

# TENTATIVE

Agreement  
Between  
United Airlines, Inc.  
And  
The Airline Technicians  
And  
Related Employees  
In the Service of  
United Airlines, Inc.  
As Represented By  
The International Brotherhood of Teamsters  
*Tentative Agreement*



Jan. 1, 2010 – June 30, 2013

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AGREEMENT  
Between  
UNITED AIR LINES, INC.  
And The  
INTERNATIONAL BROTHERHOOD OF  
TEAMSTERS

**PREAMBLE**

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 the International Brotherhood of Teamsters, hereinafter referred to as the 'Union', representing the employees composing the craft or class of Mechanics and Related Employees as certified by the National Mediation Board in Case R 7141 on April 1, 2008. (For purposes of identification, this Agreement shall be known as the 'Mechanics' Agreement'.)

# ARTICLE 1 - PURPOSE, SCOPE AND STATUS OF AGREEMENT

## A. Purpose

1. The purpose of this Agreement is, in the mutual interest of the Company and of the employees, to provide for the operation of the services of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency of operation, and the continuation of employment under conditions of reasonable hours, proper compensation, and reasonable working conditions. It is recognized by this Agreement to be the duty of the Company and of the employees to cooperate fully, both individually and collectively, for the advancement of that purpose.
2. 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.

## B. Scope

1. The Company hereby recognizes the Union as the sole collective bargaining agent and authorized representative for those employees of United Air Lines, Inc. composing the craft or class of Mechanic and related employees, as certified by the National Mediation Board in Case No R-7141 issued on April 1, 2008.
2. All aircraft maintenance work, facilities maintenance work and ground equipment maintenance work on current, new or later acquired aircraft, or on current or later acquired ground equipment and facilities, performed for the Company is recognized as coming within the jurisdiction of the Union and shall be performed by employees on the United Air Lines master seniority list, except as otherwise provided in this Article.
3. Supervisors and higher ranking officials shall not be permitted to perform work of any hourly rated job covered by this Agreement, except in emergencies as defined in **Article 2**, or when instructing, or training employees, or signing off work performed by covered employees, or troubleshooting.
4. Except as set forth in this Paragraph, the Company shall not contract out work. The parties agree that the Company may:
  - a. Continue to contract out work heretofore customarily contracted out,
  - b. Return equipment, parts, or assemblies to the manufacturer or to a manufacturer approved repair station for warranty work, repair or replacement,

- c. Contract out any work when the Company's facilities and equipment are not sufficient, or personnel are not available, or where available employees do not have the qualifications, within the meaning of **Article 3**, to perform the work required,
  - d. Contract out work at any location where such work has heretofore not been performed by unit employees on a regular basis, or at any location where the Company has not heretofore maintained permanent maintenance facilities or employees.
- 5. If the Company has need to contract out work presently performed by employees covered by this Agreement, the Company will so notify the Union by written notice. In no case will the Company contract out work when such contracting out results or will result in a reduction in force for any employee covered by this Agreement.
- 6. When Company facilities are available, in order to increase the opportunity for covered employees to perform work which has customarily been contracted out or work which has not been customarily performed by covered employees, such work may be performed by covered employees without losing its character as work which has historically been contracted out or work which has not been performed by unit employees on a regular basis.
- 7.
  - a. At any domestic airport with scheduled United service where the Company contracts out aircraft line maintenance work requiring work schedules of six (6) continuous hours or more per day (excluding repositioning aircraft) for a period of thirty (30) days or more in any forty-five (45) day period, a full time position for an Aircraft mechanic shall be created in accordance with this Agreement.
  - b. Subject to expiration/non-penalty cancellation of existing contracts, at any domestic airport with scheduled United service where the Company contracts out GSE Maintenance scheduled recurring maintenance work requiring work schedules of at least six (6) continuous hours or more per day for thirty (30) days or more in each forty-five (45) day period, a full time position for a GSE Maintenance mechanic shall be created in accordance with this Agreement.
  - c. Subject to the Union's execution of an appropriate confidentiality agreement, the Company will provide the Union with readily available information regarding work performed as referenced in subparagraphs (a) and (b) above. This provision shall not require the Company to create information not readily available.
- 8. If after the effective date of this Agreement, the Union believes the Company is abusing the right to contract out as provided in this Paragraph, it shall notify the

Company of such belief not later than five (5) days after the conclusion of such discussion.

9. The Company and the Union shall proceed to resolve the issue up to and including the final and binding arbitration decision.
10. a. The Company will not sell, lease or otherwise dispose of its maintenance facility at the San Francisco Maintenance Center. This includes the Company's engine maintenance facility located in San Francisco. The Company is permitted to enter into sale/lease back arrangements for financing reasons and/or a joint venture with a third party to provide necessary capital improvements. Notwithstanding the above, the Company may a) sell, lease or otherwise transfer the above facilities as part of a sale, lease or transfer, within a twelve month period, of all or substantially all of the Company's assets, and b) sell, lease or otherwise transfer portions of the above facilities to the extent such portions constitute unused capacity. In the event the facilities specified in this paragraph become unavailable due to the loss of lease (or other circumstances beyond the Company's control), or become uninhabitable due to a natural disaster, the Company agrees to make every effort to replace such facility unless it is not financially reasonable to do so.
- b. Employees who are active or on approved leave of absence at the San Francisco Maintenance Center as of the effective date of this Agreement, and employees furloughed from the San Francisco Maintenance Center who are recalled to the San Francisco point within 60 months following the effective date of this Agreement, shall not be forced to relocate from the San Francisco point.

This paragraph (b) shall not apply under the following circumstances: a) an act of nature; b) a strike or labor dispute; c) a reduction in the Company's operations because of a decrease in the available fuel supply or other critical materials due either to governmental action or commercial supplier being unable to meet the Company's demands; d) a revocation of the Company's operating certificate(s), the grounding of a substantial number of the Company's aircraft by governmental action, or a significant reduction in the size of the Company's fleet or schedule beyond current levels; e) a declared or undeclared war or national emergency; f) compulsion by government agency or legislative or court action.
11. The Company shall not perform any regularly scheduled heavy maintenance, with the exception of only B777 and B747 fleets, in a non U.S. location without the Union's approval.
12. Nothing herein shall relieve the Company of the obligations and commitments contained in Article II.D.4 of the 2005-2009 Mechanics' Agreement, and all of

the provisions contained therein shall remain in full force and effect with respect to each calendar year (including partial years) covered by such Agreement.

### C. Parallel Operations

1. The Company shall not directly or through an Affiliate:
  - a. Establish any new airline or acquire a Controlling interest in any carrier, which operates jet equipment or jet replacement aircraft with a maximum FAA certificated capacity of sixty (60) seats or more for the purpose of avoiding the terms of this Agreement.
  - b. Establish any new repair station or acquire a controlling interest in any entity which repairs or maintains aircraft within the United States, except an air carrier, unless employees covered by this Agreement perform the entity's repair or maintenance work.
2. The Company shall not allow its code to be placed on any domestic flight operated by a commuter feeder airline, which is Controlled by the Company or an Affiliate, if the flight utilizes jet equipment or jet replacement aircraft with a maximum FAA certificated capacity of sixty (60) seats or more.
3. Alliance Flying and Marketing Agreements
  - a. For purposes of this Section, "Marketing Agreement" shall mean flying performed by another carrier whereby the other carrier transports passengers and/or cargo pursuant to a code-share, marketing, interline, joint venture, pro-rate, block-space agreement, or any other agreement or arrangement whereby another carrier uses the Company's designator codes or operates aircraft bearing the Company's name, trade mark, logo, livery, trade marks or service marks or otherwise holds out to the public that the Company or an Affiliate of the Company, as defined in Paragraph H of this Article, is performing or is otherwise associated with the flying. Flying pursuant to Marketing Agreements is permitted so long as the requirements of this Section are satisfied.
  - b. During the period any Marketing Agreement remains in effect:
    - (1) There shall be no reduction in the Company's flying (aggregated scheduled block hours measured monthly as an arithmetic average of the level of the twelve (12) months prior to the initial implementation of the Marketing Agreement); and
    - (2) There shall be no reduction in permanent mechanic and related positions (measured monthly as an arithmetic average of the level for the twelve (12) months prior to the implementation of the



Marketing Agreement), or in the status of pay rate of any employee covered by this Agreement.

(3) There shall be no reduction in the number of aircraft in the Company's fleet (including equipment on order), except for aircraft retirements in the normal course of business, unless the Company demonstrates any such reductions were attributable to economic or other reasons not related to the Marketing Agreement.

#### D. Successorship and Mergers

1. This Agreement shall be binding upon any successor or assign of the Company unless and until changed in accordance with the provisions of the Railway Labor Act, as amended. For purposes of this paragraph, a successor or assign shall be defined as an entity which acquires all or substantially all of the assets or equity of the Company through a single transaction or multi-step related transactions.
2. No contract or other legally binding commitment involving the transfer of ownership or control pursuant to a successorship transaction, whether by sale, transfer or lease of the Company or substantially all of its assets, will be signed or otherwise entered into unless it is agreed as a material and irrevocable condition of entering into, concluding and implementing such transaction that the rates of pay, rules and working conditions set forth in this Agreement will be assumed by the successor employer, and employees on the then current mechanic and related seniority list will be employed in accordance with the provisions of this Agreement. The Company shall give notice of the existence of this Agreement to any purchaser, transferee, lessee, or assignee of the operation covered by this Agreement or any substantial part thereof. Such notice shall be in writing with a copy to the Union, at the time the seller, transferor, or lessor executes a definitive agreement with respect to a transaction as herein described.
3. In the event of a merger of airline operations between the Company and another air carrier the Company will require, as a condition of any such operational merger that provisions be included requiring that the surviving carrier provide for fair and equitable integration of the pre-merger mechanic and related seniority list in accordance with Sections 3 and 13 of the Allegheny Mohawk LPPs.
4. In the event of a merger of airline operations, this Agreement shall be considered to be amendable as provided in the Duration Article and Section 6 of the Railway Labor Act. Integration of the mechanic and related craft and class groups shall not occur until the applicable seniority lists are merged pursuant to procedures as described above, and agreement is reached over rates of pay, rules, and working conditions for the post-merger craft or class. Prior to such agreement, the terms and conditions of this Agreement shall continue to apply to the employees whose names appear on the Company's mechanic and related seniority list.

5. The following additional requirements shall be applicable in the event of a merger, purchase or acquisition involving the Company, regardless of the identity of the surviving carrier or whether formerly separate operations are to be integrated.
    - a. Unless and until any operational merger is finally effectuated, the Union will continue to be recognized as the representative of the pre-merger Company mechanic and related employees, so long as such recognition is consistent with the Railway Labor Act and any applicable rulings or orders of the National Mediation Board. Recognition of a post-merger representative shall be governed by the Railway Labor Act and by any applicable rulings or orders of the National Mediation Board.
    - b. In advance of any operational integration, the Company or surviving carrier, if different than the Company, will accept the integrated seniority list accomplished in accordance with Sections 3 and 13 of the Allegheny Mohawk LPPs.
    - c. The maintenance operations of the Company and those of the other air carrier shall be kept separate unless and until the processes described in paragraphs (D) (3) and (4) above are completed. During such time of separate operations, mechanic and related employees shall not be interchanged without the Union's written consent.
    - d. Until the processes described in paragraphs (D) (3) and (4) above are completed, no employee covered by this Agreement shall be reduced in status or pay category as an effect of the merger, purchase or acquisition.
    - e. The Company or surviving carrier, if different than the Company, shall meet promptly with the Union upon request to negotiate the implementation of the requirements of this paragraph.
  6. Subject to applicable securities and other laws and regulations, the Company will review with the union the details of any material agreements relating to successorship transactions in a timely manner, provided that no financial or other confidential business information need be disclosed unless suitable arrangements are made for protecting the confidentiality and use of such information.
- E. This Agreement shall cover all work by covered employees on international field trips or performed by them in the course of other foreign operations.
1. In the event the Company opens a maintenance facility outside the United States or its territories, and staffs the facility with covered employees, mechanics assigned to such domicile shall be covered by all terms of this Agreement and shall continue to enjoy all the rights, privileges and immunities of the Railway Labor Act during their foreign service.

2. Disputes concerning covered employees based at foreign domiciles shall be heard by the System Board of Adjustment pursuant to **Articles 19 and 20** of this Agreement and paragraph G of this Article, as appropriate, and the decision of the System Board in such cases shall be enforceable in any court of competent jurisdiction in the United States to the same extent and in the same manner as other cases arising pursuant to **Articles 19 and 20** of this Agreement and/or paragraph G of this Article.

#### F. Review Committees

1. A Committee (the “Review Committee”) consisting of equal numbers of Company and Union representatives, with a maximum of three (3) members each, shall meet at least quarterly for the purpose of discussing the Company’s current practice and future plan for contracting aircraft maintenance, including opportunities for efficiently and economically increasing work done in-house. The Company will provide the Review Committee, upon request, information necessary to facilitate these discussions. Proprietary, sensitive, or confidential information shall be reviewed under standard confidentiality agreements at the Company’s request.
2. A Committee (the “GSE Committee”) consisting of equal numbers of Company and Union representatives, with a maximum of three (3) members each, shall meet at least quarterly for the purpose of discussing the Company’s current practice and future plan for contracting ground service equipment, including opportunities for efficiently and economically increasing work done in-house. The Company will provide the GSE Committee, upon request, information necessary to facilitate these discussions. Proprietary, sensitive, or confidential information shall be reviewed under standard confidentiality agreements at the Company’s request.

#### G. Expedited Board of Adjustment Procedures

If the Union believes that the Company is abusing the foregoing subcontracting provisions, or if either party alleges violation of the provisions of this Article, the matter shall be grieved and the parties shall attempt to resolve their dispute in conference. Failing resolution, the parties agree to arbitrate any grievance alleging a violation of this Article on an expedited basis directly before the Joint Board of Adjustment sitting with a neutral arbitrator mutually acceptable to both parties. If a mutually agreed upon arbitrator cannot be selected within three (3) days of the filing, the parties shall request the National Mediation Board to submit a list of seven (7) persons qualified to act as the impartial arbitrator. Each party may reject the list once. A representative of the Company and a representative of the Union shall meet within five (5) days of the receipt of the list and shall alternately strike three (3) names from the list, the party to strike first to be selected by lot. The seventh (7<sup>th</sup>) remaining person shall thereupon be selected as the impartial arbitrator. The Board of Arbitration shall consist of one (1) member selected by the

Union and one (1) selected by the Company, and the impartial Arbitrator. The dispute shall be heard no later than thirty (30) days following the submission to the joint board (subject to the availability of the arbitrator), and shall be decided no later than thirty (30) days following submission, unless the parties agree otherwise in writing.

#### H. Management Rights

1. Except as restricted by the express terms of this Agreement and the practices under any prior Agreement, the Company shall retain all rights to manage and operate its business and work force, including but not limited to the right to sell or discontinue all or part of the business; to sell or lease aircraft or facilities; to determine where and when to operate scheduled or unscheduled flights; to determine its marketing methods and strategies, and to enter into code sharing, affiliation or marketing agreements with other carriers; to invest (including equity investments) in other business entities including, without limitation, other air carriers; and to determine the type of aircraft it will utilize.
2. The exercise of any right reserved herein to management in a particular manner, or the non-exercise of such right, shall not operate as a waiver of the Company's rights hereunder, or preclude the Company from exercising the right in a different manner.

#### I. No Strike Commitment

1. From the effective date of the Agreement through thirty (30) days following the date, if any, that the parties are released from mediation by the National Mediation Board in connection with negotiations for a successor Agreement (the "Release Date"), the Union, including its directors, officers, representatives and agents, will not engage in, promote, or cause any strike or work stoppage at the Company, including but not limited to sympathy strikes or recognition of picket lines at the Company, and the Union will not otherwise support picket lines established at the Company, or cause any other organized job action and the Company will not lock out any employee covered by this Agreement.
2. The commitment stated in paragraph I(1) above shall be inapplicable as of the Release Date, without regard to whether the parties are then engaged in collective bargaining under the Railway Labor Act. The Company waives any claim that the commitment stated in paragraph I(1) above remains applicable on or after the Release Date pursuant to the Railway Labor Act's status quo provisions or otherwise.
3. It shall not be a violation of this Agreement, and it shall not be cause for discharge, permanent replacement or any other disciplinary action if any employee covered by this Agreement:

- a. Refuses to perform work or services on aircraft of another carrier where the Company, pursuant to an agreement or arrangement with that carrier, is performing that carrier's maintenance during a lawful strike by that carrier's mechanics (i.e., performing "struck work"), provided that it shall not be considered to be performing struck work for the Company to expand the Company's maintenance activities or to continue to perform maintenance on its own aircraft, including aircraft on which other carriers performed contract maintenance prior to the strike, or
- b. Refuses to cross or chooses to honor the lawful picket lines of fellow technicians employed by any Affiliate of the Company, or
- c. Refuses to undergo training or perform maintenance work or services on the property of another carrier during a lawful strike by that carrier's mechanics; or
- d. Honors a lawful picket line of the Company's domestic employees on or in front of the Company's domestic premises.

#### J. Status Of The Agreement

1. The parties agree that any past practices, employment policies, interim agreements, or other understandings established prior to the date of this Agreement shall not create any contractual or legal obligation to continue such practices, policies, agreement or understandings following the effective date of this Agreement.
2. It is understood, wherever in this Agreement employees or jobs are referred to in the male gender, it shall be recognized as referring to both male and female employees.
3. 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.
4. It is the intent of the parties that they be and remain in compliance with all applicable laws and regulations. In the event that it is discovered that any provision of this Agreement or any Company policy or practice which pertains to a mandatory subject of bargaining is in violation or potential violation of any applicable law or regulation, the parties will, in a timely manner, meet and confer for the purpose of curing the violation or potential violation in a way which requires the least change, disruption of the existing circumstances, and additional cost as is possible while minimizing any negative impact on the employees.

K. For purposes of this Article, the following definitions will apply:

1. “Affiliate”, with respect to a specified Entity, means:
  - a. any Subsidiary, Parent or division of the specified Entity, or
  - b. any other Subsidiary, Parent or division of either a Parent or a Subsidiary of the specified Entity, or
  - c. Any Entity that Controls the specified Entity or is Controlled by the specified Entity whether directly or indirectly through the Control of other Entities.
2. “Subsidiary” means any Entity that is Controlled by another Entity.
3. “Parent” means any Entity that Controls another Entity.
4. “Entity” means a natural person, corporation, association, partnership, trust or any other form for conducting business, and any combination or concert of any of the foregoing.
5. “Control” or “Controlling Interest” of an Entity shall mean the ownership of an equity interest representing more than fifty percent (50%) of the outstanding capital stock of an entity or voting securities representing more than fifty percent (50%) of the total voting power of outstanding securities then entitled to vote generally in the election of such Entity’s board of directors or other governing body.

## **Article 2 – Definitions**

### A. Introduction

The definitions contained in this Article are provided for the convenience of the parties and are intended to facilitate a quick reference to different terms used in this Agreement. They are not intended to add to, delete from, or otherwise alter or affect the terms and conditions of employment provided for in this Agreement. Those terms and conditions are contained in the substantive Articles of this Agreement. Certain Articles in this Agreement may refer to this Article for the purpose of defining specific terms.

### B. Trade Test

A Trade Test is a CBT-based, written, oral and/or practical test for competency. Trade tests for employees will be developed and administered by the Company, but will be reviewed with the Union prior to implementation. Within six (6) months of the ratification of this Agreement, the parties will meet to mutually agree upon the administration and content of the trade tests. The trade test results will be made available to the employee and the Union upon request.

### C. Shift

A Shift is the scheduled period of work during the twenty-four (24) hour work day. The shifts are described in Article 7, Hours Of Service.

### D. Work Week

The term “work week” refers to the number of regularly scheduled consecutive work days within each seven (7) consecutive day period. The types of work weeks are described in Article 7, Hours of Service.

### E. Day Off

A “Day Off” is a day which is not a Work Day.

### F. Work Day

A work day is a twenty four (24) hour period during which an employee is regularly scheduled to work, beginning with the employee’s regularly scheduled starting time.

### G. Hours Of Service

Hours of Service are an employee's scheduled shift, days off, work days, starting time, meal period, and rest period(s)

H. Bid Areas

A Bid Area is the basic work area to which each employee is assigned, as defined in Article 3.

I. Work Area

The specific work area and/or crew an employee reports to on a daily schedule. Work areas are generally smaller divisions of a larger Bid Area.

J. Facilities

Facilities may encompass any and all Maintenance Bases, Shops, and Line Stations throughout the System at which employees covered hereunder are stationed or assigned.

K. License

The term "License" as used herein, shall mean the certificate of competence which is now (i.e., A, P, or FCC), or may be in the future, required by a regulatory body for the type of work to be undertaken by employees covered under this Agreement.

L. Management Representative

The term "management representative" means not only persons holding the title Manager, but also any other person(s) properly designated and appointed by such official to act in his stead.

M. Emergency

The term emergency means "Acts of God," "Acts of War" (as declared by Congress), national emergency, natural disaster, revocation of the Company's operating certificate, the grounding of a significant portion of the Company's fleet, a shutdown of any substantial portion of the air transportation system, danger posed by the elements of weather, or any other unexpected circumstance posing significant danger to persons, property or the business. "Significant danger" does not mean the typical circumstances encountered in normal daily operations.



## **Article 3 - Covered Crafts, Classifications, Qualifications and Bid Areas**

- A. All employees covered by this Agreement shall be recognized as being in the Craft, Classification, and Bid Areas listed herein. The Classifications and Bid Areas, the work of such Classifications and Bid Areas and the job requirements and job descriptions contained within this Article shall not be added to, reduced, deleted, or amended except by mutual agreement between the Company and the Union. Employees in higher Crafts may be directed to perform the work of lower Crafts. If the Company determines that a new Classification, Craft, or Bid Area coming within the scope of this agreement is necessary, the Company agrees to negotiate and reach by mutual consent, the duties, job descriptions, job requirements, staffing procedures and the rates of pay for the new Classification, Craft, or Bid Area with the Union, prior to its implementation. (See, LOA #18, at page 1.)
- B. New Hires, employees bidding permanent vacancies, employees filling temporary vacancies, employees exercising seniority in a reduction in force or those being recalled, either from furlough or from a reduction to a different/lower Classification, Craft, or Bid Area, must meet the license, trade tests, and other requirements, as spelled out herein, except that an employee who has previously completed a Qualifying Period for a particular Bid Area shall not be required to meet these qualifications. Prior to implementation, the trade tests and administration process will be reviewed with the Union.
- C. Employees covered by this Agreement are recognized as being in a Craft and in a Classification within that Craft. The exercise of seniority as it relates to Craft and Classification is described in the Seniority, Filling of Vacancies, and Reduction In Force Articles, as well as other Articles herein.
- D. The following are brief descriptions of the Classifications within each Craft:

- 1. Technician Craft

The following Classifications are part of the Technician Craft:

- a. Technician - An employee whose job includes all work generally recognized as Technician's (mechanic) work in Company shops, maintenance bases and line stations on aircraft (including power plants), parts, ground equipment, facilities and other related work. Technicians will be held responsible for the work they perform, and may be required to test, check and certify for service the work they perform. Specialties within this Classification include, but are not limited to, Aircraft Technician, Machinist, Welder, GSE Technician, ~~and~~ Facilities Technician, and Base Specialty Trade Technician.
- b. Lead Technician - A Technician who, as a working member of the group, may

be charged by his Supervisor with the responsibility of planning, leading, directing, coordinating, instructing, on-the-job training and delegating, the work of his assigned group. Leads may be required to sign for their own work, and the work of others in their group, provided, however, that such signing shall not relieve any other member of his group of license requirements and/or legal responsibility for the work they have performed or from being required to complete and/or sign appropriate Company/Federal work records. Leads must hold such valid licenses as are required by Federal law for their assignment. The method for selecting Lead Technicians is described in Article 5, Filling of Vacancies.

- c. Inspector - An employee whose primary job includes the overall inspection of Company aircraft and/or components (including power plant) in connection with repairs and/or overhaul at Points on the Company system. Inspectors must hold valid licenses and Company RII authority to fulfill their duties. Inspectors do not lead or direct the work force. The method of selecting Inspectors is described in Article 5, Filling Of Vacancies.
- d. G.S.E. Coordinator - An employee whose job includes controlling inventory, the work order system, and running appropriate reports. The G.S.E. Coordinator orders parts from vendors, operates the G.S.E. stock room, and provides parts needed by G.S.E. Technicians. A G.S.E. Coordinator also may be required to perform Technician's work in the G.S.E. shop.
- e. Flight Simulator Technician - A Flight Simulator Technician shall be a qualified employee assigned to the trouble-shooting, maintenance, modification from engineering prints and technical orders, repair and overhaul, (including adjustment of integrally associated control cables, hydraulic and linkage systems) of any type of electronic or mechanical devices used for training flying personnel under simulated flying conditions, including Flight Simulator visual systems and Cockpit Procedure Trainers. Additional duties include maintenance of simulated aircraft systems and computer based training, currently being performed at the flight training centers, in training flying personnel. The work of a Flight Simulator Technician shall also include the test and inspection of such equipment in connection with maintenance, repair and overhaul. The loading of programs for maintenance purposes, diagnostic purposes, and the final loading of up-dated programs following engineering evaluation in any type computer attached to a Simulator shall be performed by Flight Simulator Technicians. Flight Simulator Technicians shall also be assigned to obtain maintenance information from program readouts or other types of readout devices whether automated or otherwise on Flight Simulators and associated computers. In addition, Flight Simulator Technicians may be required to give instruction and training to other

Flight Simulator Technicians, and instruction and training concerning Flight Simulator maintenance regulations and procedures to employees of any classification. Flight Simulator Technicians shall be subject to call at any time, but shall be considered as assigned to Line Service Stations for the purposes of work schedules and other provisions of this Agreement. Flight Simulator Technicians must hold an F.C.C. General Radio Telephone Operator's License.

- f. Lead Flight Simulator Technician - A Lead Flight Simulator Technician shall be a Flight Simulator Technician who, as a working member of a group, is charged with the responsibility of leading, directing, and approving the work of other employees of lower classifications and may be required to give instruction and training to employees of the same or lower classifications covered by this Agreement.
  
- g. Computer Technician - A Computer Technician shall be a qualified employee assigned to the installation, troubleshooting, modification, and repair of stand-alone and specified networked computers, including desktops, laptops, and hubs along with legacy equipment. Computer Technicians may also be assigned the installation of software and associated activities as determined by the Company. Computer Technicians install, troubleshoot, modify and repair stand-alone and networked peripheral equipment including, but not limited to, boarding pass readers, magnetic swipe readers, ticket printers, bagtag printers, scanning equipment, laser printers, impact printers, modems, and other electronic devices as assigned by the Company. Computer Technicians assist with the installation of various network devices, by installing servers, routers and switches, and verifying pre-installed software. Computer Technicians work with distributed Systems Support groups to provide initial cursory troubleshooting of network servers, routers and switches. Computer Technicians shall not perform any work presently performed by Ground Communications Technicians. Computer Technicians shall be subject to call at any time and shall be required to travel to the extent necessary to accomplish their work. A Computer Technician who has completed his probationary period may, in addition to his work and responsibilities as a Computer Technician, be required to provide on the job training to an employee of the same classification on jobs, but shall not perform the work of a Lead Computer Technician in leading and directing the work of other employees.
  
- h. Lead Computer Technician - A Lead Computer Technician shall be a Computer Technician who, as a working member of a group, is charged with the responsibility of leading, directing, and approving the work of other employees in the Computer Technician classification and may be required to give instruction and training to such employees.

- i. Metrologist - A Metrologist shall be a qualified employee assigned at the Company's Maintenance Base Dimensional Metrology Laboratory to measuring, gauging, testing and calibration of precision measuring and test equipment, machines, tooling, fixtures and parts; and to providing technical assistance on production, inspection, and engineering problems. Metrologists may perform accuracy and repeatability checks to determine product and process capabilities, acceptability and compliance with applicable specifications, regulations, and user requirements.
2. Utility Specialist Craft
- a. Utility Specialist - An employee whose job may include:
    - i. Identifying, checking and issuing of Class I & II tooling for Aircraft, GSE or Facility Maintenance test equipment, and
    - ii. Accountability for materials, parts and supplies located within the Tool Room, GSE and/or Facilities Maintenance, including the servicing, cleaning, storage and inventorying of commodities and tooling. The work may also include receiving and shipping of tools and supplies; and
    - iii. Performing minor repairs on food service equipment, as well as cutting, sizing, and forming materials for aircraft interiors; and
    - iv. Servicing of batteries on ramp equipment in compliance with OSHA, EPA and/or Company standards as it relates to the handling of hazardous materials and/or dangerous goods; and
    - v. Accountability for tooling, test equipment and certain commodities used in the daily operation with Aircraft Tool Rooms, Thermal Forming, GSE and Facilities Maintenance; and
    - vi. Cutting, sizing and forming materials for aircraft interiors within the Thermal Forming shop; and
    - vii. Performing ground equipment tire repairs in accordance with OSHA standards for all ramp, aircraft maintenance and customer service equipment; and
    - viii. General knowledge and operation of general ramp and warehouse equipment (e.g., forklifts, trucks, semi-trucks and lifting equipment).

A Utility Specialist may be required occasionally to assist a Technician in the performance of his work. The requirements for a Utility Specialist to become a Technician are addressed in Article 5, Filling of Vacancies.

b. Lead Utility Specialist

A Lead Utility Specialist is a working member of the group who may be charged by his supervisor with the responsibility of planning, leading, directing, coordinating, instructing, on the job training and delegating the work of his/her assigned group.

c. Seamer

The work of Seamer shall consist of the use of sewing machines in the performance of work on soft goods (i.e. seat covers, curtains and related). Seamers may be required to perform Utility Specialist work to fill out their work schedules when Seamer work is not available. Seamers shall be selected under the provisions of Article 5, Filling of Vacancies.

3. Cleaner Craft

The work of a Cleaner shall include, but not be limited to, cleaning, washing, polishing, and waxing the interior and exterior of aircraft, aircraft parts, maintenance equipment, shops and hangars, including the replacement of aircraft seat covers and carpets on aircraft checks, turnarounds, and through flights, as well as the operation of motor vehicles when necessary for the performance of their duties, when such work is to be performed in and around the hangars and shops. Cleaners will not be allowed to perform the work of a higher Craft unless all employees within such Craft have first been given the opportunity to perform such work in a timely manner and are unable to do so, or the work is necessary or required to maintain a schedule and is an emergency in nature. Work which only requires the use of physical exertion, and no hand tools, may be performed by Cleaners on an as-needed basis. (See, LOA #18, at page 1.)

4. Maintenance Planning Analyst Craft

The work of the Maintenance Planning Analyst (MPA) includes any work generally recognized as Maintenance Planning Analyst work which has been performed by the Company at its San Francisco Maintenance Center and any off-site facility within the United States.

The work, support of the production organizations may include but is not limited to: Analyzing planning data to define manpower, parts, and other resources required to meet

production requirements, assisting in a variety of planning, scheduling, and documentation activities in a hangar/shop work area or an office environment. The MPA will be responsible for the integrity and accountability of an assigned paper package, appropriate labor data transactions and any other required computer system data updates specified by the Company; communicate with Production Management on the status of paper packages and other issues that require immediate attention to meet organization objectives; coordinate assigned functions in the production environment including a hangar, shop, or office and is a point of contact for Management and Technicians. An MPA may be required to give instruction and on the job training to employees of the same classification covered by this agreement.

E. Bid Areas

1. A “Bid Area” is the basic work area to which each employee is assigned. In some Stations, generally the larger ones, an employee may have the option to bid into different work areas within his assigned Bid Area.
2. To be considered fully qualified for a particular Bid Area, an employee must meet the requirements listed below, except that any employee, including an employee whose work has been transferred to a reorganized or redefined Bid Area, who has previously completed the Qualifying Period, as provided in Article 5, will be considered qualified regardless of the qualifications (including license requirements) listed below.
3. Each employee shall be responsible for ensuring that his qualifications for each Bid Area are properly recorded.
  - a. Initial qualifications and any subsequent qualification claims shall be reviewed by the Company. The Company will provide a system that permits employees to update and/or change the record of their qualifications. Employees will be deemed qualified in the Bid Area: (i) in which they are employed on the effective date of this Agreement; or (ii) into which they were previously grand-fathered as properly reflected in their Bid Area Qualifications (BAQ) within ninety (90) days of ratification of this Agreement; or (iii) into which they were qualified on the date of ratification and whose Bid Area Qualification(s) reflect such qualifications within ninety (90) days of ratification of this Agreement; or (iv) in which they previously completed the “Qualifying Period” pursuant to Article 5.
  - b. If there is any question regarding the qualifications the shop steward, the affected employee and the Company will confer to resolve the matter by examination of confirming documents and/or interview of the employee. If the qualification is still in doubt, it may be resolved by administration of an appropriate trade test or via the grievance process.

- c. No employee shall be regarded as qualified for any Bid Area that he has not affirmatively claimed qualification unless he was employed in that Bid Area on the effective date of this Agreement.
  - d. The Company will use these Bid Areas Qualifications in determining eligible employees when filling vacancies in accordance with Article 5. The Company shall continue to review personnel files and/or employee resumes and applications, to determine qualifications, for the first ninety (90) days after ratification of this Agreement, after which it shall rely solely on the employee's updated Bid Area Qualifications.
4. The following list contains the Bid Area titles, Bid Area numbers, and the license and experience requirements for each Bid Area.

**Bid Area Title, Number,  
And License Requirements Experience Requirements**

Series 100-Technicians And Lead Technicians

101 - Line Technician

A&P License and Twelve months experience in trouble shooting, repair, and maintenance of aluminum and/or composite skinned, pressurized jet/turboprop aircraft, or  
At least 12 months' experience as Radio/Electrical, Sheet metal, Trim, Power plant, and/or A.I.R. technician and successful completion of a trade test.

