of their service record. Additionally, upon request, the employee will be furnished with a letter setting forth a record of their qualifications and stating their length of service.
- B.** When any new equipment is put into service by the Company, employees covered by this Agreement will be given an opportunity to become familiar with such new equipment without change of classification or rate of pay provided, however, that the Company may fix a reasonable time within which such employees must become familiar with such new equipment.
- C.** Twice each year, the Company shall furnish the Union, through its System Chairperson, the names, locations, classifications, and hourly rates of pay for all employees covered by this Agreement. Said list shall be given on February 1 and August 1 of each year showing the information set out above as of January 1 and July 1 of each year.
- D.** Bulletin Boards accessible to employees covered by this Agreement will be provided by the Company at all Public Contact locations marked "International Association of Machinists" for posting notices restricted to:
- 1.** Notices of Union recreational and social affairs;
 - 2.** Notices of Union elections;
 - 3.** Notices of Union appointments and results of Union elections;
 - 4.** Notices of Union meetings;
 - 5.** Educational material relating to contract administration;
 - 6.** Excerpts from the Union official publications.

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

- E.** The right to manage the operation and direct the workforce; to establish as necessary the number and type of jobs needed; to establish the standards of quality of its product; to hire; promote; demote; furlough; discharge or discipline for cause; and to maintain order among and efficiency of employees is the sole responsibility of the Company. In addition, it is understood and agreed that the routes to be flown; the equipment to be used; the location of facilities, stations, offices and other work sites; the scheduling of airplanes; the servicing of airplanes; the scheduling of work; and the selection of the methods, processes, procedures and means of operating the Company and accomplishing work are the sole and exclusive function and responsibility of the Company.
- F.** Monitoring of reservation calls will be done as a source of information for instruction, employee performance and to provide quality assurance. Once the monitoring is completed the employee will promptly receive a copy of any monitoring assessment. Only monitoring reports prepared by management will be used as the basis for disciplinary action involving employees who have completed probation.
- 1.** The Company reserves the right to monitor trunk lines and make check calls for the purpose of determining the office or system overall quality of customer service.
 - 2.** Employees with two (2) or more years of service in the current classification will be notified of the Company's intent to monitor within the following thirty (30) work days provided their most recent monitoring assessment was rated "achieves" expectations or higher.
 - 3.** When it is determined by the Company that an investigative monitoring for cause is necessary, the company will complete its investigative monitoring within the next thirty (30) days the employee works.
- G.** It is the intent of the parties to this Agreement that the procedures herein shall serve as a means of peaceable settlements for all disputes that may arise between them. During the life of this Agreement the Company will not lock out any employee; the Union will not cause, support, or authorize its members to cause, nor will any member of the Union take part in any sit-down, stay-in, or slow-down in any office, work site or facility of the Company or in any curtailment or restriction of operations, servicing of airplanes, or any work of the Company. The Union will not cause, support, or authorize its members to cause, nor will any member of the Union take part in any strike or stoppage of any of the Company's operations, or picket any of the Company's plants or premises until the bargaining procedures outlined in this Agreement and provided for in the Railway Labor Act have been exhausted; and in no case where a grievance or dispute comes under the jurisdiction of the System Board of Adjustment as provided for herein. The Company reserves the right to discipline any employee taking part in any violation of this provision of the Agreement. Notwithstanding the provisions of this paragraph, it is understood that

(1) there is no contractual prohibition on the ability of employees to honor lawful picket lines of the Company's employees and employees of Mileage Plus, Inc. on or in front of the premises; and (2) the employees covered by this Agreement are not prohibited from engaging in a concerted refusal to perform "Struck Work". Struck Work for purposes of this contract is defined to be when the Company, in response to a labor dispute at a company where the Company, in response to a labor dispute at a company where the employees are engaged in a lawful strike, is performing work for that company pursuant to an agreement or arrangement with the company and the Company has not previously performed such work.

- H.** Management shall not be permitted to perform work on any hourly-rated job covered by this Agreement, except as follows: 1) in the case of emergencies; 2) to perform instruction or training of employees; or 3) when the effect on the employees is minor in nature and short in duration.
- I.** No employee covered by this Agreement shall engage in solicitation of membership for any Union, collection of dues or other Union activities not provided for in this Agreement during their working hours.
- J.** The Company will provide each employee covered by this Agreement with a copy of the Agreement 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.
- K.** Employees covered by this Agreement shall be entitled to time off without loss of pay up to a maximum of three (3) days in the event of death in the immediate family of an employee or an employee's spouse. "Immediate family" includes husband, wife, children, parents, brothers, sisters, daughters-in-law, sons-in-law, grandparents, grandchildren, step parents, step children, and any other relative living with the employee at the time of death. In case of the death of other relatives, and after reviewing the circumstances with the employee, the supervisor may grant one-half (1/2) day off without loss of pay and may approve up to one (1) full day off in unusual cases where the additional time off is warranted.
- L.** In the event free parking facilities are not readily available for employees working at airport or Reservations office locations, the Company will assume the monthly parking charge as assessed by the appropriate authority for parking in an area designated for employees. This provision does not apply to original or replacement charges to employees for parking decals, stickers, gate keys or similar items.
- M.** An employee who is called for jury duty will be granted necessary time off to fulfill their responsibilities in accordance with Company policy. An employee required by the court to report for jury duty will not also be required to work their regularly scheduled shift the same day, including midnight shift prior to actually reporting for jury duty or afternoon shift following serving jury duty. In the event the employee serves on jury duty for five (5) or more working days, at their request they will be

transferred to the day shift with Saturday and Sunday as their regular days off. Upon completion of their jury duty, said employee will return to their former shift and days off.

- N.** Where the Company requires a commercial driver's license 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 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.
- O.** The Union will be permitted to participate in new-hire employee orientation or initial training sessions, which include Union-represented employees.
- P.** No employee shall be required to conduct a physical search of a facility or aircraft against their wishes during a "bomb scare" investigation.
- Q.** Employees covered by this Agreement will continue their eligibility and participation in the Management and Salaried 401(K) plan until the earliest possible time, after the effective date of this Agreement, that it is practical to transfer them to the 401(K) plan for IAM-represented employees.

**ARTICLE XXI
WAGE RULES**

- A.** The minimum hourly rates set forth on Schedule A attached hereto and made a part of this Agreement shall prevail on and after the effective date as set forth in Article XXVIII of this Agreement.
- B.** No employee shall suffer any reduction in hourly rate as a result of this Agreement, and nothing in this Agreement shall be construed to present increases in individual rates or classifications over and above the minimum specified except that temporary employees will be hired at the minimum rate of pay for the classification.
- C.** Employees covered by this Agreement shall continue to be paid on their current schedule during regular working hours.
- D.** In the event a regular payday falls on a legal holiday, the Company will make every reasonable effort to have pay checks prepared and distributed on the day preceding such legal holiday. In the event the distribution cannot reasonably be made prior to a legal holiday, the distribution will be made the day following such legal holiday.
- E.** When there is a shortage of one day's pay or more in the pay due an employee, the Company shall issue a supplementary payroll check to cover the shortage as soon as reasonably possible and within seventy-two (72) hours after it is determined what is due.
- F.** Pay checks will be enclosed in envelopes and will include a statement of all wages and deductions made for the pay period; and, in addition, an employee will, upon request to their supervisor, be furnished a copy of their time record for the preceding pay period.
- G.** Employees leaving the service of the Company will have their final check mailed within seventy-two (72) hours, or earlier when possible.

H. Shift Differential:

All employees covered by this Agreement working in the afternoon or night shifts or rotating relief or combination schedule shall be paid additional compensation over the rate paid on day shifts for all hours worked as follows:

Afternoon Shift

Any eight (8) hour shift scheduled to start between 11:00 AM and 4:59 PM inclusive, or

any ten (10) hour shift or any part-time shift of less than eight (8) hours scheduled to end between 7:30 PM and 1:29 AM, inclusive:

<u>Effective</u>	<u>5/1/04</u>	<u>7/1/05</u>	<u>5/1/07</u>	<u>5/1/08</u>	<u>5/1/09</u>
<u>Afternoon</u>	<u>\$0.45</u>	<u>\$0.45</u>	<u>\$0.46</u>	<u>\$0.47</u>	<u>\$0.48</u>

Night Shift

Any eight (8) hour shift scheduled to start between 5:00 PM and 5:59 AM, inclusive, or any ten (10) hour shift scheduled to end between 1:30 AM and 3:29 PM, inclusive, or any part-time shift of less than eight (8) hours scheduled to start between 5:00 PM and 5:59 and which ends at or after 1:30 AM.

<u>Effective</u>	<u>5/1/04</u>	<u>7/1/05</u>	<u>5/1/07</u>	<u>5/1/08</u>	<u>5/1/09</u>
<u>Night</u>	<u>\$0.51</u>	<u>\$0.51</u>	<u>\$0.52</u>	<u>\$0.53</u>	<u>\$0.54</u>

Rotating Schedule

Any schedule which requires rotation between day and/or afternoon and/or night between RDOs will receive:

<u>Effective</u>	<u>5/1/04</u>	<u>7/1/05</u>	<u>5/1/07</u>	<u>5/1/08</u>	<u>5/1/09</u>
<u>Afternoon/Day</u>	<u>\$0.50</u>	<u>\$0.50</u>	<u>\$0.51</u>	<u>\$0.52</u>	<u>\$0.53</u>
<u>Nights/Day or Afternoon</u>	<u>\$0.54</u>	<u>\$0.54</u>	<u>\$0.55</u>	<u>\$0.56</u>	<u>\$0.57</u>

Combination Schedule

Any schedule which includes different start times within either the afternoon or night shifts between RDOs will receive:

<u>Effective</u>	<u>5/1/04</u>	<u>7/1/05</u>	<u>5/1/07</u>	<u>5/1/08</u>	<u>5/1/09</u>
<u>Afternoon/Day</u>	<u>\$0.50</u>	<u>\$0.50</u>	<u>\$0.51</u>	<u>\$0.52</u>	<u>\$0.53</u>
<u>Nights/Day or</u>	<u>\$0.54</u>	<u>\$0.54</u>	<u>\$0.55</u>	<u>\$0.56</u>	<u>\$0.57</u>

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

J. Success Sharing

- 1. Performance Incentive Program

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

- a.** Prior to each calendar year beginning with 2004, the Compensation Committee of the Board of Directors ("BOD") will establish a performance incentive formula (the "Annual Incentive Formula") that will provide a "Threshold" or minimum incentive payment, a "Target" or average incentive payment and a "Maximum" incentive payment for senior management, other management, and other employees.
- b.** The Annual Incentive Formula will be based on the following performance measures as reasonably weighted by the Compensation Committee. Each business unit (e.g., United Airlines, ULS, MPI) may have its own incentive plan measures. For example: financial performance (e.g., EBITDAR margin, pre-tax margin), operational performance (e.g., on-time performance), customer satisfaction (e.g., intent to repurchase), employee engagement, safety performance (e.g., lost time injuries) and reasonably comparable measures as adopted by the Committee.
- c.** 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

- d.** 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.
- e.** Incentive payments will be made to 141 members on the same date as incentive payments are made to management employees.
- f.** Incentive payments will be pensionable under the final average earnings pension plans applicable to IAM 141 members.
- g.** The incentive plan will cover each calendar year beginning in 2004.
- h.** Incentive payments will be paid to the employee, subject to applicable 401(k) deferral election, withholding and taxes.

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

2. Profit Sharing Program

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

- a.** Pre-tax Profit is consolidated UAL pre-tax earnings as calculated under U.S. generally accepted accounting principles and reported in regulatory filings but excluding (i) unusual, special or extraordinary charges or (ii) charges with respect to grant or exercise of employee equity or options or (iii) charges with respect to payments under this profit sharing program.
- b.** The Annual Profit Sharing Pool is 15% of the excess of (i) annual Pretax Profit over (ii) the Annual Plan Threshold, but in no event more than the Pool Cap.
- c.** The Annual Plan Threshold is the product of (i) net UAL revenues and (ii) the following percentages (which represent net pretax profit margins):

2005	8%
2006	10%
2007	10%
2008	10%
2009	10%
- d.** The Pool Cap is 8% of Wages of all participating employees.
- e.** The Union's share (IAM 141) of the Annual Profit Sharing Pool is 17.7% of the 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.

Effective Date of Profit Sharing Plan:	<u>As of January 1, 2005 (so that the first year covered by the profit sharing plan shall be calendar year 2005).</u>
Profit Sharing Pool:	<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>
Pre-Tax Earnings:	<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>
Eligibility	<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>
Allocation:	<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>
Considered Earnings:	<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>
Payment Date:	<u>By no later than April 30th of the following year.</u>
Distribution:	<u>In cash.</u>
Relationship to Other Programs:	<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>
Documentation:	<u>Implementing documentation reasonably acceptable to the Union.</u>
Duration:	<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 their own, shall receive severance pay as provided in Paragraph B of this Article, subject to the limitations and conditions set forth herein, but they shall receive no severance pay if any one of the following conditions exist:
- a.** They exercise their seniority in order to remain in the employ of the Company.
 - b.** They accept any other employment with the Company or refuse to accept a job in their own classification and work status under this Agreement at the point.
 - c.** They fail to exercise their seniority in any classification which would enable them to remain in the employ of the Company, except that refusal to exercise their seniority at another location shall not prevent them from receiving severance pay.
 - d.** The layoff is caused by an Act of God, a war emergency, revocation of the Company's 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.** They are dismissed for cause, resign or retire.
 - 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 they may be entitled under applicable labor protective provisions.
- B. 1.** The amount of severance pay due under this Article shall be based on the length of total actual straight time compensated service with the Company under this or any other UAL-IAMAW Agreement since the employee's last date of hire with the Company (Company seniority date), and shall be computed on the basis of the employee's regular straight time basic hourly rate at the time of layoff.

- 2.** A part-time employee receives severance pay based on the scheduled hours during the two (2) pay periods before the date of notification of layoff.
- 3.** Calculation for both full-time and part-time employees is based on the following severance pay table:

<u>If Employee Has Completed</u>	<u>Severance Allowance</u>
Less than 1 year of service	None
1 year 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	13 weeks

- C. 1.** An employee shall begin receiving their severance pay at the time of layoff and such severance pay shall be the equivalent of normal straight time earnings, at regular pay periods and continue until all such pay credit is used. Severance pay shall not be due after the recall of any such employee by the Company or if they accept other employment with the Company.
- 2.** An employee who is declared surplus and who is at least fifty-five (55) years of age, with twenty (20) years or more of service may retire in lieu of layoff and receive a severance allowance of twenty (20) weeks in a lump sum, if retirement occurs on the effective date of layoff. The layoff allowance may be paid either in the year of the layoff or in the year following layoff.
- D.** An employee returning to the service of the Company from layoff shall be credited with any unused allowance or two (2) weeks of severance pay whichever is greater. When an employee completes two years of active service following recall, their severance allowance will be completely restored.
- E.** A period of layoff shall be deemed not to be broken by periods of temporary employment. Severance pay shall not be paid during periods of temporary employment.
- F.** When an employee dies while receiving a severance allowance, the unpaid balance is paid to their executor, administrator or legal heirs.

ARTICLE XXIII
HEALTH AND WELFARE BENEFITS

A. Health and Welfare Benefits

1. The Company agrees to provide the following Company benefits contained in this Article to regular full-time and regular part-time employees covered by this Agreement regardless of their date of hire. Such benefits will not be reduced without Union approval except when the reduction is accompanied by a simultaneous improvement in benefits which results in an equal or greater cost to the Company.

The Company will provide the following Company Medical, Dental and Life benefits to regular full-time and regular part-time employees covered by this Agreement in active service or on extended illness status, including coverage for Eligible Dependent ("Dependent"), except as otherwise specified. Where Health Maintenance Organizations (HMO's) acceptable to the Company are available, the Company will provide HMO medical coverage as an option under the Medical and Dental Plan ("the Plan"). The Company will consult with the Union prior to adding or terminating an HMO.

2. Eligible Dependent will include an employee's Qualified Domestic Partner. A Qualified Domestic Partner is an employee's domestic partner who is of the same sex as the employee and who has been enrolled by the employee with the Company as his or her domestic partner in accordance with the rules and procedures established by the Company.
3. The following changes to medical and dental benefits will take effect July 1, 2003 ("Effective Date") unless otherwise indicated.
4. The Company Medical and Dental benefits (including Dependent coverage) of an employee who is laid off from active service due to a reduction in force will be continued while the employee is on layoff for a period of ninety (90) days from the date of layoff, provided the employee pays the cost of coverage they would have paid if they had been an active employee.

B. Medical Benefits

1. An employee electing to be covered for medical benefits will be required to make a monthly contribution for such coverage. Required monthly contributions will be governed by the following:
 - a. The required contribution for each month of coverage under the Medical Preferred Provider Option ("Medical PPO") will be based on a 4-tier

structure (1 Adult, 2 Adults, 1 Adult + Child(ren) and 2 Adults + Child(ren)).

- b. For employees on the Company's payroll, the required contributions for medical coverage will be paid by payroll deduction on a pre-tax basis. Such pre-tax payments are in addition to the amounts, if any, that the employee elects to defer to a Health Care Spending Account under the Flexible Spending Program.
- c. For individuals not on the Company's payroll (such as employees on unpaid leave of absence, retirees, and survivors) or employees on the active payroll who are on ANP or otherwise do not have a sufficient paycheck from which to take the payroll deduction, the required employee contributions will be paid on an after-tax basis.
- d. For July 2003 through December 2003, the required contribution for each month of coverage under the Medical PPO is equal to the following:

<u>Coverage Tier</u>	2003	
	<u>Total Monthly Cost of Coverage</u>	<u>Required Monthly Contribution (20% of Total Monthly Cost)</u>
1 Adult	\$252.38	\$ 50.48
2 Adults	\$529.99	\$106.00
1 Adult + Child(ren)	\$479.51	\$ 95.90
2 Adults + Child(ren)	\$757.13	\$151.43

For each calendar year after 2003, the required contribution for each month of coverage under the Medical PPO is equal to 20% of the total projected cost of the Medical PPO for each such calendar year, for the coverage tier elected; provided, however, that any increase from one calendar year to the next will not exceed 7% of the prior year's contribution, rounded to the nearest penny.

- e. The contributions for each month of coverage under an HMO is equal to the total monthly cost of the HMO minus the amount of the Company's contribution that would apply for such coverage tier each for such month of coverage under the Medical PPO.
2. The Company will conduct a special Open Enrollment for medical benefits with participant elections to be effective July 1, 2003. During the special Open Enrollment and during each Open Enrollment thereafter, an employee eligible

for medical coverage may make an election on behalf of himself and eligible dependents regarding medical coverage. The employee may elect to be covered for medical benefits under either the Medical PPO or an applicable Health Maintenance Organization ("HMO"), or he may elect not to be covered for medical benefits. An employee who is eligible to make an election during the special Open Enrollment to be effective July 1, 2003, but who fails to make an election, will be deemed to have elected medical coverage for himself and all his eligible dependents as reflected in the Company's Insurance Department benefits records. Such enrollment will be in either the Medical PPO, or if enrolled in an HMO, in the same HMO, if such HMO is still available. If such HMO is not available, coverage will be defaulted to the Medical PPO. An employee who first becomes eligible to make an election after the special Open Enrollment to be effective July 1, 2003 (or who again becomes eligible to make an election after returning to active service following a lapse in eligibility), but who fails to make an election, will be deemed to have waived coverage for herself and her eligible dependents. An employee who fails to make an election during any succeeding Open Enrollment will be deemed to have elected to continue the election previously in effect.

- 3.** To add a new Dependent (including a newborn), delete a Dependent, or to make any other changes involving Dependents, the employee must notify the Company or its designee within 30 days of the event allowing the change (otherwise, changes regarding Dependents may be made only during an Open Enrollment)
- 4.** The Medical PPO Benefits are as follows:
 - a.** All covered medical expenses will be subject to a deductible in the amount of \$250.00 per person per calendar year and \$500.00 per family per calendar year. The family deductible is reached when covered family members have, in aggregate, paid an amount equal to the family deductible, but in no event may one person satisfy more than the individual deductible amount
 - b.** Except as provided in paragraphs B.7.a.1, B.7.a.3. and B.8.a. below, covered expenses incurred from an in-network provider will be paid at eighty percent (80%) after the deductible is satisfied until the individual's out-of-pocket limit is reached and then will be paid at one hundred percent (100%) for that individual for the balance of the calendar year. Covered expenses received from an out-of-network provider will be reimbursed as described above except that the co-insurance amount is sixty percent (60%) rather than 80%.
 - c.** The out-of-pocket limit is fifteen hundred dollars (\$1,500.00) per person per calendar year and three thousand dollars (\$3,000.00) per family per

calendar year. The family deductible is reached when covered family members have, in aggregate, paid an amount equal to the family out-of-pocket limit, but in no event may one person satisfy more than the individual out-of-pocket amount.

- d.** In-network providers under the Medical PPO will be the providers in the Claim Administrator's network, which is currently BlueCross BlueShield's Blue Card PPO network. All other providers are considered out-of-network under the Medical PPO.
- e.** Under the Medical PPO, covered expenses incurred out-of-network will be considered and paid as in-network expenses in the following situations:

 - 1.** Covered individuals who receive covered treatment will receive in-network benefits for those expenses, if, within 30 driving miles of their home (including a temporary residence), there is no network specialist or in-network primary care physician or in-network hospital as applicable to the treatment in question.
 - 2.** Treatment in the event of an emergency.
 - 3.** Treatment received outside the United States.
- f.** Transition Period under Medical PPO

 - 1.** If an individual is receiving treatment prior to July 1, 2003 from an out-of-network provider, for one of the following, then such treatment provided during the Transition Period (as defined below) will be considered and paid as if provided by an in-network provider under the Medical PPO: pregnancy; surgery scheduled before July 1, 2003 to be performed on or after July 1, 2003 but before December 31, 2003; inpatient treatment in a hospital; dialysis; chemotherapy; treatment as a follow-up to an accident or injury occurring before July 1, 2003; terminal illness; or follow-up to a surgery performed before July 1, 2003.
 - 2.** The Transition Period begins July 1, 2003 and ends December 31, 2003, except as provided in paragraphs B.4.f.3. and B.4.f.4. below.
 - 3.** The Transition Period for pregnancy begins July 1, 2003 and continues for the lesser of:

- a. Nine months, or
 - b. The period of the pregnancy (to include the period until discharge from the hospital after termination of the pregnancy, and to include the period during which the woman is treated for complications from the pregnancy).
4. The Transition Period for an infant born of a woman whose pregnancy is covered by the Transition Period in paragraph B.4.f.3 above continues until the infant is discharged from the hospital.
5. The following will be included as covered medical expenses and will be payable as specified below:
 - a. Home Health Care must be provided under the terms of a primarily skilled Home Health Care Plan and must be provided by an approved home health care agency approved by the Plan. Coverage for Home Health Care services will be provided when the care is determined by the Plan to be Medically Necessary. Eligible services must be provided in the employee's place of residence and include:
 - Part-time or intermittent skilled nursing care by or under the supervision of a Registered Nurse;
 - Part-time or intermittent services of a home health aide other than a member of the employee's family or a person who lives in their home when the service is a part of a skilled Home Health Care Plan;
 - Physical therapy, occupational therapy, and speech therapy provided through the Home Health Care Agency; and
 - Medical supplies, drugs and medicines that require a prescription by law, and laboratory services.
 - b. Coverage for extended care facilities that have been approved by the Plan will be provided if the confinement in the extended care facility is ordered by the employee's or dependent's physician for continuing treatment of an illness or injury and if the employee or dependent requires convalescent care that requires medical supervision and skilled nursing services.
 - c. Coverage for hospice care will be provided for terminally ill individuals with a life expectancy of six (6) months or less, if approved by the Plan.

Eligible services include:

- Part-time nursing care (Registered Nurse);
 - Physical, occupational and speech therapy;
 - Medical social services under the direction of a physician;
 - Part-time services of a home health aide;
 - Necessary medical supplies;
 - Laboratory services;
 - Physicians' services; and
 - Up to three (3) psychological, spiritual and bereavement counseling sessions to surviving members of the terminally ill person's immediate family.
- d.** Expenses for the wellness program described in Attachment A.
- e.** Expenses for hearing examinations, hearing aids and batteries for hearing aids will be payable up to a maximum payment of \$5,000 per person per lifetime.
- f.** Expenses for an annual cervical cytology screening (which includes a pelvic examination, the collection and preparation of pap smear, and the associated lab and diagnostic services).
- g.** Expenses for an annual PSA test for men age 50 and over.
- h.** Expenses for mammograms.
- 6.** Licensed Clinical Social Workers (LCSW) will be considered covered providers under the Plan.
- 7.** Psychiatric and Substance Abuse Treatment
- a.** Psychiatric and Substance Abuse
- 1.** Covered expenses for out-patient psychiatric and substance abuse treatment received from an in-network provider will be payable at 80% and the employee's share does not apply to the out-of-pocket limit.
 - 2.** Coverage for in-patient psychiatric and substance abuse treatment received from an out-of-network provider is limited to 30 days per calendar year per person.

- 3.** The prescription drug program will be subject to strong management to ensure consistency with medical necessity and generally accepted practice. In cases where alternative therapies, dosage changes or similar recommendations are made, the individual's physician will have the right to reject those recommendations made pursuant to the strong management program. Determinations about medical necessity, clinically appropriate use of a drug, and similar determinations are not subject to rejection by the individual's physician, however, such physician may avail himself of the appeal process established by Medco Health or its successor. Such appeal will be reviewed and a decision made within 48 hours of receipt by Medco Health of the appeal.
- c.** The Medical PPO plan will have a right of reimbursement when the plan has paid the medical expenses of a plan participant and the plan participant later recovers any amount from a third party who is responsible for the illness or injury. The plan's recovery is the first dollar paid in the judgment or settlement and is limited to the amount of the award or the amount paid by the plan, whichever is smaller.
- d.** Maintenance of Benefits. The medical PPO will apply Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits.
- e.** All covered expenses received from out-of-network providers are limited to an amount determined to be Reasonable and Customary. Reasonable and Customary shall be the amount up to which approximately 85% of the providers in a specific geographical area charge for a specific medical service. "Approximately" shall be limited to a variance of not more than five (5) percentage points from the 85%. The Insurance Company shall determine Reasonable and Customary.
- f.** Claims for Covered Expenses must be submitted for payment and received by the Claims Administrator within 12 months from the date charges are incurred.
- 9.** The widow/er or surviving Qualified Domestic Partner of an active employee or employee on extended illness status with 10 or more years of Company Seniority on the date of his/her death will be covered by the active employee medical plan until the widow/er or surviving Qualified Domestic Partner becomes eligible for Medicare or remarries (or in the case of a Qualified Domestic Partner, enters into another domestic partnership), whichever occurs

first. Children of the employee who satisfy the eligibility requirements of the Plan will continue to be covered until they no longer meet the eligibility rules, the widow/er or Qualified Domestic Partner is no longer covered, the Dependent child becomes employed and eligible for medical coverage through their employment, or the child becomes eligible for Medicare, whichever occurs first. Upon becoming eligible for Medicare, the widow/er or Qualified Domestic Partner will become eligible for retiree medical coverage on the same basis as retired employees.

C. Dental Benefits

1. An employee electing to be covered for dental benefits will be required to make a monthly contribution for such coverage. Required monthly contributions will be governed by the following:
 - a. The required contribution for each month of coverage under the Traditional Dental Plan will be based on a 4-tier structure (1 Adult, 2 Adults, 1 Adult + Child(ren) and 2 Adults + Child(ren)).
 - b. For employees on the Company's payroll, the required contributions for dental coverage will be paid by payroll deduction on a pre-tax basis. Such pre-tax payments are in addition to the amounts, if any, that the employee elects to defer to a Health Care Spending Account under the Flexible Spending Program.
 - c. For individuals not on the Company's payroll (such as employees on unpaid leave of absence, retirees, and survivors) or employees on the active payroll but who are on ANP or otherwise do not have a sufficient paycheck from which to take the payroll deduction, the required employee contributions will be paid on an after-tax basis.
 - d. For July 2003 through December 2003, the required contribution for each month of coverage under the Traditional Dental Plan is equal to the following:

	2003	
<u>Coverage Tier</u>	<u>Total Monthly Cost of Coverage</u>	<u>Required Monthly Contribution (20% of Total Monthly Cost)</u>
1 Adult	\$ 33.41	\$ 6.68
2 Adults	\$ 70.15	\$14.03
1 Adult + Child(ren)	\$ 73.51	\$14.70
2 Adults + Child(ren)	\$110.25	\$22.05

For each calendar year after 2003, the required contribution for each month of coverage under the Traditional Dental Plan is equal to 20% of the total projected cost of the Traditional Dental Plan for such calendar year, for the coverage tier elected; provided, however, that any increase from one calendar year to the next will not exceed 7% of the prior year's contribution, rounded to the nearest penny.

- e. The contributions for each month of coverage under a DHMO is equal to the total monthly cost of the DHMO minus the amount of the Company's contribution that would apply for such coverage tier for such month of coverage under the Traditional Dental Plan.
2. The Company will conduct a special Open Enrollment for dental benefits with participant elections to be effective July 1, 2003. During the special Open Enrollment and during each Open Enrollment thereafter, an employee eligible for dental coverage may make an election on behalf of himself and eligible dependents regarding dental coverage. The employee may elect to be covered for dental benefits under either the Traditional Dental Plan or an applicable Dental Health Maintenance Organization ("DHMO"), or he may elect not to be covered for dental benefits. An employee who is eligible to make an election during the special Open Enrollment to be effective July 1, 2003, but who fails to make an election, will be deemed to have elected dental coverage for himself and all his eligible dependents as reflected in the Company's Insurance Department benefits records. Such enrollment will be in either the Traditional Dental Plan, or if enrolled in a DHMO, in the same DHMO, if such DHMO is still available. If such DHMO is not available, coverage will be defaulted to the Traditional Dental Plan. An employee who first becomes eligible to make an election after the special Open Enrollment to be effective July 1, 2003 (or who again becomes eligible to make an election after returning to active service following a lapse in eligibility), but who fails to make an election, will be deemed to have waived coverage for himself and his eligible dependents. An employee who fails to make an election during any succeeding Open Enrollment will be deemed to have elected to continue the election previously in effect.
3. To add a new Dependent (including a newborn), delete a Dependent, or to make any other changes involving Dependents, the employee must notify the Company or its designee within 30 days of the event allowing the change (otherwise, changes regarding Dependents may be made only during an Open Enrollment).
4. All covered dental expenses will be subject to a deductible of \$50.00 per person per calendar year with a maximum of two (2) deductibles per family per calendar year. After the deductible has been satisfied, covered dental expenses will be paid as follows:

- Preventive (Class I) Procedures at 100% (the deductible; amount will be waived for preventive procedures);
- Restorative (Class II) Procedures at 80%;
- Major (Class III) Procedures at 50%; and
- Orthodontic (Class IV) Procedures at 50%.

Payment will be based on Reasonable and Customary charges as determined by the Insurance Company. Reasonable and Customary shall be the amount up to which approximately 85% of the dentists in a specific geographical area charge for a specific dental procedure. "Approximately" shall be limited to a variance of not more than five (5) percentage points from the 85%.

- Maximum Payment
 - Non-Orthodontia Treatment: \$2,000.00 per person per calendar year.
 - Orthodontia Treatment: \$2,000.00 per person per lifetime.
 - Pre-treatment Review will be required for any non-emergency dental treatment that is expected to cost over \$200. Only the portion of the treatment that is approved will be considered for payment.
- 5.** Maintenance of Benefits. The Traditional Dental Plan will apply Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits.
- 6.** Deadline to Submit Claims. Claims for Covered Expenses must be submitted for payment and received by the Claims Administrator within 12 months from the date charges are incurred.

D. Life benefits will be provided as follows:

1. Company Paid Life Benefit

If an employee dies, the employee's beneficiary will receive a benefit equal to one (1) times the employee's Base Annual Salary rounded to the nearest \$1,000 to a maximum of \$100,000. Base Annual Salary is calculated as provided in the Plan.

2. Contributory Employee Life Benefits

Employees have the option to purchase additional life benefits, at one hundred percent (100%) of the cost, in an amount equal to 1,2,3, or 4 times their Base Annual Salary as calculated in accordance with the Plan, rounded to the nearest \$1,000 of coverage. The cost may change from time to time.

3. Dependent Life Benefit

a. Company Provided Dependent Life

A benefit in the amount of \$10,000 will be provided for an employee's spouse/Qualified Domestic Partner and each eligible child under age 22.

b. Contributory Eligible Dependent Life

- 1)** Employees have the option to purchase additional life benefits for their Dependents by paying the full cost of coverage at the following cost, which may be subject to change from time to time:

Spouse/Qualified Domestic Partner and Children	\$.20 per month per \$1000 of spouse coverage.
Spouse/Qualified Domestic Partner Only	\$.16 per month per \$1000 of spouse coverage.
Children Only	\$.26 per month

- 2)** The amount of the benefit is:

Spouse/Qualified Domestic Partner	:50% of the employees' base annual salary, reduced by the amount of coverage provided by the Company provided dependent life benefit (based upon annual salary for 20 hours for regular part-time employees). Maximum benefit, including the Company provided dependent life benefit, is \$50,000.
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Child: \$6,500 per child

- 3)** Employees are required to enroll all eligible family members.

E. Special Hazards Benefit

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 their 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.