102 - Base Technician

A&P License and Twelve months experience in trouble shooting, repair, and maintenance of aluminum and/or composite skinned, pressurized jet/turboprop aircraft, or  
At least 12 month's experience as a Sheet metal, Composite, Trim, and/or Radio/Electrical technician and successful completion of a trade test.

103 - Powerplant Technician

A&P License and Twelve months experience in power plant limited heavy maintenance on power plant components and accessories, up to but not including the compressor case, or  
Successful completion of a trade test.

104 - Avionics Technician

A&P License and Twelve months aircraft experience in radio and electrical/avionics trouble shooting and repair, or

Successful completion of a trade test.

105 - Sheet Metal Technician (Line/Base)

A&P License and Twelve months experience in general structural sheet metal overhaul and repair, or  
Successful completion of a trade test.

106 - Sheet Metal / Composite / Finish Technician (Shop)

A&P License and Twelve months experience in general structural sheet metal overhaul and repair, metal to metal bonding, fiberglass and composite repair or  
Successful completion of a trade test.

108 - Weld Technician

No License Requirement Twenty-four months general welding experience and successful completion of a Continental certification test, or  
Certificate of completion from an accredited vocational school for the following: Arc, Heli-Arc, Mig and Acetylene; and successful completion of a Continental certification test.

109 - Machinist Technician

No License Requirement Twenty-four months general machinist work and successful completion of a trade test.

110 - A/C Interior Repair Technician

A&P License and Twelvemonths experience in recovering, replacing, and refurbishing aircraft interiors, including seats, or  
Twelve months experience as a Line, Base, Avionics, Sheet Metal, or Shop technician.

111 - Trim Technician

A&P License and Twelve months experience in recovering, replacing, and refurbishing aircraft interiors, including seats, or  
Twelve months experience as a Line, Base, Avionics, Sheet Metal, or Shop technician.

114 - Airport Communications Technician

FCC License, and Twenty-four months component level repair and overhaul in two of the three following areas:  
UHF/VHF transceiver systems;  
Video display systems (including TV repair, FIDS repair, or closed circuit systems repair); and



Airport security systems (magnetometers or x-ray), or Certificate of completion from an accredited electronic school and successful completion of a trade test.

116 - Tooling Repair Technician

A&P License and Twelve months experience as a Technician.

117 - Electric Harness Shop Technician

A&P License and Twelvemonths experience in fabrication, repair, overhaul and/or calibration of electrical equipment, including wire harnesses, or Successful completion of a trade test.

118 - Facilities Maintenance Technician

Local Requirements and Twelve months experience including at least three of the following areas:

- Electrical (including 480 volt, 3 phase);
- Structural (including steel frame construction);
- HVAC (including building management systems);
- Mechanical (including conveyors);
- Plumbing; and
- PLC electronic/computer controls.

119 - Ground Service Equipment Technician (or GSE Coordinator)

No License Requirement Twelve months experience in trouble shooting, repair, and maintenance of gas and diesel engines; electrical and hydraulic systems; or motorized equipment supporting airport ground handling operations, or  
A certificate of completion from an accredited automotive school.

120 – Flamespray Technician

No License requirement Twelve months experience in flamespray and successful completion of a trade test .

121 – Plater Technician

No License requirement Twelve months experience in plating and successful completion of a trade test.

122 – General Shop Technician

A&P License and Twelve months experience in trouble shooting, repair, and maintenance of aluminum and/or composite skinned, pressurized jet/turboprop aircraft, or  
At least 12 months' experience as Radio/Electrical, Sheet metal, Trim, Power plant, Hydraulic/Pneumatic, Tire/Wheel, Landing Gear and/or A.I.R. technician and successful completion of a trade test.

123 – Avionics Shop Technician (RQ)FCC License and Twelve months aircraft or component level experience in radio and electrical/avionics trouble shooting and repair, and Successful completion of a trade test.

124 – Flight Simulator Technician  
FCC License and successful completion of a trade test.

125 – Metrology Technician  
Journey Machinist certification and 6yrs of machinist experience and the successful completion of a trade test.

126 – Apprentice Technician  
No license requirement, High School diploma and successful completion of a trade test.

127 – Computer Technician  
No license requirement, twelve months computer field service and successful completion of a trade test.

128 – Base Specialty Trade Group (currently known as SFOMP)  
Local/trade requirements, twelve months in the field and successful completion of a trade test for the following trades;

Base Specialty Plumbers  
Base Specialty Electrician  
Base Specialty Welders  
Base Specialty Mechanical/Hydraulic  
Base Specialty T-Skill  
Base Specialty Sheetmetal  
Base Specialty Carpenter  
Base Specialty Painter  
Base Specialty HVAC  
Base Specialty Auto Mechanic  
Base Specialty GERP/Transmission  
Base Specialty Boiler Room

Series 300-Inspectors

301 - Quality Control - Aircraft  
A&P license and any others required by the FAA and Twenty-four months total Mechanic and/or Inspector experience on aluminum/composite skinned, turboprop/jet aircraft and successful completion of a trade test.

302 - Quality Control – Shop

A&P license and any others required by the FAA and Twenty-four months total Mechanic and/or Inspector experience on aluminum/composite skinned, turboprop/jet aircraft, or aircraft components, or engines and successful completion of a trade test.

Series 500-Utility Specialist and Lead Utility Specialist

501 -Interior Recoverables Utility Specialist

No License Required High school diploma or equivalent or a Certificate from an accredited trade school; mechanical aptitude; working knowledge of tools associated with aircraft and automotive repair, or ability to work with cleaning solutions and chemicals; possess valid state drivers license.

502 - GSE Utility Specialist

No License Required High school diploma or equivalent or a Certificate from an accredited trade school; mechanical aptitude; working knowledge of tools associated with aircraft and automotive repair, or ability to work with cleaning solutions and chemicals; possess valid state drivers license.

503 - Tool Room Utility Specialist

No License Required High school diploma or equivalent or a Certificate from an accredited trade school; mechanical aptitude; working knowledge of tools associated with aircraft and automotive repair, or ability to work with cleaning solutions and chemicals; possess valid state drivers license.

504 - Facilities Utility Specialist

No License Required High school diploma or equivalent or a Certificate from an accredited trade school; mechanical aptitude; working knowledge of tools associated with aircraft and automotive repair, or ability to work with cleaning solutions and chemicals; possess valid state drivers license.

5. In addition to the basic requirements listed above, the requirements for bidding a lead position shall include a minimum of twenty-four (24) months experience in the applicable Bid Area.

## Article 4 – Seniority

### A. Company Service Date

An employee's Company Seniority, or "Company Service" date, begins on the date the employee was placed on the payroll when he was most recently hired by the Company. The Company Service date reflects adjustments for periods of inactive service as defined herein. The adjusted Company Service date is retained until the employee is separated from Company employment. Company Service date determines benefit eligibility, vesting in benefit programs such as retirement, rate of vacation accruals and vacation bidding, pass boarding priority, and service pins/awards. Company Service date should not be confused with Craft Seniority (see paragraph C, below) which is used for most bidding purposes.

### B. Pay Seniority

Pay Seniority determines an employee's position on the pay scale. While it is adjusted for periods of unpaid time off, (pursuant to Paragraph I below) step increases are given to employees after they complete the specified time as an active employee in a paid status.

1. Employees going from one Classification to another Classification within the same Craft will retain their Pay Seniority.
2. Employees going from one Classification to another Classification within different Crafts will have a Pay Seniority date based on their Craft Seniority in the new Craft, including any that they previously retained/accrued, unless the employee is forced to move to a lower paying Craft in which case he shall retain the pay seniority from the previous Craft.

### C. Craft and Classification Seniority

1. An employee's "Craft Seniority" date is established upon entering a Craft Seniority shall be by work classification within a craft and shall accrue from the date of entering the classification. The work classifications to be recognized for seniority purposes shall consist of Lead Mechanic, Aircraft Inspector, Shop Inspector, Mechanic, Mechanic's Helper, Seamer, Apprentice Mechanic, Lead Ground Communication Technician, Ground Communication Technician, Lead Flight Simulator Technician, Flight Simulator Technician, Lead Computer Technician, Computer Technician, Metrologist, Lead Utility Employee, Utility Employee and, effective May 1, 2003, Part-time Utility Employee.

- a. For bulletined jobs, the classification seniority date of the successful bidder or bidders will be the day following the last day for bidding on the job or jobs.

b. In all other instances, the classification seniority date will be the first day actually worked in the classification except that the classification seniority date of a Company employee shall be established as the date he is notified that he is awarded an open vacancy. The probationary period and pay in the new classification of such Company employees, however, will begin with the first day actually worked in the new classification.

2. 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 his 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.

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

3. Employees who move to a different Craft will continue to retain and accrue seniority in the previous Craft(s) while working in the new Craft, except that a Technician who moves to a lower Craft will only retain Technician Craft Seniority for a period of six (6) years, and will not accrue Technician Craft Seniority while working in that lower craft, unless the move to that lower craft is the next Bid Area following a RIF which bumped him from his Technician position or he was otherwise forced into the Utility Specialist position.
4. Employees awarded a Premium classification position shall retain and continue to accrue seniority in their basic classification. In the event an employee exercises his seniority to return to a lower-rated classification, he must return to the highest lower-rated classification in which he holds seniority or forfeit all seniority held in that or any other classification higher than the classification to which he returns.

#### D. Consent Decree

1. Also known as Union Adjusted Seniority Date, Layoff Recall Date and Adjusted Company Seniority Date for Layoff and Recall Purposes. This date is an employee's Company Seniority date with any adjustments for time in promoted status over 6-months and periods of Personal and Educational Leaves of Absence over 90-days. Consent Decree Seniority is used for the purposes of Layoff and Recall only. Terms of the Final Consent Decree dated April 30, 1976 can found

in the last two pages of the Agreement. The Consent Decree required adjustments alter an employee's seniority and will result in movement of the employee's position on any seniority or juniority list.

E. Classifications And Crafts

The Classifications and Crafts covered by this Agreement are:

<u>Classification</u>	<u>Craft</u>
<u>Metrologist</u>	Technician
<u>Lead Airport Communications Technician</u>	Technician
<u>Airport Communications Technician</u>	Technician
<u>Lead Flight Simulator Technician</u>	Technician
<u>Flight Simulator Technician</u>	Technician
Inspector	Technician
Lead Technician	Technician
GSE Coordinator	Technician
<u>Avionics Shop Technician</u>	Technician
Technician	Technician
<u>Lead Computer Technician</u>	Technician
<u>Computer Technician</u>	Technician
<u>Lead Utility Specialist</u>	Utility Specialist
Utility Specialist	Utility Specialist
Apprentice Mechanic	Utility Specialist
<u>Seamer</u>	Utility Specialist
Cleaner	Cleaner
<u>Lead Cleaner</u>	Cleaner
<u>Maintenance Planning Analyst</u>	<u>Maintenance Planning Analyst</u>

F. Seniority Lists

1. The Seniority Lists, which are in effect on the date of signing of this Agreement plus thirty (30) days will be recognized as the basis for all future discussions or challenges to Seniority.
2. The Company shall prepare and post system Seniority Lists by Craft (basic classification) Seniority showing the name, Craft (basic classification) Seniority date, and Company Seniority date for each employee, in the order of their Craft (basic classification) Seniority. In addition to the system-wide list, the Company shall also prepare and post a Station/Point Seniority List with the same information as above, but listing only information for the current employees at that station. Both lists will be updated and posted sixty to ninety (60 – 90) days before the posting of the Shift Bid in each station and each Bid Area. Such lists will be subject to correction upon protest for a period of thirty (30) days. If no

complaint is made within thirty (30) days of the posting, the list as published will be assumed to be correct, and thereafter no changes will be made except under extraordinary circumstances. Seniority lists will also be provided to the Union when they are posted. Electronic posting and transmission of seniority lists will be deemed sufficient to satisfy the posting and notice requirements of this Article, along with an electronic copy to each local union office.

3. Seniority list for classifications higher than basic classifications containing only the names, classifications, and Company service dates of employees holding higher classification seniority at the point shall be posted at the same time as the basic system classification seniority lists at each point. Protests of omissions or incorrect listings shall be made in the same manner and under the same conditions as protests relating to seniority on the system seniority lists by basic classification. When two or more employees are placed on a higher classification seniority list with the same higher classification date, they shall appear in the order of their position on the basic seniority list. This procedure shall not be used to disrupt the established relationship of employees already appearing on a higher classification seniority list.

#### 4. **Probation**

- a. New employees shall be on probation for the first one hundred eighty (180) calendar days of active employment under this Agreement. Upon successful completion of their probationary period, employees will be retained on the Seniority List in the order of their craft (basic classification) date.
- b. An employee may be assigned and re-assigned to any shift and days off during the probationary period. Probationary employees will be allowed to bid for shift, work area and days off in accordance with Article 7, and the award of such bid shall become effective after successful completion of the probationary period.
- c. There is only one probationary period for each employee, except that an employee who leaves the service of the Company for any reason and is later rehired, will be treated as a new hire, including the serving of another period of probation. No credit for previous Company service will be given.
- d. With the Union's concurrence, the Company may extend an employee's probationary period, either for performance reasons, or because the employee is relocating to a different work area.
- e. The Company will evaluate probationary employees on a bi-monthly basis and document such evaluation for review by the Union if requested.

- f. Employees may be discharged during their probationary period without a fact-finding meeting or recourse to the Grievance Procedure.

G Loss of Seniority

Seniority will be lost and the employee's name will be removed from the ~~Craft~~ Seniority list for the following reasons:

1. Resignation or termination, or
2. Retirement, or
3. Discharge for Just Cause, or
4. Failure to return to active service from a leave of absence, unless the failure to report was due to verifiable circumstances beyond the control of the employee, or
5. Failure to accept recall from lay off within fourteen (14) calendar days after written notice was received by the employee, or failure to report to work within fourteen (14) calendar days after acceptance of recall. Notice will be sent Certified Mail, Return Receipt Requested, to the last address on record with the company. Once notice of recall is received, the employee must report to work within twenty-eight (28) calendar days unless an extension is mutually agreed to between the Company and the employee. It shall be the responsibility of the employee to maintain their current address with the Company, or
6. Voluntary transfer or promotion to an hourly or salaried job not covered by this Agreement (excluding management positions in Technical Operations below the Director level), unless such transfer is because of a reduction in force that affects the transferring employee, in which case that employee will retain and accrue Classification Seniority, or
7. The employee does not return from a Medical Leave of Absence within five (5) years or the employee's length of service whichever is less, or as specified by applicable law,

H. Supervisory Or Special Assignment

1. Employees who are promoted on a permanent basis to any management or administrative position below the Director level will continue to retain seniority in the Craft(s) they vacated, but will accrue such seniority for only the first six (6) months while working in management.
2. When employees in management or administrative positions desire to return voluntarily to a Craft covered by this Agreement, in which they retain seniority,



they may use their classification seniority to bid for available vacancies in said Craft, but in no event will an employee be furloughed or bumped from his location as a result of the return to the unit of a management or administrative employee.

3. When employees in management or administrative positions are involuntarily demoted, or reduced due to a Reduction-In-Force, they may exercise their classification seniority to return to positions in Crafts in which they hold seniority, but in no event will an employee be furloughed or bumped from his location as a result of the return to the unit of a management or administrative employee.
4. Employees covered by this Agreement have priority to vacancies over those not covered by this Agreement, including employees in management or administrative positions who desire to return to a Craft covered by this Agreement.

#### I. Adjustment Of Seniority For Leaves/Furloughs

##### 1. **90 Day Accruals**

During the following types of leaves, Company Service date and Pay Seniority will continue to accrue for the first ninety (90) days, independent of calendar month. Beginning on the ninety-first (91<sup>st</sup>) day, Company Service Date and Pay Seniority will be adjusted for the remaining period of inactive service:

- a. Personal
- b. Educational
- c. Emergency
- d. Adoption
- e. Parental

Furlough and Company Offered Leaves (“COLA”) Pay Seniority will continue to accrue for ninety (90) days, independent of the calendar month. Beginning on the ninety-first (91<sup>st</sup>) day, Pay Seniority will be adjusted for the remaining inactive service while the employee is on furlough.

##### 2. **120 Day Accruals**

During Unpaid Medical Leave (including Family Leave), Pay Seniority will continue to accrue for the first one hundred and twenty (120) days, independent of

calendar month. Beginning on the one hundred and twenty first (121<sup>st</sup>) day, Pay Seniority will be adjusted for the remaining period of inactive service.

3. **Accruals for Longer Periods**

During the followings types of leaves, Company Service and pay seniority date will not be adjusted for the duration of the leave:

- a. Military
- b. Unpaid Occupational Injury (maximum five (5) years or length of service, whichever is less)

4. **Union Leaves**

Employees on Union Leaves will be treated as provided in Article 18 while working on Union leave.

## **Article 5 – Filling of Vacancies**

- A.** **1.** Employees desiring transfer within their basic classification at their point may file a local permanent bid with their local management on forms to be provided by the Company and must give a copy to the Local Union. Such bids shall specify the shop and branch of the trade to which the employee desires to be transferred as vacancies may occur. Bids will be valid through January 15th of the year following the calendar year in which bids are received by the Company. Prior to filling vacancies under this Paragraph, the Local Union will be notified of the number of vacancies, the qualifications for the job and the duties to be performed and the names of the successful bidders, when selected. Vacancies will be filled from among employees having bids on file as of the day preceding the date the Local Union is notified of the vacancy provided qualified employees are available. When a permanent job opening occurs at a point at which employees are on layoff, such vacancy will be filled by the senior employee who has the ability to satisfactorily perform the work required for the job in question and who is (a) on layoff, or (b) is in active service and has a local permanent bid on file, or (c) is in active service and is surplus in a work function at that point.
- 2.** Vacancies in basic classifications at a point of sixty (60) days or longer not filled in accordance with Paragraph A-1 shall be filled, when no layoff is in progress, from among active or laid-off employees at other locations with system permanent bids on file. Such bids must have been received by the Company as of the preceding Friday.
- a)** Part-time Utility Employees may file a system permanent bid for part-time and full-time vacancies at other locations. Such bids will be considered after all bids from regular full-time Utility Employees and before other transfer requests under paragraph-N of this Article.
- 3.** Vacancies of sixty (60) days or longer in classifications higher than Mechanic shall be bulletined at the point where the vacancy exists and, if not filled locally, shall then be bulletined at all shops and service stations where employees covered by this Agreement are located, except that vacancies in the Ground Communications Technician and Lead Ground Communications Technician classifications shall not require such initial bulletining at the point where the vacancy exists. Bulletins shall state whether the vacancy is temporary, the number of vacancies to be filled, the classification of the job involved, the station or location, the qualifications for the job, duties to be performed, compensation to be paid, the place where bids are to be sent, and the last date on which they will be received. Such date will be a minimum of seven (7) days after the date the bulletin is posted. Any employee selected to fill such a vacancy shall be available to begin the assignment within a maximum of ten (10) days after being released from his job. The first vacancies at any new point of sixty (60) days or longer in the Mechanic classification shall be similarly bulletined at all shops and service

stations where employees covered by this Agreement are located. An employee who fills a bulletined job in a Lead classification and subsequently resigns from it within a period of six (6) months from the date he is declared successful bidder shall not be entitled to exercise his basic classification seniority to displace to the shift and/or bid area of his choice, but shall return in his basic classification to his former shift and bid area.

**B.** A Mechanic will be eligible to bid on a vacancy in the Mechanic or higher classification after twelve (12) months of continuous service with the Company as a Mechanic. When a vacancy is not filled through the bidding procedure, the Company may, but will not be required to, consider the transfer request of a Mechanic with less than twelve (12) months of service.

**C.** Any employee bidding for a bulletined job must file his bid in writing with the Company as provided in the bulletin and may file a copy of the bid with the Union.

**D. 1.** In filling jobs under the bidding procedures provided in this Agreement, seniority plus ability to satisfactorily perform the work required for the job in question will be considered. Any person aggrieved by the action of the Company in filling such vacancies may file a grievance pursuant to the procedure set forth in the Agreement.

**2.** In cases where a vacancy in a higher classification bulletined under Article 5, Paragraph A-3, above is filled by bids from employees in a lower classification and the successful bidder is later displaced by a decision in the grievance procedure or by an award of the System Board of Adjustment, the following procedure shall govern:

**a)** The employee in the vacancy awarded the senior bidder by the System Board's award or the grievance decision shall lose all seniority in the higher classification and be returned to the job held at the time of promotion except under the following conditions:

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

**E.** An employee bidding for more than one (1) vacancy shall indicate the order of preference on each bid. When the Company has selected an employee to fill a bulletined job, it shall post immediately at each shop or location where the vacancy was announced a bulletin showing the name of the employee selected to fill the job and his seniority date. The Company will not be required to consider

bids submitted by an employee within six (6) months after the date on which he was notified that he was a successful bidder, except that an employee whose permanent bid at this point has been successful shall not lose the right to bid at any time on bulletined jobs or for shift preference within his classification or for the initial establishment of vacancies in a new skill or classification at a point.

- F.** If the applicant whose application for a bulletined job is accepted is stationed at a location other than the location of the bulletined job, the Company will furnish contingent air transportation on its system for the employee affected and for the members of his immediate family to the extent permitted by law from the location from which he is transferring to the location of the bulletined job. All other expenses incident to such transfer will be borne by the employee. The employee will be allowed a reasonable period between the time he is relieved of his duties until he is required to report at the new location. Such a period shall be established in advance and be dependent upon the means of travel.
- G.** An employee whose bid for a job is accepted shall hold the job for a reasonable period but not to exceed ninety (90) days on a trial basis in order to demonstrate his ability to perform the work required by the job. An employee's trial period may be extended in appropriate cases (such as the employee's extended absence because of accident or illness) by local agreement between the Union and the Company. During such trial period, if the employee is unable to demonstrate ability to perform the work required by the job and after the Company confers with the Local Committee, the employee shall be returned to his previous assignment but he shall not, for a period of six (6) months, be permitted to bid for a vacancy in the same or a higher classification of work in which he was unable to demonstrate ability. The return to his former station shall be without expense to the Company, except that the Company will furnish contingent air transportation on its system for the employee and his immediate family to the extent permitted by law, and the employee will be allowed a reasonable period from the time he is relieved of his duties until he is required to report for work at his previous station established as aforementioned.
- H.** During the interim required to bulletin a vacancy, the Company may select an employee to fill the vacancy temporarily. Employees temporarily transferred from their regular work to the work of any other classification covered by this Agreement shall receive their regular rate of pay or the minimum rate of the classification, plus longevity, whichever is the higher, for performing such work.
- I.** In the case of vacancies not expected to exceed seventy-five (75) cumulative days in a rolling twelve (12) month period, the Company may select an employee to fill such vacancy on a temporary basis without bulletining the job. To allow accurate tracking of such assignments, notice will be given to the Union Representative or his designee by the Supervisor or authorized Company designee. In the case of vacancies in higher classifications, the selection will be based on seniority insofar as practical and wage claim will be paid where deviation from normal selection

practice for temporary assignments is due to Company convenience. Exclusive of training assignments and positions occupied by incumbent employees who are absent in accordance with Article 10, at the end of seventy-five (75) cumulative days in a rolling twelve (12) month period, the vacancy will be filled as otherwise provided in this Agreement.

Notwithstanding the foregoing, exclusive of vacation requirements, when a Lead job in a work group for a full shift is regularly filled each work week by temporarily upgrading an employee more than half time (more than 20 hours per week) for sixty (60) days, a permanent Lead vacancy will be bulletined and awarded.

- J.** An employee under this Agreement assigned to a temporary job under Paragraphs H and I of this Article shall, upon such discontinuance of such temporary job, be returned to his former job and status.
- K.** No employee will be compelled to accept a permanent transfer against his wishes.
- L.**
  - 1.** In the event a vacancy in the classifications covered by this Agreement exists at any location on the Company's system and no qualified employees bid, the Company shall have the right to select to fill such position the junior qualified employee at any location willing to accept transfer at the Company's expense and the employee may be transferred to the new location and given credit for all of his classification seniority at the new point.
  - 2.** In the event there are no eligible bidders for a vacancy in a Mechanic or higher classification at any location on the Company's system, the Company may fill such vacancy by assigning any Mechanic willing to accept the assignment or by assigning the junior qualified Mechanic at the location to fill the vacancy.
- M.** It shall be the policy of the Company to promote its own employees, and only when competent employees cannot be found in the ranks, or when competent employees will not accept vacancies or new positions in the supervisory force, will it be the disposition of the Company to vary from this policy.
- N.** Permanent vacancies in all classifications covered by this Agreement that are not filled in accordance with other provisions of this Agreement shall be filled first by IBT - represented employees, and then by IAM-represented employees, who in each case hold seniority rights under their respective United labor agreements, who make an appropriate and timely application and who have the ability to satisfactorily perform the work required for the job in question.
- O.** Electronic means of communications with respect to bidding, posting and awarding vacancies may be utilized by mutual agreement of the parties. The Union will not unreasonably withhold such consent.

## Article 6 - Reduction-In-Force (RIF) and Recall

- A. When the number of employees must be surplus, Craft (Basic Classification) seniority shall govern. The employees with the least Craft Seniority by classification, by station in the affected Bid Area will be surplus.
1. If the point/station surplus creates a furlough at the seniority point, then Consent Decree Seniority will determine who is to be furloughed.
- B. Beginning with the most senior employee affected by a reduction as provided in paragraph A above, employee(s) affected by a RIF may exercise Seniority in the following order:
1. Using Craft (Basic Classification) Seniority displace the junior employee in any Bid Area within his Craft/classification (unless the employee chooses to displace to a lower Craft/classification), at his station/Point for which he meets the minimum qualifications in accordance with Article 3, and in which he has the seniority to displace, or at the employee's option, using Consent Decree Seniority displace the system in the Bid Area from which he was reduced in any station/Point his Consent Decree seniority will allow.

Note: For purposes of this Article (Reduction-In-Force) the following geographic locations, having two (2) or more stations in close proximity to one another, are considered one (1) Point:

New York (EWR-JFK-LGA), Washington (DCA-BWI-IAD) Chicago (ORD-MDW-EXO) Los Angeles (LAX-BUR-LGB-SNA-ONT), San Francisco (SFO-OAK-SMF-SJC), Hawaii (HNL-KOA-OGG-LIH), Miami (MIA-FLL), Houston (HOU-IAH), Denver (DEN-COS-DENTK)

An employee at one of these stations may elect to bump a more junior employee at the other station within the same Point (e.g. IAH-HOU) in the manner described in paragraph B.1 above. The parties agree that during the term of this Agreement they will meet and confer at either party's request regarding the need or desire to add to or delete from the list of stations considered to be a single Point.

2. If unable to exercise all options in B(1) above, that he is qualified for in accordance with Article 3, that would enable him to displace at his home station/Point or any of his selected options he chose on the system in his Bid Area, in a manner that would allow him to remain at his current base rate or higher (excluding shift and line premiums), he may staff any position in the system he has the Consent Decree seniority to displace and for which he meets the minimum qualifications in accordance with Article 3.

### 3. Premium Classifications

Employees holding seniority in premium classifications who bid to other points shall lose all seniority in their premium classifications at the point from which they bid. In the case of a reduction in force affecting premium classifications, the employees reduced shall exercise their basic classification seniority or other seniority held at the point at which reduced.

- a. When the number of employees in any type of job in the Lead Mechanic or Inspector classifications is to be reduced, the surplus junior employee or employees in the classification in that type of job at the work location where the reduction in force is to occur will be notified of layoff from the classification. After notification, the employee must displace the junior employee in any of the types of jobs in his classification at his point in which he has had successful experience on a permanent basis. If he does not, he shall lose all seniority in the classification.
  - b. If unable to remain in his classification through exercise of seniority under subparagraph 1 above, the employee may, but shall not be required to, displace the junior employee in any other type of job in the classification at his point, provided he has both greater Premium classification seniority and greater Craft (Basic Classification) seniority and has the ability to satisfactorily perform the work required for the job in question. An employee whose displacement right is denied by the Company may file a grievance.
  - c. An employee laid off from his classification will be offered reemployment in order of Lead Mechanic or Inspector classification to those types of jobs in his classification at his point in which he has had successful experience on a permanent basis. He must accept such offer of reemployment or lose all seniority in the classification.
  - d. A laid off employee who did not displace under subparagraph 2 above or who was unable to exercise his seniority to hold a job in his classification at the time of layoff shall have seniority rights in the classification from which laid off only for the purpose of reemployment as specified in subparagraph 3 above. He may, however, bid on any bulletined vacancy in the classification from which laid off based on his Craft (Basic Classification) seniority.
  - e. The procedure specified in subparagraphs 1 through 4 above is confined solely to layoffs, exercise of seniority after layoff, and reemployment after layoff in the Lead Mechanic and Inspector classifications
4. At his option, the employee may take lay off at the point (“LOAP”) in lieu of any of the foregoing.
  5. If the Company decides to move work from one Company location to another on a permanent basis (i.e., sixty (60) days or more), resulting in a net head count loss at the location losing the work, beginning with the most senior employee in the affected Bid Area, the net number of affected employees in the affected Bid Area shall have



the option to exercise seniority to follow that work to the location or locations to which it is transferred, before vacancies are offered to other employees, including those with recall rights or new hires, at the location or locations. An employee who declines to exercise his seniority and becomes excess in the Bid Area shall then become surplus within that location and shall be afforded his furlough and recall rights under this Article.

- C. An employee affected as well as employees who potentially may be affected by a RIF or may be displaced pursuant to this Article, will be offered the opportunity to designate, in the order provided above (paragraphs B.1, 2, 3, 4), election of his options within fourteen (14) calendar days after written notification was sent Certified Mail, (Return Receipt Requested) to the current address on file with the Company. The potentially affected employees' option sheets will not be exercised unless that employee is affected by the reduction in force or displaced by a senior employee. An employee who does not designate his options and is affected by the RIF or displacement will be placed on LOAP, absent extenuating circumstances.
- D. The recall procedures in this Article will be applied before a permanent vacancy is filled by operation of either the bumping procedures described above or the bidding procedures described in Article 5. During a reduction-in force ("RIF") the company will "freeze" any open bids on the system no later than the day RIF notices are issued, and will not fill vacancies on the System until all RIFs are finally processed. The Company shall maintain records reflecting system-wide staffing. The Company will inform the Local Union prior to filling any position(s). In addition, at the time of any RIF the Company will provide the International and the affected Local Union(s) with a "snapshot" of the system-wide staffing including positions staffed, positions not staffed (vacancies), and positions to be eliminated. In addition, throughout the RIF process the Company will maintain and keep sufficient documentation, whether electronically or otherwise, to permit an audit if requested by an affected employee or the Union.
- E. After the Company completes the RIF process, an employee who is to be placed on LOAP will be given a minimum of fourteen (14) calendar days written notice in advance of the effective date, or straight time pay in lieu of such notice. Employees will not be entitled to notice/or pay in lieu of notice if the RIF is due to circumstances beyond the control of the Company, such as an act of God, a war emergency, revocation of an operating certificate, grounding of aircraft, or a strike.
- F. An employee who is laid off will receive full payment for unused vacation time credited from the previous year, as well as vacation accrued up to the time of lay off. However, at the employee's option he may keep his accrued vacation bank, to be used if recalled, until the end of the calendar year in which it was accrued for. If not recalled by December 31<sup>st</sup> of that year he will be paid for all such hours stated above.
- G. An employee on lay off will continue to have standard employee pass privileges for six (6) months beginning with the effective date of his lay off.

- H. An employee's recall rights to a Point and Classification remain in effect unless removed from the Seniority list pursuant to the Seniority Article.
- I. Recall to a permanent vacancy will be in Consent Decree Seniority order, beginning with the most senior employee, among those employees who have recall rights to that vacancy, provided the employee has the qualifications for the job as set forth in Article 3, Covered Crafts, Classifications, Qualifications and Bid Areas.
- J. An employee will have recall rights to every Classification for which he is qualified at his current station (the station he has displaced to pursuant to this Article), provided it does not result in a lower base rate of pay, and to every Classification for which he is qualified at each station/Point from which he was involuntarily displaced by application of these RIF rules, provided that he has not declined recall to the same Classification at the same station/Point since his most recent reduction or displacement from same, or otherwise lost his recall rights pursuant to the terms of this Article. An employee will not lose his recall rights to the station he was furloughed from if he accepts a position at another station within the same point.
- K. An employee will lose his recall rights to a vacancy at a station/Point if he refuses recall to the same Classification at the same station/Point. Refusing recall to one Classification will not result in loss of recall rights to a different Classification at the same station/Point. An employee with recall rights who voluntarily transfers to a vacancy at a station/Point other than those from which he was RIFed will not forfeit his recall rights. An employee on furlough status shall have the right to bid for vacancies on the system pursuant to Article 5 without forfeiting his recall rights.
- L. An employee who is on LOAP may refuse temporary recall of less than 180 days without loss of recall or employment rights. When a temporary position becomes permanent, the recall provisions of this Article will be used to fill the position regardless of temporary staffing.
- M. To maintain eligibility for recall, furloughed employees must keep a current address and phone number on file with the Company. An employee will be administratively terminated, absent extenuating circumstances, if written notice of recall is undeliverable at his last address of record (notification of recall will be mailed return receipt requested); if he fails to accept recall from furlough within fourteen (14) calendar days of receipt of notification; or if he fails to report to work within fourteen (14) calendar days after acceptance of recall, unless mutually agreed otherwise between the Company and the employee.
- N. In the event of administrative termination due to failure to accept recall, or to report after acceptance of recall, written notice of that action by the Company will be sent by mail, return receipt requested, to the employee's last address of record and to the employee's local Union.
- O. For Employees not on furlough or lay off status (those still working, but in different positions within the Company) who are being recalled, the Company may hand deliver an unregistered and uncertified written recall notice to such employee provided that a signature receipt is obtained from the employee.

- P. If an employee is unable to return to the service of the Company at the time of recall because of an illness or injury, he shall remain on furlough until he is released by his doctor to return to work. In order to preserve his rights under this Agreement, an employee must notify the Company within the fourteen (14) day response period as specified in Paragraph M above, and provide proper medical documentation as provided by the employee's attending physician as soon as possible. Once released to return to work, the employee may at that time exercise his seniority in accordance with paragraphs I and J and his original notice of recall.
- Q. Employees' medical benefits will continue until the end of the month in which pay continuation furlough pay ceases, as provided in paragraph S.2 below.
- R. A copy of all furlough and recall notices provided to employees pursuant to this Article will be sent to the Union at the same time that the notice is provided to the employee.
- S. Furlough Pay
1. An employee who has completed at least one (1) year of compensated service with the Company prior to being laid off, through no fault or action of his own, shall receive furlough pay as provided by paragraph S.2 of this Article, paid as pay continuation, but shall not receive furlough pay if any one (1) or more of the following conditions exist:
    - a. He exercises his seniority to remain in the employ of the Company.
    - b. He accepts any other employment with the Company or refuses to accept a job in his own classification at his base or station as provided for in this Article 6.
    - c. He fails to exercise his seniority in any classification which would enable him to remain in the employ of the Company, except that refusal to exercise his seniority at another station/Point shall not prevent him from receiving furlough pay
    - d. He is dismissed for just cause, resigns or retires.
  2. The amount of furlough pay due under this Article shall be based on the length of actual straight time compensated service with the Company, shall commence on the first day following the effective day of his furlough, and shall be computed on the basis of the employee's regular "Hourly Base Rate of Pay" as defined in Article 15 at the time of layoff as follows: one (1) week of furlough pay for each year of service to a maximum of fifteen (15) weeks.

## Article 7 - Hours of Service

- A. An employee's work week may consist of five (5) consecutive workdays, followed by two (2) consecutive days off. The normal day is eight (8) hours of work with a thirty (30) minute unpaid meal period. A ten (10) minute rest period will be given during the first half of the shift and another ten (10) minute rest period will be given during the second half.
- B. In certain locations the normal work week may consist of four (4) consecutive work days of ten (10) hours per day, with an unpaid thirty (30) minute meal period, followed by three (3) consecutive days off. Three (3) ten (10) minute rest periods will be given during the ten (10) hour shift.
- C. In certain locations employees may be assigned to rotating days off patterns. Such patterns will provide for consecutive days off except where the rotation requires a single day off to maintain the pattern.
- D. At no time will the Company schedule an employee for less than forty (40) hours of work per week, except as required by law.
- E. Employees who do not receive a thirty (30) minute meal period between the 3rd and 6th hours of their regular shift will, in conjunction with the needs of service, receive one of the following two (2) options:
  - 1. Receive thirty (30) minutes additional pay at the applicable overtime rate, or
  - 2. Leave work thirty (30) minutes early with pay before the normal shift end time.
- F. The Company may, if concurrence is reached with the local Union Representative, establish a paid meal period for any or all of a given work group.
- G. Starting and ending times of each shift, whether eight (8) or ten (10) hours, will be posted at each Shift Bid and will under ordinary circumstances remain unchanged until the next shift bid. Should the starting/end time be changed by one (1) hour or more, all shifts in that Bid Area will be re-bid.

Day shift shall be considered the first shift of the day, and is any shift which begins on or after 0500 and up until 1000. The swing shift will be considered the second shift of the day, and shall start no earlier than 1001 nor later than 1600. Graveyard shift shall be considered as the third shift of the day, and is any shift which begins at or after 1601 and prior to 0500.

- H. Duty Limitations

Except in emergencies, as defined in Article 2, an employee shall not work more than twenty (20) work hours, exclusive of lunch, in his twenty-four (24) hour day, nor more than thirty-six (36) work hours, exclusive of lunch, in any two (2) consecutive twenty-four (24) hour days. An employee's twenty-four (24) hour day begins with the starting time of that employee's regularly scheduled shift. Job continuation in conjunction with a shift in progress is permitted in conjunction with these maximums.

- I. Except as otherwise provided in this Agreement, when an employee has his hours of work temporarily changed and is thereafter returned to his regular assignment, he will have eight (8) hours rest after his last preceding work assignment. In the event that the rest period extends into the employee's regular work shift, he shall be paid at straight time rates for the time lost from his regular schedule which would provide him with the eight (8) hours rest. If an employee is not provided with the rest period as prescribed above, he shall receive his applicable overtime rate for all hours worked until such time as the employee is relieved for a rest period of no less than eight (8) hours.

J. Adverse Conditions

In any location the Director of Technical Operations or his designee may declare the day an "Adverse Condition Day." The Company shall establish a phone contact number that employees can call to determine the status of their specific work facility during adverse conditions. Upon contact the employee will be given the time of day the last message was updated and a definitive answer as to the current status of their facility during adverse conditions. If adverse conditions at the facility are declared and no definitive answer is given with respect to the facility or work area(s) being "Open" or "Closed" within at least two (2) hours of shift starting time, employees scheduled to work that shift are entitled to treat the facility as "Open."

(Note: One work area within a facility may be Open while another is Closed, even though both are in a single location that has been declared to be under Adverse Condition rules, however, under no circumstances will any work area(s) within one facility be deemed to be under Adverse Conditions while another is not.)

(Note: Decisions made by federal state or local government officials concerning travel or accessibility to the work place shall be considered in determining individual employee's ability to report to work. Employees unable to report to work due to above made decisions shall be entitled to the provisions in paragraph 1 below (Facility Open).

When an Adverse Condition has been declared, absence from duty will be treated as follows:

1. Facility Open

- a. On an Adverse Condition Day an employee will be allowed to report for work up to sixty (60) minutes late with no loss of pay for absence/tardiness. An employee arriving later than sixty (60) minutes after the beginning of the shift will be paid only for the actual hours worked. In neither case will an employee be charged with an absence/tardiness.
- b. Occasionally an employee is delayed or absent due to adverse conditions. If an employee is unable to report to work, he will not be paid for that day, nor will he be charged with an absence, but will be allowed to make up the day within a period mutually agreed to by the employee and his supervisor. This period will not be greater than fourteen (14) calendar days, or, at the employee's option thirty (30) days, unless agreed to by the employee and his supervisor.
- c. In departments that operate seven (7) days per week or allow day at a time vacation, an employee will be allowed to use any deferred or floating holidays or a vacation day to make up work missed when absent due to adverse conditions.
- d. An employee who is scheduled and does report to work on time will be entitled to full pay for the day unless the employee is not needed and voluntarily takes the day without pay (ANP).

2. Facility Closed

- a. When the decision to close a facility is made before the start of a shift, the Company will try to notify employees not to report to work. An employee who misses work due to a facility closure will be paid for the hours missed on the employee's first scheduled work day during the facility closure. Employees will be able to use vacation, deferred or floating holidays to make up for regularly scheduled hours missed on the second and subsequent days during the facility closure. Employees may also choose to make up regularly scheduled shifts missed within the period up to a maximum of thirty (30) days following closure of a facility as mutually agreed to by the employee and his supervisor. After the facility has been closed, the Company will determine when the facility can expect to reopen and notify all affected employees.
- b. At locations that have more than one (1) shift assigned to work, the decision to close may apply to only one (1) shift. When the decision is made to close a facility during a shift, an employee who is at work at the time of the decision will receive pay for the remainder of the scheduled

shift.

- c. Absence due to a facility closure will not be counted as an absence.

#### K. Shift Bids

1. All employees covered by this Agreement have an assigned Bid Area. Within the Bid Area, all employees work an awarded shift with scheduled days off. In some Stations, generally the larger ones, certain Bid Areas may consist of several different Work Areas (i.e.: Line, Facilities, Terminal, Hanger, Test Cell, Stalls, WC324, etc.) In these instances all employees will have the option to bid, by seniority, into different work areas within the same Bid Area during each local Shift Bid. Except relief shifts, each employee shall have the same starting time on each of his regularly scheduled workdays. Employees transferring into a Bid Area will select a "Shift and Days Off pattern" from those available by Craft Seniority.
2. At least twice a year (i.e., on a semi-annual basis, generally near the spring and fall time changes) each Bid Area will have a "Rebid for shift and days off." In no event will such rebids be separated by more than nine (9) months unless all employees in the Bid Area agree to waive such rebid. The Company will confer with the Local Union at each Station regarding shift/day off patterns in each Bid Area/Work Area prior to posting the shift bid.
  - a. If operational concerns arise with potential excessive movement via shift bid, the Company will meet and confer with the Union prior to deciding what movement will be allowed
3. Shift bids will be posted by the Company at least 30 days before bidding starts. Results of the shift bid will be posted by the Company at least seven (7) days before its effective date. To minimize disruption of work schedules, the effective date of a shift bid will be the first day of a pay period.
4. When a new or vacant shift becomes available, the senior interested employee(s) in the Bid Area will be given the opportunity to fill the new or vacant shift(s). The remaining shift(s) may be filled by the new or transferring employee. The Company may temporarily fill the position prior to the completion of the bid process.
5. An employee on an occupational injury or sick leave who wants to participate in a shift bid must provide a physician's statement verifying a return to work date that is within sixty (60) days of the effective date of the shift bid. Employees on other forms of leave similarly may bid provided they have a scheduled return date within sixty (60) days of the effective date of the shift bid. Employees who do not return within sixty (60) days of the bid's effective date will have their bids

canceled and upon return will be subject to placement on a shift by the appropriate supervisor.

6. An employee transferring into a Bid Area will be allowed to participate in any shift re-bid in his new Bid Area if the closing date (the day the last person bids) of the shift re-bid is after the award/posting of the transfer. Employees awarded and accepting a transfer will be notified by the Company about current or upcoming Shift Bids that might be taking place in their new Bid area.
7. Employees scheduled to work more than four (4) or five (5) consecutive days (depending on a ten (10) or eight (8) hour shift) in a work week, or more than eight (8) or ten (10) hours in a twenty-four (24) hour period, during the transition to a new shift/days off scheduled will be paid straight time. Conversely, an employee who, because of a shift bid, is scheduled for less than a forty (40) hour week, will be allowed to work a shift(s) at straight time in order to obtain forty (40) hours of straight time.
8. Unless an electronic system is implemented or the parties in a Bid Area agree upon some other procedure, employees in a Bid Area will be assigned a bid time of not less than five (5) minutes on the day designated for a shift re-bid. Each employee shall either appear (in person or by phone) at the designated place to indicate his preference to the designated management representative or submit a written "pre-bid" to the designated management representative, prior to the shift re-bid. Written confirmation will be provided to employees submitting written pre-bids. The assigned bid times and bid office phone numbers will be posted with the Shift Bid at least thirty (30) days prior to the actual bid date and will have bid times separated in ten (10) minute intervals, unless mutually agreed to otherwise locally, to accommodate any new/transferring employees.
9. If during the awarding process an employee does not bid at his assigned slot the employee may bid on the remaining available slots at the time he notifies the appropriate office.
10. If the Company determines that it wishes to employ a technological bidding process that renders any of the terms of this Article obsolete, the Company and the Union will meet for the purpose of negotiating the implementation of the new technology.

L. Day and Shift Trades

1. Employees may agree among themselves, qualifications permitting, to:
  - a. Trade one or more of their days off with each other ("Day trade");



- b. Exchange shifts on the same day, or another day (“shift trade”); or
  - c. Trade a shift to another employee without the other employee doing likewise (“one way trade”). Employees may trade away a maximum of thirty (30) “one-way” shifts in any six (6) month period, provided the employee works five (5) shifts in a calendar Month. Employees on a one way trade off will be allowed to use vacation time to make up for all hours on the unpaid trade day off.
  - d. Employees may trade for a maximum of four (4) additional shifts in any work week. Of these four (4) additional shifts, employees will be allowed to work a maximum of two (2) back-to-back (double) shifts per work week. (For example, an employee normally scheduled to work dayshift with Saturday and Sunday off may work additional trade shifts on Monday and Tuesday, but would not be eligible to work a trade shift on Wednesday; he would then be eligible to work additional trade shifts on Thursday and Friday.)
  - e. Employees working a trade day will be considered as working a normal shift and will be eligible for sick pay, occupational injury pay (to extend to the end of the employees following work week) vacation pay, planned and unplanned field trips, prior and following shift overtime, etc. (Note: employees on occupational injury leave may not trade shifts).
  - f. Employees on a trade day off will be eligible for overtime, pursuant to Article 17, on the remaining two (2) shifts on the day of the trade day off.
2. If one employee is on ten (10) hour shifts and the other employee is on eight (8) hour shifts, then both employees will work each other’s assigned shifts. The foregoing trades may result in an employee working more than four (4) days (in the case of ten (10) hour shifts) or five (5) days (in the case of eight (8) hour shifts) in a work week, and/or more than eight (8) or ten (10) hours, as the case may be, in a twenty-four (24) hour period. In all such cases those employees will be paid straight time.
3. Except in case of emergency, employees will provide reasonable written/electronic notice of day/shift trades. Employees who agree to make a specific trade should fill out and sign a form stating the dates and times of the trade. That form must then be submitted to the appropriate supervisor who shall then acknowledge receipt of it with his signature, even though his approval of the trade is not required. Each of the employees is then responsible for his own attendance on the date and times of the agreed trade. Upon reporting for work, a trading employee must give the appropriate supervisor the name of the employee whose place he is taking.

4. However, an employee who orally arranges for a trade without filling out the appropriate form, and without obtaining a supervisor's written receipt, will be held responsible for his own attendance and that of the other employee agreeing to the trade.
5. When reporting for a trade the employee must report to the work area of the employee he traded with prior to the start of the shift and advise the supervisor on duty who he/she is trading with.

## Article 8 – Holidays

- A. Employees covered by this Agreement will observe the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and two (2) floating holidays. ~~The number of floating holidays shall be increased to four (4) effective January 1, 2011.~~ Floating holidays shall be scheduled as follows:
1. During the year, subject to the needs of the service, the employee may request Floating Holiday(s) for a specific day or sequence of days if the employee has Floating Holiday(s) available. The employee will not be denied the request, if it is made no more than sixty (60) days and no less than eight (8) hours prior to the beginning of the shift or sequence of shifts in question if there are open weeks as set forth in B.4 of Article 9. However if an open week does not exist, it shall be mutually determined by the employee's Steward and immediate Supervisor or designee as to whether or not the request is granted based on manpower available on the day requested. The Supervisor will have an answer to the employee's request by the end of the employee's work day on the day the request was made.  
  
In cases of requests made less than eight (8) hours prior to the beginning of the shift or shifts being requested, an employee will not unreasonably be denied a Floating Holiday(s) if open weeks exist as set forth in B.4 of Article 9 and the needs of the service permit his release. Denied requests and the reason(s) for the denial will be documented upon the employee's request.
  2. Once a request has been properly made, the Floating Holiday(s) must be taken as scheduled unless agreed to otherwise by the employee and the supervisor.
  3. Floating Holidays cannot be scheduled on any other holiday.
- B. For holiday staffing purposes, all employees regularly scheduled for duty will be expected to report for work on their regularly scheduled shift. A volunteer list with the number of employees required per shift and bid area will be manually or electronically posted by the Company in each bid area at least fifteen (15) days before the holiday. Within seven (7) days of posting employees must electronically submit their preference to work by signing the volunteer list, or to receive the day off by not signing the volunteer list. Only those employees assigned to the bid area will be eligible to sign its respective volunteer list. If there are insufficient volunteers to work the holiday, and reduced staffing is authorized, awarding of the day off will be in craft seniority order, beginning with the most

senior employee, and will be posted seven (7) days before the holiday. If there are more volunteers to work than are needed for holiday staffing purposes, assigning of the day off will be in inverse craft seniority order, beginning with the most junior employee (including probationary employees). Employees scheduled to work a particular shift and bid area on a holiday who sign up on the volunteer list desiring to work the holiday will have first preference to work their shift when there are more volunteers than needed. At each Station/Point the Company and the Local Union will mutually agree, in writing, to the rules and conditions regarding the proper administration of Holiday Staffing pursuant to this paragraph.

- C. If an employee works on a holiday he will be paid time and one-half (1½) his hourly base rate of pay for all hours worked, in addition to eight (8) or ten (10) hours, depending on his regular schedule, of straight time holiday pay. Premium hours paid on a holiday will not be transferred onto the employee's overtime hours as defined in Article 17, Overtime.
- D. All overtime worked on a holiday will be pursuant to Article 17.
- E. If a holiday falls on an employee's regularly scheduled work day and the employee is excused from working that day, the employee will receive eight (8) hours pay at the employee's hourly base rate of pay if the employee's regular schedule is eight (8) hours and ten (10) hours pay at the employee's hourly base rate of pay if the employee's regular schedule is ten (10) hours.
- F. If a holiday falls on an employee's regularly scheduled day off the following will occur:
  - 1. At the employee's option, he will be given another day off immediately before or after the employee's regularly scheduled days off with eight (8) or ten (10) hours pay at the employee's base rate or,
  - 2. The employee will receive eight (8) hours pay at base rate for the actual holiday, regardless of whether the employee works an eight (8) or ten (10) hour shift, if the employee is not given an additional day off.
- G. An employee may defer his eight or ten hours of holiday pay for use as an additional vacation day at a time in the current year of deferral or the following vacation year. Provisions for using these additional vacation days are set forth in Article 9(C). At his option, an employee may elect to transfer his eight (8) or ten (10) hours of holiday pay into his sick bank, so long as such transfer will not exceed the maximum allowable accrued sick bank hours as provided in Article 11(C).
- H. At the employee's option one (1) day will be added, either before or after, to an employee's vacation for each holiday that falls within the employee's vacation.

- I. If an employee is on any type of paid leave (sick leave, occupational injury leave, jury duty, death-in-the-family, etc.), the employee will receive holiday pay, but the employee will not receive any leave pay.
- J. If an employee calls in sick on a holiday that the employee is scheduled to work, the employee will be treated as follows:
  - 1. The employee will receive eight (8) hours holiday pay at his hourly base rate of pay if the employee's regular schedule is eight (8) hours and ten (10) hours pay at his hourly base rate of pay if the employee's regular schedule is ten (10) hours.
  - 2. No sick bank time will be deducted or paid for any regularly scheduled shift on the holiday.
  - 3. Notwithstanding the provisions of J.2 above, an employee who calls in sick for a day or shift trade scheduled on a holiday will be eligible for pay from his available sick bank.
  - 4. The absence will be an accountable instance for attendance purposes. Subsequent contiguous absences due to illness will be considered the same instance.
- K. When an employee is scheduled to work a holiday and does not report, other than for reasons of sickness, holiday pay will not be paid.
- L. Trading on holidays is permitted in accordance with the provisions of Article 7, with the following qualification: An employee who works on a holiday will be paid time and one-half (1½) for all hours worked. He also is eligible to receive his own straight time holiday pay for that day, but not the straight time holiday pay of the employee with whom he traded, that straight time holiday pay, either eight (8) or ten (10) hours, will be given to the employee on the trade day off.
- M. The Company recognizes that certain employees will request time off to observe a religious holiday.
  - 1. Employees who wish to take time off for a religious holiday should first attempt to arrange their work schedule so that they will not have to work on the religious day. The employee may arrange to work on one of the established holidays, or on one of his regular days off in the same pay week he wishes to observe the holiday in substitution for time off granted to observe a religious holiday. Such regular day off work shall be paid at straight time pay for eight (8) or ten (10) hours, whichever is applicable.

2. Employees unable to make alternate arrangements should notify their supervisors in writing at least two weeks before the day they wish to be absent. The Company will accommodate a request for time off. Such time off will be without pay, unless the employee has VAC-DAT days remaining, in which case a VAC-DAT day will be used for the absence. The Company may require the employee to work a different shift or day. Absences of this nature will not count for attendance purposes.

## Article 9 - Vacations

### A. Vacation Policy

1. All employees are eligible for paid vacation. The rate at which an employee accrues vacation (five (5) days per year, ten (10) days per year, fifteen (15) days per year, twenty (20) days per year, twenty-five (25) days per year, thirty (30) days per year, or thirty-five (35) days per year) is based on the employee's completed years of Company Service. The number of days an employee actually accrues, to be used in the next year, is based on the employee's accrual rate and the number of months the employee is actually paid in the current year.
  
2. Accrual Schedule - The number of vacation days an employee actually receives will be based on his/her accrual rate and the number of months the employee actually works in the prior year. The employee must be at work, on paid sick leave, on paid occupational injury leave, on vacation, or on a company offered leave of absence for more than one half of a month in order to be considered to have worked the month for vacation accrual purposes.

The number of vacation days earned based on the rate of accrual and months worked is shown in the chart below:

Months of Service	Maximum Regular Vacation							
	Prior to January 1	5 days	10 days	15 days	20 days	25 days	30 days	35 days
12		5	10	15	20	25	30	35
11		5	9	14	18	23	28	33
10		4	8	13	17	21	25	29
9		4	7	11	15	19	23	27
8		3	7	10	13	17	20	23
7		3	6	9	12	15	18	21
6		2	5	8	10	13	15	17
5		2	4	6	8	10	12	14
4		2	3	5	7	8	10	12
3		1	3	4	5	6	8	10
2		1	2	3	3	4	5	6
1		0	1	1	2	2	3	3

3. Starting January 1 after an employee's year of hire, an employee's rate of vacation accrual is based on the employee's years of Company Service as determined by the employee's Date of Employment. The vacation accrual schedule will be as follows:

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

4. Employees hired on or before the fifteenth (15<sup>th</sup>) of the month will receive vacation credit for that month. Those hired after the fifteenth (15<sup>th</sup>) of the month will receive vacation credit beginning the first day of the following month.

5. Employees working on schedules other than five (5) day workweeks will be paid for vacation based on forty (40) hours per workweek. Employees are compensated for earned vacation in proportion to their normally scheduled workweek in effect at the time they take their vacations.

Example: A full-time employee working a four day, ten hour schedule will receive four days (forty (40) hours) of paid vacation.

6. An employee who leaves the Company either voluntarily or involuntarily will receive full payment for unused vacation time and unused deferred holidays credited from the previous year as well as vacation accrued in the year of separation, unless the employee is furloughed and elects to exercise his rights pursuant to Article 6(F).

a. When an employee leaves between the first and the fifteenth of the month, vacation credit will accrue up to the end of the previous month.

b. When an employee leaves between the sixteenth and the end of the month, vacation credit will accrue up to the end of the month in which the employee leaves.

7. An employee who has not completed six (6) months of Company Service is not eligible for vacation pay upon termination.



8. An employee may carry over one (1) week of unused bidded vacation into the succeeding year. The employee may carry over all other unused bidded vacation into the succeeding year, subject to approval by the Department head or his designee. If the employee's unused vacation was caused by a request from the Company such vacation carry over will not be denied. An employee may also elect to transfer any unused vacation hours into their sick bank so long as such a transfer will not exceed the maximum allowable accrued sick bank hours as defined in Article 11-2 (c).

#### B. Vacation Bidding

1. Vacations will be bid by shifts in a Bid Area, except that in any Bid Area having less than 50 employees, vacations shall be bid by Bid Area. When mutually agreed between the Company and the local Union Business Agent/**Chief Stewards/Coordinator** vacations may be bid by groupings other than those listed herein. Provided that the Company will not unreasonably withhold agreement to such grouping as the local Business Agent advocates. It shall not be unreasonable for the Company to withhold agreement if the proposed grouping can reasonably be expected to materially affect the operation or any portion thereof.
2. In each vacation bidding group, the Department Head or Designee, will determine the total number of vacation weeks to be taken including regular earned vacation and deferred Holidays. For determining weeks to be bid, two (2) or less days will not be considered as a week.
3. If the total number of weeks to be taken is fifty (50) weeks or less, only one (1) person will be awarded a vacation in any given week (considered as a column).
4. If the total number is greater than fifty (50) weeks, a full column will be available for bidding each fifty (50) weeks, and if necessary, a partial column will be available for any remaining weeks in the last column. This method is used to avoid scheduling more people than necessary to be on vacation in any specific week.
5. Once a year, generally in early November, employees will bid for available vacation in the succeeding year based on adjusted Company Service Date. The Company will post notice of where and when employees will bid their initial and subsequent rounds of vacation. Employees will at that specific time, have three (3) ways to notify management of their bid preferences. They may show up in person, or telephone in their preference, or submit a written pre-bid to the designated management representative prior to any particular vacation bid round. Written confirmation will be provided to employees submitting written

pre-bids. Once the entire vacation bidding process is completed the vacation listings will be posted no later than December 15<sup>th</sup>.

6. Employees may bid one (1) continuous vacation period, which may include all or any portion of the vacation to which he is entitled. However if the employee is eligible for less than ten (10) working days the employee may not split the available vacation. Once an employee is eligible for ten (10) working days or more, the employee may split the employee's vacation into separate periods of complete weeks and if a partial week remains, it will be taken in conjunction with one (1) of the employee's complete weeks.
7. Once each employee has had the opportunity to bid, additional rounds of bidding will be permitted following the same procedure used on the initial round.
8. If an employee does not bid at all, during any given round, the employee will not be given the opportunity to bid until the next round. However if an employee misses his bid time but calls or shows up to bid before that particular round is complete, he will be allowed to bid at that time from the remaining available weeks.
9. If an employee is a member of the Military Reserve and will attend a two (2) week training assignment during the bid year, the employee may set aside one (1) or two (2) weeks of vacation to be taken during the employee's military leave period.
10. An employee may also designate any or all days to be taken as vacation-day-at-a-time as outlined under "Vacation-Day-At-A-Time" procedures. (See below)
11. Although vacation weeks are bid using the Sunday date, the actual vacation begins following the scheduled days off in that week except that employees with Friday and Saturday or Saturday and Sunday will start their vacation in conjunction with their days off at the beginning of that week, unless the employee and the supervisor agree otherwise.
12. Employees working in Bid Areas that bid vacation by shifts will retain and carry with them their bidded vacation week(s) if they move to another shift or Bid Area during the calendar year.

#### C. VAC-DAT (Vacation-Day-At-A-Time)

1. An employee may elect to designate any or all of his vacation days to be taken a day at a time. The employee must designate the number of VAC-DAT days during the vacation bidding in November.

2. During the year, subject to the needs of the service, the employee may request VAC-DAT for a specific day or sequence of days if the employee has VAC-DAT available. The employee will not be denied the request, if it is made no more than sixty (60) days and no less than eight (8) hours prior to the beginning of the shift or sequence of shifts in question if there are open weeks as set forth in B.4 of this Article. However if an open week does not exist, it shall be mutually determined by the employee's Steward and immediate Supervisor or Designee as to whether or not the request is granted based on manpower available the day requested. The Supervisor will have an answer to the employee's request by the end of the employee's work day on the day the request was made.

In cases of requests made less than eight (8) hours prior to the beginning of the shift or shifts being requested, an employee will not unreasonably be denied a VAC-DAT(s) if open weeks exist as set forth in B.4 of Article 9 and the needs of the service permit his release. Denied requests and the reason(s) for the denial will be documented upon the employee's request.

3. Once a request has been properly made and approved, the VAC-DAT must be taken as scheduled unless agreed to otherwise by the employee and the supervisor.
4. VAC-DAT cannot be scheduled on a holiday. Further, VAC-DAT cannot infringe on any existing rules regarding a holiday.
5. Employees having VAC-DAT remaining unused on October 1<sup>st</sup> of each year must declare one of the following options:
  - a. Elect to be paid for remaining VAC-DAT. Pay-out will be made on the first paycheck following November 1<sup>st</sup> of the current year, or
  - b. Use remaining VAC-DAT by December 31<sup>st</sup>. If this option is selected, but the VAC-DAT is not used by December 31<sup>st</sup>, the employee must choose to either carry the VAC-DAT into the following year as set forth in paragraph C(5)(c) below, or be paid on the second paycheck in January of the following year for all remaining VAC-DAT hours. This election must be made by midnight December 31<sup>st</sup>.
  - c. Elect to use remaining VAC-DAT in the following year as VAC-DAT. The maximum carry-over shall be forty (40) hours.
  - d. Elect to use remaining VAC-DAT in the following year as a week of regular vacation. The minimum carry over shall be one (1) day less than the employee's regular work week. The maximum carry-

over shall be forty (40) hours. An employee who carries over less than a full week of VAC-DAT must complete the additional vacation week using the following year's VAC-DAT, by day/shift trade, by using unpaid leave, or by other means mutually acceptable to the employee and the Company.

- e. Elect to transfer any or all unused VAC-DAT hours into the employee's sick bank so long as such a transfer will not exceed the maximum allowable accrued sick bank hours as defined in Article 11. Employees who elect to transfer only a portion of their remaining VAC-DAT hours into their sick bank must also elect another option for all remaining hours.

Employees who fail to declare one of the above options by October 15 will be treated as having elected option (b) above.

- 6. An employee may split a VAC-DAT into one-half (½) of a day at a time. Upon approval from his supervisor the employee may also use VAC-DAT in hourly increments.

#### D. Changes To The Posted Schedule

- 1. Unless the employee(s) are allowed to retain their bidded vacation, additional columns or partial columns will be opened during the year to accommodate additional vacations because of an increase in complement (transfers) or changes in the work group which increase the number of weeks to be taken. In all other cases, any open week on the vacation schedule will be available for employees within the vacation bid group who wish to switch their scheduled weeks of vacation.
- 2. An employee must notify the supervisor at least two (2) weeks prior to the employee's scheduled vacation period or two weeks prior to the effective date of the vacation period the employee wished to select, whichever occurs first. The request must be made in writing. If the employee is the most senior employee to make such a request, the supervisor will approve the change and the posted vacation schedule will be revised accordingly.
- 3. Any vacation period vacated on the vacation schedule will remain open for seventy-two (72) hours prior to being awarded to the senior eligible bidder within the vacation group. In the Bid Areas where vacations are bid by shift, no vacation will be bid for seventy-two (72) hours after shift bid change. Then the senior eligible bidder on the shift or coming on the shift will bid first.

4. The Company will make available electronically the results of the vacation bid and update the vacation bid schedule throughout the year, upon the request of the Local Shop Steward.

E. Variable Use Options

1. An employee may, during the annual benefits enrollment elect to contribute a portion of his vacation to be taken the following year to his 401(k) Savings Plan account in lieu of taking the vacation. Contributions shall be made in the first quarter of the following year, shall be treated as employee contributions, and are subject to Internal Revenue Code Section 401(a)(17) limits and to the provisions of paragraph E.3 below.
2. An employee may, during the annual benefits enrollment elect to use a portion of his vacation to be taken the following year to defer his/her monthly benefit costs in lieu of taking the vacation. The vacation value will be calculated using the employee's rate on January 1 of the following year, and applied in twelve (12) prorata portions to offset benefit costs each month of that year. In the event that the value of the vacation exceeds the benefit cost the excess will be included as a cash payment on the employee's regular paychecks. Should an employee leave the employ of the Company during a year in which he has used vacation to offset benefit costs, the amount remaining for the balance of the year will be included on his final paycheck.
3. The Company shall establish a deferred vacation plan for the purpose of providing severance benefits subject to the provisions of Article 9.E. and any applicable provisions of the Employee Retirement Income Security Act of 1974, as amended. Such plan shall provide for a single lump sum severance payment based upon the amount of deferred vacation benefits as set forth herein. An employee may defer up to three (3) weeks of his accrued vacation time to which he would otherwise be entitled in the following year so indicating not later than the annual vacation bidding. Vacation credits result in an employee obtaining a severance payment upon ceasing employment with the Company for any reason. In addition, employees may obtain cash payments while continuing in employment with the Company in return for cancellation of vacation credits should such employee qualify for a hardship distribution under terms identical to those in effect at the time under the Company's 401(k) Savings Plan. Further, in the event of a prolonged medical disability where he has exhausted all of his sick leave, occupational illness or injury leave and vacation which may be applicable, an employee may use his accumulated vacation credit to extend his time on full paid status on an hour for hour basis without regard to any differential in such employee's pay at the time of deferral and the time of any such redemption. The employee will not be allowed to receive such payment for any other reason prior to his

termination. The accumulated vacation credit of a deceased employee shall be paid to such employee's beneficiary under the Company's 401(k) Savings Plan, or in the event no such beneficiary exists, under provisions consistent with the distribution of death benefits under the Company's 401(k) Savings Plan. Payments for vacation credits are equal to the aggregate sum of gross wages deferred as a result of the election to defer such vacation. Such amount is determined at the time of the deferral based on the highest base wages, including any applicable premiums, of the employee for the year following the November 20 on which the employee agreed to defer that specific vacation credit. The value of a vacation credit for a year is carried forward and aggregated with the value of all other vacation credits for an employee and the aggregate of such amounts is the amount of such employee's severance benefit. All payments for vacation credits are made from the general assets of the Company.