F. Long Term Disability

- 1.** Regular full-time and regular part-time employees are eligible to enroll for long term disability benefits upon (i) completion of one year of service with the Company or (ii) if after completion of one year of service with the Company, upon transfer to a classification covered by this Agreement. An employee must enroll within thirty (30) days of becoming eligible. Eligible employees who wish to enroll at a later date will be required to furnish proof of good health at the employee's expense.
- 2.** An employee who is enrolled for coverage and who becomes Totally Disabled, will receive a monthly benefit equal to 50% of the employee's Base Monthly Earnings. Base Monthly earnings shall be calculated as provided in the Plan.
- 3.** Long term disability benefits are reduced by any amounts the employee receives from other sources, including:
 - a.** Worker's Compensation or Occupational Disease law;
 - b.** Primary Social Security Disability benefits including continuation of such benefits after age 65;
 - c.** State disability benefits, e.g., California, Hawaii, New Jersey, New York, Rhode Island and Puerto Rico;
 - d.** Any other Company-sponsored disability plan, for example, sick leave; and
 - e.** Benefits from a Company-sponsored retirement plan.

An employee is guaranteed a minimum long term disability benefit of \$50 per month in addition to benefits payable from other sources such as Social Security, Worker's Compensation, etc.

- 4. Long term disability benefits will begin on the 181st day that the employee is Totally Disabled, provided the employee is under a doctor's care. For purposes of Long Term Disability, Total Disability means that during the first two (2) years the employee cannot do any part of their job. After two (2) years, Total Disability means the employee cannot do any job for which the employee has the training, education or experience.
- 5. One hundred percent (100%) of the cost of this Plan will be paid by the employees, with each employee's contribution currently being \$0.56 per month for each \$100 of the employee's Base Monthly Earnings, payable by payroll deduction. Base Annual Salary is calculated as provided in the Plan. Cost of the Plan may change from time to time.
- 6. Employees who are candidates for the vocational rehabilitation program within the Plan, will receive earnings from their new job. The Long Term Disability benefit will be reduced by one-half (1/2) of such earnings. If the employee successfully completes the trial period and is established in a new job, further Long Term Disability benefits will be discontinued. If the employee is unable, for any reason, to successfully complete the trial period, the full benefit will resume.
- 7. Length of Benefits
 - a. If employees are age sixty (60) or younger when they become disabled, their Long Term Disability benefits will continue until the earliest of:
 - 1) their 65th birthday;
 - 2) the date they are no longer disabled; or
 - 3) the date they are no longer under a doctor's care.
 - b. If employees become disabled after their 61st birthday, their benefits will continue according to the following schedule until they are no longer disabled or no longer under a doctor's care, whichever comes first:

<u>Age at Disability</u>	<u>Maximum Number of Monthly Benefits</u>
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 or older	12 months

- 8. Long Term Disability benefits are not paid for disabilities resulting from acts or war, service in the armed forces or attempted suicide.

G. Retiree Medical Benefits applicable to employees who retire on or after July 1, 2003.

- 1. An employee (and his eligible dependents and survivors) will be eligible for retiree medical benefits if the employee, at retirement, meets one of the following:

Either

- a. Age 55 or older with ten (10) or more years of service, and
- b. Retires from active status or illness leave of absence, and
- c. Continues to make required contributions.

Or

- d. Employment is terminated under the provisions of Article XV, Paragraph D. by exhausting the full period of Extended Illness Status (EIS); and
- e. Years of service are equal to or greater than 25 years; and
- f. Employee is collecting Social Security Disability Benefits; and
- g. Continues to make required contributions.

For these purposes an employee's "years of service" is equal to the period from the employee's company seniority date through the employee's retirement date.

- 2. Pre-Medicare Retiree Medical Benefits. When first eligible, and during any subsequent Open Enrollment, a retired employee or survivor may elect from among the same options as are available to active employees (effective July 1, 2003, the Medical PPO, any available HMO, or no coverage). Coverage will not be offered again once coverage has been waived or has ceased due to non-payment of the required monthly contribution.
- 3. Monthly Contribution for Pre-Medicare Medical PPO. A retired employee or survivor electing to be covered for Pre-Medicare medical benefits will be required to make a monthly contribution for such coverage. The required contribution of each month of coverage under the Medical PPO will be based on a 4-tier structure (1 Adult, 2 Adults, 1 Adult + Child(ren), and 2 Adults + Child(ren)). The required contribution for each month of coverage under the Medical PPO is equal to a percentage of the total projected costs of the

Medical PPO, based on the employee's years of service as follows:

Years of Service	Percentage of Cost
10 through 19	80%
20 through 24	60%
25 and over	40%

For each calendar year after 2003, the required contribution for each month of coverage under the Medical PPO is equal to the applicable percentage of the total projected cost of the Medical PPO for such calendar year, for the coverage elected. There is no limit on the increases to the monthly contribution, although co-payments for the mail order drugs are limited as provided for active employees.

4. Monthly Contribution for Pre-Medicare Medical HMO. The contribution of each month of coverage under an HMO is equal to the total monthly cost of the HMO minus the amount of the Company's contribution that would apply for such coverage tier for such month of coverage under the Medical PPO.
5. Post Medicare Retiree Medical Benefits. When first eligible, and during any subsequent Open Enrollment, a retired employee or survivor may elect from among one or more supplemental plans to Medicare offered by the Company. Coverage will not be offered again once coverage has been waived or has ceased due to nonpayment of the required monthly contributions.
6. Monthly Contribution for Post-Medicare Coverage. Eligible individuals must pay a monthly contribution for the cost of Post-Medicare coverage. For employees who retire on or after July 1, 2003 but before January 1, 2006, the monthly contribution is equal to 50% of the full cost of the coverage. The retiree share of the cost will not increase after the employee retires. For employees who retire on or after January 1, 2006, the monthly contribution is equal to the total projected cost of such post-Medicare coverage for the calendar year, per person, minus a Company contribution equal to \$90 per month per person covered. The retiree share of the cost will increase, without limit, after the employee retires.
7. If the retiree dies, dependent coverage may be continued, if premiums are paid, until the Spouse/Qualified Domestic Partner remarries (or in the case of a Qualified Domestic Partner, enters into another domestic partnership), moves outside the U.S. or Canada, is employed by the Company, or dies.

H. Retiree Life Benefits applicable to employees who retire on or after July 1, 2003.

- 1.** Eligibility: An employee (and his eligible dependents and survivors) will be eligible for retiree life benefits if the employee, at retirement, meets the following:
 - a.** Age 55 or older with ten (10) or more years of service, and
 - b.** Retires from active status or illness leave of absence.
For these purposes an employee's "years of service" is equal to the period from the employee's company seniority date through the employee's retirement date.

- 2.** Benefit Amount: \$10,000

I. Flexible Spending Account

A Flexible Spending Account, as permitted by Section 125 of the Internal Revenue Code, will be made available to all active employees. Such Flexible Spending Account will provide that employees may defer up to five thousand dollars (\$5,000) of their salary into a health care account and up to five thousand dollars (\$5,000) into a dependent care account. Elections must be made during periods of open enrollment. Any unused account balances remaining at the close of the plan year will be distributed among participants on a pro-rata basis.

**ATTACHMENT A
Preventive Health Care and Immunization Guide for Children Birth - 18 Years**

Preventive Services	Birth to 1 Year	1 thru 4 Years	5 thru 12 Years	13 thru 18 Years
Schedule of Office Preventive Visits	<ul style="list-style-type: none"> • Within first 2 weeks • 2 months • 4 months • Between 6-9 months 	<ul style="list-style-type: none"> • 15 months • 2 years • Once between 3-4 years 	<ul style="list-style-type: none"> • 5 years • Once between 7-9 years • 12 years 	<ul style="list-style-type: none"> • Once between 13-18 years
Components of Preventive Visits	<ul style="list-style-type: none"> • Physical & medical history • Height & weight • Head circumference • Ocular prophylaxis (typically given at birth) • Hemoglobin blood test • Preventive health counseling and education • Dental health • Subjective assessment of vision and hearing • Developmental screening • Injury prevention 	<ul style="list-style-type: none"> • Physical & medical history • Height & weight • Preventive health Counseling and education • Dental health • Vision screen 3-4 years • Subjective assessment of hearing • Developmental screening • Blood pressure • Injury prevention 	<ul style="list-style-type: none"> • Physical & medical history • Height & weight • Preventive health counseling and education • Dental health • Vision screen • Hearing screen • Blood pressure • Injury prevention 	<ul style="list-style-type: none"> • Physical & medical history • Height & weight • Preventive health counseling and education • Dental health • Blood pressure • Injury prevention

Preventive Visits for children from birth to age 18 do not include tests and lab work ordered by the physician except for a hemoglobin blood test (CPT Code 85022) for children from birth to age 1 as shown above. The covered expense for Preventive Visits is the Reasonable and Customary charge for the following CPT Codes and includes the components shown above.

- Age
- Birth to 1 99381 or 99391
 - 1 thru 5 99382 or 99392
 - 5 thru 12 99383 or 99393
 - 12 thru 17 99384 or 99394
 - 18 99385 or 99395

Preventive Health Care and Immunization Guide for Children Birth - 18 Years - continued

Vaccine	Birth	2 months	4 months	6 months	12 months	15 thru 18 months	4 thru 6 months	12 thru 16 months
DtaP (Diphtheria, Tetanus, Acellular Pertussis) CPT Code 90700, 90721, or 90723 (all except 12 to 16)		X	X	X		X	X	Adult Td (Tetanus, Diphtheria) X CPT Code 90718
OPV (Oral Polio Vaccine) CPT Code 90712		X	X		6 to 15 months X		X	
Hib (Haemophilus influenza b) CPT Code 90645, 90646, 90647, or 90648		X				12 to 15 months X		
MMR (Measles, Mumps, Rubella) CPT Code 90707 or 90710						12 to 15 months X		Booster between 11 th to 12 th year X
Varicella (Chicken Pox) CPT Code 90716						12 to 18 months X		Booster between 11 th to 12 th year X
HV (Hepatitis B) CPT Code 90740, 90743, or 90744	X	2 to 4 months X			6 to 18 months X			X

Preventive Health Care Guide for Adults

Preventive Services	Ages 19 thru 49	Ages 50 thru 54	Ages 55 and Over
Adult physical examination **	Every 5 years	Every 2 years	1 per calendar year
Blood pressure check CPT Codes 99201 or 99211	Every 2 years	Every 2 years	1 per calendar year
Blood cholesterol (Total and HDL) CPT Code 83715, 83718 or 82465	Every 5 years	Every 2 years	1 per calendar year
Complete Blood Count (CBC) CPT Code 85025	Every 5 years	Every 2 years	1 per calendar year
Chemistry Panel CPT Code 80048	Every 5 years	Every 2 years	1 per calendar year
Hemocult CPT Code 82270		Every year beginning at age 50	Every year
Flexible sigmoidoscopy or colonoscopy CPT Code 45330 or 45830		Every 5 years beginning at age 50	Every 5 years
Vision Screening CPT Code 99173			Every 1-2 years beginning at age 75
Tetanus-diphtheria (Td) vaccine CPT Code 90471, 90472, or 90718	Every 10 years	Every 10 years	Every 10 years
Influenza vaccine CPT Code 90657, 58, 59 or 60			1 per calendar year
Pneumococcal vaccine CPT Code 90732			Once after age 65
Rubella CPT Code 86762 or 90706	Once in lifetime	Once in lifetime	Once in lifetime

** Adult Physical Exam does not include tests and lab work ordered by the physician unless the test or lab work is specifically listed above. The covered expense for an Adult Physical Exam is the Reasonable and Customary charge for the following CPT Codes and includes the customary services performed by a Physician in an adult physical examination, including but not limited to assessment and history and vision screening.

Ages
18 to 39 99385 or 99395
40 to 64 99386 or 99396
65 plus 99387 or 99397

**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.** Union Stewards – one (1) active employee for each station, office, or work area, at each location on the system for each shift.
 - 2.** Local Committee – one (1) active employee elected by the local membership for airports and one (1) for Reservations offices.
 - 3.** President and Directing General Chairperson, Assistant General Chairpersons and District Executive Board members, and Grand Lodge Representatives, – as designated and agreed who will represent the Union with general officials of the Company. The Union may designate such representatives for the purpose of representing the employees under the terms of this Agreement. The President and Directing General Chairperson of the Union shall be permitted, at any time, to enter stations, offices, or work areas of the Company for the purpose of investigating grievances and disputes arising under this Agreement after contacting the Company officer in charge and advising them of the purpose of the visit.
- B.** The Company shall designate a representative(s) at each location where persons covered by this Agreement are employed who is empowered to settle all local grievances not involving change in Company policy, or interpretations, or changes in the intent and purpose of this Agreement.
- C.** The Union and Company will, at all times, keep the other party advised through written notice of any change in authorized representatives.
- D.** Union Stewards and Local Committee members shall be permitted, after reporting to their manager or supervisor, a reasonable amount of time during working hours to investigate or present grievances. In the event it is necessary to go to another station, office, or work area, they will report in with the manager or supervisor of the other location. The Company shall allow straight time compensation for such investigation and presentations during working hours.
- E.** Local Committee members shall be allowed time off for this purpose as follows: 1) at airports and at offices with five hundred (500) or more employees covered by this Agreement, members will be allowed time off on a full time basis; 2) at airports and at offices with fewer than five hundred (500) employees covered by this Agreement, members will be allowed eight (8) hours per week for each one hundred (100)

employees (rounded to the nearest one hundred (100). Local Committee members may be assigned to the day shift and to Saturday and Sunday as regular days off if requested by the Union and agreed to by the Company.

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

ARTICLE XXV
UNION SECURITY

- A.** Any employee in a classification covered by this Agreement on the effective date of this Article shall become a member of the Union within sixty (60) days after the effective date of this Article and shall be required as a condition of continued employment by the Company to maintain their membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and monthly membership dues no greater than as hereinafter set forth. Such employee may have their initiation (or reinstatement) fee and/or monthly membership dues deducted from their earnings as provided in Paragraph L of this Article or they must pay their initiation (or reinstatement) fee and/or membership dues directly to the Financial Secretary of the local lodge.
- B.** Any new employee covered by this Agreement who is hired on or after the effective date of this Article shall become a member of the Union within ninety (90) days after employment in a classification covered by this Agreement and shall be required as a condition of continued employment by the Company to maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation (or reinstatement) fee and monthly membership dues as hereinafter set forth.
- C.** Employees maintaining, or maintaining and accruing, seniority under this Agreement (except as provided in Paragraph F of this Article) but not employed in a classification covered by this Agreement shall not be required to maintain Union membership during such employment but may do so at their option. Should such employees return to a classification covered by this Agreement, they shall be required to become members of the Union within fifteen (15) days after the date of return to such classification, and shall, as a condition of employment in classifications covered by this Agreement, become members of the Union and maintain membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and/or monthly membership dues.
- D.** The provisions of this Article shall not apply to any employee covered by this Agreement to whom membership in the Union is not available by payment of initiation (or reinstatement) fee, if applicable, and monthly dues, upon the same terms and conditions as are generally applicable to any other employee of the classification at the point on the Company's system or in the local lodge on the Company's system to which assigned by the Union, or to any employee to whom membership in the Union is denied or terminated for any reason other than the failure of the employee to pay initiation (or reinstatement) fee, if applicable, and monthly dues. Nothing in this Article shall require the payment of any initiation (or reinstatement) fee by an employee if an authorized or permissible transfer according to the By-Laws or Constitution of the Union is involved.

- E.** Any employee covered by this Agreement who has resigned from the Company and is re-employed shall be governed by Paragraph A. of this Article.
- 1.** Employees laid off and recalled from lay off shall be governed by Paragraph C of this Article.
 - 2.** The seniority status and rights of employees granted leaves of absence to serve in the Armed Forces shall not be terminated by reason of any of the provisions of this Article, but such employees shall upon resumption of employment in classifications covered by this Agreement be governed by the provisions of Paragraph A of this Article.
- F.** The payment of membership dues shall not be required as a condition of employment during leave of absence without pay or during periods of promotion to a classification not covered by this Agreement. Employees who retain and accrue seniority up to one (1) year in other than a “promoted” position will be required to be a member of the Union and pay monthly dues as a condition of maintaining and accruing seniority under this Agreement.
- G.** Notwithstanding the provisions of Paragraph B of Article XXII of this Agreement, when an employee does not become a member of the Union by payment of an initiation (or reinstatement) fee as provided in this Article or who is a member of the Union and becomes delinquent in the payment of monthly dues as provided in this Paragraph the following procedure shall apply:
- 1.** Employee Who Does Not Become a Member of the Union:
 - a.** If a new employee has not become a member of the Union upon completion of seventy-five (75) days of service with the Company, the System General Chairperson of the Union shall notify such employee in writing, certified mail, return receipt requested, copy to the employee’s system Department Head, that such employee must become a member of the Union within the time limits specified in Paragraph B of this Article or be subject to discharge as an employee of the Company. If upon expiration of the period of time specified in Paragraph B of this Article such new employee has not become a member of the Union, the System General Chairperson of the Union shall certify in writing to 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 designee shall then promptly notify the employee involved that the employee is to be discharged from the services of the Company, and shall promptly take proper steps to discharge the employee.

other member of the Union in the classification of employment at the point on the Company's system or local lodge on the Company's system to which assigned by the Union within the time limits specified herein and not because of denial or termination of membership in the Union for any other reason.