## Article 10 - Leaves of Absence

- A. An employee who is unable to report for work for any reason must notify the Company in advance, whenever possible. The Company shall establish a designated absentee number for employees to use for contacting the Company when they are unable to report to work. An employee who does not have prior written permission may not be absent except for sickness, injury or other causes beyond the employee's control.
- B. An employee who must be absent, and who has not received prior written permission, must notify the Company or its designated representative at the designated absentee number before the starting time of the employee's shift on the first day and must give the reason for the employee's inability to report for work. Unless excused by the Company or its designee, the employee is required to notify the Company or its designee of the employee's absence with explanation each day the employee is absent. Proper notification occurs when the Company or its designee has been contacted at the designated absentee number by the employee and given the reason why the employee is unable to report for work.
- C. An employee is subject to discharge if absent from work two (2) consecutive days without notifying the Company of the reason for his inability to report to work, absent extenuating circumstances. Notification occurs when an employee notifies the Company or its designee at the designated absentee number.
- D. Return to Work
1. An employee on an authorized leave of absence of over thirty (30) days, must notify the employee's supervisor in writing at least ten (10) days in advance of the employee's expected return.
  2. An employee returning from Family and Medical Leave shall return to the Bid Area, shift, and regular days off vacated. Except as otherwise provided herein, an employee returning from other leaves shall return to the position he vacated (i.e., return to shift, days off, Bid Area and classification) prior to such leave. If the position is no longer available he may choose to fill any other open position in his Bid Area. If there are no open positions in the employee's Bid Area he may exercise his seniority to displace the junior employee in his Bid Area, station/point or system if necessary.
  3. The Company has the right to verify the fitness of an employee to return to work after any absence by having the employee examined by a Company approved physician.
- E. Authorized Leaves and Associated Benefits
1. Personal Convenience

Employees may request short term leaves of up to eighty (80) hours off for personal convenience reasons subject to the needs of the service. Such requests will be approved no later than twenty-four (24) hours prior to the time off requested. An employee may request such personal convenience time off at any time during the calendar year without regard to his remaining unused vacation time. Further, if an employee would have been approved for a VAC-DAT he will not be denied a Personal Convenience Day. If the Personal Convenience time is approved by the supervisor, such time will not be counted as an absence for disciplinary purposes.

2. Extended Illness Status (EIS)

a. An employee who exhausts his sick leave or who is off work because of illness or injury longer than sixteen (16) days without sick leave pay shall be placed on extended illness status up to a maximum of five (5) years from the first day placed on extended illness status. The employee shall, when placed on extended illness status, file his address with the Company and shall thereafter promptly advise the Company of any change in address. The Union will be notified by two (2) copies of a letter stating the employee's name, home address, work location, job title and the date he is placed on extended illness status.

b. While on extended illness status, the employee:

i. Shall retain and continue to accrue seniority.

ii. May continue insurance coverages according to the provisions of the Company's insurance plan and this Section 10-E-2 for a maximum of twenty-four (24) months after being placed on EIS; provided, however, that an employee who, in compliance with Article XV of the 2005-2009 United-IBT Mechanics and Related Agreement, is already on approved EIS as of the effective date of the New Agreement shall thereafter be eligible to continue insurance coverages during that EIS according to the provisions of the Company's insurance plan and this Section 10-E-2 for a maximum of thirty-six (36) months after being placed on that EIS.

iii. May be granted free or reduced rate transportation privileges except vacation passes upon request to his supervisor. He may receive an accrued vacation pass if it is requested at the time he is placed on vacation status and paid for his accrued vacation.

iv. May be required to submit to physical examinations at Company request or to furnish medical reports of his current physical condition. If the employee is examined by a Company medical examiner or is directed to a specific medical examiner by the Company the cost of the examination will be borne by the Company. If the employee is required to



furnish a medical report of his current physical condition and elects to be examined by his own doctor rather than to go to a Company medical examiner, he shall assume the cost of his examination. The Union will be notified of the date of a Company required medical examination if the employee requests the Company to do so in writing.

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

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

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

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

ii. Following notice to the Union and the employee that the employee will be separated, the employee may file a grievance protesting his separation and the Union may appeal the Company's decision directly to Step Three of the grievance procedure as provided in the Grievance Procedure and Board of Arbitration Articles of the New Agreement.

iii. 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.

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

### 3. Emergency Leave of Absence (ELA)

a. In the event of death or the life-threatening illness of a member of an employee's immediate family, the employee will receive up to forty (40)

hours off at straight time pay, depending upon the employee's needs. For the purposes of this policy, the immediate family includes:

- i. The employee's: spouse, children, stepchildren, parents, stepparents, sister, brother, grandparents, grandchildren, domestic partners where required by law, Parents of the employee's spouse, and Dependents living in the employee's household.
  - b. While no more than two (2) instances or a total of eighty (80) hours of ELA time will be paid per individual family member for the period of employment, additional time off without pay will be made available to employees covered by the Family and Medical Leave Act for a qualifying family member with a serious health condition, if requested. Otherwise, such additional time off without pay is within the discretion of an employee's supervisor.
  - c. ELA time is not charged against an employee's sick bank, nor counted as an absence for disciplinary purposes. ELA time does not disqualify an employee from the Attendance Recognition Program.
  - d. The Company will provide positive space on-line passes for travel to attend the funeral/memorial service and to return from downline locations. The Company will also assist in other travel arrangements as needed.
  - e. A reasonable amount of unpaid time off will be allowed in the case of the death or life threatening illness of an employee's spouse's grandparents.
4. Company Offered Leaves of Absence (COLA)
- a. Nothing herein shall prevent the Company from offering leaves of absence (COLA's) to technicians. COLAs will be posted for bid whenever a furlough situation exists. The duration of the leave will be included in the posting. COLAs may not be taken by employees who are being furloughed. They will be granted in bid seniority order. In the event of a station/base closure, this paragraph will not be applicable.
  - b. Outside employment will be allowed during a COLA. The employee must notify the employee's supervisor or his designee in writing of any outside employment. If the question of potential conflict arises, the final decision will be made by the senior corporate officer in the Human Resources Department.
  - c. If an employee is due to be furloughed during a COLA, the employee's status will be changed from COLA to furlough. Written notice will be given to the employee.

- d. An employee granted a COLA will have a guaranteed right of return to the position vacated at the end of the COLA. An employee will not be required to return to work during the COLA period except by mutual agreement.
  - e. Sick and Occupational Injury banks and vacation time will be retained but will not accrue during COLAs.
  - g. On-line pass privileges will be available to the employee and eligible family members for the entire COLA period. A letter authorizing travel will be issued to the employee.
  - f. The Company and the Union will meet and confer to discuss benefit coverage continuation during any proposed COLA
  - h. Seniority-See Article 4 of this Agreement.
5. Personal Leave of Absence (PLA)
- a. Eligibility– The employee must have been continuously employed for six (6) months.
  - b. Length– Personal leaves of absence will be issued for up to a six (6) month period. Extensions will not be approved if they result in total personal leave exceeding twelve (12) months or the employee’s length of active service, whichever is shorter. An employee may apply to return to a position at any time during the leave. At the end of a leave which is longer than ninety (90) days the employee may only return to an available position. If no such position is available he will be placed on recall in Craft Seniority order.
  - c. Outside employment – An employee on personal leave of absence may not accept employment or receive pay for services from any other organization in competition with the company.
  - d. Application for Leave – A written application must be made to the employee’s supervisor. It must state the reason for and the length of the leave requested.
  - e. Seniority– See, Article 4 of this Agreement.
  - f. Sick Pay/Occupational Injury Pay - All sick/occupational injury pay accruals are retained but cease to accrue during the leave.

g. Vacation Credit

- i. With supervisor approval, the employee may choose to be paid for all remaining earned vacation from the prior year in either of the following ways:
  - a) A lump payment may be paid at the time the leave begins, or
  - b) the employee may defer vacation payment until vacation is used when the employee returns.
- ii. If an employee's leave carries into the next calendar year, remaining unused earned vacation will be paid before December 31.
- iii. Vacation credit will not accrue during the period of leave.

6. Educational Leaves of Absence

Employees may be granted an educational leave of absence if they are enrolled full-time in an accredited academic or vocational institution. The administrative and benefits provisions of Personal Leaves will apply with the following exceptions:

- a. Duration of Leave – Duration of educational leaves should be in direct relationship to the length of the academic term (such as a quarter or semester) but in no case can the leave be longer than the employee's length of service.
- b. Expiration of Leave – An educational leave will expire thirty (30) days after the last approved academic term ends unless extended by the Department Head.
- c. Employment While on Leave – With the prior written approval of their Department Heads and Human Resources, employees may work while enrolled as students.
- d. Proof of Enrollment – Employees must submit proof of enrollment and attendance before they return to work from their educational leave.

7. Birth of a Child

Any non-probationary employee who has not been granted maternity leave in conjunction with a birth may request an unpaid parental leave within twelve (12) months after the birth or adoption of his/her child. A request for parental leave must be submitted in writing and include the requested dates. The leave request

may not exceed ninety (90) days. The Company will not deny the parental leave, however the granting of any extensions beyond the initial ninety (90) days shall be entirely at the Company's discretion.

8. Benefits for Personal Convenience, Unpaid Medical, Emergency, Personal, Educational and Birth of a Child Leaves of Absence

a. Medical/Dental/Vision – Unless otherwise specified by the terms of the plan or required by law, current medical, dental and vision coverage shall be continued through the end of the month in which the LOA begins, on the same terms and conditions as apply to an active technician. Such coverage may be continued thereafter at the technician's expense at the same rate as the COBRA rate for the duration of the LOA subject to plan changes and availability. In the event of termination of employment while on LOA, such coverage may be continued at the technician's expense using COBRA eligibility at the COBRA rate for the COBRA period provided by law (currently eighteen (18) months) following the last day of the month in which termination of employment occurred, subject to plan changes and availability.

b. Life and Accident Insurance – If on a paid status, current life and accident insurance coverage is unaffected. Unless otherwise specified by the terms of the plan or required by law, if on an unpaid status, the technicians may continue all or a portion of their current life and accident insurance coverage if so allowed by the individual life insurance company provider. The Company shall provide written notice regarding the technician's continuation responsibility and contact information for the life insurance provider at the time the employee commence an unpaid status. Continuation will be at the technician's expense and must be arranged by the technician directly with the individual insurance company. The premiums for life and accident insurance continuation will be based on conversion rates.

c. Passes – Based on Company Pass Policy and upon request and with the approval of their Department Head, technicians and their eligible family members on a leave of absence may use on-line travel privileges at their active employee pass classification. In the same manner, any buddy and vacation passes in their possession at the time the leave begins may be used as well.

9. Jury Duty

a. The Company recognizes jury duty as a civic responsibility and will release employees for jury duty. Employees will not suffer any loss of pay for jury duty, allowing a reasonable amount of time for the employee to

travel to/from his home for jury duty, if necessary. Further, employees will be pay protected (to extend to the end of the employee's following work week) for any trade days and/or shifts they were scheduled to work while on jury duty provided the trade days were scheduled prior to the employee's jury duty notification. Employees may retain payment received for jury service. An employee who gets a jury summons must submit a copy of it to the employee's supervisor.

- b. An employee on jury duty for three (3) days or more will be scheduled to work a day shift with Saturdays and Sundays off during jury service. If the employee is temporarily released from jury service for a calendar week or more, the employee's regular shift will be reinstated with Saturday and Sunday off. This provision shall not prevent local stations from establishing rules and guidelines that best satisfy their individual needs.
- c. When jury duty is completed, the employee must furnish his supervisor with a court-validated statement of attendance indicating the dates he served on jury duty.

10. Witness Service

- a. An employee who appears as a witness in a legal proceeding at the request of the Company will be paid during witness service. Procedures will be the same as those for jury duty.
- b. An employee who serves as a witness in other legal proceedings will not be paid, unless he is compelled by subpoena to testify in such proceedings.

11. Family and Medical Leave (FML)

- a. Employees may take up to ninety (90) days of leave during any rolling twelve (12) month period. A rolling twelve (12) month period is determined by counting backwards twelve (12) full months from the first day of any FML. FML may be used for the birth or adoption of a child; placement of a child in foster care, to care for a minor child (son or daughter, including biological, adopted, foster, or stepchild, for whom the employee is a primary care giver, or such person over age eighteen (18) if that person is incapable of self care due to a verified physical or mental disability), spouse or parent(including a biological parent or a person who raised the employee as a child); with a serious health condition; or for their own serious health condition which makes them unable to perform their job. (An outline of employee rights and obligations under the Family and Medical Leave Act of 1993 is in Exhibit 1, which follows immediately at the end of this Article.)
- b. FML shall be determined pursuant to the technician's submission of an approved and acceptable medical certification.

c. Benefits

- i. Medical/Dental/Vision – Current medical, dental and vision coverage may be continued for the duration of the FML, on the same terms and conditions as apply to an active technician. A technician who terminates employment while on FML may continue current medical, dental and vision coverage at the technician’s expense using COBRA eligibility at the COBRA rate for the COBRA period (currently eighteen (18) months) following the last day of the month in which the termination of employment occurred, subject to plan changes and availability. For any period of Family and Medical Leave which is taken as unpaid leave, an employee must elect and submit a monthly payment for health care continuation within thirty-one (31) days of the Benefits Department notice of Family Leave continuation rights.
- ii. Life and Accident Insurance – Unless otherwise specified by the terms of the plan or required by law, technicians on FML shall continue their core life insurance and may continue their optional life and accident insurance coverage at active employee rates during the FMLA.

- d. Employees ordinarily must provide thirty (30) days advance notice of intent to take Family and Medical Leave when the leave is foreseeable.
- e. Family/Medical Leave may be either paid or unpaid. Employees granted Family/ Medical Leave may elect to use any paid time off they may have (sick leave, vacation, deferred holidays, etc.) for their own serious health condition.
- f. Family/Medical Leave used for the care or serious illness of an eligible family member may also be either paid or unpaid. Employees granted Family/ Medical Leave for eligible family members may elect to use paid time off such as vacation, and deferred holidays, but not sick leave unless required by law.
- g. An employee suffering from a serious health condition, a pregnant employee, or an employee giving birth may elect to exhaust paid sick leave prior to using FML. An employee may elect to exhaust unused vacation remaining in the current year prior to beginning FML for any of the purposes listed in paragraph E.11.a of this Article.
- h. Seniority – See Article 4 of this Agreement.

12. Military Leaves of Absence and Veterans' Re-employment Rights

- a. Eligibility for Leave - A Military Leave will be granted to an employee in the following situations:
  - i. An employee who leaves the service of the Company to enlist, or who

is inducted into the Armed Forces of the United States for a regular tour of duty.

- ii. An employee who is a member of a reserve unit of the military including National Guard units ordered to active duty.
- iii. An employee whose probationary period has not ended will be eligible for military leave.

- b. Duration of Leave - A military leave of absence will be granted for the duration of the employee's active service in the Armed Forces not to exceed five (5) years. The leave may continue for a maximum of 90 days from the date the employee is discharged from active service or from hospitalization continuing after discharge. The employee must apply for reinstatement within the 90 days. The maximum amount of military leave allowed is five (5) years or as soon after the expiration of five (5) years as the employee is able to obtain orders relieving him from active duty, (unless such five (5) year period has been extended by law.)

Exception: A reservist or guardsman who leaves his/her position for periods of training duty must apply for reinstatement within 31 calendar days after release.

- c. Procedure for Obtaining Military Leave

- i. An employee who receives notice of induction or orders to report for duty should immediately advise the employee's supervisor in writing of the effective date of the leave and the last day of work.
- ii. The supervisor will give the employee written approval.

- d. Effect of Military Leave on Employee Benefits

- i. Company Service, Pay Seniority and all other seniority will continue to accrue as if employment were not interrupted.
- ii. Employees will retain existing sick and occupational injury banks but will not accrue or acquire additional sick or occupational injury credit during the term of unpaid military leave.
- iii. Vacations an employee has earned but not taken before receiving notice of induction or call to active duty need not be taken prior to military leave, in which case they will be available to the employee upon his return to work. Alternatively, an employee who does not take vacations before his leave may choose to be paid for the unused vacation time.



- a) During active military service, vacations will continue to accrue in the same manner as if the employee had remained in active employment.
- b) Subject to Department Head approval, reinstated employees may use any vacation earned for that calendar year at anytime after thirty (30) days of active re-employment. The Department Head may waive this thirty (30) day restriction for the convenience of the Company, or may elect to pay the employee for his vacation.

iv. Benefits

- a) Medical/Dental/Vision -The Company shall continue to provide medical, dental and vision coverage on the same terms conditions as apply to an active technician (i.e., as if the technician were continuously employed) for technician's on military leave through the end of the twelfth (12<sup>th</sup>) month following the month in which the military leave began, and shall reinstate health care coverage on the day following the termination of military leave. Following the expiration of that twelve (12) months, medical, dental and vision coverage may be continued at the technician's expense at the same rate as the COBRA rate for the duration of the military leave, subject to plan changes and availability. In the event of termination of employment while on military leave, such coverage may be continued at the technician's expense using COBRA eligibility at the COBRA rate for the COBRA period provided by law (currently eighteen (18) months) following the last day of the month in which termination of employment occurred, subject to plan changes and availability.
- b) Life and Accident Insurance– Current life and accident insurance coverage shall be continued through the end of the month in which the military leave begins on the same terms and conditions as apply to an active technician. Thereafter, unless otherwise specified by the terms of the plan or required by law, technician's on military leave may continue all or a portion of their current life and accident insurance coverage if so allowed by the individual life insurance company provider. The Company shall provide written notice regarding the technician's continuation responsibility and contact information for the life insurance provider at the time the military leave is granted. Continuation will be at the technician's expense and must be arranged by the technician directly with the individual insurance company. The premiums for life and accident insurance continuation will be based on conversion rates.
- c) Passes – Technicians on military leave and their eligible family members shall have online pass privileges at their active employee pass classification for up to two (2) years, subject to the normal

terms and conditions for personal use passes. Emergency pass provisions shall be made in case of family emergencies regardless of the length of the military leave.

e. Employment Rights and Reinstatement Qualifications

- i. After returning from a military leave of absence an employee who receives a general or honorable discharge will be eligible for re-employment. Unless Company circumstances have so changed as to make it impossible or unreasonable to do so, any employee granted a military leave will be reinstated under the following conditions:
  - a) He did not remain in the military service for more than five (5) years.
  - b) The position which was vacated was not temporary.
  - c) Military leave has not exceeded five (5) years or as soon after the expiration of five (5) years as the employee is able to obtain orders relieving him/her from active duty (unless such five (5) year period has been extended by law.)
  - d) He is still qualified and physically fit to perform the duties of the position vacated.

NOTE: If disabled while in the military to the extent of being unable to perform regular job duties, the employee will be entitled to work in another position which he can perform and, depending on the circumstances, may be paid his pre-disability base rate of pay even if that is more than the alternative job's regular rate of pay.

- e) Application for reinstatement is made within the allowable period as stated in this chapter.
- ii. Process of Reinstatement - The returning employee will be reinstated in his/her former position or one of like status and pay. The employee will be notified of the date to resume duties, the place where such duties will be performed and other necessary information.
- iii. Wage and Salary on Reinstatement - The wage or salary of the returning employee will be the amount which would have been received had the employee remained continuously in the position.

13. Military Leave for Reservists and Members of the National Guard

- a. Employees who are reservists or members of the National Guard must

request a Military Leave of Absence for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. The request does not have to be in writing.

b. Employee Responsibilities:

- i. The request must state the dates required for the leave if known. If a drill schedule is available for a prolonged period of time, only one request is necessary. A copy of the drill schedule must be attached.

Example: If drills are scheduled on the second weekend of each month, the request must state that beginning on (date), leave is requested each second weekend until (date).

- ii. Employees are expected to give as much notice as possible to their supervisors so that proper duty coverage can be arranged. If less than one (1) week's notice is given, employees may be asked to assist the Company by arranging to trade days and shifts or use their regular days off to the extent possible.

- iii. The reservist or National Guard member does not need to have written training orders at the time of the request.

- iv. After completing the military training or drill exercise, the reservist or National Guard member must report back to his regularly scheduled shift.

- v. This leave will normally be unpaid, but with advance approval from the employee's supervisor, vacation time may be used or his schedule may be adjusted.

Example: An employee's schedule may be adjusted to accommodate his normal day(s) off with the scheduled assigned military day(s). (i.e.: Employee normally has Wednesday and Thursday off, he is assigned military duty on Saturday and Sunday, employee may work Wednesday and Thursday and take off Saturday and Sunday)

c. Initial Active Duty Training When an employee first joins the National Guard or Reserve, he/she usually undergoes initial active duty training

(IADT). IADT is treated as regular active duty for re-employment rights purposes with the following exceptions:

- i. Unless the IADT is greater than one hundred and eighty (180) days, after completing IADT, a Company employee must re-apply within thirty-one (31) days, rather than ninety (90) days as in the case of regular duty.
- ii. The time spent in IADT does not count toward the five (5) year limitation on the regular active duty.

d. Management Responsibilities

- i. Management will grant a leave of absence to a reservist or National Guard member for the period required to perform active duty for training (drills) in the Armed Forces of the United States. Employees are expected to give as much notice as possible, however the timing, frequency and duration of the military training are determined by the military authorities.
- ii. Job rights are protected so long as the reservist or National Guard member receives orders for military training.
- iii. Management will not deny a promotion to a Company employee because of any obligation as a reservist or member of the National Guard.
- iv. Employees will not be required to use earned vacation time for their military training.
- v. The reservist or National Guard member will not lose Company Service time, bid or Pay Seniority as a result of the military absence.

## **Exhibit 1 to Article 10 - Family/Medical Leave**

The Company recognizes that during the time after the birth or adoption of a child, parents may need adjustment time or time to bond with the child. In other cases, an employee or a member of the employee's family may suffer with a serious health condition. Family/Medical leaves may be available to provide for these needs.

### **A. Eligibility**

The Company provides up to 90 days of Family/Medical leave per year to eligible employees. The year is a rolling twelve-month period measured backward from the date an employee uses any Family/Medical leave. Employees are eligible to take Family/Medical Leave if they have worked for the Company for at least one (1) year and for at least one thousand two hundred fifty (1,250) hours over the previous year.

### **B. Reasons For Taking Leave**

1. To care for the employee's child after birth or after placement of a child with the employee for adoption or foster care, or
2. To care for the employee's spouse, child, or parent, who has a serious health condition, or
3. For a serious health condition that makes the employee unable to perform his/her job.
4. Because of a qualifying exigency arising out of the fact that the employee's spouse, child or parent is a military reservist or National Guard member on active duty (or notified of an impending call for active duty) in support of a contingency operation.

### **C. Job Benefits And Protection**

1. For the duration of Family/Medical leave, the employee may continue benefit coverage at the active employee rate.
2. The use of Family/Medical leave will not result in the loss of any employment benefit that accrued prior to the start of the employee's leave. However, an employee will not accrue vacation time while he/she is on leave.

### **D. Certification**

If an employee requests leave because of a serious health condition, medical certification issued by the medical care provider of the employee or of the employee's ill family member will be required. Provisions of the Family/Medical leave policy will not be

applicable to the absence if the certification is not provided.

E. Intermittent Leaves/Reduced Schedules

Employees may request an intermittent leave or reduced schedule when a physician certifies in writing that it is necessary for the employee to be absent on an intermittent basis, either for his/her own care or to care for a spouse, parent, son, or daughter. These leaves should be arranged to have the least operational disruption. The employee may be required to transfer into another position, work location or shift (with equal pay and benefits) if it will better accommodate the intermittent leave. For purposes of tracking intermittent leaves and reduced schedules only, eligible and qualified employees will be considered to have a Family/Medical leave "Bank" equal to five hundred twenty (520) hours per twelve (12) months.

F. How to Apply

At least 30-days notice is required for foreseeable leaves, including birth, adoption, placement of a foster child, or planned medical treatment. Applications for Family/Medical leave should be written and include:

1. The specific reason for the leave, and
2. The request dates, and
3. The date of birth or custody (if requesting for parental needs), and
4. Medical documentation (if requesting a leave for a serious health condition).

If thirty (30) days notice is not provided for foreseeable leaves, the leave may, if operationally required, be delayed until thirty (30) days after the date the written notice is received. In situations where the basis for the leave is not foreseeable or reasonable, notice should be provided when the need for the leave becomes apparent.

G. Documentation

Medical documentation is needed to qualify for a Serious Health Condition Leave. Documentation must include certification by a physician, practitioner or provider of health services. When an intermittent or reduced schedule leave is required, the medical documentation must include a statement indicating that the medical needs can best be accommodated by such a leave.

H. Pay

Family/Medical Leave may be either paid or unpaid. Family/Medical Leave will be unpaid unless the employee elects to utilize any paid time off to which he is otherwise entitled.

I. Injured Servicemember Leave

An employee's request for leave to care for a seriously ill or injured servicemember shall be handled in accordance with the terms and conditions of the Family and Medical Leave Act.

## Article 11 - Sick Leave and Occupational Injury

- A. Employees will be credited with one-half (1/2) day of non-occupational sick leave for each month of employment during the first six (6) months of employment and one (1) full day for each month of employment during their second six (6) months employment. During the second six (6) months of employment an employee may be granted six (6) days of non-occupational sick leave with one-half (1/2) pay. At the start of the second year of employment an employee will have a total of nine (9) full days of non-occupational sick leave credit less any sick leave used during the first year, and will continue to accrue one (1) day of such sick leave credit for each month of continuous service up to a maximum of one hundred (100) days. Effective June 1, 1979, the maximum amount of non-occupational sick leave which may be accrued will be increased to one hundred and ten (110) days.
- B. After one year of employment, non-occupational sick leave with pay in case of actual sickness will be granted up to the number of days to the credit of the employee at the time. When such sick leave is granted the number of days paid for will be charged against the number of days credited to an employee and thereafter one (1) day of non-occupational sick leave for each month of continuous service shall again be credited to the employee until the total credit again reaches the maximum.
- C. Employees will be required to request payment for non-occupational sick leave in writing not later than the pay period following their return to service, on a form provided by the Company. Such sick leave with pay will be granted only in cases of actual sickness. The Company may require a doctor's certificate before paying such requests for sick leave in excess of three (3) days.
- Dental and doctor appointments will not be considered a basis for paid sick leave unless it can be shown that the doctor in question does not maintain office hours outside the employee's regular work time, or on the employee's regular days off.
- D. Employees will accrue one (1) day of occupational illness or injury leave for each month of continuous service. This accrual will be in addition to non-occupational sick leave and may be used for absence resulting from occupational illness or injury only. After exhausting his occupational illness or injury leave, the employee may use his non-occupational sick leave credits. He may not, however, use occupational illness or injury leave for non-occupational illness or injury under any circumstances. When an employee on occupational illness or injury exhausts his occupational leave and uses non-occupational leave, his ensuing accrual of occupational injury leave shall be credited to his non-occupational sick leave until such time as he has replaced all non-occupational



sick leave which was used for his occupational illness or injury. The provisions of Paragraph E of this Article will apply to Workmen's Compensation paid to an employee while he is receiving occupational illness or injury leave.

- E. When it is necessary for an employee to be absent from work because of occupational injury or illness he must request payment for occupational illness or injury leave in writing not later than the pay period following his return to service on a form provided by the Company. A Doctor's certificate may be required before granting pay for this purpose. In the event he receives Workmen's Compensation because of such absence he shall turn over such compensation to the Company and shall have his sick leave or occupational illness or injury credit used in connection with such injury or illness restored to the extent that the compensation offsets the pay granted; provided, however, that such credits will be restored only in units of one-half (1/2) day.
- F. All credit for non-occupational sick leave or occupational illness or injury leave will be cancelled if employment ceases for any purpose and no payment for such accumulated credit will be made at any time. No credit will be given for non-occupational or occupational illness or injury leave purposes while an employee is on leave of absence.
- G. The employees covered by this Agreement and the Union recognize their obligation of being truthful and honest in preventing unnecessary absence or other abuse of either non-occupational or occupational illness or injury leave privileges. No employee shall be reprimanded for the legitimate use of sick and/or injury leave. An employee whose dependability record is unsatisfactory shall be so advised, furnished a copy of his record, and given a reasonable opportunity for improvement before any disciplinary action is taken.
- H. Each hour of occupational or non-occupational sick leave charged to the employee's bank will be paid at seventy-five percent (75%) of the employee's hourly rate.
  - 1. Employees whose sick leave lasts four (4) consecutive work days or more may, at their option, surrender full vacation day(s) to alleviate income loss.
  - 2. 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 12 – Field Trips

- A. A Field Trip may be either planned (one for which more than twenty-four (24) hours advance notice prior to the scheduled Field Trip departure is provided to the employee), or unplanned (one for which twenty-four (24) hours or less advance notice prior to the scheduled Field Trip departure is provided to the employee). A Field Trip requires travel away from an employee's station, and may involve:
1. Returning aircraft or equipment requiring normal and non-reoccurring type maintenance to service, or
  2. Performing maintenance at a point where regular maintenance is not assigned.
  3. Accompanying and/or performing maintenance on Company equipment or charters.

Notwithstanding the foregoing, field service does not include, and this Article shall not apply to, maintenance performed by ground equipment (GQ) technicians, buildings/facilities (PV) technicians, Flight Simulator Technicians (FSTs) and Ground Communications Technicians (GCTs) whose regular assignment includes field service and related travel. However, GQ, PV, FST and GCT employees who are not regularly assigned to perform field service shall be covered by this article.

- B. Employees on Field Trips away from their base or station shall be paid one and three-quarters (1.75X) times their hourly rate of pay, as defined in the Compensation Article, for all time away from base.
- C. Where reasonable the Company will provide a reasonably sized rental car for up to three (3) employee(s) on a Field Trip so long as the employee provides receipts for the rental. These reimbursements will be in addition to the per diem expenses provided for in the Compensation Article .
- D. Upon completion of such field work, an employee shall return to his home station in accordance with the orders received at the time he left his home station, or in accordance with the orders he receives from the person to whom he was ordered to report in the field, and shall be compensated for the return trip in accordance with the provisions of this Article. Upon return to his home station, he shall, if he has not had a rest period of at least eight (8) hours within the preceding sixteen (16) hour period, be entitled to a rest period not less than eight (8) hours before the starting time of his next regular scheduled shift. In the event there is not sufficient time to permit such an eight (8) hour rest period prior to the starting time of his next regular scheduled shift, the Company shall release him from duty until he has had an eight (8) hour rest period, in which case he shall be paid at his regular straight time rate for the hours coinciding with his regular shift which were not worked in addition to his regular pay for the hours of his regular shift which are worked.

- E. When Field Trip work cannot be performed by only one (1) employee due to heavy lifting requirements, safety, or other factors which require more than one (1) employee to accomplish the work, then the Company shall dispatch the employees necessary to accomplish the Field Trip. It is further understood that no single employee shall be dispatched for a Field Trip to a station where no other person is available to render assistance in the event of an emergency. Prior to dispatching a single employee on a trip the Company shall provide the employee the contact information of the person responsible for performing this duty.
- F. The Company will maintain Field Trip records, including archives of at least one (1) year, and will make them available to the Union upon request. These records will be separate and apart from the local overtime records. Records will be maintained separately for each location that manages a local overtime list within a Bid Area. The Company will maintain Field Trip records or their electronic equivalent containing Field Trip sign-up records/sheets and the list used for each Field Trip call-out. Local records will, at a minimum, contain:
1. Employee name and number
  2. Classification seniority date
  3. Contact phone number(s)
  4. Current shift and days off
  5. Date(s) employee was placed on or removed from the list
  6. Visa/passport information
  7. Any required authorizations and/or qualifications for that particular trip and the qualifications status of those on the list at the time of the selection (such as engine run-up and taxi, RII, CAT III, airworthiness release, ETOPS, etc.). Each employee shall be responsible for keeping his or her authorizations or qualifications current on the list by notifying the Company of any changes or updates.
- G. An employee who is required to obtain or renew a passport in conjunction with travel for a Field Trip shall be entitled to reimbursement from the Company for the cost of such document after his first use for a Field Trip. Additionally, where an employee is required to obtain a visa in conjunction with a specific field trip for which he has been selected, the Company shall reimburse the employee for (or at its option cover) the cost of such document, even if the trip is thereafter cancelled.
- H. 1. Employees desiring to participate in Field Trips will be required to sign up in a Field Trip book / list, or its electronic equivalent, for domestic or international trips. As employees are selected for (unless the Field Trip is cancelled) or refuse a Field Trip their names will be moved to the bottom of the respective list. Employees passed over due to lack of special qualifications/authorizations will remain in the same position on the list until they are selected for or refuse a Field Trip. Employees will not be bypassed for lack of qualifications/authorizations unless all remaining positions on that Field Trip require such qualifications/authorizations. (For example: If the trip requires 6 positions and 4 require special qualifications, the 4 requiring special qualifications shall be filled first,

and then the remaining 2 shall be selected from the top of the list.) Prior to being offered an assignment, an employee who knows he will be unavailable for assignment may withdraw from the list by giving the Company written advance notice of withdrawal no less than 24 hours prior to the date he will be unavailable (for example, an employee who will become unavailable on June 30 shall give notice no later than June 29 at 00:00:01). Upon giving written notice of his resumed availability, the employee shall be returned to the list at the bottom. The employee is responsible for giving these written notices via means to be agreed upon locally by the Company and the Union.

2. Field Trip lists shall initially be populated in seniority order with employees who choose to sign up. Employees desiring to participate in Field Trips after the sign-up period, as well as new, transferring, or recalled employees who wish to be added to the list, will have their names placed at the bottom of the list in the order in which they sign up, with ties resolved by classification seniority. It will be the responsibility of each employee to make sure his current shift and day-off pattern is current in the Field trip book/list when he changes such shift and/or day-off pattern.

I. The Company will determine to which area and shift each individual Field Trip is assigned.

1. For unplanned Field Trips, selection of employees will be made recognizing that the primary concern is to return aircraft or equipment to service as quickly as possible, including balanced consideration of: expeditious launch of the trip, specialized skills, training or experience, and Mechanic duty time remaining upon arrival at Field Trip location. Where the Company's assessment of these factors and the needs of the operation allow, selection will be from the shift which has the starting time closest to the scheduled departure of the Field Trip, keeping in mind that employees on their regularly scheduled days off or at home (off shift) are eligible for this type of unplanned Field Trip.

2. For planned Field Trips, selection will be from the Field Trip list without regard to shift, keeping in mind that employees on their regular days off or at home (off shift) may be eligible for a planned Field Trip. Planned Field Trips will not be called out more than seven (7) calendar days in advance.

J. All overtime hours paid in conjunction with a Field Trip will be transferred onto the employee's overtime hours as defined in the Overtime Article.