- I. Notwithstanding the provisions of Article XVIII of this Agreement, a grievance by an employee who is to be discharged as the result of an interpretation or application of the provisions of this Article, shall be subject to the following procedure:
 1. Employees who believe that the provisions of this Article pertaining to them have not been properly interpreted or applied and who desire a review must submit the request for review in writing within five (5) days from the date of the notification by the System Department Head or designee as provided in Paragraph G, subparagraph 2, of this Article. The request will be submitted to the Director of Human Resources with a copy to the System General Chairperson of the Union. The System General Chairperson of the Union or designee may be present at the review of the grievance to represent the Union interest in the case. The Director of Human Resources or designee will review the grievance and render a decision in writing with a copy to the System General Chairperson of the Union not later than ten (10) days following the receipt of the grievance.
 2. The Director of Human Resources or designee will forward the decision to the employee with a copy to the System General Chairperson. If the decision is not satisfactory to either the employee or the Union, then either may appeal the grievance directly to the System Board of Adjustment, established under Article XVIII of this Agreement within fifteen (15) days from the date of the decision. The terms and provisions of such Article shall be applicable, except as otherwise specified herein.
 3. During the period a grievance is filed under the provisions of this paragraph and until after decision by the Director of Human Resources 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 I.
- J. No employee or employees covered by this Agreement or an employee whose employment is terminated pursuant to the provisions of this Article or the Union shall have any claim for loss of time, wages or any other damages against the Company 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, except that the Union will completely indemnify the Company if such award, decision or judgement is entered against the Company because of the Company having agreed with the Union to include this Article in this Agreement.

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

Initiation (or Reinstatement) Fee and Dues Check Off

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

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

TO: United Airlines, Inc.

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

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

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

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

State Number _____
(Do not fill in - for Payroll Use)

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 Airlines, Inc.

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

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

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

State Number _____
(Do not fill in - for Payroll Use)

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 _____

- M.** When a member of the Union properly executes such check off form the System General Chairperson of the Union shall forward the necessary information to a Payroll Representative. A check off form must be completed in a legible manner acceptable to the Company or it will be returned to the System General Chairperson of the Union for correction. Any notice of revocation as provided for in this Article or the Railway Labor Act as amended, must be in writing, signed by the employee and two copies delivered by certified mail, addressed to the System General Chairperson of the Union for correction. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and two copies delivered by certified mail, addressed to the System General Chairperson of the Union. Dues deductions will be continued until one (1) copy of such notice of revocation is received by the appropriate Payroll Representative from the System General Chairperson of the Union. Check off forms and notices received by the appropriate Payroll Representative will be stamped on the date received and will constitute notice to the Company on the date received and not when mailed.
- N.** When a check off form, as specified herein, for the initiation (or reinstatement) fee is received by the appropriate Payroll Manager, one-half (1/2) of the total amount due will be deducted from each of two (2) regular paychecks due the employee. When a check off form as specified herein for membership dues is received by the appropriate Payroll Manager, twelve (12) days or more before the issuing date of the first bi-weekly paycheck of the month or the corresponding weekly paycheck at locations where weekly checks are issued, deductions will commence with such paycheck and continue thereafter until revoked or canceled as provided in this Article. The Company will remit to the Union a check in payment of all initiation (or reinstatement) fees and dues collected as soon after the payday on which deductions were made, as practicable. The Company remittance of Union initiation (or reinstatement) fees and membership dues to the office of the System General Chairperson of the Union will be accompanied by two (2) copies of a list which includes 1) names, 2) employee file numbers, 3) state codes, and 4) individual amounts deducted.
- O.** An employee who has executed a check off form and who has been 1) promoted to a job not covered by the Agreement, 2) who resigns from the Company, 3) who is laid off and accepts employment in classifications not covered by any IAM Agreement, or 4) is otherwise terminated from the employ of the Company, shall be deemed to have automatically revoked assignment as of the date of such action and if the employee 1) transfers back or returns to a job covered by the Agreement, 2) is rehired, 3) is recalled or 4) re-employed, further deductions of Union dues will be made only upon execution and receipt of another check off form. An employee who has executed a check off form who enters layoff status directly from a position covered by an IAM Agreement shall have the dues deductions automatically reinstated upon direct recall to an IAM Agreement classification.

- P.** Collection of any back dues owed at the time of starting deductions for any employee, collection of dues missed because the employee was delinquent in dues at the time of going on leave of absence or because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, and collection of initiation (or reinstatement) fee or dues missed because of accidental errors in the accounting procedure, will be the responsibility of the Union. It will be the Union's responsibility to verify apparent errors with the individual Union member before contacting the Company's Payroll Representative.
- Q.** Deductions of initiation (or reinstatement) fees shall be in accordance with Paragraph N of this Article and deductions of membership dues shall be made from one (1) or more paychecks each month as needed provided there is a balance in the paycheck sufficient to cover such amounts after all other necessary deductions, including those authorized by the employee or required by law have been justified. In the event of termination of employment, there shall be no obligation of the Company to collect initiation (or reinstatement) fee or dues until all such other deductions (including money claims of the Company and the Credit Union) have been made, and such obligation to collect dues shall not extend beyond the pay period to which the employee's last day of work occurs.

ARTICLE XXVI
UNIFORMS

Our image must be one of pride and professionalism if it is to win public confidence and acceptance.

- A.** Where the company requires Public Contact employees to wear uniforms, each employee will be given a bank of points to spend on uniform items as follows:
- 1.** The total point allocation during the first year in a classification requiring a uniform will be five hundred (500) points (one-half (1/2) initially and one-half after successful completion of probation). At line stations the full point allocation may be granted to support employee cross utilization. Subsequent allocations will be two hundred and thirty (230) points each January 1, thereafter. Except, for employees with twelve (12) or fewer months of employment in a classification requiring a uniform, a prorated allocation will be credited on the first day of the thirteenth (13th) month following the employee's initial point allocation. Additionally, the annual allocation will be reduced for any employee who has three (3) or more consecutive months of inactive status or special assignments out of the work classification.
 - a.** If the vendor notifies the Company of price changes, the parties will meet and discuss whether the point allocations set forth in paragraph A.1, above, should be adjusted.
 - b.** Employees transferring from one uniform classification to a classification requiring a different uniform will be allocated additional pieces through local station authorization based on individual need.
 - 2.** The Company will provide alterations for tailored garments free of charge at designated Service Centers. If there are no local Centers, employees may use their own personal tailors, however, the cost cannot exceed the established amount charged by the Service Center. Alterations may be made for fit, but not to change the style of the uniform.
 - 3.** Public Contact employees shall be permitted to wear the official Union pin on a place visible on all employee uniforms.
 - 4.** A pregnant employee who is required to wear a uniform shall be provided maternity wear at no additional cost to the employee.

- 5.** The Company shall furnish two (2) Company name pins. The employee shall bear the cost of replacing lost pins or pins damaged due to the employee's negligence.

- B.** Should a uniform piece be damaged through no fault of the employee while in the performance of their duties, the Company will bear the cost of the replacement.

- C.** When a complete uniform changeover is being considered:
 - 1.** The Company will consult with a committee comprised of representatives of the Union and Public Contact employees before making changes to the style or color of the uniform.

 - 2.** A discussion will take place between the Union and the Company regarding adjustment to the current point allocation.

- D.** Where the Company requires an additional non-optional uniform piece, the Company will provide the initial issue of such piece at no cost to the employee.

- E.** The employee is responsible for maintaining the uniform in a clean and presentable manner.

- F.** Suitable rain repellent garments shall be issued to each employee covered by this Agreement when they are required to work outside in the rain. Upon request, winter outerwear will be issued to each employee covered by this Agreement for their use when regularly required to work outside during periods of extreme low temperatures.

- G.** Employees who leave the Company's employment are required to return all uniform items.

**ARTICLE XXVII
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 XXVIII
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.

IN WITNESS WHEREOF, the parties have signed this Agreement this 24th day of January, 2006.

WITNESS:

FOR UNITED AIR LINES, INC.:

/s/ Irene F. Gaughan

/s/ Peter B. Kain

Peter B. Kain

/s/ Sherri A. Kawell

Vice President Labor Relations

FOR UAL CORPORATION:

/s/ Glenn F. Tilton

Glenn F. Tilton

Chairman, President and CEO

WITNESS:

FOR INTERNATIONAL ASSOCIATION
OF MACHINISTS AND AEROSPACE
WORKERS, AFL-CIO:

/s/ Thomas F. Brickner

/s/ S. R. (Randy) Canale

S. R. (Randy) Canale

/s/ Richard Pascarella

President and Directing General Chairman

IAMAW–District 141

/s/ Lorraine Serrini

/s/ Pamela A. King

By signing this page, the parties hereto will be deemed to have signed each page and to have agreed to all other changes contained herein.

SCHEDULE A

Air Freight Representative (AFR)
Customer Service Representative (CSR)
International Customer Service Representative (ICSR)
Station Operations Representative (SOR)
Cargo Representative - Internal Support (CRIS)
Air Freight Operations Coordinators (AFOC)
Regional Key Account Representative (RKAR)

	<u>Current</u> <u>05/01/04</u>	<u>Less 5.5%</u> <u>07/01/05</u>	<u>Plus 1.5%</u> <u>05/01/07</u>	<u>Plus 1.5%</u> <u>05/01/08</u>	<u>Plus 2.5%</u> <u>05/01/09</u>
<u>Starting Rate</u>	<u>\$10.02</u>	<u>\$9.47</u>	<u>\$9.61</u>	<u>\$9.75</u>	<u>\$9.99</u>
<u>Step 01</u>	<u>10.45</u>	<u>9.88</u>	<u>10.03</u>	<u>10.18</u>	<u>10.43</u>
<u>Step 02</u>	<u>10.90</u>	<u>10.30</u>	<u>10.45</u>	<u>10.61</u>	<u>10.88</u>
<u>Step 03</u>	<u>11.60</u>	<u>10.96</u>	<u>11.12</u>	<u>11.29</u>	<u>11.57</u>
<u>Step 04</u>	<u>12.03</u>	<u>11.37</u>	<u>11.54</u>	<u>11.71</u>	<u>12.00</u>
<u>Step 05</u>	<u>13.07</u>	<u>12.35</u>	<u>12.54</u>	<u>12.73</u>	<u>13.05</u>
<u>Step 06</u>	<u>13.75</u>	<u>12.99</u>	<u>13.18</u>	<u>13.38</u>	<u>13.71</u>
<u>Step 07</u>	<u>14.86</u>	<u>140.4</u>	<u>14.25</u>	<u>14.46</u>	<u>14.82</u>
<u>Step 08</u>	<u>16.16</u>	<u>15.27</u>	<u>15.50</u>	<u>15.73</u>	<u>16.12</u>
<u>Step 09</u>	<u>17.67</u>	<u>16.70</u>	<u>16.95</u>	<u>17.20</u>	<u>17.63</u>
<u>Thereafter</u>	<u>21.45</u>	<u>20.27</u>	<u>20.57</u>	<u>20.88</u>	<u>21.40</u>

All employees shall receive one (1) cent per hour per year longevity pay after three (3) years of Company service, based upon their Company service date, to a maximum of thirty (30) cents.

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

Service Director Premium

<u>Current</u> <u>05/01/04</u>	<u>Less 5.5%</u> <u>07/01/05</u>	<u>Plus 1.5%</u> <u>05/01/07</u>	<u>Plus 1.5%</u> <u>05/01/08</u>	<u>Plus 2.5%</u> <u>05/01/09</u>
<u>\$1.15</u>	<u>\$1.15</u>	<u>\$1.17</u>	<u>\$1.19</u>	<u>\$1.22</u>

SCHEDULE A

Reservations Sales & Services Representatives (RSSR) (SSR)

Ticket Sales Representatives (TSR)

Cargo Sales and Services Representatives (CSSR)

Baggage Service Representatives (BSR)

	<u>Current</u> <u>05/01/04</u>	<u>Less 5.5%</u> <u>07/01/05</u>	<u>Plus 1.5%</u> <u>05/01/07</u>	<u>Plus 1.5%</u> <u>05/01/08</u>	<u>Plus 2.5%</u> <u>05/01/09</u>
<u>Starting Rate</u>	<u>\$9.18</u>	<u>\$8.68</u>	<u>\$8.81</u>	<u>\$8.94</u>	<u>\$9.16</u>
<u>Step 01</u>	<u>9.55</u>	<u>9.02</u>	<u>9.16</u>	<u>9.30</u>	<u>9.53</u>
<u>Step 02</u>	<u>10.02</u>	<u>9.47</u>	<u>9.61</u>	<u>9.75</u>	<u>9.99</u>
<u>Step 03</u>	<u>10.84</u>	<u>10.24</u>	<u>10.39</u>	<u>10.55</u>	<u>10.81</u>
<u>Step 04</u>	<u>11.23</u>	<u>10.61</u>	<u>10.77</u>	<u>10.93</u>	<u>11.20</u>
<u>Step 05</u>	<u>12.23</u>	<u>11.56</u>	<u>11.73</u>	<u>11.91</u>	<u>12.21</u>
<u>Step 06</u>	<u>12.84</u>	<u>12.13</u>	<u>12.31</u>	<u>12.49</u>	<u>12.80</u>
<u>Step 07</u>	<u>13.93</u>	<u>13.16</u>	<u>13.36</u>	<u>13.56</u>	<u>13.90</u>
<u>Step 08</u>	<u>15.24</u>	<u>14.40</u>	<u>14.62</u>	<u>14.84</u>	<u>15.21</u>
<u>Step 09</u>	<u>16.75</u>	<u>15.83</u>	<u>16.07</u>	<u>16.31</u>	<u>16.72</u>
<u>Thereafter</u>	<u>20.71</u>	<u>19.57</u>	<u>19.86</u>	<u>20.16</u>	<u>20.66</u>

All employees shall receive one (1) cent per hour per year longevity pay after three (3) years of Company service, based upon their Company service date, to a maximum of thirty (30) cents.

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

Service Director Premium

<u>Current</u> <u>05/01/04</u>	<u>Less 5.5%</u> <u>07/01/05</u>	<u>Plus 1.5%</u> <u>05/01/07</u>	<u>Plus 1.5%</u> <u>05/01/08</u>	<u>Plus 2.5%</u> <u>05/01/09</u>
<u>\$1.15</u>	<u>\$1.15</u>	<u>\$1.17</u>	<u>\$1.19</u>	<u>\$1.22</u>

SCHEDULE A**Valet Room Attendant**

	<u>Current</u> <u>05/01/04</u>	<u>Less 5.5%</u> <u>07/01/05</u>	<u>Plus 1.5%</u> <u>05/01/07</u>	<u>Plus 1.5%</u> <u>05/01/08</u>	<u>Plus 2.5%</u> <u>05/01/09</u>
<u>Starting Rate</u>	<u>\$8.66</u>	<u>\$8.18</u>	<u>\$8.30</u>	<u>\$8.42</u>	<u>\$8.63</u>
<u>Step 01</u>	<u>9.09</u>	<u>8.59</u>	<u>8.72</u>	<u>8.85</u>	<u>9.07</u>
<u>Step 02</u>	<u>9.41</u>	<u>8.89</u>	<u>9.02</u>	<u>9.16</u>	<u>9.39</u>
<u>Step 03</u>	<u>9.73</u>	<u>9.19</u>	<u>9.33</u>	<u>9.47</u>	<u>9.71</u>
<u>Step 04</u>	<u>10.09</u>	<u>9.54</u>	<u>9.68</u>	<u>9.83</u>	<u>10.08</u>
<u>Step 05</u>	<u>10.42</u>	<u>9.85</u>	<u>10.00</u>	<u>10.15</u>	<u>10.40</u>
<u>Step 06</u>	<u>10.85</u>	<u>10.25</u>	<u>10.40</u>	<u>10.56</u>	<u>10.82</u>
<u>Step 07</u>	<u>11.33</u>	<u>10.71</u>	<u>10.87</u>	<u>11.03</u>	<u>11.31</u>
<u>Step 08</u>	<u>11.91</u>	<u>11.25</u>	<u>11.42</u>	<u>11.59</u>	<u>11.88</u>
<u>Step 09</u>	<u>12.61</u>	<u>11.92</u>	<u>12.10</u>	<u>12.28</u>	<u>12.59</u>
<u>Thereafter</u>	<u>14.47</u>	<u>13.67</u>	<u>13.88</u>	<u>14.09</u>	<u>14.44</u>

Customer Service Clerk (CSC)

	<u>Current</u> <u>05/01/04</u>	<u>Less 5.5%</u> <u>07/01/05</u>	<u>Plus 1.5%</u> <u>05/01/07</u>	<u>Plus 1.5%</u> <u>05/01/08</u>	<u>Plus 2.5%</u> <u>05/01/09</u>
<u>Starting Rate</u>	<u>\$8.02</u>	<u>\$7.58</u>	<u>\$7.69</u>	<u>\$7.81</u>	<u>\$8.01</u>
<u>Step 01</u>	<u>8.42</u>	<u>7.96</u>	<u>8.08</u>	<u>8.20</u>	<u>8.41</u>
<u>Step 02</u>	<u>8.72</u>	<u>8.24</u>	<u>8.36</u>	<u>8.49</u>	<u>8.70</u>
<u>Step 03</u>	<u>9.02</u>	<u>8.52</u>	<u>8.65</u>	<u>8.78</u>	<u>9.00</u>
<u>Step 04</u>	<u>9.34</u>	<u>8.83</u>	<u>8.96</u>	<u>9.09</u>	<u>9.32</u>
<u>Step 05</u>	<u>9.66</u>	<u>9.13</u>	<u>9.27</u>	<u>9.41</u>	<u>9.65</u>
<u>Step 06</u>	<u>10.05</u>	<u>9.50</u>	<u>8.64</u>	<u>9.78</u>	<u>10.02</u>
<u>Step 07</u>	<u>10.50</u>	<u>9.92</u>	<u>10.07</u>	<u>10.22</u>	<u>10.48</u>
<u>Step 08</u>	<u>11.02</u>	<u>10.41</u>	<u>10.57</u>	<u>10.73</u>	<u>11.00</u>
<u>Step 09</u>	<u>11.68</u>	<u>11.04</u>	<u>11.21</u>	<u>11.38</u>	<u>11.66</u>
<u>Thereafter</u>	<u>13.55</u>	<u>12.80</u>	<u>12.99</u>	<u>13.18</u>	<u>13.51</u>

All employees shall receive one (1) cent per hour per year longevity pay after three (3) years of Company service, based upon their Company service date, to a maximum of thirty (30) cents.