K. When a hotel room is required while on a field trip, the Company will provide a single room to the employee at no cost.

L. All employees required to travel by air in conjunction with field service will be flown on multi-engine aircraft of sufficient gross weight to safely carry passengers, tools, parts, and equipment. Two qualified pilots will fly the aircraft used to transport personnel. When the existing charter service contract comes up for renewal, the Union will be

advised and a Union representative will participate in the selection process.

- M. Employees required to travel on an extended Field Trip shall be given a written itinerary and night manifest (if traveling with flight crew employees of the Company in conjunction with the same trip or charter) showing their trip destinations, hotel accommodations (to the extent required) and hotel transportation, as well as other information necessary to facilitate the Field Trip.
- N. If the Company makes a selection other than in list order (e.g., where qualifications, authorizations, or other factors indicate), the Union will be advised of the deviation from the list order. After notification, if it is agreed that the deviation was made properly, the affected employee(s) shall remain at the top of the list. If the Union or an employee feels that the employee has been improperly bypassed, a grievance may be filed pursuant to the grievance procedure. If the grievance is sustained and is the first error of this nature in the selection area in question, the affected employee shall be offered an opportunity to work an amount of local overtime equal to the amount of overtime hours he would have accrued had he gone on the trip at the overtime rate at which he was bypassed. The employee will be given the opportunity to work this overtime at his discretion within ninety (90) days of the grievance being sustained, charged for the overtime hours, and placed at the bottom of the list. In subsequent instances of error in the selection area in question, the aggrieved employee shall be paid an amount equal to what he would have made had he not been bypassed and shall be placed at the bottom of the list.
- O. In the event a field trip is canceled, an employee who is not on-shift at his station who is notified of the cancellation after he arrives: (a) at a location other than his station or (b) at a time prior to his regular shift start time, for purposes of working or traveling to the location of the field trip; will be released from duty and be entitled to four (4) hours of straight-time pay.
- P. The selection procedures of this Article shall apply to covered employees if the Company assigns such employees to perform covered maintenance work outside of the United States (e.g., international FS, GEM and CRAF missions). The basic protective provisions of the Agreement (including Disciplinary Action, Grievance Procedure, and Union Representation) shall also apply if covered employees are so assigned, provided, however, that certain specific terms and requirements contained therein may be suspended when necessary to facilitate operational circumstances of the particular mission, and provided further, that the parties recognize that

(1) There will be instances where the Company may elect to upgrade such employees to Supervisor without change to their bargaining unit status solely to facilitate the mission, and in such instances the upgraded employee may continue to perform all assigned duties,

and

(2) The nature of international missions is such that where covered employees are assigned to an international mission, provisions addressing operational matters such as Hours of Service may be suspended when necessary to facilitate the operational circumstances of that mission, understanding, however, that health and safety is a paramount concern.

#### Q. Military Charters

Recognizing that the conditions and circumstances governing military charters are dictated by the contracting military agency, the parties agree that United shall use reasonable efforts to apply the provisions of this Article when employees covered by this Agreement are assigned to such charters. The Company agrees to confer with the Union to determine whether any provisions of this Article require modification to conform to the conditions and circumstances dictated by the contracting military agency.

#### R. Global Emergency Maintenance

When a Global Emergency Maintenance (GEM) mission is assigned as a Field Trip, the Company will follow the Field Service provisions set forth in this Article when it assigns employees covered by this Agreement to work GEM assignments. It is understood, however, that although the Company will consider local resources in making such assignments, the Company may choose to perform GEM work at a station with employees from another station. In such cases the Company shall confer with the Local Union Committee at the station where the work is being done to explain the need for such assignments.

## Article 13 - Training

- A. The selection processes set forth in this Article shall not apply to orientation and indoctrination training for newly hired, recalled, or transferred employees.
- B. Training assignments are part of an employee's regular employment. Whenever an employee is offered a training class of five (5) calendar days or less, or training provided to qualify employees to perform work for maintenance contracts obtained by the Company, it will be considered a temporary training assignment. The employee will be given at least seven (7) calendar days' notice in advance that he will be offered training when the training is scheduled for more than two (2) hours outside of his normal shift, unless otherwise mutually agreed.

Example: 7-days notice to be given if training requires a shift change to 0600 - 1430 when the employees' regular shift is 0900-1730.

Classes held before or after a regular shift shall be paid at the overtime rate for actual hours attending training.

- C. Training, other than training of five (5) calendar days or less or training provided to qualify employees to perform work for maintenance contracts obtained by the Company, will be assigned to employees at a Station or Point, in a work center(s) /area(s) and/or skill, within a Bid Area and/or shift in seniority order from among those employees who accept the offer of training.
- D. Employees attending training of any kind (initial and/or recurrent) will be allowed to complete any specific training session without interruption in a designated training area(s) provided by the Company.
- E. Training may be for new or old aircraft, components, recurrent qualifications or any other piece of equipment and/or tooling.
- F. The Company will post Training opportunities of more than five (5) calendar days for bid in the Station or Point, work center(s) /area(s) and/or skill, within a Bid Area and/or shift a minimum of fifteen (15) calendar days prior to the actual class date. Employees will have a minimum of seven (7) calendar days to bid for such training, and the successful bidders will be posted no less than seven (7) calendar days prior to the start of training. The most senior qualified (employees who have successfully completed any required prerequisite training, if applicable) bidders in the number required will be assigned and will be required to attend the Training. If there are insufficient qualified employees bidding for the Training, the Company may assign the remaining Training opportunities to other employees, provided that only the most junior qualified employees in the Station or Point, work center(s) /area(s) and/or skill, within a Bid Area and/or shift may be required to fill the vacant Training positions. No employee shall be forced to attend a training class when extenuating circumstances prevent the employee from doing so.

- G. Employees who have been improperly bypassed for Training will be given the first available opportunity to make up the training. If due to the lack of such training and a resulting lack of qualifications the employee was bypassed for overtime or field trip, the employee will be given the opportunity, at his discretion within ninety (90) days of completing the make-up training, to work an amount of local overtime equal to the amount of overtime hours he would have accrued had he not been bypassed.
- H. In the event there are unanticipated openings or last minute cancellations, the resulting unfilled seat in the affected training class will be filled by selecting an alternate in the same manner as the primary attendee provided above, except that the notice and posting requirements shall not apply to the alternate. The next senior qualified employee, without regard to advance notice requirements, may be awarded the training assignment provided the employee willingly accepts.
- I. The provisions of paragraphs B through D above shall not apply to the initial training provided to new employees so long as such initial training is provided within twelve (12) months of their date of hire. That is, each new employee may be placed in one formal aircraft or technical training class during his first twelve (12) months of employment, provided that no training class will have more than four (4) new hire employees assigned pursuant to this paragraph.

Notwithstanding the foregoing, during periods of hiring or recall of large numbers of Mechanic and higher classification employees, the Company may assign more than four (4) such employees to a formal aircraft or technical training class.

- J. The Company will determine the need for training. However, the Company will provide to the Union access to information sufficient to be able to evaluate the level and distribution of prerequisite training. In the event the Union believes that an inadequate level of prerequisite training is being offered, the parties will meet and confer to resolve the issue.
- K. The Company will assign prerequisite training for employees whose duties normally involve aircraft requiring such prerequisite training in accordance with paragraph F. above.
- L. Any employee covered by this Agreement may request assignment to training provided by the Company. When the needs of the operation allow, such requests will not unreasonably be denied if a written request is received more than seventy-two (72) hours in advance of the class start date, open seats exist in a class offered at the employee's point or other location convenient to the employee and management, and the training is pertinent to the employee's job duties.
- M. No employee will be disciplined for failing to complete a training course, provided that such inability is not the result of the employee's own behavior.



- N. The Company will maintain a complete list at each Station of employees who have been trained, what type of training, and if the employee has accepted or declined the training. The list will be available for review by the Union or employees at the Station. The parties shall periodically meet to review such lists and determine the current level of trained employees covered by this Agreement.
- O. The employee will be paid at his base rate unless the training assignment exceeds eight (8) hours in a day or forty (40) hours in a week, in which case the overtime provisions will apply. Base rate of pay as used in this article shall mean the employee's basic hourly rate plus all premiums he normally receives. An employee, who is training within a point, or a geographical area, but outside his station, will receive tolls and mileage at the corporate rate for any additional mileage and tolls from their normal work location to the training location.
- P. An employee will not receive less pay while attending training than his regular scheduled workweek. In those instances where the employee's schedule is changed to coincide with the training schedule he shall be paid straight time unless the training assignment causes him to exceed eight (8) or ten (10) hours on the clock, whichever is applicable, in a day or requires him to work any of his newly scheduled days off.
- Q. An employee will be permitted to work overtime after attending a training assignment provided that the completion of the overtime assignment and the commencement of the employee's next training and/or shift assignment will provide the employee with a minimum of eight (8) hours rest.
- R. An employee will be provided with at least a eight (8) hour rest period at the employee's home base prior to the start of the employee's next regular work schedule after attending Company training classes. In the event that such rest period extends into the employee's regular work shift, the employee shall be paid at the employee's base rate for that time lost from the employee's regular work shift. If the employee is not afforded such rest period, the employee shall receive the applicable overtime rate of pay until such time as the employee is relieved for such rest period.
- S. When training requires travel by air, an employee will be provided with on-line Company business positive space passes for travel to and from training. When other Company approved transportation is used when returning to the home base, the estimated arrival time shall be determined prior to departure and the employee's supervisor shall be so advised. Travel time, outside the employee's normally scheduled shift will be paid at time and one half (1.5x) the base rate of pay. An employee who misses his regular shift(s) because he is required to travel for training will not suffer any loss of pay as a result. Employees who travel home on weekends during extended training periods/assignments will not receive paid travel time, but will be provided positive space travel passes.
- T. Where training requires an overnight stay, the Company will provide a single hotel rooms for an employee, and all per diem expenses will apply pursuant to the Travel Pay Article. In addition, where reasonable the Company will provide a reasonably sized rental car for

up to three (3) employee(s) from each station so long as the employee provides receipts for the rental. These reimbursements will be in addition to the per diem expenses provided for in the Compensation Article.

- U. Whenever an employee is required to submit an expense report he shall be reimbursed no later than fourteen (14) working days after submission of a complete and properly submitted expense report.
- V. When an employee is required as part of his duties to provide classroom training and /or the associated practical check-out training to others, he will be paid as a lead. Employees providing simultaneous on-the-job training (OJT) to more than 2 other employees will also be paid as a lead for such training time. None of these instances shall contribute toward the triggering of a Lead vacancy.

## Article 14 – Safety & Health

- A. Employees covered by this Agreement who are uniformly and periodically required by the Company to take physical examinations because of the duties they perform shall be scheduled and paid for the time spent taking such examinations in accordance with the Company's established procedures for employees under this Agreement. The Company will schedule the exam in a way that is not unduly burdensome to the employee or the Company. The provisions of this Paragraph shall not apply to employees required to take physical examinations after absence due to illness or any physical examinations other than those specified above.
  
- B. The Company hereby agrees to maintain safe, sanitary and healthful working conditions in all shops and facilities and to maintain on all shifts emergency first aid equipment at a first aid station to take care of its employees in case of accident or illness, and that sufficient employees will be given initial and recurrent first aid / CPR\_training. It is understood that this does not require the Company to maintain a nurse or doctor on the property, but in an emergency the Company will utilize the appropriate emergency services.
  
- C. The Company agrees to furnish good drinking water and sanitary fountains; the floors of the toilets and washrooms will be kept in good repair and in a clean, dry, sanitary condition. Employees will cooperate in maintaining the foregoing conditions Shops and washrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available. Individual lockers will be provided for all employees where space and lockers are available. Every effort will be made as early as possible to provide space and lockers for all employees.
  
- D. The Company, Union, and employees will cooperate toward the prevention of accidents and the furtherance of an aggressive safety program. A joint Company-Union Safety Committee will be established at each location where represented employees are assigned. Such Committees shall be comprised of an equal number of Company and Union representatives as designated by the parties. The Union member(s) shall function in an advisory capacity. Safety Committees will meet at least once a month to resolve safety issues and review corrective action taken for all lost time accidents which may have occurred.

Reasonable time without loss of pay will be allowed Union member(s) of the Safety Committee to investigate and handle safety complaints. Such Union member (s) will be promptly informed of all lost time accidents and shall be provided with the results of environmental air, noise, and contaminants testing conducted by the Company. The Company shall provide OSHA Form 300 or equivalent for review by the Union. A copy of the factual account of all accidents and injuries (UA Form 1845 or equivalent), with any medical information deleted, will also be provided to the Union Safety Committee

within 72 (seventy-two) hours of the incident.

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.

- E.** 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.
- F.** The Company will furnish appropriate aprons, gloves and shoes to all employees required to work with acids and chemicals that are injurious to clothing while such employees are engaged in such activities, and employees will be required to wear such equipment.
- G.** Employees taken sick or injured while at work, shall be given medical attention as promptly as reasonably practicable. Employees will not be refused permission to return to work because they have not signed releases of liability pending the disposition or settlement of any claims which they may have for compensation arising out of such sickness or injury.
- H.** 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.
- I.** United will maintain a Bloodborne Pathogen Exposure Control Plan which satisfies the requirements of the OSHA Bloodborne Pathogen regulations. 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 Company agrees to make available, at no cost to covered employees, complete post-exposure evaluation including necessary blood work and medications.
- J.** The Flight Safety Committee shall function as described in Letter of Agreement #21.
- K.** In the event the IBT and the Company jointly petition the National Transportation Safety Board (NTSB) for, and are granted, formal party or observer status in connection with an investigation involving a Company incident or accident, the Company and the IBT will

jointly designate one or more qualified IBT-represented United employee(s) to participate as representative(s) in the investigation. The selected representative(s) shall perform this assignment without loss of pay.

- L.** Any MSAP program will be covered in a stand alone MOU between the Company, the Union and the FAA. While there is a valid MOU the Company will sponsor 1 full-time, IBT representative to participate on the ERC scheduled Mon-Fri, on traditional business hours. This position will in all respects be treated in a similar manner regarding necessary transportation as other IBT staff positions. The Company agrees to supply access to office space appropriate for the confidentiality needs of the position and access to office supplies.
- M.** In the event the Company requires employees covered by this Agreement to wear protective footwear as personal protective equipment, the Company will provide an allowance to such employees for the actual cost of protective footwear that complies with Company standards. Such allowance shall be up to a maximum of \$52.80 per year per employee on a rolling calendar basis.

## **Article 15 - Compensation**

- A. Employees are paid for actual time worked in hours and fractions of an hour properly reported and verified. The employee may be required to punch in and out at time clocks. Employees who are late for work will be docked on an actual minute basis after the first six minutes, adjusted to the nearest one-tenth of an hour. Repeated cases of tardiness may result in disciplinary action under the attendance policy.
  
- B. Payroll checks will be distributed during working hours on payday. It will cover work performed in the previous pay period. If a payday falls on a Company recognized holiday employees will be paid on the previous day. Employees will be paid on a bi-weekly pay period beginning on Sunday and ending on Saturday (total of fourteen (14) days). Checks for that pay period are issued twelve (12) days later on Thursday.
  
- C. Hourly Base Rate of Pay
  - 1. Employees' "hourly base rate of pay" is determined by a combination of a "basic hourly rate" and all of the premiums listed below to which an employee is entitled.
  - 2. Employees temporarily transferred to work in a higher classification will be paid the higher rate for all hours worked in the higher classification with a minimum of eight (8) or ten(10), whichever is applicable, hours of pay. Employees temporarily transferred to work to lower paid classifications will receive their regular hourly base rate of pay.
  - 3. THE CURRENT BASIC HOURLY RATES AND LONGEVITY PAY ARE SHOWN IN APPENDIX A.
  - 4. The hourly rates set forth in Appendix A shall prevail, except that the Company may recognize prior experience when hiring and placing an employee in the progression scale at a rate above the minimum but not to exceed the most recently hired employee in the affected classification.
  - 5. 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.
  - 6. If direct deposit is not permitted, paper pay checks will be enclosed in envelopes and will include a statement of all wages and deductions made for the pay period; and, in addition, an employee will, upon request to his supervisor, be furnished a copy of his time record for the preceding pay period. Included on the pay check stubs will be the employee's pass travel charges and sick leave balance.

7. Employees leaving the service of the Company will be paid for all the time due at the earliest possible time after separation and in compliance with State law.
  8. Increases are effective on the commencement of the pay period in which the employee's anniversary date falls.
- D. Employees shall be paid fifty-one (51) cents per hour shift premium as additional compensation over their basic hourly rate for all hours paid in which the shift commences work outside the hours of between 0500 and up until 1000, except for those employees who commence work between the hours of 1601 and up until 0459, who will be paid fifty-eight (58) cents per hour shift premium as additional compensation. The relief mechanic that rotates between shifts during a workweek will be paid fifty-eight (58) cents shift premium for all hours paid.
- E. Effective Date of Ratification, when an employee hereunder is transferred at the Company's request, he shall be allowed actual reasonable moving expenses for household effects up to 36,000 pounds, when substantiated by properly receipted bills for shipping, insurance, storage, packing and unpacking, indicating the number of cubic feet or its equivalent of household effects being handled. The Company may at its option prescribe or control the shipment from the time of packing at the point of departure to the time of unpacking at the appointed arrival.
1. The cost of moving mobile homes will be paid for by the Company for employees who use such mobile homes as their sole residence up to the allowable limit for household effects. Charges in excess of this amount will be billed to the employee.
- F. Effective Date of Ratification, when an employee hereunder is transferred at the Company's request and drives his car or cars (up to two (2) cars) from his former domicile to a new station he shall be granted travel time at the current rate of four hundred (400) miles per day, to a maximum of seven (7) days, the direct route, and shall be paid at U.S. General Services Administration rates per mile, for all cars moved (up to two (2) cars). He shall also be paid his regular eight (8) hours pay for each day needed for traveling. Any mileage pay increase granted under the Company's General Administrative Manual shall be granted to all employees covered by this Agreement.
1. Actual and reasonable hotel expenses to a maximum of one hundred and twenty dollars (\$120) per night for the employee and spouse, plus an additional fifty dollars (\$50) per night for each additional one to four children for each night of travel, and actual and reasonable meal expenses with a daily limit of sixty dollars

(\$60) for the employee and forty dollars (\$40) per day for each immediate family member will be paid after the employee has submitted receipts.

2. Payment of hotel and meal expenses will be made for a period not to exceed seven (7) full days after arrival at the new location. These payments will be in addition to the travel time allowed. Under normal circumstances it is expected that employee moves will be completed within a fourteen (14) day period, from start to finish. However, when circumstances beyond the control of the employee necessitate additional time, the situation may be reviewed and an extension approved by the Division Vice-President.
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- G. When an employee is transferred from one station to another as a result of being the successful bidder on a bulletined job, he will bear his own expenses, except that space available plane transportation shall be furnished to him and his immediate family to the extent permitted by law. The Company shall pay the moving expenses described above if the transfer is to a newly opened station.
  - H. Effective Date of Ratification, the maximum total cost payable by the Company for any move shall be twelve thousand dollars (\$12,000).
  - I. Effective Date of Ratification, moving expenses will include reimbursement for miscellaneous expenses as part of the twelve thousand dollars (\$12,000) cap. Miscellaneous expenses shall include items such as vehicle registration, application fees, non-refundable deposits, cable hook-up, cancellation fees, rental car while personal car is in transit, shipment of pets, and other similar expenses.
  - J. Enhancement to moving provisions granted to other employee groups after the date of ratification of this Agreement shall also be provided to employees covered by this Agreement.
  - K. All employees covered by this Agreement required to perform their work outside in the elements, or at a line station, shall receive a line premium of ~~thirty (30)~~ forty (40) cents, effective Date of Ratification, ~~forty (40) cents, effective July 1, 2011,~~ and fifty (50) cents effective July 1, 2012 per hour. Employees not working at a line station, whose primary duties are performed inside a shop or hangar, will receive a line premium only for hours actually worked outside a shop or hangar. Line premium pay will be added to the employee's base rate of pay for all pay purposes.
  - L. Effective Date of Ratification, employees covered by this Agreement who are Taxi



and/or Taxi Run Up certified on any one (1) of the Company's aircraft types shall receive a Taxi/Taxi Run Up premium of one dollar (\$1.00) per hour for eight (8) or ten (10) hours, whichever is applicable, for each shift in which they perform an aircraft Taxi or Engine Run Up. This Taxi/Run premium will be added to the employee's base rate of pay for all pay purposes.

- M. All Technicians, Lead Technicians, and Inspectors covered by this Agreement who possess an "FCC," "Airframe (A)," or "Powerplant (P)" license, will receive an hourly license premium paid for all hours paid. License premium pay will be added to the employee's basic hourly rate of pay for all pay purposes.

Effective upon ratification of this Agreement, "A" and "P" license pay will be \$2.13, per hour each, and "FCC" license pay will be \$3.48 per hour.

Effective Date of Ratification, all employees working in Bid Area 104 (Avionics) , Bid Area 114 (Airport Communications), Bid Area 123 (Avionics Shop RQ), or Bid Area 124 (Flight Simulator Technician / FST) who possess an FCC license shall receive license pay equal to \$3.48 for all hours paid. Such employees shall retain such license pay for the duration of their employment so long as they work in either Bid Area 104, 114, 123, or 124.

Regardless of the number of licenses an employee may hold license pay will not exceed the total premium of \$4.25 per hour effective upon ratification of this Agreement.

- N. Employees based in HNL shall receive a Market Adjustment Premium of two dollars (\$2.00) per hour for all hours paid. The parties agree that within thirty (30) days of ratification of agreement there shall be a joint Union/Company Cost of Living Committee formed. This Committee will determine the cost of living in each of the cities in which technicians and related are based. The joint Committee shall report back to the parties within six (6) months of ratification of the Agreement. The Company agrees to provide adequate funding for the Committee to conduct meetings and to consult with necessary professional experts.

The Company agrees that it will fund a study of the cost-of-living and cost-of-living differences for airline technicians based in San Francisco, Seattle, Chicago, Denver and Washington compared with the cost-of-living for airline technicians in the 48 states contiguous United States. The study must be conducted by an independent, outside economic consultant firm mutually agreeable to the Company and the Union. The extension of the Proposed Study by Economic Consulting Inc. recently submitted to the Continental Airlines and the Union under Article 15 N of the current Continental Technicians and Related Agreement to include the five bases above will satisfy the

requirements of this Article 15 N.

- O. Employees assigned to GSE Bid Areas are eligible to receive GSE/GSE Coordinator premiums up to \$2.13 per hour effective upon ratification of this Agreement if they qualify under the program offered. Those who are qualified and eligible will receive this premium for all hours paid. The program will remain in effect for the duration of this Agreement. The Company and the Union will meet to mutually agree on the trade test and the availability of the test as soon as practicable following the signing of this Agreement.
- P. Facilities Technicians who possess any two (2) of the following certifications/qualifications will receive a Facilities Test Premium of \$2.13 effective upon ratification of this Agreement, for all hours paid:

HVAC  
Electrician  
Plumbing  
Jet Bridge  
Baggage

For HVAC, Plumbing, and Electrician, the Company will accept state/federal certification. The Company and the Union will meet to mutually agree on the test and the availability of the test for Jet Bridge and Baggage as soon as practicable following the signing of this Agreement. This program will remain in effect for the duration of this Agreement.

- Q. All employees covered by this Agreement who are required to perform work, attend school, or for any other reason be away from their base station shall receive an expense allowance (per diem) for time away from base, for each hour (or fraction thereof) from the scheduled or actual report time of departure, up to the time the employee returns to his base. The hourly per diem for domestic locations (including Canada, Central America, the Caribbean and Mexico) shall be one dollar and ninety-five cents (\$1.95) per hour. Should pilots or flight attendants receive domestic per diem rates greater than one dollar and ninety-five cents (\$1.95) during the term of this Agreement, employees covered by this Agreement will receive the same greater rate, effective on the date such rate becomes effective for the pilots and/or flight attendants.
- R. The hourly per diem for international locations shall be two dollars and fifty cents (\$2.50). Should pilots or flight attendants receive international per diem rates greater than two dollars and fifty cents (\$2.50) during the term of this Agreement, employees covered

by this Agreement will receive the same greater rate, effective on the date such rate becomes effective for the pilots and/or flight attendants.

## Article 16 – Benefits

~~The benefits provisions set forth below shall be effective through December 31, 2012, and until such time shall be read in conjunction with Section 8 of LOA #27 (Transition Issues) with respect to any modifications or additions contained therein. Unless otherwise agreed to by the parties following the Ratification Date of the New Agreement, and except as set forth in Section 8(B) of LOA #27 (Transition Issues), benefits shall be governed by Section 8 of LOA #27 (Transition Issues), effective as of January 1, 2013 and the benefits provisions set forth below shall cease to apply effective as of January 1, 2013.~~

### A. Health and Welfare Benefits

1. The Company agrees that the following Company 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 premium cost to the Company.
2. The Company will provide the following Company Medical, Dental and Life Insurance benefits to employees in active service or on extended illness status, including coverage for Eligible Dependents, except as otherwise specified. Employees will be offered Health Maintenance Organization (HMO) medical coverage as an option to Company Medical Insurance in accordance with the Federal Health Maintenance Organization Act of 1973 as amended.
3. 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.
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 he is on layoff for a period of ninety (90) days from the date of his layoff if the employee pays the required employee contribution.

### 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 Adult + 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 each calendar year, 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 for each such month of coverage under the Medical PPO.
2. During each Open Enrollment, 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 Open Enrollment, but who fails to make an election, will be deemed to have waived coverage for herself and her eligible dependents. An employee who has made an election during Open Enrollment but 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., B.7.c.(1) and B.7.c.(3) 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-net-work 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.

## 5. Additional Covered Expenses

The following will be included as covered medical expenses under the medical plan:

- a. Home health care which 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;
  - 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 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.

Eligible services will not include housekeeping, cooking, babysitting, and the like.

- b. Extended Care Facilities that have been approved by the Plan 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

- Up to three (3) psychological, spiritual and bereavement counseling sessions for surviving members of the terminally ill person's immediate family
  - d. Expenses for the wellness program are described in Attachment A.
  - e. Expenses for hearing examinations, hearing aids and batteries for hearing aids up to a maximum payment of \$5,000 per person per lifetime.
  - f. Expenses for an annual cervical cytology screening, including 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.
6. Licensed Clinical Social Workers (LCSW) will be considered covered providers under the Plan.
7. The following will also apply:
- a. The need for and duration of confinement to any treatment facility must be pre-certified. The portion of the confinement which is certified will be considered a covered medical expense. Any portion of the confinement not certified will be payable at fifty percent (50%). The remaining fifty percent (50%) will not apply to the out-of-pocket limit. Participants will notify the proper party of emergency admission within forty-eight (48) hours after admission, if possible, or as soon thereafter as possible.
  - b. Prescription Drugs under the Medical PPO
    - (1) Expenses for prescription drugs filled at retail are subject to the deductibles and co-insurance applicable to in-network expenses.
    - (2) Mail delivery of prescription drugs is available for maintenance drugs and is mandatory for certain maintenance drugs after prescriptions have been filled three times at retail. Mail delivery prescription drugs are not subject to deductibles or co-insurance, but do require employee co-payments. These employee co-payments do not apply toward the deductible or out-of-pocket limits.

For each calendar year, the employee co-payments will increase annually at the same rate as the total projected cost of the mail delivery prescription drug program increases; provided, however, that any increase in the



employee co-payments for any year will not exceed 7% of the prior year's co-payment, rounded to the nearest dollar.

- (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. 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) Covered expenses for out-patient psychiatric and substance abuse treatment received from an out-of-network provider will be payable at 50% and the employee's share does not apply to the out-of-pocket limit.

d. 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.

e. Maintenance of Benefits. The medical PPO will apply Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits.

f. 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.

- g. Claims for Covered Expenses must be submitted for payment and received by the Claims Administrator within 12 months from the date charges are incurred.
8. 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:

Coverage Tier	2003	
	Total Monthly Cost of Coverage	Required Monthly Contribution (20% of Total Monthly Cost)
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. During each Open Enrollment, 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 Open Enrollment, but who fails to make an election, will be deemed to have waived coverage for himself and his eligible dependents. An employee who makes an election during Open Enrollment but 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. After the deductible has been satisfied, covered dental expenses shown in the Summary Plan Description 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%
- Orthodontic Procedures at 50%

The deductible is \$50.00 per person per calendar year with a maximum of two (2) deductibles per family per calendar year.

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 Insurance Benefits will be provided as follows:**

1. Company Paid - The amount of Company Paid Life Insurance will be equal to 2080 times the employee's Schedule A base hourly rate of pay in effect on January 1 each year rounded to the nearest one thousand dollars (\$ 1,000). The maximum benefit will be seventy thousand dollars (\$70,000) and the minimum benefit will be thirty thousand dollars (\$30,000).

2. Contributory Life Insurance - Employees have the option to purchase additional life insurance under Part I or Parts I and II.
  - a. Part I - Additional twenty thousand dollars (\$20,000) is available at a rate of forty cents (40¢) per month per thousand dollars (\$1,000).
  - b. Part II - Additional twenty thousand dollars (\$20,000) is available at a rate of forty cents (40¢) per month per thousand dollars (\$1,000).
3. Dependent – A benefit in the amount of ten thousand dollars (\$10,000) will be provided for an employee's spouse/Qualified Domestic Partner and each eligible child under age 22.
4. Employees will be provided the opportunity to purchase life insurance through the Group Universal Life Insurance Plan offered to management and salaried employees. The coverage in paragraph 2 above will be discontinued the same date the Group Universal Life Insurance becomes effective.

**E. 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 10 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 (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 nonpayment 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:

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

For each calendar year, 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 retired 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 retired on or after January 1, 2006, or who retire on or after the Ratification Date of this Agreement 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.

**E. 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

**G. Flexible Spending Account**

A Flexible Spending Account, as permitted by Section 125 of the Internal Revenue Code, will be made available to all active Union-represented employees. Such Flexible Spending Account will provide that an employee may defer up to five thousand dollars

(\$5,000) of his/her salary into a health care account and up to five thousand dollars (\$5,000) of his/her salary into a dependent care account, subject to any statutory limitations. Elections must be made during periods of open enrollment. Any unused account balances remaining at the close of the plan year will be forfeited and will revert to the Company. The plan will allow for payment for all health care and dependent care expenses that are allowable under the Internal Revenue Code.

## **H. Death and Disability**

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

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

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

Any employee covered by this Agreement required to participate in test flights or to travel to another base in the performance of his work assignment, including travel to and from field trips, will be covered by Company paid accident insurance benefits with a death benefit of two hundred thousand dollars (\$200,000.00) at no cost to the employee. Should pilots or flight attendants receive Company paid accident insurance benefits greater than two hundred thousand dollars (\$200,000.00) for such events, employees covered by this Agreement will receive the same benefit level, effective on the date such benefit becomes effective for the pilots and/or flight attendants.

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



**Attachment A**

**WELLNESS PROGRAM**

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

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

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**

<b>Vaccine</b>	<b>Birth</b>	<b>2 months</b>	<b>4 months</b>	<b>6 months</b>	<b>12 months</b>	<b>15 thru 18 months</b>	<b>4 thru 6 years</b>	<b>12 thru 16 years</b>
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	X	X	12 to 15 months X			
MMR (Measles, Mumps, Rubella) CPT Code 90707 or 90710					12 to 15 months X			Booster between 11 <sup>th</sup> to 12 <sup>th</sup> year X
Varicella (Chicken Pox) CPT Code 90716					12 to 18 months X			Booster between 11 <sup>th</sup> to 12 <sup>th</sup> 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 9939



## Article 17 - Overtime

- A. For purposes of this Article, the following terms shall have the following meanings:
1. Call Book – A collection of necessary document(s) or database which indicate the employees who are in a particular Bid Area. Information included in the Call Book shall be: employee name, employee ID number, home phone number, shift and days off, seniority date, total number of overtime hours of each employee and his/her verification of a desire to work or not work overtime.
  2. Eligible – An employee who has indicated in the Call Book of his/her desire to be offered any authorized overtime shall be considered eligible for purposes of this Article.
  3. Eligible Period – A defined period of time for which an employee has agreed to be available for the proffer of overtime.
  4. Call Out – An offer of overtime for a specific period of time on a specific day within the Bid Area. Call Outs will be made to the eligible employee(s) who have the lowest number of accumulated overtime hours and who is off and available to work the overtime.
  5. Charging – Overtime, either accepted or refused will be charged in straight time pay hours, i.e., an hour worked at time and a half shall be 1.5 hours and an hour worked at double time shall be 2.0 hours. Only those eligible employees who appear in the Call Book will be charged for refusing overtime. Employees who are off duty and offered overtime with less than four (4) hours notice will not be charged if refused.
    - a. An employee who accepts an overtime assignment that is subsequently canceled by the Company, resulting in an overtime bypass to that employee, will be afforded the ability to make up all lost hours pursuant to Article 17.K.2 below.
- B. For pay purposes, an employee's twenty-four (24) hour day begins with the starting time of that employee's regularly scheduled shift. Overtime rates shall be computed on an actual minute basis adjusted to the nearest one tenth (1/10<sup>th</sup>) of an hour, with a minimum of one (1) hour overtime at the applicable rate. When computing overtime, the employee's straight time compensation will include the base rate, any licenses, premiums, and differentials that the employee normally receives for each regularly

scheduled hour, during the employee's regularly assigned shift.

- C.
1. Employees on an eight (8) hour day shall be paid an hourly rate of time and one-half ( $1\frac{1}{2}X$ ), based on the employee's regular straight time compensation for:
    - a. The first four (4) hours worked after the employee's regularly scheduled shift.
    - b. The first eight hours worked on either of the employee's regularly scheduled days off.
  2. Employees on a ten (10) hour day shall be paid time and one-half ( $1\frac{1}{2}X$ ) for:
    - a. The first two (2) hours worked after the employee's regular shift.
    - b. The first ten (10) hours worked on one of the employee's three (3) regularly scheduled days off.
  3. Employees on an eight (8) hour day shall be paid an hourly rate of double time ( $2X$ ), based on the employee's regular straight time compensation for:
    - a. All time worked in excess of twelve (12) hours on a regularly scheduled work day.
    - b. All hours worked in excess of the first eight (8) hours worked on the employee's two (2) regularly scheduled days off.
    - c. All time worked on the employee's second day off, provided that the employee has worked, or has been compensated for, four (4) hours or more on his first day off.
  4. Employees on a ten (10) hour day shall be paid double time ( $2X$ ), based on the employee's regular straight time compensation for:
    - a. All time worked in excess of twelve (12) hours on a regularly scheduled work day.
    - b. All hours worked in excess of the first ten (10) hours worked on the employee's three (3) regularly scheduled days off.

- c. All time worked on the employee's second or third day off, provided that the employee has worked, or been compensated for, four (4) or more hours on one of his previous days off.
- D. When an employee works overtime in conjunction with his regular shift, not related to job continuation, he shall be entitled to a minimum of four (4) hours overtime pay, except that when overtime is required to cover staffing outages (vacation, sick, leaves of absence, etc.) he shall be entitled to work the full shift being covered, whether the shift is eight (8) or ten (10) hours. When the two shifts overlap, the overlap time will remain part of the employee's regular shift. When an employee is off duty and is called in to work overtime he shall be entitled to a minimum of eight (8) hours of overtime pay unless the overtime shift being covered overlaps with the employee's regular shift, in which case the overlap time will remain part of the employee's regular shift. Employees who are called in late for overtime will be pay protected at the applicable overtime rate for the entire shift, either eight (8) or ten (10) hours whichever is applicable, if the late overtime call out causes the employee to miss any part of the shift.
- E. Employees will be given a break period of ten (10) minutes every two (2) hours, and if working overtime in conjunction with a regular or trade shift, will be given a ten (10) minute break between the shift worked and the overtime assignment. Employees required to work overtime of two (2) continuous hours or more, either before or after a regular or trade shift, shall be afforded an additional thirty (30) minute paid meal period, or pay in lieu thereof. For each additional four (4) hour period of continuous overtime service an additional thirty (30) minute paid meal period, or pay in lieu thereof, will be allowed within the following hour. Time for such meal periods will not break the continuous service period. When not afforded the aforementioned meal period(s) an employee may, subject to the needs of the service, forgo any additional pay and be allowed to leave work early with pay at the applicable overtime rate.
- F. When possible the Company shall give at least four (4) hours advance notice of contemplated overtime.
- G. When an employee has worked more than one (1) shift (eight (8) or ten (10) hours, whichever is applicable) in the previous twelve (12) hours and his duties are such that he will not have at least a six (6) hour rest period prior to the start of his next scheduled shift, it being understood that all regular shifts and scheduled overtime assignments to be worked shall be considered the employee's "next scheduled shift" for purposes of this paragraph, he shall be afforded an eight (8) hour rest period prior to the commencement of his next scheduled shift. If an employee's preceding work assignment terminates so that there will be less than six (6) hours prior to the commencement of his next scheduled shift, one of the following will occur:
  - 1. The employee and his supervisor may agree that he will report to his next work assignment on time and be compensated, for all hours worked, at the applicable overtime rate, it being understood failure to receive a documented answer from

the employee's supervisor will automatically require the employee to exercise G.2 below, or

2. If the parties do not agree that he will report to his next work assignment on time, he will take an eight (8) hour rest period with no loss of pay. If the rest period is such that it extends half way or more through the employee's next regularly scheduled shift, excluding lunch, (four (4) or five (5) hours, whichever is applicable), the employee may remain at home and be pay protected for the entire shift.

H. The following procedures will be followed in the administration of overtime:

1. On January 1<sup>st</sup> of each year the overtime hours of each employee will be reduced to zero (0), and in each Bid Area a list of the employees in seniority order will be posted. This will constitute the initial overtime call sheet.
2. For each Bid Area subject to these rules, the Company will maintain and make available upon request, accurate daily records of all overtime accepted, worked and all overtime refused. An overtime hour for the purposes of overtime equalization, shall be computed and recorded as the overtime hour accepted, worked or refused, unless spelled out differently herein, multiplied by the amount of overtime compensation.
3. Employees transferring by bid, being recalled, displacing into, returning from Leave of Absence of more than forty-five (45) days, returning from a temporary assignment of more than three (3) weeks, will be given the number of overtime hours they have obtained in the current calendar year from their previous work location(s). New hires entering a Bid Area will not be eligible for overtime during their probation. After probation they will be given the highest number of overtime hours in the Bid Area.
4. A standard overtime call sheet or its electronic equivalent will be maintained for each Bid Area subject to these rules. To be eligible to work overtime employees must sign up correctly in ink on the overtime call sheet for their Bid Area, initialing any subsequent changes in ink. The sign up will include the employee's name, regular shift, the shift(s) for which the employee desires to work overtime, and a phone number(s) at which the employee can be contacted if not at work when the callout is being made. All entries in the overtime call sheet must be accurate and legible.
5. If for continuity purposes it is deemed by management that an employee should stay and complete his assigned job, and the job can be anticipated to be completed within three (3) hours, then the employee performing that job may be requested to do so without regard to seniority or overtime hours charged. This will be known as "job continuation." Whenever the Company has a need to utilize this provision



a “Job Continuation” request shall be made available for review by the Local Union. The Company shall keep an electronic record of all “Job Continuation” worked at all stations and make such records available for review, by the Union, for a minimum of eighteen (18) months from the date of each “Job Continuation” occurrence.

6. If the need for overtime not requiring continuity arises in a particular Bid Area in conjunction with a shift in progress, and the need is for four (4) hours, the overtime will be offered to those employees who are then working on the shift in question and who have signed the call book. The person with the least amount of overtime hours will be offered first, and the remaining need will be met by offering the overtime to the employees in the Bid Area on shift in ascending order of their overtime hours. If two or more employees have the same number of overtime hours charged the offering will be made in Craft seniority order.
  - a. Except as provided in paragraph 6 above, all other overtime will be offered to employees using the call sheet. In making an overtime callout, the Company will contact the employee on the overtime call sheet who can cover the shift and has the least amount of overtime first, next least second, etc. Employees will be considered able to cover the shift, as stated above, so long as their normal shift starting/ending time and the start/end time of the overtime request does not exceed one hundred and fifty (150) minutes, provided that the employee must report to the work area of the normal shift at the start time of the normal shift rather than remaining in the work area of the overtime shift.
  - b. If there are insufficient employees on the call sheet to fill the overtime requirement, the Company will solicit volunteers from the work area where the overtime originated in the Bid Area without regard to seniority or overtime hours charged, and if there are still insufficient employees to fill the overtime requirement, may allow qualified employees from other Bid Areas to work the overtime.
  - c. If there still exists a need for overtime, employees not working the shift but who are regularly assigned to the Bid Area, may be assigned the overtime in reverse order of seniority.
  - d. Employees will not be required to work overtime against their wishes, except in emergencies. The term emergency as used in this Article shall mean “Acts of God,” “Acts of War” (as declared by Congress), national emergency, natural disaster, revocation of the Company’s operating certificate, the grounding of a significant portion of the Company’s fleet, a shutdown of any substantial portion of the air transportation system, danger posed by the elements of weather or any other unexpected circumstance posing significant danger to persons, property or the business. “Significant danger” does not mean the typical circumstances

encountered in normal daily operations. In such cases, no employee will be required to work an overtime assignment which would require him to work a total of more than twelve (12) hours for an employee normally scheduled for eight (8) hour shifts, or fourteen (14) hours for an employee who normally works a ten (10) hour shift, in any twenty-four (24) hour period.

7. When the need arises to call employees for overtime who are not on duty, the Company will begin contacting the employee(s) by phone, using a Company land line, at the number(s) listed by the employee on the call sheet. If the Company is unable to contact the employee in person at the phone number(s) listed, the employee will be bypassed.
8. When employees in premium and basic classifications are on the same overtime list and an overtime opportunity in the premium classification is to be offered, the qualified employee with the lowest overtime balance, regardless of classification, will be offered the overtime work unless the Union Local Committee and the Local Management agree such offer shall be made to the qualified employee in the premium classification who has the lowest overtime balance.

I. The overtime provisions of this Article shall not apply where the overtime is worked due to a change in shifts through the exercise of seniority by employees or due to an approved exchange of shifts and/or day trades done for the convenience of the employees.

J. At each Station/Point the Company and the Local Union will mutually agree, in writing, to the rules and conditions regarding the proper administration of overtime pursuant to this Article.

K. An employee who is bypassed in violation of the overtime distribution procedures set forth in this Article will be treated as follows:

1. If the bypass is a deliberate and intentional act, the employee will be paid and charged the applicable overtime rate for all hours missed by that particular overtime opportunity. For purposes of this paragraph, a bypass that results from repeated instances of administrative and/or clerical errors shall be deemed to be intentional.

2. In all other cases, the employee shall be offered an opportunity to work an amount of overtime equal to the amount of overtime missed, at the overtime rate at which he was bypassed. The employee will be able to work the overtime at his discretion in any work area in his bid area.

## **Article 18 – 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. Shop Stewards- One (1) active and one (1) alternate employee for each shop, service station or sub-division thereof at each point on the system for each shift.
  2. Local Grievance Committee - Active employee members elected or appointed as Coordinators, Chief Stewards and / or Secretaries at each point, in the same numbers existing as of date of ratification of the 2010 – 2012 agreement.
  3. The Business Agents and Airline Division Representatives of the Union who represent the Union with general officials of the Company shall be permitted, at any time, to enter shops and facilities of the Company for the purpose of investigating grievances and disputes arising under this Agreement. The Business Agent or Airline Division Representative shall give the courtesy of contacting the Company officer in charge and advising him in advance of the purpose of the visit.
  4. A reasonable number of International IBT Officers shall be permitted at any time to enter the facilities of the Company for the purpose of representing employees covered by this Agreement. The International IBT Officers will notify in advance the Company manager in charge of the facility.
- B. The Company will designate a representative(s) at each location where persons covered by this Agreement are employed who is empowered to settle all local grievances not involving change in Company policy, or interpretations, or changes in the intent and purpose of this Agreement.
- C. The Union and Company will, at all times, keep the other party advised through written notice of any change in authorized representatives.

### **REPRESENTATION TIME**

- D. Shop Stewards will be permitted, after reporting to their Foreman or Supervisor, a reasonable amount of time during working hours to investigate or present grievances. In the event it is necessary to go to another shop, they will report in with the Foreman or Supervisor of the other shop. The Company will allow straight time compensation for such investigation and presentations during working hours. Shop Stewards will be allowed a maximum of five (5) hours in any one (1) week for Union duties.

- E. The Local Grievance Committee at the Maintenance Operations Center and at John F. Kennedy Airport, Newark, O'Hare, Los Angeles, Washington, Seattle, Honolulu, Portland and New York – La Guardia, and Denver including the Flight Training Center will be allowed a reasonable amount of time for this purpose. The Local Grievance Committee 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. Any employee in a classification covered by this Agreement on the effective date of this Article shall become a member of the Union within sixty (60) days after the effective date of this Article and shall be required as a condition of continued employment by the Company to maintain his membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and monthly membership dues no greater than as hereinafter set forth. Such employee may have his initiation (or reinstatement) fee and/or monthly membership dues deducted from his earnings as provided in Paragraph Q of this Article or he must pay his initiation (or reinstatement) fee and/or membership dues directly to the Financial Secretary of his local union.
  
- G. 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 his 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.
  
- H. Any employee maintaining, or maintaining and accruing, seniority under this Agreement (except as provided in Paragraph K of this Article) but not employed in a classification covered by this Agreement shall not be required to maintain Union membership during such employment but may do so at his option. Should such employee return to a classification covered by this Agreement, he shall be required to become a member of the Union within fifteen (15) days after the date he returns to such classification, and shall, as a condition of employment in classifications covered by this Agreement, become a member of the Union and maintain membership in the Union so long as this Article remains in effect, to the extent of paying an initiation (or reinstatement) fee and/or monthly membership dues.
  
- I. 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 his classification at his point on the Company's system or in the local union 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.

J. If any employee covered by this Agreement has resigned from the Company and is re-employed he shall be governed by Paragraph F of this Article.

1. If any employee is laid off and is recalled from lay off he shall be governed by Paragraph H 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 F of this Article.

K. 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.

L. Notwithstanding the provisions of Article 19 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 Airline Division Coordinator 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 G 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 G of this Article such new employee has not become a member of the Union, the Airline Division Coordinator shall certify in writing to the employee's system Department Head, copy to the employee, that the employee has failed to become a member of the Union as provided in this Article and is, therefore, to be discharged. The employee's system Department Head or his designee shall then

promptly notify the employee involved that he is to be discharged from the services of the Company, and shall promptly take proper steps to so discharge the employee.

b. If an employee other than a new employee who is required to become a member of the Union as provided in this Article does not become a member of the Union within the time limits specified in this Article for employees in his category covered by this Agreement, the Airline Division Coordinator shall notify the Company, copy to the employee, that such employee has failed to become a member of the Union as required by this Article and is, therefore, to be discharged. Such employee's system Department Head or his designee shall then promptly notify the employee involved that he is to be discharged from the services of the Company and shall promptly take proper steps to discharge said employee.

2. Employee Delinquent in Payment of Monthly Membership Dues:

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

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

M. Any discharge under the terms of this Article shall be based solely upon the failure of the employee to pay or tender initiation (or reinstatement) fee and/or membership dues upon the same terms and conditions as are generally applicable to any other member of the Union in his classification of employment at his point on the Company's system or local Union 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.

N. Notwithstanding the provisions of Articles 19 and 20 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. Such employee who believes that the provisions of this Article pertaining to him have not been properly interpreted or applied and who desires a review must submit his request for review in writing within five (5) days from the date of his notification by his System Department Head or designee as provided in Paragraph L, subparagraph 2, of this Article. The request will be submitted to the Vice President of Labor Relations with a copy to the Airline Division Coordinator. The Airline Division Coordinator or his designee may be present at the review of the grievance to represent the Union interest in the case. The Vice President of Labor Relations or his designee will review the grievance and render a decision in writing with a copy to the Airline Division Coordinator not later than ten (10) days following the receipt of the grievance.

2. The Vice President of Labor Relations or his designee will forward his decision to the employee with a copy to the Airline Division Coordinator. 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 20 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 Vice President of Labor Relations or his 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 N.

O. 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.

- P. 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**

- Q. 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. The Company will not be required to deduct the initiation (or reinstatement) fee or monthly membership dues from the pay of employees covered by this Agreement unless the fee and dues for the employee conform to one of the following:

1. "Standard" initiation (or reinstatement) fee and dues for employees of his classification as designated by the Union for San Francisco-Oakland, even though the fee and dues may be the same as those provided in subparagraph 2 below.
2. "Standard" initiation (or reinstatement) fee and dues for employees of his classification or designated by the Union for any or all other points on the Company's system.



ASSIGNMENT AND AUTHORIZATION FOR CHECK OFF OF UNION DUES

TO: United Air Lines, Inc.

I, \_\_\_\_\_, hereby  
assign to the

(Name) (Print initial and last name)

International Brotherhood of Teamsters, 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 Airline Division Coordinator of the Union), from one pay check per month and to remit same to the Union.

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

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

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

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

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

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

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

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

Date \_\_\_\_\_

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

ASSIGNMENT AND AUTHORIZATION  
FOR CHECK OFF OF INITIATION/REINSTATEMENT FEE

TO: United Air Lines, Inc.

I, \_\_\_\_\_, hereby assign  
to the

(Name) (Please print initial and last name)

International Brotherhood of Teamsters my initiation (or reinstatement) fee from my wages earned or to be earned by me as your employee and authorize and direct you to deduct from two pay checks and remit to the Union the total sum of \$ \_\_\_\_\_ which is the standard initiation (or reinstatement) fee for my local Union.

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 - Payroll use)

Organization Code \_\_\_\_\_  
(See UG100 or pay check 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 \_\_\_\_\_

- R. When a member of the Union properly executes such check off form the Airline Division Coordinator of the Union shall forward the original signed copy to the appropriate Payroll Manager, or other designated Accounting official of the Company. A check off form must be completed in a legible manner acceptable to the Company or it will be returned to the Airline Division Coordinator 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 Airline Division Coordinator. Dues deductions will be continued until one (1) copy of such notice of revocation is received by the appropriate Payroll Manager from the Airline Division Coordinator. Check off forms and notices received by the appropriate Payroll Manager will be stamp-dated on the date received and will constitute notice to the Company on the date received and not when mailed.
- S. When a check off form, as specified herein, for the initiation (or reinstatement) fee is received by the appropriate Payroll Manager, one-half of the total amount due will be deducted from each of two regular pay checks due the employee. When a check off form as specified herein for membership dues is received by the appropriate Payroll Manager, twelve (12) days or more before the issuing date of the first bi-weekly pay check of the month or the corresponding weekly pay check at locations where weekly checks are issued, deductions will commence with such pay check and continue thereafter until revoked or cancelled as provided in this Article. The Company will remit by electronic transfer to the Union the funds in payment of all initiation (or reinstatement) fees and dues collected as soon after the pay day on which deductions were made, as practicable. The Company remittance of Union initiation (or reinstatement) fees and membership dues to the office of the Individual Teamsters Local 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.
- T. 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 the Agreement, or (4) is otherwise terminated from the employ of the Company, shall be deemed to have automatically revoked his assignment as of the date of such action and if he (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 the Agreement shall have his dues deductions automatically reinstated upon direct recall to an Agreement classification.
- U. 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 and will not be the subject of payroll deductions. It will be the Union's responsibility to verify apparent errors with the individual Union member before contacting the Company's Payroll Manager.

- V. Deductions of initiation (or reinstatement) fees shall be in accordance with paragraph S of this Article and deductions of membership dues shall be made in a flat sum from one (1) pay check each month provided there is a balance in the pay check sufficient to cover such amounts after all other deductions authorized by the employee or required by law have been justified. In the event of termination of employment, there shall be no obligation of the Company to collect initiation (or reinstatement) fee or dues until all such other deductions (including money claims of the Company and the Credit Union) have been made, and such obligation to collect dues shall not extend beyond the pay period to which the employee's last day of work occurs.

## **Article 19 – Grievance Procedure**

### **A. Grievance Procedure**

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 procedures. 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. Grievance settlements involving wage claims will be included in the paycheck for the pay period immediately following the pay period in which the award was granted. Should such payment be delayed for any reason, an explanation will be provided upon request.

### **B. Grievances not Involving Disciplinary Loss of Pay or Termination.**

In the event of a grievance arising over the interpretation or application of this Agreement or in the event of disciplinary action, not involving loss of pay, the following procedure shall be followed:

#### **FIRST STEP**

1. The aggrieved employee will first present the complaint to his supervisor for discussion and possible solution within thirty (30) days after the employee or his representative could reasonably have knowledge of the incident upon which the complaint is based. During this discussion, the employee will have the right, but not the obligation, to be represented by his shop steward or Local Business Representative. An employee who is to be questioned by Company Representatives in the investigation of an incident or accident which may result in disciplinary action, will be informed of his right to have a Union Representative present before such questioning begins. The Company shall be required to document and have the employee sign for any refusal of such Union representation. It is understood and agreed that decisions made at the first step of the grievance procedure by the supervisor, employee and/or his representative shall not constitute a precedent of any kind unless otherwise agreed to by the Union and the Company.
2. If the complaint cannot be resolved through a discussion, the grievance shall be reduced to writing by the employee or his representative, signed by the employee and his representative, and presented by the Union to the supervisor within ten (10) calendar days after the date of the discussion described in paragraph B.1 above.
3. The grievance will be answered in writing by the supervisor, who will send a copy to the grievant, the shop steward and the Union Representative, within ten (10) calendar days after he receives the written grievance.

## **SECOND STEP**

4. If the decision of the supervisor is not satisfactory, the Union Representative may appeal the grievance directly to the designated Company Manager that reports directly to a Vice President, with a copy to Labor Relations at the Company's office, provided such appeal is presented in writing within ten (10) calendar days after the written decision of the supervisor has been presented to the grievant, the shop steward, and the Union Representative.
5. The designated Company Manager that reports directly to a Vice President or their designee will meet to hear the grievance(s) within ten (10) calendar days following the receipt of the written appeal. The grievant, the shop steward/Coordinator and the Local Union business agent shall be entitled to attend this meeting, and shall be allowed a reasonable opportunity to present relevant testimony and information. The designated Company Manager that reports directly to a Vice President shall issue his decision in writing within ten (10) days after the presentation of such relevant testimony and information.
6. Within fourteen (14) calendar days after the receipt of the written decision of the designated Company Manager that reports directly to a Vice President, if the decision is not satisfactory to the employee and his Union Representative, the Union may appeal such grievance to the Joint Board of Adjustment by serving a written notice to the Division Vice President with a copy to Labor Relations at the Company's office.

### **C. Discharge and Disciplinary Procedures Involving Loss of Pay**

1. In the event an employee is suspended pending investigation and subsequently such discipline is found to be without just cause, he will be paid for such lost time from work.
2. Employees held out of service under circumstances, which do not involve theft, acts of violence, refusal to comply with a direct order (non-safety related), use or possession of alcohol or illegal drugs on Company property, or possession of weapons on Company property will continue on pay status pending completion of a fact-finding meeting which is held between the employee's supervisor, and if needed, other Company designee, the employee, and his steward/Coordinator. Nothing shall preclude the Company's right to suspend any employee without loss of pay pending such meeting. Except as otherwise set forth above, the affected employee shall remain in a paid status until such time as a decision is rendered. The purpose of the fact finding meeting is to interview pertinent witnesses, establish pertinent facts and determine any possible solution, it being understood and agreed that decisions at such level shall not constitute a precedent. The Company representative involved will, within ten (10) calendar days after such meeting, render a decision in writing to the employee, unless further investigation is required, in which case the Company will notify the affected employee and the Union of the reasons for the delay.

3. If the decision of the Company's representative is not acceptable to the Union, the decision may be appealed by the Union to the Joint Board of Adjustment within fourteen (14) calendar days after receipt, by serving written notice to Division Vice President or his designee with a copy to Labor Relations at the Company's office.

4. Notwithstanding any of the provisions of this Article, probationary employees are not entitled to file grievances under this contract regarding discipline or discharges, nor shall such employees be entitled to challenge discipline or discharges taken against them under this Agreement.

5. In the event the Union appeals the disciplinary action to arbitration the Company and the Union shall attempt to agree on a mutually acceptable impartial arbitrator. If the parties are unable to agree on an arbitrator they shall select an arbitrator as provided in Article NEW, Board of Arbitration.

#### **D. Joint Board of Adjustment**

##### **Third Step**

1. The Joint Board of Adjustment ("the Board") shall be composed of two (2) members designated by the Company and two (2) members designated by the Union. The Board shall meet on a monthly basis as needed at stations throughout the system on a rotating basis. Dates for the Board shall be mutually agreed upon prior to the beginning of each New Year. In advance of each hearing date, the parties' JBA Coordinators shall mutually agree as to which case shall be heard; in the event the Coordinators are unable to agree, the JBA Co-Chairmen shall promptly meet to resolve the dispute. The location of the Boards will be determined and mutually agreed upon at the end of each preceding Board. In the case of a discharge or a suspension resulting in loss of pay for a period of five (5) or more days, the Board of Adjustment shall convene within thirty (30) calendar days of the date the discharge or suspension is appealed to the Joint Board of Adjustment. In the case of a discharge, the Board of Adjustment shall convene at the station where the discharged employee worked unless another city is mutually agreed upon.

2. The Joint Board shall render a decision no later than thirty (30) calendar days after it has closed the record in the hearing of the case. The Joint Board's findings and decisions shall be final and binding upon the Teamsters-Airline Division, the Company, and the individual employee or employees to such dispute. If the Board deadlocks, the Union may appeal the case to arbitration.

#### **E. General and Procedural Rules**

1. An employee who serves as a witness and who is not released from his witness duty at least eight (8) hours prior to the start of his next regularly scheduled shift shall be excused from working that shift, but shall suffer no loss of pay as a result. Release from witness duty will be deemed to be at aircraft block-in time if the employee is required to

fly to return to his home.

2. The Union will be given a reasonable opportunity to secure the presence of necessary individual(s) to fairly conduct hearing and meetings required in connection with a grievance.

3. The Union will be provided access to all documents and reports in the Company's possession on which the action taken was based. The Company will likewise be provided access to all documents on which the Union's case is based. Each party shall be entitled to copies of any such documents that it may determine are needed.

4. Employees of the Company who are on duty and are called as witnesses for any of the proceedings described in this Article, including Arbitration, will suffer no loss of pay. In addition employees regularly scheduled to work swing shift or graveyard shift on the day preceding the hearing will be released or accommodated with a shift adjustment with no loss of pay to accommodate travel time and provide ample rest. The number of witnesses summoned at any one time shall not be greater than the number that can be spared from the operation without interference with the services of the Company. If the Union or the Company deems necessary the testimony of witnesses the Company is unable to release, the proceedings may be adjourned until such time as the witnesses are able to testify. The parties agree to use their mutual best efforts to minimize the cost and the operational disruption potentially created by this provision. Where testimony is cumulative (merely duplicating the testimony of other witnesses), or is otherwise not essential to the case, such evidence may be presented by sworn statement(s).

5. All time limits will be complied with by the Company, the employee(s), and the Union. If the Company does not comply with the time limits, the grievance will be deemed automatically appealed to the next step. Any Company answers not appealed by the Union in writing within the specified time limits at any step of the procedure shall be considered closed on the basis of such answer. It is recognized that Company or Union representatives may request reasonable time limit extensions, and the parties may mutually agree to extend any of the time limits in this Article.

6. It is agreed by the parties hereto that the periods of time for hearings, decisions, and appeals established in this section shall be considered as maximum periods and that when hearings, decisions, and appeals can be handled in a period of less than the maximum time stipulated, every effort will be made so as to expedite such cases.

7. The Company recognizes the right of the Union to file a group grievance when the issue is common and identical to those employees in the group.

8. In the event of permanent change of the parties responsible for grievances at any step of this grievance procedure, the parties will notify each other as soon as possible.

9. With written authorization of the employee, the Union, or its representative, and/or the Grievant shall have access to the Grievant's personnel file for review. The Union shall be



entitled to copies of any documents from the file that it may determine are needed. When requested by either the Company representative or the Union representative, the Joint Board may summon any witness(es) who are employed by the Company and are deemed necessary to the dispute by the Joint Board.

10. Where unknown evidence or documentation not previously shared with the Union or the Company is introduced at the Joint Board and/or Arbitration, the Joint Board or Arbitrator will allow sufficient time for review of the new evidence.

#### **F. Disclosure**

Both parties shall agree to a discovery process and they shall be compelled to disclose, to each other, all data/documents and the names of the witnesses to be presented no later than ten (10) calendar days prior to the actual date of the Joint Board of Adjustment and/or Arbitration. If either party receives a late document or witness list it shall have the option to adjourn the hearing in light of the new document or witness list or take the necessary time for review of the new evidence.

#### **G. 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.

#### **H. Management Grievance**

The Company has the right to file a grievance against the Union. Such grievance will be proper when filed by the Managing Director of Labor Relations to the International Representative, Teamsters Airline Division, who will provide a written answer within fourteen (14) days. If the answer is unsatisfactory the Company may appeal the grievance to the Arbitration within fourteen (14) days following receipt of the Union's answer.

#### **I. Documented Discipline**

1. Except as provided in Paragraph I.2 below, all disciplinary letters (letters of warning, reprimand, or suspension and letters of instruction and advice) will be removed from the employee's file after a period of one (1) year from the date of issuance (excluding periods while on Layoff, Leave of Absence or Extended Illness Status) provided there have been no similar infractions (i.e., job performance, attendance related) during that period, except that the period shall be eighteen (18) months for termination warnings. In the

event additional infractions occur at any time during said one (1) year, the letters will be retained in the file until such time that there is a one (1) year period with no occurrence of similar infractions (i.e., job performance, attendance related). Copies of disciplinary letters shall be furnished by the Company to the affected employee and the Union.

2. All documented discipline/counseling involving claims related to Title VII violations (e.g., sexual harassment, racial or other discrimination or harassment) may be kept in a separate file for a reasonable period of time. Use of such documents shall be limited to reasonably necessary application in Title VII matters.

## **Article 20 - Board of Arbitration**

- A.** The parties shall, in August of each year, agree upon and select arbitrators and arbitration hearing dates to be scheduled in the following year; if unable to agree upon arbitrators, the parties shall request fifteen (15) lists of arbitrator panels from the National Mediation Board and shall, by alternate strike method, select fifteen (15) arbitrators that will compose that year's agreed-upon panel of arbitrators. The parties will jointly solicit dates from the agreed upon arbitrators, and shall endeavor to schedule no less than four (4) days each month for hearing cases appealed to the Board of Arbitration. No later than sixty (60) days in advance of each hearing date, the parties shall mutually agree as to which case shall be heard; in the event the parties are unable to agree, the earliest-filed case remaining unresolved shall be heard. The Board of Arbitration shall consist of one (1) member selected by the Union and one (1) selected by the Company, and the impartial Arbitrator.
- B.** The parties shall enter into a submission agreement, which shall clearly state the arbitrable issue or issues to be decided. If the parties are unable to agree on a joint statement of the arbitrable issue or issues to be decided by the arbitrator, the submission shall contain the written grievance and the Company's disposition of the same with notation that the parties could not agree upon a submission agreement. Either party may also submit its proposed version of the arbitrable issue or issues to be decided by the arbitrator.
- C.** During the hearing, each Party shall have full opportunity to present evidence and argument, both oral and documentary. The impartial arbitrator shall be asked to render his findings and award in writing no later than sixty (60) calendar days after the conclusion of the hearing or receipt of the post hearing briefs. The decision of the impartial arbitrator shall be final and binding. The impartial arbitrator shall have no authority to modify, amend, revise, add to or subtract from any of the terms or conditions of the Agreement.
- D.** The Board shall meet in the city where the General Offices of United Air Lines, Inc. are maintained. In cases of discharge the Board shall meet where the discharged employee worked. In either case a different place of meeting may be mutually agreed upon by the parties.

  - 1. Each of the parties hereto shall assume the compensation, traveling expenses and other expenses of its witnesses called or summoned by it and each of the parties shall assume one-half (1/2) of the expenses of the arbitration.
  - 2. Witnesses who are employees of the Company and the grievant shall receive non-revenue positive space (NRPS) transportation over the lines of the Company from their point of duty or assignment to the point at which they must appear as witness before the Board and return, to the extent permitted by law.

3. It is understood and agreed that each and every witness summoned by the Board who is an employee of the Company shall be free to discharge his duties in an independent manner without fear that his individual relations with the Company or the Union may be affected by an action or by testimony given by him in good faith in his capacity as a witness.

4. If a stenographic transcript is made of the arbitration proceeding the party making the request shall bear its expense, unless the request is made by the arbitrator, in which case the cost of the transcript will be shared equally by the Company and the Union. In the event the party not requesting the transcript decides at the hearing or later to obtain a copy, the Company and the Union shall share the entire cost of the reporting and transcribing of the transcript equally.

- E.** The provisions of Article 19, paragraphs E 1,2,3,4, 9 and 10, and paragraph F also apply to this Article.
- F.** Decisions rendered pursuant to this Article may not add to, subtract from, or alter in any way the Agreement, but may only interpret or apply it.

## **Article 21 – General & Miscellaneous**

- A.** If there is any change during the life of this Agreement in the licenses employees covered by this Agreement are required to have, all employees affected shall be given two (2) years from the date of such change to obtain each license and there shall be no change in their status or pay during said two (2) year period.
- B.** Service records shall be maintained for all employees by the Company. When an employee covered by this Agreement leaves the Company for any reason, he will, upon request, be furnished with a copy of his service record.
- C.** Any employee leaving the service of the Company will, upon request, be furnished with a letter setting forth the Company's record of his qualifications and stating his length of service.
- D.** Employees covered by this Agreement shall not be required to work on aircraft outside of hangars during inclement weather when hangars are available. This clause shall not apply to employees working on aircraft for immediate service or in servicing aircraft for through service. Suitable rain repellent garments shall be kept available at all shops and service stations for use of employees covered by this Agreement when they are required to work outside in the rain. Winter coats will be available for use by employees covered by this Agreement regularly required to work outside during periods of extreme low temperatures at Atlanta, Baltimore, Boston, Buffalo, Chicago, Cleveland, Denver, Detroit, Hartford, Milwaukee, Minneapolis, New York, Newark, Omaha, Philadelphia, Pittsburgh, Portland, Salt Lake City, Seattle and Washington, D.C. Should a new station be opened the Company and the Union will meet to determine whether it qualifies as a cold weather station.
- E.** Should the Company at any time require employees covered by this Agreement to wear standard caps (wearing such a cap will be optional with the employee unless the Company advises the Union to the contrary and affords the Union an opportunity to discuss the reasons for the change), coveralls or other work clothes in the performance of their work, arrangements will be made by the Company whereby employees can purchase same at a particular location and one-half of the cost of new and replacement outfits will be borne by the Company. Such caps, coveralls or other work clothes shall be kept laundered by the Company at no expense to the employee, however, where laundry service is not provided the employee will be reimbursed for laundry expense. The Company, however, shall not clean or reimburse for expense of cleaning Spring-Fall and Winter uniform coats purchased by employees covered by this Agreement. When standards for such uniform coats are changed by the Company, those employees who have previous standard Spring-Fall and Winter uniform coats, including employees who now have present standard Spring-Fall and Winter coats, will not be required to purchase new coats until a replacement is needed. Recommendations of the Union will be considered by the Company before making any changes in the style or color of the standard uniform coats.
- F.** Any qualified employee, upon request, shall be furnished with a certificate by the

Company for presentation to the proper government agency for procuring FAA or FCC licenses.