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

Letter 99-2 P

June 3, 1999

Revised May 14, 2002

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

Dear Randy:

This letter will confirm discussions between the Union and the Company regarding methods of assignments to work areas for the Public Contact Employees.

- 1.** Customer Service Representatives, Reservations Sales and Service Representatives, Ticket Sales Representatives and Air Freight Representatives.
 - a.** The Union and the Company both understand from these discussions that the nature of work area assignments in these areas varies greatly at different locations. The Union has proposed to establish a selection practice based on individual preference in the order of Public Contact Seniority. To that end, we have agreed that to the extent operations allow, Customer Service Representatives shall use Public Contact Seniority plus the ability to satisfactorily perform the work required for the job in question to preference the following work areas within their shift: Baggage Services, Gate Area, Lobby Area, Red Carpet Club and Ramp. Reservations Sales and Service Representatives shall similarly preference the following work areas: North America, Shuttle, International, International Rates, International Mileage Plus, Ticket-By-Mail (TBM), Queue Desk and Star Desk. Reservations Sales and Services Representatives who preference the International Rates work area must have a minimum of six (6) months of International work area experience. The parties may agree on a local basis, to establish guidelines for work assignments other than those listed in this paragraph.
 - b.** Ticket Sales Representatives shall similarly preference specific offices within a metropolitan area.
 - c.** A review of existing practices at a location will be made upon request by the Assistant General Chairperson of the Union to the appropriate Human Resources director or manager. Mutual efforts will be directed to the establishment of local procedures in accordance with the above. If mutual agreement is not reached, the Union may request a review of the matter by the Vice President of Human Resources.

2. Nothing herein shall prohibit the parties from mutually agreeing, on a local basis, to establish guidelines for work assignments that are in classifications other than those set forth in Paragraph 1, above.

3. Notwithstanding Paragraphs 1 and 2 above, when a work area assignment requires specialized skills for customer contact or critical operational support responsibilities, the Company will meet with the Union to discuss the appropriateness of such work area assignments. The Company will post such openings locally and select from those employees with sufficient seniority to hold a shift who express an interest in and are qualified to handle the work assignment. For clarification purposes, shift shall be defined as a shift start time.

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
14th day of May, 2002.

/s/ S. R. Canale

S. R. (Randy) Canale
President and Directing General Chairman
IAMAW - District 141

Letter 99-3 P

June 3, 1999

Revised May 14, 2002

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

Dear Randy:

During the course of our recent negotiations regarding the Disciplinary Action Article, we discussed a potentially better way of addressing disciplinary problems. Accordingly, the Company and the Union agreed to implement a non-punitive 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.
- 5.** The employee's Supervisor or other designated Management Representative shall be responsible for administering this program.
- 6.** Letters of Discipline shall be presented to the employee in the presence of a Steward, if requested, and shall contain an explanation of the infraction and the future corrective action expected.
- 7.** This program will not limit the Company's current rights to discharge employees for a single serious offense, to hold an employee out of service without pay, or to issue disciplinary suspension if circumstances so warrant.

Notwithstanding the above, employees held out of service under circumstances which do not involve theft, acts of abuse or violence, acts of fraud, refusal to com-

ply with a direct order (deemed to be 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.** An Investigative Review Hearing will be conducted prior to issuing a Report of Non-Punitive Discipline at Level 4 and Level 5. Any appeals of such discipline shall be made directly to Step Three of the grievance procedure using the rules and time limits which apply to that Step.
- 10.** If an employee has received a Report of Non-Punitive Discipline at Level 4, that discipline shall be reduced to Level 3 after a period of one year (excluding periods while on layoff or Leave of Absence or Extended Illness Status) without issuance of a Notice of Investigative Review Hearing which results in further disciplinary action.
- 11.** This program may be modified by mutual agreement as experience is gained.
- 12.** The program is on a trial basis and may be canceled upon written notice from the System General Chairman or the appropriate labor relations official.

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
14th day of May, 2002.

/s/ S. R. Canale

S. R. (Randy) Canale
President and Directing General Chairman
IAMAW - District 141

Letters of Agreement

Letter 99-4 P

June 3, 1999

Revised May 1, 2003

Revised 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 will confirm the agreement between the Union and the Company regarding the monthly Hawaii override for employees hired before February 1, 1994 who work in Hawaii in a classification which is based upon the former Job Groups 4, 5, 16, 17, and 18.

An employee hired before February 1, 1994, who is based in Hawaii shall receive the override. The override remains in effect only as long as the employee is domiciled in Hawaii. It is discontinued effective with the employee's transfer to a location outside Hawaii.

	<u>05/01/04</u>	<u>07/01/05</u>	<u>05/01/07</u>	<u>05/01/08</u>	<u>05/01/09</u>
<u>CSC</u>	<u>\$86</u>	<u>\$86</u>	<u>\$87</u>	<u>\$88</u>	<u>\$90</u>
<u>VRA</u>	<u>\$94</u>	<u>\$94</u>	<u>\$95</u>	<u>\$96</u>	<u>\$98</u>
<u>BSR</u>	<u>\$84</u>	<u>\$84</u>	<u>\$85</u>	<u>\$86</u>	<u>\$88</u>
<u>CSSR, RSSR, TSR</u>	<u>\$93</u>	<u>\$93</u>	<u>\$94</u>	<u>\$95</u>	<u>\$97</u>
<u>AFR, CSR, ICSR, SOR</u>	<u>\$97</u>	<u>\$97</u>	<u>\$98</u>	<u>\$99</u>	<u>\$101</u>

If this conforms to your understanding of our 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
1st 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 99-5 P

June 3, 1999

Revised May 14, 2002

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

Dear Randy:

This will confirm the agreement between the Union and the Company regarding the pay rate for regular full-time and regular part-time employees transferring into or between basic classifications covered by the Agreement; employees changing from temporary status to regular status in such classifications; and employees covered by the Agreement transferring into other IAM-represented classifications.

1. Transfers Into the Public Contact Group or Between Public Contact Classifications To An Equal or Higher Pay Status.

Active regular employees transferring:

- a.** into an equal or higher paying basic classification in the Public Contact Group will receive the beginning rate of the new classification if it is equal to or higher than their current Wage Schedule pay rate. If their 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.
- b.** between Public Contact Classifications will be placed on the scale for the new classification at the same step as the step in their current classification.

2. Transfers From the Public Contact Group Into Another IAM Agreement Classification With A Higher Pay Status.

Active regular employees covered by the Agreement transferring to an equal or higher paying basic classification covered by another IAM Agreement will receive the beginning rate of the new classification if it is equal to or higher than their current Wage Schedule pay rate. If their 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.

3. Transfers Between Public Contact Classifications To A Lower Pay Status

Letters of Agreement

Active regular employees covered by the Agreement transferring to a lower paying basic classification covered by the Agreement will be placed on the scale for the new classification at the same step as the step closest to their current rate of pay in their current classification.

4. Transfers Into the Public Contact Group To a Lower Pay Status

Active regular employees who are not covered by the Agreement transferring to a lower paying basic classification covered by the Agreement will be placed on the scale for the new classification at a pay rate closest to the one they are on in their current classification; except, if the transferring employee is a management employee who does not have seniority under any IAM Agreement, such employee will be placed on the scale based on their date of employment.

5. Transfers From the Public Contact Group to Another IAM Agreement Classification With a Lower Pay Status

Active regular employees covered by the Agreement transferring to a lower paying basic classification covered by another IAM Agreement will be placed on the scale for the new classification at the pay rate closest to their current rate of pay in their old classification.

6. All Other Transfers

In all other situations, any employee, including inactive employees, accepting a regular job in a classification covered by this Agreement, will be paid the starting rate for their classification. If a laid off employee is offered recall to a lower classification where their pay would be higher than that received in their current classification, they may elect to remain in their current classification but be compensated as an employee transferring in paragraph 1 above.

7. Paragraphs 1 - 4 shall not apply to employees who are exercising their seniority under Article X to return to a position from which they have previously transferred unless their length of service in the interim period independently warrants a higher rate.

Notwithstanding any provisions in any other IAM-UAL Agreement to the contrary, employees covered by this Public Contact Agreement who transfer to another IAM Agreement, shall, to the extent the provisions conflict, be governed by the provisions of this Letter.

If this conforms to your understanding, 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
14th day of May, 2002.

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

Letters of Agreement

Letter 99-7 P
June 3, 1999

Mr. Ira Levy
Assistant General Chairperson
International Association of Machinists
and Aerospace Workers - District 141

Dear Ira:

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

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

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

Sincerely,
/s/ Peter B. Kain
Peter B. Kain
Director of People Services –
North America

Accepted and agreed to this
3rd day of June, 1999.

/s/ Ira Levy
Ira Levy
Assistant General Chairperson
IAMAW - District 141

Letter 99-8 P
June 3, 1999

Mr. Ira Levy
Assistant General Chairperson
International Association of Machinists
And Aerospace Workers – District 141

Dear Ira:

In negotiations leading to the 1999-200X Public Contact Employees' Agreement, the Union and the Company discussed the issue of competitive transfer requests between classifications covered by this Agreement. The Company gave assurances that it expects to continue to draw on the talented employees in these classifications in filling available jobs.

We agreed that representatives of the Company and the Union will meet annually to review our experience in this regard and identify any adjustments in the transfer process which are necessary to meet our mutual expectations.

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

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Director of People Services –
North America

Accepted and Agreed to this
3rd day of June, 1999

/s/ Ira Levy
Ira Levy
Assistant General Chairperson
IAMAW – District 141

Letters of Agreement

Letter 99-10 P
June 3, 1999

Mr. Ira Levy
Assistant General Chairperson
International Association of Machinists
And Aerospace Workers – District 141

Dear Ira:

In negotiations leading to the 1999-2000 Public Contact Employees' Agreement, the Union and the Company discussed the issue of seniority protection for employees in Public Contact classifications who have transferred to or who will transfer to a different classification covered by the IAMAW from the date of certification (July 21, 1998) to the effective date of the Agreement. It was agreed that such employees would retain and continue to accrue seniority in their former Public Contact classification from the date of transfer, in the same manner as described in Article X., Paragraph J.

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

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Director of People Services –
North America

Accepted and Agreed to this
3rd day of June, 1999

/s/ Ira Levy
Ira Levy
Assistant General Chairperson
IAMAW – District 141

Letter 99-11 P
June 3, 1999

Mr. Ira Levy
Assistant General Chairperson
International Association of Machinists
and Aerospace Workers - District 141

Dear Ira:

This letter will confirm the discussions in our current negotiations between the Union and the Company regarding the application of the Agreement to the employees stationed at San Juan (SJU) who are employed in classifications covered by the Agreement.

As a result of these discussions, we have agreed that the Agreement will be applicable to those employees employed in the classifications listed in the Agreement. However, in order to promote stability in this station, we have agreed that solely with respect to voluntary, in-class transfers:

- 1)** The systemwide seniority requirement of Article XI.C (Vacancies), shall not apply to vacancies which become available in SJU, to the extent that, such vacancies shall be filled from within the station using Public Contact Seniority or with new hire employees rather than being open for system-wide bid; and
- 2)** The systemwide seniority requirement of Article XI.C (Vacancies) shall not apply to employees currently based in SJU who bid for voluntary in-class transfers to vacancies outside of SJU, to the extent that, SJU based employees may not bid voluntary in-class transfers in stations other than SJU.

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

Sincerely,

/s/ Peter B. Kain
Peter B. Kain
Director of People Services –
North America

Accepted and Agreed to this
3rd day of June, 1999

/s/ Ira Levy
Ira Levy
Assistant General Chairperson
IAMAW – District 141

**LETTER OF AGREEMENT
BETWEEN
UNITED AIR LINES, INC.
AND
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS**

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 Management, Administrative and Public Contact Defined Benefit Pension Plan (hereinafter referred to as the "Plan") as it pertains to the employees covered by the Public Contact Employees' Agreement (hereinafter referred to as the "Agreement").

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

- 1.** The Plan will be revised as discussed and agreed to in the negotiations leading to the 2000-2004 Agreement (description attached).
- 2.** The Company agrees that the benefits provided in the Plan will not be reduced without the prior agreement of the Union.
- 3.** 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.
- 4.** The effective date for revisions contained in the attached Details is July 12, 2000, and applies to employees under the Agreement. Except as set forth below, such revisions will apply only to employees eligible for the Plan and who are in active service and receive pay (including sick leave pay) or who are eligible for the Plan and who are on extended illness status as such an employee on such effective date.

Revised retirement benefits are set forth in the section titled Details. An employee's benefit will be no less than those accrued through July 11, 2000, under the then existing Plan provisions.

- 5.** Letter of Agreement 99-1P is now null and void.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this 14th day of May, 2002.

FOR: INTERNATIONAL
ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

FOR: UNITED AIR LINES, INC.

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

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

Details

A. Eligibility

- 1.** Eligibility requirements for participation in the Plan are being employed in a classification covered by this agreement, age 21 and the completion of one year of service within an eligibility computation period as defined in 3 below.
- 2.** Entry into the Plan shall be on the first day of the month next following the month in which an employee meets all eligibility requirements.
- 3.** An employee's first eligibility computation period shall be the twelve-month period commencing on his or her date of employment with the Company. If at the end of such twelve-month period the employee has been credited with at least 6 months of service with the Company, the employee shall be credited with a year of service for eligibility purposes. If the employee is not credited with at least 6 months of service during his or her initial eligibility computation period, the next, and subsequent, eligibility computation periods shall be the Plan Year commencing with the first Plan Year beginning after the employee's first date of employment with the Company.
- 4.** The determination of whether an employee has satisfied the year of service requirement for eligibility shall be made at the end of the employee's eligibility computation period.

B. Service

- 1.** An employee will be credited with a month of service for each calendar month during which:
 - a.** the employee is receiving earnings for services performed while employed by the Company;
 - b.** the employee receives earnings from the Company but performs no services such as during periods of vacation before termination, sick leave, and jury duty; and
 - c.** the employee receives no earnings and no services are performed due to Disability or eligible military service (provided the employee returns to active service with the Company within the eligible time period). For purposes of the Plan, an employee is Disabled when the employee is, during the first twenty-four (24) months, unable to perform the functions of his or her job with the Company, and after twenty-four (24) months, unable to perform any occupation for which he or she is qualified by experience or education.

- d. Service will be credited for periods during which the employee is on an approved unpaid leave of absence, layoff or suspension under rules uniformly applied to employees in like situations provided the employee returns to active employment at the end of the unpaid leave of absence or suspension.
- e. For purposes of eligibility, if an employee's employment with the Company is terminated and the employee is rehired, the employee will lose his or her prior service if the employee is not vested at the time of his or her termination of employment and his or her breaks in service exceed five (5) years. A break in service is a Plan Year in which the employee is not credited with any months of service.

C. Participation

Participation (an element used to calculate your accrued benefit under the Plan) is credited for each month the employee is eligible to participate in the Plan and is receiving earnings from the Company for services performed for the Company, for vacation while in active service, or for sick leave. Employees will be credited with deemed Participation and Earnings for (1) the months they are on an approved military leave of absence when they return to active service during the statutory period following discharge from the military, (2) the months the employee is Disabled until the earlier of the employee's annuity starting date or the expiration of the maximum period of benefits under the Long Term Disability Plan (whether or not the employee is enrolled), and (3) the months the employee receives no pay due to a union dispute with a union of which the employee is not a member. Employees hired on or after February 1, 1994, will not receive participation credit under the Plan for any period that was credited towards satisfying the eligibility requirements for, or for any period for which he or she received the two percent (2%) Company contribution under the Management and Salaried 401(k) Retirement Savings Plan.

D. Accrued Benefit

The accrued benefit of any participant in the Plan expressed as a Single Life Annuity payable at age 65 shall be calculated as follows:

1.63% x the participant's Final Average Earnings

x Years Of Participation.

E. Earnings

Earnings include all cash compensation an employee receives during the month. Earnings will also include any amount that an employee's elects to defer to a 401(k) plan or flexible-spending plan, but will not include any contributions the Company makes to a qualified retirement plan or any distributions from a qualified retirement plan, expense reimbursements, severance pay or any other payments made in connection with termination of employment including accrued vacation pay, or moving or relocation expenses or expense reimbursement.

Letters of Agreement

A participant's Final Average Earnings shall be the average of the participant's highest consecutive 60 months of Earnings during the last 120 months of Earnings preceding the participant's termination of employment.

F. Forms of Payment

- 1.** The forms of payment in which a participant may elect to have his or her pension benefit paid are (a) a single life annuity, (b) a ten-year certain annuity, or (c) a 50%, 66-2/3%, or 100% contingent annuity. The participant may also elect a level income feature with any form of payment provided the participant has (i) not attained age 65 or (ii) is not drawing Social Security benefits, if earlier. If a participant elects a 50%, 66-2/3% or 100% contingent annuity and the contingent annuitant is the participant's spouse or domestic partner, the participant may also elect a pop-up feature. Monthly benefit payments will be actuarially adjusted to reflect the form of payment the participant elects.
- 2.** The default standard form of payment for an unmarried participant is a single life annuity. Benefits cease upon the death of the participant. A participant may elect another form of payment.
- 3.** The default standard form of payment for a married participant is a 50% contingent annuity with the participant's spouse as their contingent annuitant. The participant may elect one of the other Forms of Payment if his or her spouse consents to such election. To provide consent the spouse and the participant must sign a waiver of this standard form of payment and the spouse's signature must be notarized.
- 4.** In the event the present value of a participant's vested accrued benefit upon their termination of employment is \$3,500 or less, the benefit will be distributed automatically to the participant in a lump sum.

G. Maximum Benefit Levels

The Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code ("Code") limit the maximum allowable benefit that may be paid by the Plan. The maximum limit in 2000 is \$135,000 (2002 is \$160,000) per year or 100 percent of the employee's highest three-year average earnings, whichever is smaller. These figures will be adjusted from time to time as prescribed by ERISA and the Code.

H. Retirement Eligibility

- 1.** In order to qualify for Normal retirement a participant must have terminated and attained age 65. The Normal Retirement Date is the first day of the month next following the month in which the participant reaches his or her 65th birthday.

2. To qualify for Early Retirement a participant must have satisfied one of the following: (i) terminated employment after attaining age 55 with at least 10 years of continuous service, or (ii) attaining at least age 50 and the participant was Disabled from the date of termination of employment to his or her Early Retirement Date.

The Early Retirement Date is the first day of any month after qualifying for Early Retirement and before the month in which the participant attains age 65.

3. Late retirement is the first day of any month after the participant's Normal Retirement Date.
4. A participant must commence receiving benefits at the later of the date he or she attains age 70-1/2 or terminates employment. A participant who is still employed at age 70-1/2 may make a one-time election to start the payment of his or her pension benefit at the time he or she reaches age 70-1/2. If a participant makes this election he or she will continue to participate in the Plan during his or her continued employment and will have his or her benefit adjusted each year to reflect additional accruals, if any.
5. Payments that commence prior to Normal Retirement Date will be subject to adjustment to reflect the longer payment period. The adjustment for Early Retirement shall be three percent (3%) per year for each year prior to age 60.

I. Reemployment Following Retirement

An employee who has retired from the Company, commences benefits under the Plan and is then reemployed by the Company, will reenter the Plan upon his or her date of rehire. The participant will continue to receive his or her benefits during the period of reemployment and will receive any additional accruals earned during the period of reemployment at his or her later termination of employment. There will be an actuarial adjustment to the additional accruals to reflect that payments continued during the period of reemployment.

J. Death Prior to Retirement

1. In the event of a participant's death prior to commencing his or her benefits under the Plan, and provided the participant was vested at the time of his or her death, a pre-retirement survivor's benefit will be payable to the participant's surviving spouse or the participant's same sex domestic partner if the participant elected this coverage for his or her same sex domestic partner. This benefit is equal to 50% of a joint and survivor annuity based on the participant's accrued benefit on the date of his or her death. The surviving spouse or domestic partner must wait until the participant would have been 55 to collect the benefit. If the participant was age 55 or older and eligible for early retirement on the date of his or her death, the surviving spouse benefit will be payable immediately on a monthly basis in the form of a 100% contingent annuity.

Letters of Agreement

2. In order to qualify for the surviving spouse benefit, the surviving spouse must have been married to the participant (or the same sex domestic partner must have been in a domestic partnership with the participant) continuously for at least one year immediately prior to the date of the participant's death.
3. There is a charge for the pre-retirement survivor benefit for the period beginning upon the date the participant attains age 35, is married (or elects to cover his or her same sex domestic partner) and has been married continuously for at least one year, and is vested. The charge ends on the date the participant becomes eligible for early retirement. If a participant terminates employment prior to becoming eligible for early retirement, the charge will continue until the participant commences his or her benefit. The charge is deductible from the benefit at the time payment of the benefit commences based on the period the coverage was in effect. A participant, with his or her spouse's consent may waive the coverage for any period for which a charge is imposed.
4. If a participant waives the pre-retirement survivor's benefit coverage, divorces and later remarries, the coverage will be automatically reinstated upon the participant's date of marriage and will continue until the participant waives coverage again.

K. Vesting

1. Employees become 100% vested in the Plan after completion of five years of service or upon reaching age 65 while still employed with the Company.
2. For vesting purposes only:
 - a. An employee credited with at least six months of service in any Plan Year beginning on or after January 1, 1976, will be credited with one year of service with respect to that Plan Year. The Plan Year is the calendar year.
 - b. An employee will be credited with a year of service for vesting purposes for the first year of his or her employment with the Company whether or not the employee has completed six months of service during such Plan Year.
 - c. Years of service for vesting purposes includes military and other approved leaves of absence and layoffs occurring after January 1, 1976 provided (i) the employee returns to active service prior to the date any benefits become payable and (ii) the employee returns to active service within the statutory period after discharge from the military or within 90 days following termination of such leave or layoff.
 - d. A former employee who terminated employment on or after January 1, 1976 and who is reemployed prior to January 1, 1987, will receive cred-

it for service during the prior employment period if (i) service during the prior employment period exceeds the consecutive whole calendar years constituting the break in employment, or (ii) the employee was already vested when the prior employment ceased.

- e.** A former employee who terminated employment on or after January 1, 1976 and is reemployed on or after January 1, 1987, will receive credit for service during the prior employment period if either 2(d)(i) or 2(d)(ii) identified above apply, or if the employee was rehired within five years of when the prior employment ceased.
- f.** A former employee who terminated employment before January 1, 1976 lost all years of service upon termination and will not be credited with any prior years of service upon rehire.
- 3.** A vested participant who terminates employment before reaching eligibility for Retirement under the Plan will be entitled to a vested termination benefit under the Plan. The vested termination benefit may commence as of the first day of the month next following the date the participant attains age 55 or any later date. The vested termination benefit will be subject to an actuarial adjustment if the annuity starting date is before the participant's Normal Retirement Date.

L. Transfers

- 1.** Employees moving from another position with the Company to a position covered by this contract ("Covered Position") will have their benefits under this Plan calculated as follows:

 - a.** Determine the employee's accrued benefit under the plan for their former job classification as of the date of reclassification.
 - b.** Transfer the accrued benefit calculated under the other plan to this Plan.
 - c.** Add any accruals under this Plan to the transferred accrued benefit.
 - d.** Calculate an accrued benefit under the Plan's formula as if the employee had always participated in this Plan.
 - e.** Compare the results of c. and d. above. The employee's accrued benefit will be the higher of c. or d. above.
- 2.** Employees transferring from a Covered Position to another position with the Company will have their accrued benefit (calculated as of the date of transfer) transferred to the Plan covering employees in the new position

Letter 02-02 PRFS
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations, regarding the application of retroactive pay for employees covered under this Agreement with an employment relationship on May 14, 2002.

Retroactive pay will be based on each eligible employee's wages, earned in covered classifications, for the period between July 12, 2000, and May 14, 2002, in accordance with Schedule A.

Eligible employees for this retroactive payment are those who, on May 14, 2002, had an employment relationship with the company, who had earnings in the covered period and who are:

- Active employees
- Employees on layoff, leave of absence or Extended Illness Status
- Employees who have retired on and after July 12, 2000
- Employees who have transferred out of the bargaining unit since July 12, 2000
- Employees on excused absence due to illness or injury
- The estate of employees deceased since July 12, 2000

This retroactive pay, plus interest at a rate of six (6) percent, compounded annually, beginning May 14, 2002, will be paid in eight (8) approximately equal payments in accordance with the following quarterly schedule:

- December 15, 2002
- April 15, 2003
- July 15, 2003
- October 15, 2003
- January 15, 2004
- April 15, 2004
- July 15, 2004
- October 15, 2004

If this conforms to your understanding, 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
14th day of May, 2002.

/s/ S. R. Canale _____

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

**LETTER OF AGREEMENT
BETWEEN
UNITED AIRLINES
AND
DISTRICT 141 OF THE INTERNATIONAL
ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS**

This will confirm the parties' agreement to secure and collateralize the payment of the retroactive pay (the "Secured Obligation") set forth in Letter 02-02 PRFS of the 2000-2004 Agreements between United Air Lines, Inc. ("United") and the District 141 of the International Association of Machinists and Aerospace Workers ("District 141"). It was agreed that United shall grant a first mortgage to and for the benefit of District 141 in real estate to be identified by the Company (the "Mortgaged Property"). If the security interest in such asset shall be equal to 100 percent of the Secured Obligation.

United agrees that any other mortgage or mortgages that United might grant to third parties with respect to the Mortgage Property will be junior and subordinate to the mortgage that United will grant to District 141 (the "District 141 Mortgage"). If the Secured Obligation cannot be secured with the unencumbered Mortgaged Property by a collateral ratio of at least 1.0, or if United desires to substitute other collateral, United will grant, in order to secure such obligation, security interest in other unencumbered assets of United so that the aggregate value of the collateral securing such obligation is a value that produces and maintains a collateral ratio of at least 1.0. To establish values for purposes of this provision, United shall retain, at its expense, an independent appraiser (retention of such appraiser shall be subject to approval by District 141, which approval shall not be unreasonably withheld). However, no evaluation or appraisal shall be required, in the event that United elects to provide a letter of credit equal to the Secured Obligation from a financial institution(s) of generally recognized strength that is a member of the Federal Reserve.

The Secured Obligation shall accrue interest at a rate of 6.0% per annum, compounded annually, beginning on the date of signing (i.e., the mutual execution and delivery) of the 2000-2004 Agreement between United and District 141 and shall be paid quarterly in eight (8) equal payments over a period that commences on December 15, 2002, and terminates on October 15, 2004. In the event that United acquires and maintains, for a minimum period of six months, investment grade rating for UAL Corporation's senior unsecured debt, as reported by both Moody's and Standard & Poor's, United shall provide full payment of the outstanding Secured Obligation and the District 141 Mortgage and/or other collateral provided herein will be released, returned, voided and of no further force and effect.

The details of the District 141 Mortgage will be established in a Mortgage and Security Agreement to be negotiated by counsel for United and counsel for District 141. The provision of any other additional or substitute collateral will be governed by appropriate agreement(s), to be negotiated by counsel for United and counsel for District 141.

Accepted and Agreed to this 14th day of May, 2002.

For UNITED AIRLINES, INC.

For INTERNATIONAL
ASSOCIATION OF
MACHINISTS AND
AEROSPACE WORKERS

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relation

/s/ S. R. Canale

S. R. (Randy) Canale
President and Directing General
Chairman
District 141

Letters of Agreement

Letter 02-04 PRFS

May 14, 2002

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

Dear Randy:

This letter will confirm discussions between the IAMAW and United in the negotiations leading to the 2000-2004 Public Contact, Ramp and Stores, Food Service, and Security Officers' Agreements with respect to ergonomics.

The Company and the Union recognize the importance of ergonomics in our overall program of safety in the workplace. Therefore, it is agreed that the District 141 Director of Ground Safety will participate with United's Corporate Safety Department to ensure that ergonomic concerns are appropriately addressed in United's Corporate Safety Program.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

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

/s/ S. R. Canale

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

Letter 02-05 P
May 14, 2002

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

Dear Randy:

This will confirm the following understanding reached regarding job security during the 2000-2004 PCEA negotiations:

No employee in the Customer Service Representative (CSR) or Reservations Sales and Services Representative (RSSR) classification on the payroll or on leave of absence as of January 26, 1994, and no employee currently on furlough with right of recall as of January 26, 1994, who is subsequently recalled, shall be laid-off from a CSR or RSSR position during the term of this Agreement.

This provision does not apply under the following circumstances:

- 1)** to employees who fail to exercise their seniority in their 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 refuse to fill a permanent job in a higher classification that the employee is qualified to perform.
- 2)** to temporary employees.
- 3)** to employees who are 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.

Letters of Agreement

- 4) to employees covered by the PCEA in classifications other than CSR and RSSR who are laid off during the term of this Agreement. However, such employees who were on the payroll, or on leave of absence as of January 26, 1994 or who had a recall right to their classification as of January 26, 1994, will receive a first right of hire for vacancies in the CSR or RSSR classification not filled in accordance with other provisions of the PCEA. Such consideration will be in order of company seniority for employees who have a transfer request on file and who have the ability to satisfactorily perform the work for the job in question, ahead of other transfers and outside hires. Employees who are offered and refuse a vacancy in either the CSR or RSSR classification will lose any future first right of hire consideration.

Such consideration will not apply to employees who fail to exercise seniority in their classification in their work status on the system by filling a permanent vacancy or bumping an employee in a job they are qualified to perform, or refuse to fill a permanent job in an equal or higher classification that the employee is qualified to perform or fail to exercise seniority in any other IAM represented classification in which they hold seniority.

This letter shall remain in full force and effect through the 2000-2004 Agreement.

If this conforms to your understanding, 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
14th day of May, 2002.

/s/ S. R. Canale

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

Letter 02-06 PRFS
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during the negotiations leading to the 2000-2004 Public Contact, Ramp and Stores, Food Service and Security Officers' Agreements.

It was determined that Local Management and the Local Committee would meet to establish the method to be used to identify employees on a monthly basis that have been temporarily upgraded to promoted status, as defined in Article X, paragraph J.2 of the Public Contact Employees' Agreement, Article X, paragraph N.2 of the Ramp and Stores Agreement, Article IX, paragraph N.2 of the Food Services Agreement, and Article IX, paragraph M.2 of the Security Officers' Agreement.

If this letter conforms to your understanding, 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
14th day of May, 2002.

/s/ S. R. Canale

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

Letter 02-07 PRFS

May 14, 2002

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

Dear Randy:

This will confirm the discussions and understanding reached in the 2000-2004 negotiations regarding the importance of a Bloodborne Pathogen Exposure Control Plan in our overall program of safety in the workplace.

United Airlines' Bloodborne Pathogen Exposure Control Plan is contained in Safety Regulations 5-12-44 – Infection Control Program. The Plan is designed to satisfy the requirements of OSHA and it includes the following elements:

- Exposure Determination/Classification
- Responsibilities for Implementation
- Engineering and Workplace Controls
- Employee Training Requirements
- Post Exposure Treatment

Corporate Safety agrees to consider any proposed changes to the Plan that may be suggested by the Union in an effort to improve the safety of employees in their work environment and to solicit comments from the Union whenever routine revisions are made to the Plan.

The United Airlines Medical Department agrees to make available, at no cost to covered employees, complete post-exposure evaluation including necessary blood work and medications.