- G.** All orders or notices to an employee covered by this Agreement involving a transfer, promotion, demotion, lay off, or leave of absence shall be given in writing.
- H.** Once each calendar quarter, the Company upon request shall furnish the Union, through the Airline Division, the names, addresses, status, effective date of any status change, locations, classifications and hourly rates for all employees covered by this Agreement as of 30 days prior to the date the list is furnished.
- I.** Bulletin boards accessible to employees covered by this Agreement will be provided by the Company at all Maintenance Bases and service stations marked 'Union' 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; and 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.
- J.** 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.
- K.** 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. Within forty-five (45) days of signing, the Agreement shall be made electronically available on the Company intranet.
- L.** The Company will, for employees in the Mechanic or higher classifications covered by this Agreement, insure such employees against loss by fire or theft of a tool box or contents owned by the employee while such tool box is on Company premises for use in connection with the employee's work or when in transit in connection with a Company assignment where reasonable security has been maintained. The maximum reimbursement for such loss shall be seven thousand dollars (\$7,000) total actual cash value subject to the deductible amount of one hundred-forty dollars (\$140) which shall be borne by the employee. The employee shall report his loss immediately and shall file such claim within thirty (30) days. The employee shall be responsible for furnishing itemized proof of loss and any other pertinent information. The Company will reimburse an approved claim within 30 days after approval.

**M.** In the event free parking facilities are not available for employees working at airport locations, the Company will assume the monthly parking charge as assessed by the appropriate authority for parking in an area designated for employees. This provision does not apply to original or replacement charges to employees for parking decals, stickers, gate keys or similar items. Should employees working at an airport location be required to park in a designated area that requires a transit time in excess of twenty (20) minutes one-way on a regular basis, the parties shall meet to discuss alternatives to reduce the transit time.

**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.

In the event of a Reduction-In-Force resulting in a work assignment that requires the employee to be re-badged by the applicable authorities, the Company and the Union will meet to arrange means of facilitating re-badging (including, where necessary, travel to the station of assignment) and to discuss possible interim work assignments, not to exceed 30-days, for the affected employee while awaiting the badge.

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

## Article 22 – 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 therefore 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. Additionally, Company seniority will be used for employees traveling on Company business to determine class of service and denied boarding in accordance with the departure management system and Company regulations.
- B. IBT Business Representatives on Leave of Absence from the Company (per Article 18) as well as one Coordinator or Union designee in SFO, ORD, DEN, IAD and LAX will be furnished with a non-contingent, non-revenue positive space (NRPS) pass over the Company's system during their term of office for use in connection with their work in administering this contract.
- C. Union Officials engaged in meetings with Company Officials shall be given non-revenue positive space (NRPS) air transportation over the lines of the Company, to the extent permitted by law, to attend such meetings. Requests for NRPS transportation for other Union Officials will be made by the Union directly to SFOLR for review and approval.
- D. Employees who resign from the Company and who have twenty (20) years of Company seniority shall receive the following pass benefits. Those eligible to use the pass benefits are the employee, spouse, and dependent children as defined in Company policy.

North America Including Hawai'i: Seven (7) Space Available passes (total) per year with service charge

Outside of North America (excluding Hawai'i): One (1) Space Available pass (total) per year with service charge

Employees who resign with 20 years of service may be required to give the Company at least six (6) months advance notice of resignation to receive these pass benefits. All such resignations will be effective the first day following six months in the event such notice is required. Employees must request such travel at the time of their resignation notice in order to be eligible.



## Article 23 – Apprentice Mechanics

- A. The Standards of Apprenticeship as agreed to by the Company and the Union, in cooperation with representatives of the United States Department of Labor, Bureau of Apprenticeship and Training, will be maintained and shall be considered part of this Agreement.
- B. Apprentices shall serve an apprenticeship of three (3) years (6000 hours) and will be given every opportunity to gain a complete and thorough knowledge of the trade to which they are apprenticed. The Standards of Apprenticeship established shall make appropriate provision for giving credit to Apprentices for past related experience so that their period of apprenticeship shall be shortened by the credit given.
- C. The Mechanic to whom an Apprentice is assigned will be held responsible for proper training and guidance; however, an Apprentice will be held responsible for his own work and will sign for his own work but will not sign for work for which there is a Company or Government requirement that such work be signed for by a licensed Mechanic unless the Apprentice holds a valid and appropriately rated Mechanic's certificate.
- D. Except in emergencies, an Apprentice will be offered overtime work only under the following conditions: After eighteen (18) months in the apprenticeship program, an Apprentice will be placed on the bottom of the overtime list in the work area to which he is assigned and may be offered overtime if all Mechanics on the same list have been offered overtime, provided that working overtime will not interfere with the Apprentice's program of related classroom training.
- E. Shift assignments may be made without regard to seniority when approved by the Local Joint Apprenticeship Committee. Shift differential as specified in the Mechanics' Agreement will apply.
- F. The number of Apprentices shall not exceed 10% of the total number of employees in the Mechanics and higher classifications under the Mechanics' Agreement.
- G. Two (2) or more Apprentices shall not be worked together as partners.
- H. If, within the first six (6) months of service an Apprentice shows insufficient aptitude to learn the trade he will not be retained as an Apprentice.
- I. An Apprentice, on the day following the date of completion of his apprenticeship training, shall be classified as a Mechanic and given two (2) years Mechanic classification system seniority at the point at which he completed his apprenticeship training. The provisions of Article XI, Paragraph B, shall not be applicable to an apprentice who has completed his apprenticeship training.
- J. A graduated Apprentice shall be placed in the Mechanic wage progression scale at the maximum rate. He shall also be credited with two (2) years service as a Mechanic for longevity pay purposes.

## Article 24 – Duration

This Agreement shall become effective on \_\_\_\_\_, ~~2011~~2012, and shall remain in full force and effect until ~~December 31<sup>st</sup> 2012~~June 30, 2013, and shall renew itself without change for successive one year periods thereafter unless written notice of intended change is served in accordance with Section 6, Title I of the Railway Labor Act as amended by either part hereto within one hundred and twenty (120) days prior to the renewal date.

If conferences pursuant to either notice do not produce full agreement on all changes to the terms of this Agreement, then all noticed terms shall become null and void thirty (30) days after the National Mediation Board has finally acted upon the controversy as required by Section 5, Title I of the Railway Labor Act, or when ten (10) days have elapsed after termination of conferences without a request for or proffer of the services of the National Mediation Board. In such case, both parties hereto shall be fully entitled to exercise the complete panoply of self-help rights as they may individually deem desirable or advisable.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this \_\_\_<sup>th</sup> day of \_\_\_\_\_, 2011.

For United Air Lines, Inc.:

For the International Brotherhood of Teamsters:

{SIGNATURE LINES TO BE ADDED}

## **Savings Clause**

- A. Should any part of this Agreement or any provisions herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this Agreement shall not invalidate the remaining portions hereof, and they shall remain in full force and effect for the duration of this Agreement.
  
- B. 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.

## Appendix A

- A. Classification: Technician, GSE Technicians, Facilities MX Technicians, Welders, and Machinists

Basic Hourly Rate:

<u>Technicians</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
1st 6 months	<u>\$16.56</u>	\$16.98
2nd 6 months	<u>\$17.95</u>	\$18.40
After 1 Year	<u>\$19.50</u>	\$19.99
After 2 Years	<u>\$20.91</u>	\$21.44
After 3 Years	<u>\$22.36</u>	\$22.92
After 4 Years	<u>\$24.47</u>	\$25.08
After 5 Years	<u>\$25.73</u>	\$26.37
Thereafter	<u>\$30.41</u>	\$31.17

- B. Lead Technicians / Inspectors

The hourly base rate of pay for Lead Technicians and Inspectors shall be five percent (5%) over the top end hourly base rate (including longevity) of pay for Technicians.

- C. Longevity Premium

In addition to the basic hourly rate, covered employees shall receive an hourly longevity premium for all time employed under this Agreement as follows:

	<u>Date of Ratification</u>	
7 years of completed service		\$0.10
8 years of completed service		\$0.20
9 years of completed service		\$0.40
10 years of completed service		\$0.60
11 years of completed service		\$0.80
12 years of completed service and thereafter		\$1.00

- D. GSE Test Premium

Employees assigned to GSE who are eligible to receive Test Premiums shall receive an hourly test premium for all hours paid under this Agreement as follows:

	<u>Date of Ratification</u>	
Tests 1, 2, & 3		\$0.30

Tests 4, 5, & 6	\$0.30
Test 7	\$0.30
Tests 8, 9, & 10	\$0.30
Tests 11 & 12	\$0.30
Tests 13 & 14	\$0.30
Test 15	\$0.33
Total:	\$2.13

E. Machinist / Lead Machinist

In addition to the basic hourly rate, Machinists shall receive a premium effective date of ratification of \$4.25/hour.

The hourly base rate of pay for Lead Machinists shall be five percent (5%) over the top end hourly base rate (including longevity) of pay for Machinists.

F. Welders / Lead Welders

In addition to the basic hourly rate, Welders shall receive a premium effective date of ratification of \$4.25/hour.

The hourly base rate of pay for Lead Welders shall be five percent (5%) over the top end hourly base rate (including longevity) of pay for Welders.

G. Classification: Utility Specialists

Basic Hourly Rate

<u>Utility Specialists</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
1st 6 months	<u>\$11.10</u>	\$11.38
2nd 6 months	<u>\$13.02</u>	\$13.35
3rd 6 months	<u>\$13.37</u>	\$13.71
4th 6 months	<u>\$13.69</u>	\$14.03
5th 6 months	<u>\$14.34</u>	\$14.70
6th 6 months	<u>\$14.72</u>	\$15.09
7th 6 months	<u>\$15.40</u>	\$15.78
8th 6 months	<u>\$15.91</u>	\$16.30
9th 6 months	<u>\$16.52</u>	\$16.93

10th 6 months	<u>\$17.12</u>	\$17.55
11th 6 months	<u>\$18.26</u>	\$18.72
12th 6 months	<u>\$18.50</u>	\$18.96
Thereafter	<u>\$19.67</u>	\$20.17

The hourly base rate of pay for Lead Utility Specialists shall be five percent (5%) over the top end hourly base rate (including longevity) of pay for Utility Specialists.

H. Classification: Cleaner

Basic Hourly Rate

<u>Cleaner</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
1st 6 months	<u>\$9.16</u>	\$9.39
2nd 6 months	<u>\$9.39</u>	\$9.63
3rd 6 months	<u>\$9.68</u>	\$9.92
4th 6 months	<u>\$9.85</u>	\$10.10
5th 6 months	<u>\$10.03</u>	\$10.28
6th 6 months	<u>\$10.20</u>	\$10.45
7th 6 months	<u>\$10.37</u>	\$10.63
8th 6 months	<u>\$10.61</u>	\$10.87
9th 6 months	<u>\$10.83</u>	\$11.10
10th 6 months	<u>\$11.01</u>	\$11.28
11th 6 months	<u>\$11.18</u>	\$11.46
12th 6 months	<u>\$11.53</u>	\$11.82
13th 6 months	<u>\$11.76</u>	\$12.05
14th 6 months	<u>\$12.34</u>	\$12.65
15th 6 months	<u>\$12.69</u>	\$13.00
16th 6 months	<u>\$13.78</u>	\$14.13
17th 6 months	<u>\$13.81</u>	\$14.15
18th 6 months	<u>\$13.81</u>	\$14.15
19th 6 months	<u>\$13.82</u>	\$14.16
20th 6 months	<u>\$13.82</u>	\$14.16
Thereafter	<u>\$13.84</u>	\$14.18

I. Lead Cleaners

The hourly base rate of pay for Lead Cleaners shall be five percent (5%) over the top end hourly base rate of pay for Cleaners, including longevity.

J. Classification: Flight Simulator Technicians and Avionics Shop Technicians (SFORQ)

Basic Hourly Rate:

<u>FST/SFORQ</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
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<u>1st 6 Months</u>	<u>\$32.00</u>	<u>\$32.80</u>
<u>Thereafter</u>	<u>\$32.69</u>	<u>\$33.51</u>

K. Lead Flight Simulator Technicians and Avionics Shop Technicians

The hourly base rate of pay for Lead Flight Simulator Technicians/SFORQ shall be five percent (5%) over the top end hourly base rate of pay for Flight Simulator Technicians/SFORQ, including longevity.

L. Classification: Metrologists

Basic Hourly Rate:

<u>Metrologist</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
<u>1st 3 Months</u>	<u>\$32.25</u>	<u>\$33.06</u>
<u>Next 6 Months</u>	<u>\$32.51</u>	<u>\$33.32</u>
<u>Next 6 Months</u>	<u>\$32.82</u>	<u>\$33.64</u>
<u>Thereafter</u>	<u>\$33.28</u>	<u>\$34.12</u>

M. Classification: Seamer

Basic Hourly Rate:

<u>Seamer</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
<u>1st 18 Months</u>	<u>\$15.79</u>	<u>\$16.18</u>
<u>2nd 18 Months</u>	<u>\$16.53</u>	<u>\$16.95</u>
<u>3rd 18 Months</u>	<u>\$17.62</u>	<u>\$18.06</u>
<u>Next 6 Months</u>	<u>\$19.46</u>	<u>\$19.95</u>
<u>Thereafter</u>	<u>\$22.22</u>	<u>\$22.78</u>

N. Classification: Computer Technicians (CTT)

Basic Hourly Rate:

<u>CTT</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
<u>1st 18 Months</u>	<u>\$20.41</u>	<u>\$20.92</u>
<u>2nd 18 Months</u>	<u>\$23.12</u>	<u>\$23.70</u>
<u>3rd 18 Months</u>	<u>\$24.54</u>	<u>\$25.15</u>
<u>Next 6 Months</u>	<u>\$26.98</u>	<u>\$27.65</u>
<u>Thereafter</u>	<u>\$30.56</u>	<u>\$31.32</u>

- O. Lead Computer Technicians (CTT)  
The hourly base rate of pay for Lead Computer Technicians shall be five percent (5%) over the top end hourly base rate of pay for Computer Technicians, including longevity.
- P. Maintenance Planning Analysts (MPA)  
Maintenance Planning Analysts shall receive a two and one-half (2.5) percent increase over their basic hourly rate effective ~~July 1, 2011 and another two and one-half (2.5) percent increase on~~ July 1, 2012. MPAs shall be eligible for longevity pay and shift premium.
- Q. Flamespray Technicians and Plater Technicians  
In addition to the basic hourly rate, Flamespray Technicians and Plater Technicians shall receive a premium effective date of ratification of \$4.25/hour.
- R. Plant Maintenance – the Machine Repair Technician (T-Skill within Bid Area 128)  
In addition to the basic hourly rate, Plant Maintenance Machine Repair Technicians (T-Skill) shall receive a premium effective date of ratification of \$4.25/hour.



Letter 69-5  
October 27, 1969  
Revised March 9, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave.  
Washington, D.C. 20001

Dear Captain Bourne:

This letter will confirm the agreement reached between the Union and the Company in our current negotiations with respect to the application of Article 6, Paragraph B.3, of the Mechanics' Agreement to certain employees.

It was agreed that as of the effective date of the conversion to system seniority, any employee currently employed in any of the premium classifications of Lead Flight Simulator Technician, Flight Simulator Technician, Lead Ground Communications Technician, or Ground Communications Technician, who also holds seniority in another premium classification at any point on the system, shall retain and accrue seniority in such other premium classification at such point. If he is thereafter reduced from or resigns his current classification, he shall elect to:

- a) exercise his Mechanic classification seniority to remain at his current point, and lose seniority held in any classification at any other point, or
- b) exercise his premium classification seniority held at another point. In the event his premium seniority at such point is insufficient to allow him to displace into such premium classification, he will be placed on laid-off status in such premium classification and exercise his Mechanic classification seniority at such point and lose seniority held in any premium classification at his current point.

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

Sincerely,  
/s/ P. Douglas McKeen  
Senior Vice President Labor Relations

Accepted and agreed to this 9th day of March, 2011.  
/s/ David Bourne  
Director, Airline Division

Letter 70-2  
May 14, 1970  
Revised March 9<sup>th</sup> 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001  
Mr. George J. Robinson  
President and General Chairman  
International Association of Machinists – District 141  
P.O. Box 391  
Burlingame, California 94010

Dear Captain Bourne ~~Mr. Robinson~~:

This letter will confirm our understanding with respect to the proper interpretation and application of Article ~~X6~~ of the 2010-2012 UA – IBT Airline Technician's Agreement, ~~Seniority, of the 1969-71 Mechanics' Agreement~~ and Letter ~~M21~~ 69-5 dated October 27, 1969, as they relate to Lead Flight Simulator Technicians, Flight Simulator Technicians, Lead Ground Communications Technicians, and Ground Communications Technicians.

1. Employees who successfully bid from the Mechanic classification to Flight Simulator Technician or Ground Communications Technician classifications should appear on the Mechanic seniority list at the point at which they are employed as Flight Simulator Technicians or Ground Communications Technicians, as well as on the appropriate Flight Simulator Technician or Ground Communications Technician seniority list.
2. If such an employee is entitled to retain and accrue seniority in another premium classification at another point on the system in accordance with Letter ~~M21~~ 69-5, he should be shown on the seniority list for that premium classification at the point at which he holds such premium classification, but he should not appear on the Mechanic classification seniority list at that point.
3. If an employee who retains and accrues seniority in another premium classification under Letter M21 is reduced from or resigns his current classification and elects to exercise his premium classification seniority held at the point from which he transferred, he may exercise his seniority in accordance with item b) of Letter ~~M21~~ 69-5. However, if after returning into the premium classification at his former location he is subsequently reduced from or resigns his premium classification, he must exercise his Mechanic classification seniority at the point where he held the classification of Flight Simulator Technician or Ground Communications Technician, where his name will be retained on the Mechanic classification seniority list. If the above does not correctly state your understanding of our discussion, please let me know promptly. We will make arrangements at the publication of the next seniority list to include all Flight Simulator Technicians on the Denver Mechanic classification seniority list and all Ground Communications Technicians on the appropriate seniority list at the point at which they are employed.

Sincerely,

~~/s/ Paul M. Berthoud~~ Douglas McKeen

~~Paul M. Berthoud~~ Douglas McKeen

~~Employee Relations Director Ground Employees~~ Senior Vice President Labor Relations

/s/ David Bourne

Director Airline Division

Letter 72-6M  
September 15, 1972

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

Dear Mr. Robinson:

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

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

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

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

Accepted and agreed to  
this 15<sup>th</sup> day of September, 1972.  
/s/ George J. Robinson  
President and General Chairman

LOA #3

Realignment of Manpower when there is  
Temporarily No Work

Letter 74-4M  
May 24, 1974

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

Dear Mr. Robinson:

In our most recent negotiations, we modified Article X, Paragraph E, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements to replace point seniority lists (in basic classifications) with system master seniority lists.

To produce the first master seniority lists, it was necessary to (1) provide a way to break seniority ties without disrupting established relationship of employees already appearing on a seniority list; and (2) decide where an employee, whose adjusted seniority results in a tie with other employees, will be placed on the master seniority list in relation to the other tied employees.

Following are two examples which, I believe, illustrate the answers to these two situations:

**Example No. 1** (illustrating how Social Security Numbers will be used to break ties without disrupting established relationship of employees already appearing on a seniority list.)

Sixteen employees with tied classification and Company seniority date of 6/1/62 and working at four different stations are shown. Each employee is shown by the last four digits of his Social Security number. They are also listed in the order they presently appear on their respective point seniority lists. The number in parenthesis indicates the order they will appear on the master seniority list.

<u>SFO</u>	<u>DEN</u>	<u>ORD</u>	<u>PHL</u>
7483(4)	6291(3)	0415(1)	2388(2)
4209(7)	1673(5)	7238(8)	3994(6)
0875(9)	5864(11)	2199(10)	
9116 (13)	7003(12)		
3892 (14)			
5656(15)			
1847(16)			

LOA#4-1

Method Established to Break Ties on  
Master Seniority List

**Example No. 2** (illustrating how an employee, with adjusted seniority and who is now tied with other employees, will be placed ahead of such other tied employees on a seniority list.)

An employee returns from a 12-month leave of absence. His seniority is adjusted to 6/1/62. Using the illustration above, this employee would be re-positioned on the seniority roster before 0415(ORD).

The above procedure, illustrated in Example No. 1, will apply only to the initial system master seniority lists.

As new employees' names are added to the system master seniority lists, seniority ties will be broken using the Company seniority and Social Security comparison method described in Article X, Paragraph E-1-b, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements, irrespective of the locations of such employees.

Adjusted seniority dates, which result in ties, will continue to be handled as described in Example No. 2.

We further understand that notwithstanding the language of new Article X, Paragraph E, of the Mechanics' Agreement and similar provisions of the Ramp and Stores and Food Services Agreements, the posting date of the first master seniority list shall be made on the date agreed to by the Union and the Company which shall not be less than sixty (60) days from the signing date of the Agreement.

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

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

WHEREAS, United Air Lines, Inc., and the International Association of Machinists and Aerospace Workers wish to record their agreement relating to service credit before age 25 and after completion of one year of service as it pertains to the employees covered by the Mechanics', Ramp and Stores, and Food Services Agreements,

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

With respect to any employee who received credit for service prior to age 25 and after completion of one year of service as a result of having been a participant in a pension plan, such service will continue to be credited under the pension plan.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this 24th day of May, 1979.

For UNITED AIR LINES, INC.

/s/ Duane M. Buckmaster

Duane M. Buckmaster

Senior Vice President, Personnel and  
Industrial Relations

For INTERNATIONAL ASSOCIATION OF  
MACHINISTS AND  
AEROSPACE WORKERS

/s/ Louis R. Schroeder Louis R. Schroeder

President and General Chairman

Letter 82-3M  
March 23, 1982

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

Dear Mr. Schroeder:

During the course of negotiations, the Union expressed concern the Company intended to eliminate the Lead classification. The Union was assured the Company had no such intention and, in fact, planned to make greater use of the considerable skills inherent within this employee group.

Both the Company and the Union realize the potential of this group to contribute to a more efficient and profitable operation. Accordingly, both parties will endeavor to promote a more constructive and cooperative working relationship among employees, Leads, and Supervisors.

Sincerely,  
/s/ David L. Pringle  
David L. Pringle  
Director of Industrial Relations



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

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

Dear Lou:

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

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

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

Sincerely,

/s/ John R. Samolis

John R. Samolis  
Vice President  
Employee Relations

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

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

Letter 84-7M  
July 5, 1984

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

Dear Lou:

This will confirm discussions between the Company and the Union during negotiations regarding offers of temporary work in classifications under the Mechanics', Ramp and Stores, and Food Services Agreements to employees laid off from those classifications at the point.

While the Company's efforts to reach laid off employees with offers of temporary work are successful in the vast majority of cases, the Union expressed concern about confirming efforts to contact laid off employees that the Company has been unsuccessful in reaching. Accordingly, in the future when temporary work is offered to employees laid off from the classification at the point, the Local Committee will be notified of any employee that the Company was unable to contact, and they will make a good faith attempt to contact the employee consistent with the necessary time requirements for the temporary work.

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

Letter 87-9M  
November 25, 1987  
Revised March 9, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001  
Dear Captain Bourne:

During negotiations leading to the 1986-89 Mechanics' Agreement, considerable discussion occurred regarding the responsibility of the lead mechanics to lead and direct shop inspectors in the engine shop inspection department of the Maintenance Operations Center (SFOPI). The Union and Company have agreed to formalize the existence and need for lead mechanics to lead and direct shop inspectors in SFOPI.

Sincerely,

/s/ P.Douglas McKeen  
P.Douglas McKeen  
Senior Vice President Labor Relations

Accepted and agreed to this  
9<sup>th</sup> day of March, 2011.

/s/ David Bourne  
David Bourne  
Director, Airline Division

Letter 94-11M  
July 12, 1994

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

Dear Ken:

This will confirm our discussions with respect to application of the 20 percent rule under Article II-D of the Mechanics' Agreement to the Company's right under Article II-C to return equipment, parts and assemblies to the manufacturer for repair or replacement. It is agreed that the return of equipment, parts and assemblies to the manufacturer for repair or replacement would not be counted toward the 20 percent calculation under Article II-D only if done pursuant to a manufacturer's warranty that the product conforms to the specifications, is free from defects in material and workmanship, is free from defects in design, and is fit for the purpose intended.

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

Accepted and Agreed to this  
12th day of July, 1994  
/s/ Kenneth W. Thiede  
Kenneth W. Thiede  
President & General Chairman  
IAMAW - District 141

Letter 94-12M  
July 12, 1994  
Revised March 9, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave  
Washington, DC 20001

Dear Captain Bourne:

This will confirm our understanding regarding Article 1, Paragraph B.11 of the 2010-2012 Mechanics' Agreement.

The Company has performed a limited number of C-checks outside the U.S. on aircraft which operate exclusively on routes outside the U.S. Article 1, Paragraph B.11 is not intended to prevent arrangements of this type involving current or future aircraft operating exclusively on these kinds of routes.

Sincerely,  
/s/ P.Douglas McKeen  
P.Douglas McKeen Senior Vice President  
Labor Relations

Accepted and Agreed to this  
9<sup>th</sup> day of March, 2011.  
/s/ David Bourne  
David Bourne  
Director, Airline Division  
Int'l Brotherhood of Teamsters

**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 Union Ground Employees' Retirement Plan (hereinafter referred to as the "Plan") as it pertains to the employees covered by the Mechanics' 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 2000-2005 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. Letter of Agreement 94-1MRF is now null and void.

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

FOR INTERNATIONAL  
ASSOCIATION OF MACHINISTS AND  
AEROSPACE WORKERS

/s/ Scotty Ford  
Scotty Ford  
President and Vice President  
General Chairman District 141M

FOR UNITED AIR LINES, INC.

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

## **ATTACHMENT**

The effective date for revisions contained in Schedule B below is July 12, 2000, and applies to IAM employees under the Mechanics' Agreement. Except as set forth below, such revisions, with respect to each such effective date, will apply only to employees, eligible for the Plan, who are in active service and receive pay (including sick leave pay) or on extended illness status as such an employee on such effective date. For purposes of the Plan, employees are divided into three groups which are based on job classification and are explained at the end of this attachment.

Revised retirement benefit schedule is set forth below as Schedule B and an employee's benefit will be no less than those accrued through July 11, 2000 under the then existing Plan provisions.



**PENSION  
SCHEDULE A  
(Effective November 1, 1998)**

The monthly benefit of an employee is the product of the appropriate dollar amount below and the employee's years of plan participation.

**Regular Retirement Benefit\***

<b>Retirement Age</b>	<b>Group I</b>	<b>Group II</b>	<b>Group III</b>
55	47.43	40.18	35.37
56	49.24	41.70	36.72
57	51.04	43.23	38.06
58	52.84	44.76	39.40
59	54.64	46.28	40.75
60	56.44	47.81	42.09
61	58.24	49.33	43.43
62 & over	60.04	50.86	44.78

\*This amount payable for life. If retirement occurs before age 65, an employee must have 10 years of continuous service.

**PENSION  
SCHEDULE B  
(Effective July 12, 2000)**

The monthly benefit of an employee is the product of the appropriate dollar amount below and the employee's years of plan participation.

**Regular Retirement Benefit\***

<b>Retirement Age</b>	<b>Group I</b>	<b>Group II</b>	<b>Group III</b>
55	73.95	62.64	51.00
56	76.56	65.59	52.80
57	79.17	67.07	54.60
58	81.78	69.28	56.40
59	84.39	71.49	58.20
60 and over	87.00	73.70	60.00

\* This amount payable for life. If retirement occurs before age 65, an employee must have 10 years of continuous service.

## **Details**

### **A. Pension Schedule/No Actuarial Reduction**

1. The monthly benefit of a Participant is determined by multiplying the appropriate dollar amount for the participant's Group by the participant's years of Plan participation. The job classifications included in each Group are set out under the Group's schedule below. Job classification refers to a permanent job classification. A participant's appropriate Group will be the Group in which the most months of service occurred during the five years of service before retirement (or termination of employment with vesting or reclassification to a non- IAWA job). However, in no event will the appropriate Group be lower than the Group at retirement (or termination of employment with vesting or reclassification to a non-IAWA job) applicable to the permanent job classification held by the employee when the five-year period began.
2. There will be no actuarial reduction in the scheduled amounts shown above for early retirement, but the amounts shown above will be adjusted for payments in a form other than a single life annuity form.

### **B. 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 twelvemonth 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.

### **C. 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 illness leave of absence or eligible military service (provided the employee returns to employment with the Company within the eligible time period).
- d.** Service will be credited for periods during which the employee is on an approved unpaid leave of absence, lay-off 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, layoff 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.

### **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 pay from the Company for services performed for the Company, for vacation while in active service, or for sick leave. Participation for prior periods of employment will be reinstated if service for vesting purposes for the same period is reinstated. Participation will be credited for any period of eligible military service (provided the employee returns to employment with the Company within the eligible time period) in accordance with the Uniform Services Employment and Reemployment Act (as amended) regardless of the fact that the employee receives no earnings from the Company during the period of eligible military service.

### **E. 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 provided the participant is at least 55 years of age.

#### **F. 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 (2001 is \$140,000) 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.

#### **G. Retirement Ages**

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. Early Retirement is age 55 with 10 years of continuous service. The Early Retirement Date is the first day of any month after the date the early retirement eligibility requirements are satisfied and before the participant's Normal Retirement Date.

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 $\frac{1}{2}$  or terminates employment. A participant who is still employed at age 70 $\frac{1}{2}$  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 $\frac{1}{2}$ . 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.

#### **H. Reemployment Following Retirement**

An employee who has retired from the Company, commences benefits under the Plan and is then reemployed by the Company, will have his or her benefits suspended during the period of reemployment. When the employee again terminates employment, the months of service and

participation earned during the period of reemployment will be added to the service and participation from the prior period of employment for purposes of calculating any additional accruals during his or her period of reemployment, and benefits will resume in the original form elected by the participant. Benefits will be actuarially reduced to reflect benefits received prior to reemployment.

## **I. 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 50% contingent annuity.

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 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.

## **J. 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 calendar 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 credit 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.

## **K. Transfers**

**1.** Employees moving from a position with the Company to a job classification included in one of the Groups set out in the attachment will retain any benefits accrued under their previous retirement plan up to the date of transfer to a job classification included in one of the in the Groups and these benefits (including the annuity value of lump sum payments) will be included as part of the benefits provided under this Plan. The employee's benefit under this Plan will be calculated by adding his or her transferred accrued benefit to the benefit the employee accrues in this Plan after his date of transfer using only his years of participation in this Plan.

**2.** Employees transferring from a job classification included in one of the Groups to another job classification with the Company that is not included in the Groups will have their accrued benefit (calculated as of the date of transfer) transferred to the Plan covering employees in the new position.

## **Groups**

The following are the job classifications of each group:

### **Group I**

Lead Mechanic  
Aircraft Inspector  
Lead Flight Simulator Technician  
Flight Simulator Technician  
Lead Ground Communications Technician  
Ground Communications Technician  
Shop Inspector  
Mechanic  
Lead Computer Terminal Technician  
Computer Terminal Technician  
Metrologist

### **Group II**

Seamer

### **Group III**

Mechanic Helper  
Lead Utility Employee  
Utility Employee

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

Dear Scotty:

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

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

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

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

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

Sincerely,



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

Accepted and Agreed to this  
14th day of March, 2002  
/s/ Scotty Ford  
Scotty Ford  
President & General Chairman  
IAMAW - District 141-M

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

Dear Scotty,

This letter will confirm the understanding reached during the negotiations of the 2003 Restructuring Agreement regarding the application of the revision to Article II-D concerning the outsourcing of heavy maintenance.

The reference to heavy maintenance visits as defined by current Company practice consistent with AOP and MOP guidelines is not intended to allow the Company to dramatically redefine or expand the definition of heavy maintenance visits beyond those changes which have traditionally arisen in the ordinary course of business, e.g. in response to the introduction of new equipment or procedures or in response to FAA or manufacturer suggestions or directives.

It was also agreed that, in conjunction with the outsourcing of heavy maintenance, IAM inspectors employed under this agreement shall perform oversight inspection at any location where United's heavy maintenance is performed, applying Company standards and subject to Company review.

Sincerely,  
Peter B. Kain  
Vice President - Labor Relations

Accepted and Agreed to this 1st day of May 2003  
/s/ Scotty Ford  
Scotty Ford  
President & Directing General Chairman IAMAW - District 141M

Letter 05-01M  
May 15, 2005

Mr. Jim Seitz  
Airline Contract Administration Coordinator Aircraft Mechanics Fraternal Association 1150  
Bayhill Drive Suite 121  
San Bruno, CA 94066

Dear Jim:

This letter will confirm the agreement reached during the 2005-2009 negotiations between the Union and the Company with respect to severance and other benefits for Utility employees and Computer Technicians furloughed due to outsourcing.

1. A Computer Technician or Utility employee who was on the payroll or on leave of absence as of the effective Date of the 2005-2009 Mechanics' Agreement shall be a "Covered Employee" and entitled to enhanced separation benefits in accordance with the terms set forth below.
2. During the term of the 2005-2009 Mechanics' Agreement, in the event the Company outsources Computer Technician or Utility work, a Covered Employee who is involuntarily furloughed as the result of such outsourcing will be entitled to the normal benefits and provisions of the Agreement or may elect the following option:
  - a. Employees who are involuntarily furloughed 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 2(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 XXIV, Paragraph A-5 will be provided as follows:

Years of Service Total Benefits Provided

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 XXIII, paragraph B.