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

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

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

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

Letters of Agreement

Letter 02-08 PRFS

May 14, 2002

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

Dear Randy:

In discussions leading to the 2000-2004 Agreement, the Company confirmed to the Union that there are no current plans to change the existing loan provision of the 401(k) plan. This provision is structured so that the Company does not assume any costs or administrative burden from maintaining the loan feature.

If this conforms to your understanding of our 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
14th day of May, 2002.

/s/ S. R. Canale

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

Letter 02-09 PRFS
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during the negotiations leading to the 2000-2004 Agreements concerning the possible passage of federal law(s) or regulation(s) requiring substance abuse testing of employees covered by this Agreement.

We agree that in the event such law(s) become(s) 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 to your understanding of our 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
14th day of May, 2002.

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

Letter 02-10 PRFS

May 14, 2002

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

Dear Randy:

This will confirm the understanding reached between the Company and the Union during the negotiations leading to the 2000-2004 Agreement. The parties agreed to explore the use of grievance mediation as an optional addition to the contractually established grievance procedure. The parties will mutually agree which, if any, cases to refer to grievance mediation.

This letter shall remain in full force and effect through the 2000-2004 Agreement.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

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

/s/ S. R. Canale

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

Letter 02-11 PS
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during our negotiations leading to the 2000-2004 Agreement. In recognition of management objectives and employees' needs concerning adequate and affordable child care, the Company and the Union agree to establish a Joint Child Care Committee. The Committee will be composed of two (2) members selected by the Company and two (2) members selected by the Union to study ways by which the Company might assist employee groups who wish to identify or establish child care services.

The Committee will meet within sixty (60) days after this agreement is signed at a time and place mutually agreed by the Company and Union. The Company agrees to give administrative support to this Committee and to seriously consider their recommendations for implementation. Committee recommendations cannot conflict with this agreement or applicable laws and regulations.

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

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

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

Letter 02-12 PRFS

May 14, 2002

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

Dear Randy:

This will confirm the understanding reached in the negotiations of the 2000-2004 Agreement regarding the concern expressed by the IAM with respect to the ramp servicing of Small Jets as they are defined in Section 1-M-28 of the United ALPA Agreement dated 10/26/00.

In the event that Small Jets, as they are defined in the United-ALPA Agreement dated 10/26/00, are flown in scheduled commercial airline service by United Pilots who are on the United Air Lines Pilots' System Seniority List and/or Second Officers' Eligibility Seniority List at United Air Lines, Inc., the Agreement-covered work required for any such Small Jets that are contained within United Air Lines' Active Fleet, performed at stations that are already staffed by United Airlines IAM-represented employees covered by this Agreement, will be recognized as being within the scope of Article II of the 2000-2004 Agreement.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

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

/s/ S. R. Canale

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

Letter 02-15 P
May 14, 2002

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

Dear Randy:

This will confirm the following understandings regarding enhanced separation benefits reached during the recent negotiations:

- 1.** An employee who was on the payroll or on leave of absence as of July 12, 2000, or an employee currently on furlough with right of recall who was on the payroll as of July 12, 2000, and who is subsequently recalled, shall be a “Covered Employee” and entitled to enhanced separation benefits in accordance with the terms of this Letter of Agreement.
- 2.** The provisions of this Letter of Agreement do not apply under the following circumstances:
 - a)** to temporary employees;
 - b)** to employees who are being laid-off as a direct result of:
 - (i)** an act of nature;
 - (ii)** a strike or labor dispute;
 - (iii)** 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;
 - (iv)** a revocation of the Company’s operating certificate(s) or the grounding of a substantial number of the Company’s aircraft by government action;
 - (v)** a declared or undeclared war or national emergency;
 - (vi)** compulsion by a government agency, legislative or court action.
- 3.** During the term of this Agreement, in the event the Company (i) closes a station and a United Express carrier continues to serve such station or, within ninety (90) days after closing begins to serve such station; (ii) closes a reservations office; or (iii)

Letters of Agreement

closes a city ticket office and there is no other city ticket office in that location (or Point, as defined in Article X, paragraph G.2.b.), a Covered Employee who is involuntarily displaced from such station, reservations office or city ticket office will be entitled to the normal benefits and provisions of the Agreement or may elect the following option:

- a)** Employees who are involuntarily displaced may elect to sever their employment relationship with the Company, by resignation or by retirement (if eligible) and thereby forfeit all of their recall rights under the Agreement, and;
- b)** Employees who sever their employment relationship in accordance with Subparagraph 3(a) above, will receive severance pay and benefits in accordance with the Agreement but in an amount as follows:

- (i)** Insurance Benefits established in Article XXIII, paragraph A-3 will be provided as follows:

<u>Years of Service</u>	<u>Benefits Provided</u>
Less than 5 years	4 months
5 years but less than 10 years	6 months
10 years but less than 15 years	9 months
15 or more years	12 months

- (ii)** The amount of severance pay will be two times the severance allowance provided in Article XXII, paragraph B.

- c)** An employee who retires pursuant to Paragraph 3(a) of this Letter of Agreement and who accepts benefits pursuant to Paragraph 3(b) of this Letter of Agreement will be considered to have retired from active service. Employees who are eligible for Retiree Medical Insurance in accordance with Article XXIII, Paragraph G, will not also qualify for Insurance coverage under 3.b.(i), above.

This letter shall remain in full force and effect through the 2000-2004 Agreement.

If this conforms to your understanding, 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
14th day of May, 2002.

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

Letter 02-16 P
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during the negotiations leading to the 2000-2004 Agreements concerning a committee to review the utilization of the various Service Director classifications.

The Service Director classifications are designed to assist the customer, the employee, and the Company in the delivery of quality customer service. The use of Service Directors will vary from location to location. Therefore, we have agreed that, during the duration of this Agreement, there will be a Joint Service Director Committee made up of three (3) Company and three (3) Union representatives. This committee will meet four (4) times during its first year, with the schedule after the first year to be reduced to less than four (4) meetings per year only by decision of a majority of the committee members.

This committee will review issues regarding the utilization of the Service Director classification that have not been resolved at the local level, including but not limited to, appropriate group size, and roles and responsibilities. The recommendations of the committee will be decided by a simple majority of the committee. Local management will implement the committee's recommendations on these issues as soon as possible, but in no case will this exceed forty five (45) days unless otherwise determined by a simple majority of the committee. The committee will also be responsible for reviewing the proper application of the Company's Service Director selection process, including review of the testing procedures, accuracy of test scoring, and feedback to candidates. This committee does not replace the grievance procedure as the appropriate method of resolving claims of violation of the labor agreement.

If a decision cannot be reached by the committee then it will be referred to District 141 and Human Resources to conduct a review with the committee.

The Company and the Union will arrange for Interest Based Bargaining Training for all the members of this committee. This training will be conducted by the National Mediation Board.

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

Sincerely,

/s/ Peter B. Kain _____

Peter B. Kain
Vice President
Labor Relations

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

/s/ S. R. Canale _____

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

**LETTER OF AGREEMENT
BETWEEN
UNITED AIRLINES
AND
DISTRICT 141 OF THE INTERNATIONAL
ASSOCIATION OF MACHINISTS AND
AEROSPACE WORKERS**

If, during the first six months following date of signing, United proposes to implement a financial recovery plan to address the Company's severe financial condition or as a prudent alternative to a bankruptcy filing, and such Plan involves employee concessions, District 141 shall participate in good faith in the negotiation of such plan.

The implementation of any negotiated recovery plan, as it relates to employees covered under the Agreement, shall be subject to ratification by the IAM District 141 membership.

The IAM shall have continual access to payroll records and other relevant financial data necessary to comply with this Letter of Agreement. United shall reimburse the IAM for reasonable expenses for the services of legal and financial advisors, along with reasonable travel expenses for District 141 leadership, incurred in connection with the implementation of this letter of Agreement.

Accepted and Agreed to this 14th day of May, 2002.

For UNITED AIRLINES, INC.

For INTERNATIONAL
ASSOCIATION OF
MACHINISTS AND
AEROSPACE WORKERS

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

/s/ S. R. Canale

S. R. Canale
President and Directing General
Chairman
District 141

Letter 02-24 P
May 14, 2002

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

Dear Randy:

This will confirm the understanding reached between the Company and the Union during the negotiations for the 2000-2004 Agreement regarding the ground handling of United mainline service into stations to which United was providing mainline service on or after July 12, 2000, and thereafter ceased such mainline service (“Covered Stations”).

It is agreed that for the duration of the 2000-2004 Agreement, if the Company restores mainline service to a Covered Station which is also served by a United Express carrier, and such mainline service is expected to exceed or actually exceeds, six (6) months in duration, no work related to the ground handling of the United mainline service that is covered by the scope of this Agreement will be performed by United Express at the Covered Station without the Union’s agreement.

This letter shall remain in full force and effect through the 2000-2004 Agreement.

If this conforms to your understanding, 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
14th day of May, 2002.

/s/ S. R. Canale

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

Letter 02-25 P
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations concerning additional information to be provided on the employee paycheck stubs.

It was agreed that the Company would do the following:

1. The Company will publish details of each employee's pass travel charges on the paycheck stub.
2. The Company will reflect employee sick leave balances on the paycheck stub.

If this conforms to your understanding of our 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
14th day of May, 2002.

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

Letter 02-26 P
Revised May 14, 2002

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

Dear Randy:

Notwithstanding the provisions of this Agreement to the contrary, during the term of the 2000-2004 Public Contact Employees' Agreement, the following shall apply in Reservations:

1. Break time will remain fifteen (15) minutes in length.
2. Employees working ten (10) hours will be entitled to three (3) breaks.
3. The one (1) hour minimum overtime provision of Article VII, Paragraph A.7, will not apply when the facility, desk, or product is closing, or when work station constraints do not permit the employee to work the hour. In such case, the minimum provision of Article VII, Paragraph 6, will apply.
4. The one (1) hour minimum overtime provision of Article VII, Paragraph A.7, will not apply when employees in telephone sales must remain on duty for five (5) minutes or less, to complete service to a customer. In such case, employees shall be paid the actual time worked.

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

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

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

Letters of Agreement

Letter 02-27 P
May 14, 2002

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

Dear Randy:

This will confirm discussions during the recently concluded negotiations regarding DAT/HAT vacation for reservation employees.

Reservation employees electing DAT vacation may convert up to two (2) DAT vacation days into HAT vacation (hour-at-a-time). Additional flexibility can be negotiated locally.

Hour-at-a-time vacation (HAT) can be taken during an employees regularly scheduled hours subject to the needs of the operation.

If this conforms to your understanding, 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
14th day of May, 2002.

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

Letter 02-28 P
May 14, 2002

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

Dear Randy:

This letter will confirm the agreement between the IAMAW and United in the negotiations leading to the 2000-2004 Public Contact Employees' Agreement with respect to parking for City Ticket Office employees.

Where the Company currently provides free parking to such employees, the Company will continue to provide free parking. Where free parking is not available to the employees, the Company will reimburse up to forty (40) dollars per month to defray each employee's monthly parking cost.

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

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

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

/s/ S. R. Canale

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

Letters of Agreement

Letter 02-29 P
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during the negotiations leading to the 2000-2004 Agreements concerning reimbursement of transportation expenses for City Ticket Office Employees who are reassigned after reporting for work.

Employees who report to work at a City Ticket Office location and are subsequently sent to work at another City Ticket Office location, will be reimbursed for eligible mileage/transportation expenses to the new location per Company policy.

If this conforms to your understanding of our 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
14th day of May, 2002.

/s/ S. R. Canale

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

Letter 02-30 P

May 14, 2002

Revised May 1, 2003

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

Dear Randy:

During negotiations in 2003, ALPA negotiated provisions concerning the right of the Company to engage in code sharing. The provisions negotiated appear at Sections 1.C.2 and 1.C.3 of the new ALPA-UAL collective bargaining agreements.

As we have discussed, the Company agrees that the above-cited provisions, as they may be amended from time to time, are incorporated by reference into the IAM agreements; provided, however, that any amendment to such provisions shall not apply to the IAM without its consent where the IAM can demonstrate that the amendment will result in the layoff of IAM represented employees. For purposes of this letter, an employee is not laid off if the employee fails to exercise his seniority in his classification on the system in filling a permanent vacancy or bumping an employee not protected by Letter 02-05P in a job he is qualified to perform or refuses to fill a permanent job in a higher classification that the employee is qualified to perform.

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
1st day of May, 2003

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

Letters of Agreement

Letter 02-31 P
May 14, 2002

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

Dear Randy:

This letter will confirm the understanding between the Company and the Union during the negotiations for the 2000-2004 Public Contact Employees' Agreement ("PCEA") regarding the sharing of customer service work between the employees of United Airlines and MPI. Notwithstanding Article II, paragraph C.3 of the PCEA, it is agreed that for the period from the Date of Signing of the Agreement until the Amendable Date of the PCEA, as set forth in Article XXVII – Effective Date and Duration, the Company will not initiate the transfer of shared work involving the booking of revenue ticket travel by Mileage Plus, Inc. employees without first getting the agreement of the Union.

Sincerely,

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

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

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

Letter 02-32 P
May 14, 2002

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

Dear Randy:

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

1. Preferential Consideration for Hiring

In the event the Company has vacancies in the Reservations Sales and Services Representative ("RSSR") classification of the PCEA, after exhausting all provisions for filling such vacancies with Company employees, the Company will give preferential consideration to MPI employees who satisfy the terms of this Letter of Agreement.

2. Application

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

3. Qualifications

In order to be eligible for preferential hiring consideration under the terms of this Letter of Agreement an employee must meet the RSSR hiring requirements then in effect at the Company. The Company remains the sole judge of RSSR qualifications and will have no obligation to hire any individual employee. The Company will give MPI employees preferential consideration consistent with the Company's competitive transfer process.

4. New Hire Status

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

5. Refusal of Offer

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

6. Right of Return

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

7. Enforcement of Disputes

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

8. Effective Date

This Letter of Agreement will become effective sixty (60) days from the date of signing. This Letter of Agreement will terminate in the event MPI ceases to have a corporate relationship with the Company.

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

Sincerely,

/s/ Peter B. Kain _____

Peter B. Kain
Vice President
Labor Relations

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

/s/ S. R. Canale _____

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

Letter 02-33 P
May 14, 2002

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

Dear Randy:

This will confirm the understanding reached in the negotiation of the 2000-2004 Agreement regarding United Air Lines, Inc. (“United” or “Company”) employees who receive preferential hiring consideration from Mileage Plus, Inc. (“MPI”) pursuant to the Letter of Agreement dated May 14th, 2002, between MPI and the International Association of Machinists and Aerospace Workers (“Union”) attached hereto for reference purposes only.

1. Right of Return

Employees who accept an offer of employment pursuant to the terms of Letter of Agreement 02-19MPI, may elect to return to United during their probationary period at MPI. Such election to return to United will be made in writing to United and MPI. Provided that employees who fail their probationary period with MPI will be entitled to elect to return to United if written notice is provided to United and MPI within seven (7) business days from the date of notice to the employee of the failed probation. This paragraph will not apply to employees who have been terminated from MPI for cause.

2. Seniority

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

3. Return Process

Employees who elect to return to United pursuant to Paragraph 1, above, will be entitled to return to their former position and location.

4. Termination of Preferential Hiring Consideration

Employees who elect to return to United thereafter be ineligible for preferential hiring consideration.

5. Enforcement of Disputes

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

6. Effective Date

This Letter of Agreement will become effective sixty (60) days from the date of signing. This Letter of Agreement will terminate in the event United ceases to have a corporate relationship with MPI.

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
14th day of May, 2002.

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

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

Dear Randy:

This will confirm the agreement between the Company and the Union during the recent negotiations regarding the placement onto Schedule A of employees accreted into the Public Contact Employees' Agreement ("PCEA") whose classifications are Station Operations Representative (SOR), Air Freight Operations Coordinator (AFOC) and Cargo Representative-Internal Support (CRIS).

The parties have agreed that the placement of employees in the SOR, AFOC and CRIS classifications on the Customer Service Representative ("CSR") Schedule A, will be accomplished as follows:

- 1.** Effective with the date of signing of this Agreement, each employee in a SOR, AFOC or CRIS classification will be assigned to the step on the April 13, 2000, Schedule A that is the next step with a rate of pay higher than their rate of pay prior to the date of signing. Employees who are at or above the Schedule A maximum will be placed in the last Step ("Thereafter"), and will be paid their rate of pay prior to the date of signing until such time as their rate of pay is consistent with the maximum Schedule A rate.
- 2.** After employees have transitioned to the appropriate step on Schedule A pursuant to Paragraph 1, they will be paid the rate of pay for their step that is effective on date of signing of the Agreement. Thereafter such employees will move to the next step on Schedule A on each anniversary of their entry into their classification until they reach a maximum step on Schedule A.
- 3.** Retroactive pay for employees in the SOR, AFOC and CRIS classifications will be based on the effective date of accretion as established by the Letter of Agreement dated November 16, 2000. Accordingly, employees in these classifications will receive retroactive pay based on the fifteen percent (15%) general wage increase established in Schedule A for the period from November 16, 2000 and the date of signing of the Agreement and applied to the individual employee's actual rate(s) of pay for the same period.
- 4.** Each employee will receive subsequent contractual increases to the extent such increases can be made without causing the employee to exceed the maximum Schedule A rate of pay. No employee can receive an increase in pay that would

result in a rate of pay higher than the maximum rate as published in the Schedule A.

This letter will remain in full force and effect through the 2000–2004 Agreement.

If this conforms to your understanding, 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
14th day of May, 2002.

/s/ S. R. Canale _____

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

Letter 02-35 P
May 14, 2002

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

Dear Randy:

This will confirm the agreement between the Company and the Union during the recent negotiations regarding the placement onto Schedule A of employees accreted into the Public Contact Employees' Agreement ("PCEA") whose classifications are Regional Key Account Representative ("RKAR").

The parties have agreed that the placement of employees in the RKAR classification on Customer Service Representative ("CSR") Schedule A, will be accomplished as follows:

- 1.** Effective with the date of signing of this Agreement, each employee in the RKAR classification will be assigned to the step on the April 13, 2000 Schedule A that is the next step with a rate of pay higher than their rate of pay prior to the date of signing. Employees who are at or above the Schedule A maximum will be placed in the last Step ("Thereafter"), and will be paid their rate of pay prior to the date of signing until such time as their rate of pay is consistent with the maximum Schedule A rate.
- 2.** After employees have transitioned to the appropriate step on Schedule A pursuant to Paragraph 1, they will be paid the rate of pay for their step that is effective on date of signing of the Agreement. Thereafter such employees will move to the next step on Schedule A on each anniversary of their entry into their classification until they reach the maximum step on Schedule A.
- 3.** Retroactive pay for employees in the RKAR classification will be based on the fifteen percent (15%) general wage increase established in Schedule A for the period from July 12, 2000 and the date of signing of the Agreement and applied to the individual employee's rate(s) of pay for the same period.
- 4.** Each employee will receive subsequent contractual increases to the extent such increases can be made without causing the employee to exceed the maximum Schedule A rate of pay. No employee can receive an increase in pay that would result in a rate of pay higher than the maximum rate as published in the Schedule A.
- 5.** Employees classified as Regional Key Account Representatives will no longer receive the Special Salary Adjustments for Teen Series Employees commonly

referred to as SPI increases. Additionally, the program generally referred to as the “10 year to maximum” will be discontinued.

This letter will remain in full force and effect through the 2000–2004 Agreement. If this conforms to your understanding, 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
14th day of May, 2002.

/s/ S. R. Canale _____

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

Letter 02-36 P
May 14, 2002

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

Dear Randy:

This will confirm the agreement between the Company and the Union during the recent negotiations regarding the transition of employees covered by this Agreement from the Series 15-5 pay guidelines for Management and Salaried Employees set forth in Letter 99-6P to the rates of pay contained on Schedule A of the Agreement ("Schedule A").

This letter will replace Letter 99-6P in its entirety. Effective with the date of signing of this Agreement, employees previously covered by Series 15-5 and Letter 99-6P will be transitioned to Schedule A rates of pay as follows:

- 1.** Each employee will be assigned to the step on the April 13, 2000, Schedule A that is applicable to each individual employee's classification prior to the date of signing of this Agreement and is the next step with a rate of pay higher than the employee's base rate of pay prior to the date of signing of this Agreement.

Example: CSR "X" has a non-Schedule A rate of pay of \$14.88. The next higher rate of pay on the April 13, 2000, Schedule A is \$15.63, which is at Step 10. CSR X will be assigned to Step 10.

- 2.** After employees have transitioned to the appropriate step on Schedule A pursuant to paragraph 1, they will be paid the rate of pay for their step that is effective on date of signing of the Agreement. Thereafter, such employees will move to the next step on Schedule A on each anniversary of their entry into their classification until they reach the maximum step on Schedule A.

Example: Effective on the date of signing of the new Agreement, CSR X will be paid the rate of pay for Step 9 of the new Schedule A (which was Step 10 of the old Schedule A), which is \$20.01. CSR X has an anniversary date of their entry into the CSR classification of January 3. On January 3, 2003, CSR X will move to the Step 10/Thereafter rate, which is \$24.29. The new rate of pay will commence with the pay period established in accordance with the Schedule A rules.

- 3.** Retroactive pay for employees covered by this Letter of Agreement, will be based on the fifteen percent (15%) general wage increase established in Schedule A for the period from July 12, 2000 to the date of signing of the Agreement and applied to the individual employee's actual rate(s) for pay for the same period.

Example: During the period of retroactivity, CSR X had actual rate(s) of pay ranging from \$13.16 to \$14.88. Retroactive pay for CSR X will be calculated by applying the 15% general wage increase for the period from July 12, 2000 to the date of signing to CSR X's actual rate(s) of pay, i.e., \$13.16 to \$14.88.

- 4.** Each employee will receive subsequent contractual increases to the extent such increases can be made without causing the employee to exceed the maximum Schedule A rate of pay. No employee can receive an increase in pay that would result in a rate of pay higher than the maximum rate as published in the Schedule A.
- 5.** Employees covered by this Letter of Agreement will no longer receive the Special Salary Adjustments for Teen Series Employees, commonly referred to as SPI increases. Additionally, the program commonly referred to as the "10 year to maximum" will be discontinued.
- 6.** Notwithstanding the terms of this Letter of Agreement, an employee who would have advanced to the maximum Step pursuant to Letter 99-6P will be advanced to the maximum Step no later than the same date they would have advanced to the maximum Step pursuant to Letter 99-6P.

This letter will remain in full force and effect through the 2000–2004 Agreement.

If this conforms to your understanding, 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
14th day of May, 2002.

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

Letters of Agreement

Letter 02-37 P
May 14, 2002

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

Dear Randy:

This will confirm the Agreement between the Company and the Union during the recent negotiations for the Public Contact Employees' Agreement regarding the calculation of retroactive pay applicable to employees who were classified as Baggage Service Representative ("BSR") and Special Service Representative ("SSR") during the period for which retroactive pay will be calculated.

Retroactive pay for employees covered by this Letter of Agreement, will be based on the fifteen percent (15%) general wage increase established in Schedule A for the period from July 12, 2000 to May 14, 2002, and applied to the individual employee's actual rate(s) for pay for the same period.

This letter will remain in full force and effect through the 2000–2004 Agreement. If this conforms to your understanding, 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
14th day of May, 2002.

/s/ S. R. Canale

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

Letter 02-38 P
May 14, 2002

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during recent negotiations, regarding the treatment of retroactive pay provided pursuant to Letter 02-01 under the United Airlines Management, Administrative and Public Contact Employee Defined Benefit Pension Plan (“Plan”).

An employee covered by the Public Contact Employees’ Agreement who is eligible to receive retroactive pay as described in Letter 02-01P will, for purposes of calculating his or her Earnings under the plan, have his or her retroactive pay credited to the period in which the retroactive pay would have been earned if the pay rates agreed to under this Agreement had been in effect at such time. The actual payment date of the retroactive pay will be irrelevant for calculation of Earnings for Plan purposes. For example, if an employee had received \$[X] for the month of August 2000 and his or her pay would have been \$[X + Y] if the pay rates agreed to under this Agreement had been in effect in August 2000, then his or her Earnings under the Plan for the month of August 2000 will be deemed to be \$[X + Y].

Employees who had an Annuity Starting Date after July 12, 2000, and before the date of signing of this Agreement, will have their Plan benefit adjusted, if necessary, as soon as administratively feasible after the retroactive pay is credited to the month in which it would have been earned. For active employees, their Plan Earnings history will be updated as soon as administratively feasible after the date of signing of this Agreement.

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

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

Letters of Agreement

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

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

Letter 02-39 P
May 14, 2002

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

Dear Randy:

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

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

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

Effective May 15, 2004, the overtime bypass language in Article VII, Paragraph B.2.e, of the Public Contact Employees' Agreement will no longer be in effect, and the following language will replace it:

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

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

Sincerely,

/s/ Peter B. Kain

Peter B. Kain
Vice President
Labor Relations

Letters of Agreement

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

/s/ S. R. Canale

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

Letter 02-40 P
May 14, 2002

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

Dear Randy:

This will confirm the understanding reached between the Company and the Union during recent negotiations regarding pay rates for certain employees who previously transferred between classifications currently covered by the Public Contact Employees Agreement.

The May 14th, 2002, amendment to Letter 99-5P, paragraph 1, changed the rules governing pay rates of employees transferring between classifications covered by the Public Contact Employees' Agreement. Employees who made such transfers between June 3, 1999, and May 14, 2002, under the former language may be at a lower step of their current pay scale than they would be if they had transferred under the amended language.

Such employees' pay rates will be reviewed to determine if they would be at a higher step of the pay scale if they had transferred under the new rules. If it would have had such effect, their rate will be increased to the appropriate higher rate effective May 14, 2002, with no retroactive effect.

If this conforms to your understanding, 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
14th day of May, 2002.

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

Letters of Agreement

Letter 03-01 RP

May 1, 2003

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

Dear Randy:

This will confirm the agreement between the Company and the Union during the recent 1113(c) negotiations regarding United's cargo operations. The parties have agreed that United can not competitively compete in cargo handling and cargo reservations, and that contracting out that work will enhance the Company's revenue. Therefore, they have agreed as follows:

1. Notwithstanding Article II-D, Article IV-B and Letter 69-6 of the Ramp and Stores Agreement, and Article II-C and Article IV of the Public Contact Employees' Agreement, the Company may contract out non-"running" mail and freight work (work not performed at the ramp), as well as cargo reservations.
2. The parties have further agreed to provide the enhanced separation benefits as described in Letter 02-15RP to employees whose classifications are eliminated and who are involuntarily displaced from a cargo warehouse or cargo call center as a result of this Letter.
3. Finally, United has agreed that, if at any time in the future the Company again begins to perform the work described in Paragraph 1 of this Letter, it shall be performed by United employees governed by the Ramp and Stores or Public Contact Employees' Agreements. Nothing in this paragraph, however, limits in any way the Company's ability to contract out this work.

If this conforms to your understanding of our 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
1st day of May, 2003

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

Letter 03-02 PRFS

May 1, 2003

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

Dear Randy:

This letter will reflect the understanding reached between the Company and the Union during the negotiations leading to the 2003-2009 Agreement regarding United's need to develop a strategy to meet the competitive challenges presented by low cost carriers. The parties have agreed as follows:

1. The parties agree that it is essential to the Restructuring Agreement that a Low Cost Operation ("LCO") be developed in order to permit UA and UAL Corp. ("UAL") to more effectively compete against both low cost carriers and other network carriers. It is the parties' intention to work together to identify and resolve any on-going issues with respect to maintaining the competitiveness of this LCO. "LCO" is a contract term and is not intended to restrict in any way the Company's sole discretion with respect to branding.
2. UA will perform ground handling in or for the LCO, utilizing IAM 141 employees on the UA IAM 141 seniority lists under the terms and conditions of the UA Ramp and Stores and Public Contact Employees' Agreements. Successorship and transfer rights associated with the LCO shall be governed by Article III of the Ramp and Stores and Public Contact Employees' Agreements.
3. If UAL or UA establishes a separate majority-owned subsidiary of UAL or UA to house the LCO contemplated by this Letter, UAL and UA agree that such subsidiary will remain a majority-owned subsidiary of UAL or UA as applicable, so long as it continues as a corporation. Nothing in this paragraph limits or restricts in any way the Company's right, in its sole discretion, to establish any other subsidiary at UA or UAL except an LCO subsidiary, which remains covered by the first sentences of this paragraph.

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
1st day of May, 2003.

/s/ S. R. Canale _____

S. R. (Randy) Canale
President and Directing General Chairman
IAMAW - District 141

Letter 03-03 PRFS

May 1, 2003

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

Dear Randy:

This letter reflects the understandings reached between the Company and the Union during the negotiations leading to the 2003-2009 Agreement. The parties have agreed to establish a Review Committee to monitor and review the progress and performance of the Company's restructuring as it relates to the District 141 Restructuring Agreement. The Review Committee shall be a standing committee, consisting of two (2) District 141 representatives and two (2) Company representatives (plus additional representatives if deemed appropriate by the District and the Company) and shall be maintained by the parties. The Committee will meet as often as it deems appropriate, but no less than quarterly, in order to review performance of company operations.

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
1st day of May, 2003.

/s/ S. R. Canale

S. R. (Randy) Canale
President and Directing General Chairman
IAMAW - District 141

Letter 03-04 RP
May 1, 2003

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

Dear Randy:

This will confirm discussions between the Company and the Union during the recent 1113 (c) negotiations. We discussed the possibility of employees represented by District 141 performing Receipt and Dispatch work, as long as that work is not in conflict with the provisions of any other United-IAM Agreement. In the event that this work becomes available, the IAM and the Company will meet to discuss all issues related to this matter.

If this conforms to your understanding of our 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
1st day of May, 2003

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

Letter 03-05 P
May 1, 2003

Mr. S. R. Canale
President & Directing General Chairman
International Association of Machinists
And Aerospace Workers - District 141
1771 Commerce Drive, Suite 103
Elk Grove Village, IL 6007

Dear Randy:

This will confirm discussions between the Company and the Union during the recent 1113(c) negotiations. We discussed amending Article IV-L of the PCE Agreement to include Internet reservations work currently being performed by an outsider vendor; such work to commence on or before May 1, 2004.

This "Internet work" was explained as the passenger flight segment, or PNR related work being performed in support of united.com. Given the time available before the conclusion of these negotiations, we do not believe that it is possible to complete the analysis to determine if this is feasible. However, the Company is willing to continue to explore the possibility of bringing this work to United Reservations and will continue to engage in discussion with the Union on this issue.

If this conforms to your understanding of our 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
1st day of May, 2003.

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

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.¹ 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.

¹ This provision will not limit any withdrawal liability.

Letters of Agreement

Class	Classifications	Hourly Pension Rate Compensation Definition
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 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.

Letters of Agreement

- 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 05-02RFSIT

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 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.

Issuer:	Reorganized UAL Corp.
Guarantor:	United Air Lines, Inc.
Issue:	[]% Senior Subordinated Convertible Notes Due 2021 (the "Notes") to be issued no later than 180 days following the Exit Date (the "Issuance Date").
Initial Holder:	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.
Principal Amount:	\$60,000,000 in denominations of \$1,000.
Term:	15 years from the Issuance Date.
Amortization:	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.

Interest Rate:	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).
Security:	None.
Ranking:	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.
Conversion Rights:	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.
Conversion Price:	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.
Transferability:	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.
Common Stock:	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

Call Rights:	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.
Put Rights:	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.
Mandatory Prepayments:	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.
Anti-Dilution Protections:	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.
Mergers and Business Combinations:	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.
Other Terms and Conditions:	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.
Implementation:	Implementing documentation reasonably acceptable to IAM and the Company.
Distribution:	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
And Aerospace Workers-- District 141

Letter 05-04PRFSIT

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 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 FINAL², and (ii) \$271,570,007 - "2005

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

Distribution", 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 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.

Letters of 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
And Aerospace Workers-- 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.

Letters of 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
And Aerospace Workers-- 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.

Letters of Agreement

Accepted and agreed to
1 st day of May 2003.

/s/Robert Roach
Robert Roach
General Vice President - Transportation

Letter 05-09PRFS
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 vacation accrual in 2005.

In order to achieve the full savings associated with the reduction in vacation accrual in the 2005-2009 IAM Agreements, the accrual rates from July 1, 2005 through December 31, 2005 will be adjusted as follows:

Years of Service	2005 Accrual Rate	Hour
0-1 Year	Varies by individual date of employment to a maximum of 40	40
	0 - 1 Year total vacation available in 2006:	40
1 - 3 Years	No difference.	
	1 - 3 Years total vacation available in 2006:	80
4 - 8 Years	Jan - Jun accrue 10 hours per month	60
	Jul - Dec accrue 3.33 hours per month	20
	4 - 8 Years total vacation available in 2006:	80
9 - 15 Years	Jan - Jun accrue 13.33 hours per month	80
	Jul - Dec accrue 6.67 hours per month	40
	9 - 15 Years total vacation available in 2006:	120
16 - 23 Years	Jan - Jun accrue 16.67 hours per month	100
	Jul - Dec accrue 10.00 hours per month	60
	16 - 23 Years total vacation available in 2006:	160
24 - 29 Years	Jan - Jun accrue 20.00 hours per month	120
	Jul - Dec accrue 13.33 hours per month	80
	24 - 29 Years total vacation available in 2006:	200
29 + Years	Jan - Jun accrue 23.33 hours per month	140
	Jul - Dec accrue 16.67 hours per month	100
	29 + Years total vacation available in 2006:	240

Letters of Agreement

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

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