(iii) Employees and eligible dependents will be eligible for five (5) years of unlimited space-available travel following separation, as follows:

(a) for the first two (2) years following separation, unlimited space-available travel. Employee will be responsible for all applicable service charges, taxes and fees. Service charges will be set by the Company using a formula designed to recover the cost of providing NRSA travel to an individual, and can be changed - either in amount or approach - at the Company's discretion. This is the approach and methodology that is in place today for active employees.

(b) for the following three (3) years, unlimited space-available travel. Employee will be responsible for all applicable service charges, taxes (including taxes assessed on the imputed income arising from the assessed value of the travel) and fees. Service charges will be set by the Company using a formula designed to recover the cost of providing NRSA travel to an individual, and can be changed - either in amount or approach - at the Company's discretion.

Furthermore, the value of the travel will be considered income (i.e., the employee shall be issued a W-2 on the imputed value of the travel) and all applicable Federal, State, FICA, and local taxes must also be paid to the Company. This is the approach and methodology that is in place today for domestic partners of active employees.

c. An employee who retires pursuant to Paragraph 2 (a) and who accepts benefits pursuant to Paragraph 2(b) will be considered to have retired from active service. Employees who are eligible for Retiree Medical Insurance in accordance with Article XXIV, Paragraph E, will not also qualify for Insurance coverage under 2.b.(i), above.

3. Covered Employees (Computer Technicians or Utility employees) who have been selected for involuntary furlough and who do not meet retirement age eligibility requirement on their date of furlough but will meet that requirement within three (3) years of their furlough date may elect to be placed on a Special Leave of Absence equal to the number of months from their furlough date until they satisfy the age requirement for retirement eligibility. This Special Leave of Absence may not exceed thirty-six (36) months from the date of furlough. On the last day of the month in which they meet the age eligibility requirement for retirement, their Special Leave of Absence would end, and employees must then retire.

a. Employees who elect this Special Leave of Absence in lieu of layoff are not eligible to receive any severance pay.

b. Employees will not be eligible for re-employment by United during the Special Leave of Absence.

c. The Special Leave of Absence must end on the last day of the month in which the employees would meet the eligibility requirements for retirement.

d. Employees may accept other outside employment while on a Special Leave of Absence.

e. Employees on Special Leave of Absence are eligible for medical, dental, company paid life insurance and on-line travel benefits on the same basis as active employees.

f. Employees on this Special Leave of Absence must retire once they have met the age and service requirements for retirement. Seniority accrues for the entire duration of the leave. Employees will not receive participation credit for pension benefit calculation purposes during the Special Leave of Absence.

g. Employees who are interested in this option must identify themselves by returning a form to their manager or supervisor within five (5) business days of when they are informed of their furlough. Once an employee submits a request for this option, he or she may not withdraw his or her election.

4. The Company will use reasonable efforts to place furloughed Computer Technicians with the vendor(s) to which Computer Technician work is outsourced. Employees who accept such employment will not be eligible for the benefits described herein.

5. The foregoing 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.

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

Accepted and Agreed to this 15th day of May, 2005

/s/ Jim Seitz  
Jim Seitz  
Airline Contract Administration Coordinator Aircraft Mechanics Fraternal Association

/s/ O.V. Delle Femine  
O.V. Delle Femine National Director  
Aircraft Mechanics Fraternal Association

Letter 05-02M  
May 15, 2005

Mr. Jim Seitz  
Airline Contract Administration Coordinator Aircraft Mechanics Fraternal Association 1150  
Bayhill Drive Suite 121  
San Bruno, CA 94066

Dear Jim:

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 AMFA, 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 the AMFA and the applicable Indemnified Person informed of material developments in the Action, (ii) promptly provide AMFA 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 AMFA and such Indemnified Person and their counsel, to the extent practicable, to confer on the defense of the Action, and (iv) permit AMFA 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 Section XXVII of the 2005 Mechanics' Agreement.

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

Accepted and Agreed to this 15th day of May, 2005

/s/ Jim Seitz  
Jim Seitz  
Airline Contract Administration Coordinator Aircraft Mechanics Fraternal Association

/s/ O.V. Delle Femine  
O.V. Delle Femine National Director  
Aircraft Mechanics Fraternal Association



Letter 05-03M  
May 15, 2005

(Bankruptcy Exit Agreement)  
**LETTER OF AGREEMENT**  
by and between  
**UAL CORP.,**  
**UNITED AIR LINES, INC.**  
and  
Mechanics and Related Employees in the service of  
UNITED AIR LINES, INC. as represented by  
**THE AIRCRAFT MECHANICS FRATERNAL ASSOCIATION**

THIS LETTER OF AGREEMENT, dated as of May 15, 2005, is made and entered into in accordance with the Railway Labor Act by and between UAL Corp. (hereinafter referred to as "UAL"), UNITED AIR LINES, INC. (hereinafter referred to as the "Company") and the AIRCRAFT MECHANICS FRATERNAL ASSOCIATION (hereinafter referred to as "AMFA" or the "Union").

WHEREAS UAL, the Company and the Union have reached agreement concerning the revisions to their current collective bargaining agreement (the "2003 Mechanics' Agreement" and, as revised by this Letter of Agreement, the "2005 Mechanics' Agreement") necessary for the Company to emerge from Chapter 11; and

WHEREAS certain of the revisions shall become effective as of May 15, 2005 (the "Effective Date"), assuming the complete satisfaction of the conditions described in paragraph 9 below prior to June 30, 2005 and other revisions shall become effective on the effective date (the "Exit Date") of a plan of reorganization proposed by UAL Corp. (the "Plan of Reorganization");

THEREFORE the parties to this Letter of Agreement hereby agree as follows:

**1. Amendable Date.** The amendable date of the 2005 Mechanics' Agreement shall be January 1, 2010. Section XXVII of the 2005 Mechanics' Agreement shall read in its entirety as follows:

This Agreement shall become effective January 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 1st 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. 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.

2. **Wage Rates.** The base pay rates and other pay components (shift premiums, Hawaii differential, skill premium, and license premium) in effect as of May 1, 2004 under Schedule A of the 2003 Mechanics' Agreement shall be reduced by 3.9% effective with the payroll period commencing closest to June 1, 2005 (for most employees, this will be the payroll period commencing either May 29, 2005 or June 5, 2005). These reduced base pay rates and other pay components shall thereafter be increased by 1.5% on January 1, 2006, 1.5% on January 1, 2007, 1.5% on January 1, 2008, and 1.5% on January 1, 2009. These shall become the pay rates for the 2005 Mechanics' Agreement. The base pay rates under Schedule A of the 2005 Mechanics' Agreement are set forth in Exhibit A to this Letter of Agreement. The other pay components as revised are set forth in Exhibit B to this Letter of Agreement.
3. **Other Contract Changes.** Certain other provisions of the 2003 Mechanics' Agreement shall be revised on the Effective Date as described on Exhibit B to this Letter of Agreement.
4. **Defined Benefit Pension Plan.** AMFA (i) waives any claim it may have (including but not limited to any claim or grievance under Letter of Agreement 02- 1M of the 2003 Mechanics' Agreement) that the termination of the United Air Lines, Inc. Union Ground Employees' Retirement Plan (the "Plan") does or would violate the terms and conditions of the 2003 Mechanics' Agreement or any other agreements or status quo between the parties, and (ii) shall not otherwise oppose any efforts to terminate the Plan; *provided*, however, that nothing in this Letter of Agreement shall be construed, deemed or characterized by UAL or the Company as any agreement of any form by AMFA that the Plan should be terminated, or as limiting AMFA's right to proceed against the PBGC regarding the issue of the termination date of the Plan. AMFA further agrees that, under the 2005-2009 Mechanics' Agreement, the Company shall not be required to maintain the Plan, or provide any defined benefit pension benefits whether from a plan, including the Plan or otherwise, and may terminate the Plan without violating the 2005-2009 Mechanics' Agreement or any other agreements or status quo between the parties.
5. **Pension Contributions.** When the Plan is terminated following final judicial approval of such termination ("Plan Termination Date"):
  - a. The Company shall, each payroll period, make a contribution (the "Replacement Plan Base Contribution") to a defined contribution plan equal to four percent (4.0%) of each eligible participant's "Considered Earnings" (as defined in Exhibit C). In addition, the Company shall make an Additional Contribution for all eligible participants employed on May 15, 2005, based on a points schedule attached as Exhibit I. The Additional Contribution has been determined such that the total of the Base Contribution plus the Additional Contribution for all eligible participants will be of the total Considered Earnings for all eligible participants. In the future, the Additional Contribution for any eligible participant will not change. At the end of each calendar year, the Company will calculate total Company contributions as a percentage of the total Considered Earnings for all eligible participants. If the total is less than 5.0%, the Company will make an additional one-time base contribution so that the total

Company contribution for the calendar year equals 5.0% of total Considered Earnings. The Company will calculate the total projected Company contribution divided by the total projected Considered Earnings at the beginning of each year. If this percentage is less than 5.0%, the Company will increase the base contribution rate so that the total Company contribution rate equals 5.0%. The Base and Additional Contributions will begin with the earlier of (i) July 1, 2005, or (ii) the first day of the calendar month following the Exit Date; provided, however, that in the event the Exit Date follows July 1, 2005, contributions will accrue without interest from July 1, 2005 through the Exit Date and be contributed in a single lump sum no later than sixty (60) days after the Exit Date.

b. All employees employed on May 15, 2005 will be 100% vested in the Replacement Plan Contributions. Any Replacement Plan Contributions made on behalf of an employee hired after May 15, 2005 will be subject to the following vesting schedule:

Fewer than one year of service	0%
1 year of service but fewer than 2	20%
2 years of service but fewer than 3	40%
3 years of service but fewer than 4	60%
4 years of service but fewer than 5	80%
5 or more years of service	100%

All service with the Company will be counted for purposes of vesting. Forfeitures under the defined contribution plan will be used to reduce future Company contributions to the defined contribution plan.

c. The Company will meet and confer annually with AMFA to consider plan investment options.

d. Following the Plan Termination Date, the Company shall not maintain or establish any single-employer defined benefit plan for any UAL or Company employee group unless AMFA-represented employees are provided the option of electing to receive a comparable defined benefit plan in lieu of the Replacement Plan Contribution.

e. The 2005-2009 Mechanics' Agreement and the Plan of Reorganization shall provide for the issuance of \$40,000,000 of UAL convertible notes, as described in Exhibit J, to a trust or other entity designated by AMFA. The terms of the UAL convertible notes described in Exhibit I shall be subject to mutually-acceptable modifications to optimize implementation for all parties from an accounting,

securities law and tax law perspective. This paragraph shall be effective, and the convertible notes described in Exhibit J shall issue only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.

6. **Company Profit Sharing Contribution.** The 2005-2009 Mechanics' Agreement shall provide for AMFA-represented employees to participate in the revised profit sharing program described in Exhibit C to this Letter of Agreement.
7. **Distribution Agreement.** The Plan of Reorganization shall provide the AMFA-represented group with a distribution of UAL equity securities as provided in the amended distribution agreement described in Exhibit D to this Letter of Agreement.
8. **Bankruptcy Actions.** The Company and the Union shall take the following actions to seek the approval of this Letter of Agreement by the bankruptcy court in In Re UAL Corporation et al., Case No. 02-B-48191 (Bankr. N.D. Ill.) (the "Bankruptcy Cases"):
  - a. the Company shall file a motion for approval of the Letter of Agreement under 11 U.S.C. § 363, in form and substance reasonably acceptable to the Union, by no later than May 31, 2005;
  - b. the Company shall provide, to the extent reasonably practicable, the Union's counsel with copies of, and a reasonable opportunity to comment on, all motions, applications, proposed orders, pleadings and supporting papers prepared by the Company for filing with the bankruptcy court relating to court approval of this Letter of Agreement; and
  - c. both the Company and the Union shall support and seek the approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception; shall use their best efforts to obtain the support of the Official Committee of Unsecured Creditors and other parties and stakeholders for the Letter of Agreement; and shall take every reasonable action necessary to obtain judicial approval of this Letter of Agreement in the Bankruptcy Cases without condition, qualification or exception, including the filing of motions, objections and appeals.
9. **Conditions of Effectiveness.** Except as otherwise provided, this Letter of Agreement shall become effective as of May 15, 2005, subject to bankruptcy court approval and, on or before June 30, 2005, the occurrence of all of the following:
  - (a) ratification by AMFA-represented United employees under the Union's Constitution and By-Laws,
  - (b) if required, approval by the Company's Board of Directors,
  - (c) execution by a duly authorized official of AMFA, and (d) the withdrawal of

the Company's motion to reject the 2003 Mechanics' Agreement under 11 U.S.C. §1113.

- 10. Termination Rights.** This Letter of Agreement may be terminated by the Company or the Union, on two business days written notice to the other (the "Termination Notice"), given before or after the Effective Date but no later than the Exit Date, upon the occurrence of any of the following events:

  - a. failure of the court to issue final judicial approval of this Letter of Agreement, without condition, qualification or exception, by June 30, 2005;
  - b. failure of the Company to implement, through binding agreement or final judicial order effective no later than the Exit Date, revisions to (i) the labor contracts of the Company's other unionized employees and (ii) the wages, benefits and working conditions of the Company's salaried and management employees so that the aggregate revisions in (i) and (ii) are reasonably projected to produce at least \$582 million in average annual savings for the Company from January 1, 2005 through and including January 1, 2010, unless such action is cured to the reasonable satisfaction of AMFA within twenty days of the Termination Notice;
  - c. the filing by UAL or United of, support by UAL or United for, or judicial confirmation or approval of (as the case may be), a plan of reorganization or a proposed disclosure statement which contains any material term that is materially inconsistent with the 2005 Mechanics' Agreement or this Letter of Agreement unless such action is cured to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice;
  - d. other material breach of the Company's or UAL's obligations under this Letter of Agreement unless such breach is cured to the reasonable satisfaction of the Union within twenty (20) days of the Termination Notice. In the event of such termination, (A) this Letter of Agreement shall otherwise become null and void in its entirety and (B) the parties shall thereafter be governed by the 2003 Mechanics' Agreement and without regard to this Letter of Agreement.
- 11. Fees and Expenses.** The Company shall reimburse the Union for fees and expenses incurred in connection with this Letter of Agreement as described on Exhibit E to this Letter of Agreement. Such reimbursement shall be made only in connection with, and following, the review, design, negotiation, approval, effective ratification, and execution of this Letter of Agreement.
- 12. Agreement.** This Letter of Agreement is a final, binding and conclusive commitment and agreement between UAL, the Company and the Union. Notwithstanding anything to the contrary in this Letter of Agreement, judicial approval of this Letter of Agreement shall have the same meaning and effect as the judicial approval of the 2003 Mechanics' Agreement in the Bankruptcy Cases signed on April 30, 2003.

13. **Amendments; Waiver.** This Letter of Agreement may be amended, modified, superseded or canceled and any of its provisions may be waived only by a written instrument executed by all parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time to require performance of any provision of this Letter of Agreement shall not affect the right of that party at a later time to enforce the same or a different provision. No waiver by any party of a right under this Letter of Agreement shall be deemed or construed as a further or continuing waiver of any such right with respect to the same or a different provision of this Letter of Agreement.

14. **Notices.** Any notice or other communication given under the terms of this Letter of Agreement must be in writing and shall be deemed to have been duly given on the day it is delivered by hand, on the day it is sent by facsimile with confirmation of receipt by the transmitting machine, on the business day after it is sent by a national overnight mail service (delivery charge prepaid), or on the third business day after it is mailed first class, postage prepaid, in any case to the following addresses:

If to the Company: United Air Lines, Inc.  
1200 East Algonquin Road  
Elk Grove Township, Illinois 60007  
Attention: Paul Lovejoy  
Facsimile: 847-700-4099

with copies to: Kirkland & Ellis  
200 East Randolph Drive Chicago, Illinois  
60601  
Attention: James H.M. Sprayregen  
Facsimile: 312-861-2200

If to the Union: Aircraft Mechanics Fraternal Association  
67 Water St., Suite 208A  
Laconia, NH 03245  
Attention: O.V. Delle Femine  
Facsimile: 603-527-9151

with copies to: Scott Petersen  
Seham, Seham, Meltz & Petersen  
4910 Garden Ford Dr.  
Kingwood, TX 77345  
Facsimile: 281-361-9706

or to such other address or to such other person as any party shall have last designated by written notice provided to the other parties in the manner set forth in this paragraph.

15. **Counterparts.** This Letter of Agreement may be executed in two or more counterparts, all of which shall be considered one and the same instrument, and each of which shall be deemed an original. Each party to this Letter of Agreement has agreed to permit the use

of faxed or otherwise electronically transmitted signatures in order to expedite the consummation of the transactions contemplated hereby.

16. **Headings; Construction.** The paragraph headings in this Letter of Agreement have been inserted for convenience of reference only and do not restrict or otherwise modify any of the terms or provisions of this Letter of Agreement. Unless otherwise expressly provided, the words "including" or "includes" in this Letter of Agreement do not limit the preceding words or terms and shall be deemed to be followed by the words "without limitation."
17. **Exhibits.** This Letter of Agreement includes all of Exhibits A through K hereto. Except as otherwise expressly set forth therein, all capitalized terms in Exhibits A through K shall have the meanings defined in this Letter of Agreement.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this \_\_\_\_ day of May, 2005

WITNESS: FOR UNITED AIR LINES,  
INC.:

Peter B. Kain  
Vice President Labor Relations

FOR UAL CORPORATION:

Glenn F. Tilton  
Chairman, President and CEO

WITNESS: FOR AIRCRAFT  
MECHANICS  
FRATERNALASSOCIATION:

Jim Seitz  
Airline Contract Administration Coordinator  
Aircraft Mechanics Fraternal Association

O.V. Delle Femine  
National Director  
214

EXHIBIT A  
MECHANICS' AGREEMENT  
WAGE SCHEDULE A

(EXHIBIT A TO LETTER 05-03M OMITTED HERE –  
SEE MECHANICS' AGREEMENT EXHIBIT A)



**EXHIBIT B  
OTHER CONTRACT REVISIONS**

**(EXHIBIT B TO LETTER 05-03M OMITTED HERE --  
SEE INDIVIDUAL REVISIONS TO MECHANICS' AGREEMENT)**

EXHIBIT C  
PROFIT SHARING

- Effective Date of Profit Sharing Plan:** As of January 1, 2005 (so that the first year covered by the profit sharing plan shall be calendar year 2005).
- Profit Sharing Pool:** 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.
- Pre-Tax Earnings:** 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.
- Eligibility:** All domestic employees of UAL Corp. or United Air Lines, Inc. (including all AMFA-represented employees) who have completed one year of service as of December 31st of the year for which Pre-Tax Earnings are being measured.
- Allocation:** 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.
- Considered Earnings:** 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.
- Payment Date:** By no later than April 30th of the following year.
- Distribution:** In cash.
- Relationship to Other Programs:** Incremental to the Success Sharing Plan; in lieu of the existing profit sharing plan described in Article XXII of the

2003 Mechanics' Agreement.

**Documentation:**

Implementing documentation reasonably acceptable to the Union.

**Duration:**

Continuing unless and until terminated in a future Mechanics' collective bargaining agreement.

**EXHIBIT D**  
**AMENDED DISTRIBUTION AGREEMENT**

1. Section 2 of Attachment D to the 2003 Restructuring Agreement Amendment amending the Mechanics' Agreement (the "Distribution Agreement") is hereby amended to read in its entirety as follows:

In consideration for the mechanic contract revisions under the Section 1113 Restructuring Agreement reached between UAL, the Company, and the Union effective May 1, 2003 (the "2003 Restructuring Agreement"), which modifies the parties' 2000 collective bargaining agreement ("2000 Agreement"), and in consideration of the AMFA contract revisions under the revisions to the 2003 Mechanics' Agreement effective in 2005 (the "Revised 2003 Mechanics' Agreement"), 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 mechanic group 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) \$864,293,956, representing the dollar value of 30 months of average cost reductions under the 2003 Restructuring Agreement as reasonably measured under Labor Model 1.1A FINAL1, and (ii) \$159,234,343, representing the dollar value of 20 months of average cost reductions under the Revised 2003 Mechanics' Agreement as reasonably measured by the Final 2004 Labor Model (the "AMFA Amount"); and

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

2. Section 3 of the Distribution Agreement is hereby amended to read in its entirety as follows:

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 \$159,234,343 amount described in paragraph 2 of this Distribution Agreement shall instead be the product of (x) \$159,234,343 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.

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

3. Section 5 of the Distribution Agreement is hereby amended to read in its entirety as

follows:

Following approval of the Distribution Agreement, and prior to the effective date of the Plan, AMFA (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 AMFA members). The Company (in consultation with AMFA) will develop and implement a mechanism and timetable for issuing the Distribution or Alternative Distribution to the AMFA members which would take into account tax, legal, corporate liquidity and securities concerns as well as practical considerations.

4. Except as revised in the preceding paragraphs, the Distribution Agreement shall remain unchanged and in full force and effect.

**EXHIBIT E**  
**FEES AND EXPENSES**

1. United shall reimburse AMFA for the reasonable, actual fees and out-of-pocket expenses incurred by AMFA 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 United AMFA representatives 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 AMFA'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 \$1 million. Of the total reimbursement for Expenses, \$500,000 shall be paid on the Effective Date as defined in the agreed Letter of Agreement, and the remaining \$500,000 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 AMFA 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 Mechanics' Agreement as part of the Company's bankruptcy reorganization.

**EXHIBIT F**

**(EXHIBIT F TO LETTER 05-03M OMITTED HERE –  
SEE REVISED LETTER 84-4M)**

**EXHIBIT G**

**(EXHIBIT G TO LETTER 05-03M OMITTED HERE –  
SEE LETTER 05-01M)**



**EXHIBIT H**

**(EXHIBIT H TO LETTER 05-03M OMITTED HERE –  
SEE REVISED LETTER 02-03M)**

**EXHIBIT I**

**Base Contributions: 4%**

**Additional Transition Contributions: Average 1% of Pay**

<u>Points</u>	<u>Mechanics</u>	<u>Utility</u>
25	0.00%	0.00%
26	0.00%	0.00%
27	0.00%	0.00%
28	0.00%	0.00%
29	0.00%	0.00%
30	0.15%	0.20%
31	0.15%	0.20%
32	0.15%	0.20%
33	0.15%	0.20%
34	0.15%	0.20%
35	0.20%	0.30%
36	0.20%	0.30%
36	0.20%	0.30%
38	0.20%	0.30%
39	0.20%	0.30%
40	0.25%	0.40%
41	0.25%	0.40%
42	0.25%	0.40%
43	0.25%	0.40%
44	0.25%	0.40%
45	0.30%	0.45%
46	0.30%	0.45%
47	0.30%	0.45%
48	0.30%	0.45%
49	0.30%	0.45%
50	0.40%	0.55%
51	0.40%	0.55%
52	0.45%	0.65%
53	0.45%	0.65%
54	0.50%	0.75%
55	0.50%	0.75%
56	0.55%	0.85%
57	0.55%	0.85%
58	0.65%	0.95%
59	0.65%	0.95%
60	0.70%	1.05%
61	0.75%	1.15%
62	0.80%	1.20%
63	0.90%	1.30%

64	0.95%	1.40%
65	1.00%	1.50%
66	1.05%	1.60%
67	1.15%	1.70%
68	1.20%	1.80%
69	1.25%	1.90%
70	1.30%	1.95%
71	1.40%	2.05%
72	1.45%	2.15%
73	1.50%	2.25%
74	1.55%	2.35%
75	1.65%	2.45%
76	1.70%	2.55%
77	1.75%	2.65%
78	1.80%	2.70%
79	1.90%	2.80%
80	1.95%	2.90%
81	2.00%	3.00%
82	2.05%	3.10%
83	2.15%	3.20%
84	2.20%	3.30%
85+	2.25%	3.40%

EXHIBIT J  
CONVERTIBLE NOTES

**Issuer:** Reorganized UAL Corp.

**Guarantor:** United Air Lines, Inc.

**Issue:** [\_\_\_]%<sup>1</sup> 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 AMFA; 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 AMFA.

**Principal Amount:** \$40,000,000 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.

**Interest Rate:** Semi-annually in arrears, in cash, at an annual rate of [\_\_\_]%<sup>1</sup>; 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.

<sup>1</sup> 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.

- 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.
- 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,<sup>2</sup> 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 AMFA and the Company.

**Distribution:**

AMFA 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.

<sup>2</sup> Anti-dilution adjustments shall not be applicable to securities issued or assets distributed under the Plan of Reorganization.

**EXHIBIT K**

(EXHIBIT K TO LETTER 05-03M OMITTED HERE  
-- SEE LETTER 05-02M)

March 9, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave.  
Washington, DC 20001

Re: Working in a Lower Classification

Dear Captain Bourne:

This will confirm our understanding concerning proposed language changes to Articles 3(A) and (3)(D)(3) of the collective bargaining agreement as they apply to employees directed to perform the work of lower Crafts.

We have agreed that no change is intended that would alter the existing practice in regard to employees directed to perform the work of lower Crafts. The change to the collective bargaining agreement is intended only to clarify the language by placing it in a more appropriate location in the Agreement.

Please indicate your concurrence by signing one copy of this letter in the place indicated below, and returning it to the undersigned.

Very truly yours,  
/s/ P. Douglas McKeen  
P. Douglas McKeen  
Senior Vice President, Labor Relations

Accepted and Agreed to this 9<sup>th</sup> day of March, 2011  
/s/ David Bourne  
David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters



~~March 9, 2011~~

~~Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave.  
Washington DC 20001~~

~~Dear Captain Bourne:~~

~~This will confirm our conversations regarding annual tool allowance for Technicians and related employees.~~

~~We agreed that Technicians and related employees shall receive a one hundred dollar (\$100) annual tool allowance to be distributed each December 1 for the duration of the Agreement.~~

~~Sincerely,~~

~~/s/ P. Douglas Mc Keen  
P. Douglas Mc Keen  
Senior Vice President, Labor Relations~~

~~Accepted and Agreed to this 9<sup>th</sup> day of March, 2011~~

~~/s/ David Bourne  
David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters~~

November 11, 2011

Mr. Clacy Griswold  
International Representative, Airline Division  
International Brotherhood of Teamsters  
1198 Durfee Ave  
So. El Monte, CA 91733

Dear Clacy:

This will confirm our understanding concerning the term “troubleshooting” contained in Paragraph B(3) of Article 1 of the collective bargaining agreement.

We have agreed that troubleshooting refers to activities directly related to identifying problems requiring maintenance by technicians and their underlying causes, as well as developing solutions for such problems. Troubleshooting functions may include inspection of pertinent manuals and other documentation, and/or examination of aircraft, GSE, or facilities. A management employee normally will be accompanied by a technician when troubleshooting the aircraft if hourly rated work is to be performed.

It is understood that the removal of skin or movement of panels requiring the use of tools, other than “quick access” panels is work preparatory to troubleshooting and will be performed by covered employees.

Please indicate your concurrence by signing one copy of this letter in the place indicated below, and returning it to the undersigned.

Sincerely,

/s/ P. Douglas McKeen  
Senior Vice President, Labor Relations

Accepted and agreed to this  
\_\_\_\_\_ day of \_\_\_\_\_, 2011

\_\_\_\_\_  
Clacy Griswold  
International Representative, Airline Division

~~March 16, 2011~~ November 11, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

This confirms our discussion and agreement concerning ~~past wage credit payments~~ a Signing Bonus to be paid to Technician and related Employees upon ratification and execution of this collective bargaining agreement.

We have agreed that the Company will ~~provide past wage credit payments~~ pay a signing bonus in the amount of ~~\$3000~~ \$11,500.00 to each Employee covered by this Agreement who is on the active payroll as of the date of ratification. Such payments will be ~~made as soon as reasonably practical following the date of ratification of this Agreement, but in no case will they be made later than May 15, 2011.~~ paid within 30 days of ratification.

Payments made pursuant to this Letter of Agreement shall be by payroll check or direct deposit (less applicable taxes and deductions) separate from regular payroll disbursements. Employees may contribute such payments to their existing 401(k) account consistent with each employee's deferral election on file with the 401(k) plan's record keeper for other wages eligible for deferral under the terms of the 401(k) plan, and to the extent permitted under applicable laws and regulations without extending incremental benefits to employees not covered by this Agreement.

Sincerely,

/S/  
P. Douglas McKeen  
Senior Vice President, Labor Relations

Agreed, this 11<sup>th</sup> day of November, 2011

/S/  
David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

December 9<sup>th</sup> 2009

Mr. Clacy Griswold  
International Representative, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave. NW  
Washington, D.C. 20001

Dear Clacy:

This will confirm the results of our discussions regarding a Flight Safety Committee.

The Company, the Union, and the Company's employees represented by the Union are committed to the prevention of accidents and the furtherance of aggressive safety programs that are focused, cost-effective, and results-oriented. Toward these ends, the Company and the Union have committed as follows:

1. The parties will meet to review and discuss the Flight Safety Committee as it currently is constituted and operates, both individually and in the broader context of the safety-related programs and committees applicable to the Company's IBT-related employees. This review will include: when and the means by which the Company will notify the IBT after receiving information that IBT-represented employees may have been involved in an aircraft accident; the role of the Flight Safety Committee; ensuring and improving effective coordination and communication between and among all safety related programs and committees; and ensuring that all human and financial resources devoted to this area are being maximized to achieve the objectives of preventing accidents and achieving safety.
2. The end result of this discussion and review will be a Letter of Agreement briefly memorializing the composition and functions of the Flight Safety Committee and the appropriate level of resources necessary for its effective functioning. The parties' intent is to complete this process within four months of the effective date of the 2010-~~2012~~ Agreement.
3. Until this process is complete or exhausted, the Company shall (a) maintain the current Flight Safety Committee Representatives as presently constituted and functioning, and (b) at stations where there is no current Flight Safety Representative, allow such time as necessary, not to exceed five (5) hours per week, without loss of pay, for an IBT designated representative to investigate and handle local flight safety concerns.

If you agree that the foregoing conforms to your understanding of our agreement, please sign and date in the space provided below.

Sincerely,  
/s/Marcel Delhommeau  
Marcel Delhommeau

Managing Director, Labor Relations

Accepted and agreed to this 9<sup>th</sup> day of December, 2009

/s/Clacy Griswold

Clacy Griswold

International Representative, Airline Division

January 7, 2010

Mr. Clacy Griswold  
International Representative, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave NW  
Washington, DC 20001

Dear Clacy:

This will confirm the results of our discussions. For purposes of Article 18-A-2, the Company shall recognize the following numbers of Local Grievance Committee employee members at the following points:

SFO: Six (6): Coordinator, Grievance Committee Secretary, Chief Steward Jet Shop, Chief Steward-OV, Chief Steward-Back Shops, Chief Steward-MM

ORD: Three (3): Chief Stewards (three)

DEN: Five (5): Grievance Chair, Recording Secretary, Chief Steward-MM, Chief Steward-GQIPV, Chief Steward-TK

SEA: Two (2): Coordinator, Chief Steward-MM

HNL: One (1): Chief Steward

LAX: Two (2): Chief Steward (two)

PDX: One (1): Chief Steward

IAD: One (1): Coordinator

JFK: One (1): Coordinator

LGA/EWR: One (1): Coordinator

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

Sincerely,  
/s/Marcel Delhommeau  
Marcel Delhommeau  
Managing Director, Labor Relations

Accepted and agreed to this 7th day of January 2010  
/s/ Clacy Griswold  
Clacy Griswold  
International Representative, Airline Division

September 14, 2010

Clacy Griswold  
International Representative, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave, NW  
Washington DC 20001

As we discussed during negotiations, when employees covered by this agreement are assigned to full time training positions, such positions will be bid in the basic classification. These positions will be awarded based on seniority and qualifications (including ability to train effectively).

In all cases pay shall be in accordance with the Training Article.

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

/s/Marcel Delhommeau  
Marcel Delhommeau  
Managing Director, Labor Relations  
United Air Lines, Inc.

Accepted and agreed to this 14th day of September, 2010  
/s/Clacy Griswold  
Clacy Griswold  
International Representative, Airline Division  
International Brotherhood of Teamsters



December 16<sup>th</sup> 2010  
Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

This will confirm our conversations regarding the Company's commitment to avoid furloughs.

No employee on the United Air Lines System Seniority List as of the date of signing of the IBT-United Air Lines collective bargaining agreement for the technicians and related employees craft or class will be subject to furlough for the duration of the Agreement.

The Company shall be excused from compliance with the provisions of this Letter of Agreement above in the event that a circumstance over which the Company does not have control is the continuing cause of such non-compliance. Circumstances beyond the Company's control shall be: an act of nature; an ongoing labor dispute; grounding or repossession of a substantial number of the Company's aircraft by a government agency or a court order; loss or destruction of the Company's aircraft; involuntary reduction in flying operations due either to governmental action(s)/requirement(s) or to a decrease in available fuel supply or other critical materials for the Company's operation; revocation of the Company's operating certificate(s); war emergency; a terrorist act, or a substantial delay in the delivery of aircraft scheduled for delivery, provided that one of these listed occurrences has a material and substantial impact on the Company.

Sincerely,

/S/ P.Douglas McKeen  
P. Douglas McKeen  
Senior Vice President and director Labor Relations  
Agreed, this 16<sup>th</sup> day of December, 2010

/S/ David Bourne  
David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

December 16<sup>th</sup> 2010

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

This confirms our discussion and agreement concerning the local contracting Review Committee for facility maintenance. The committee shall meet at least quarterly for the purpose of discussing the Company's current practice and future plans for contracting facilities maintenance, including opportunities for efficiently and economically increasing work done in-house. The Company will provide the Facilities Committee, upon request, information necessary to facilitate these discussions. Proprietary, sensitive, or confidential information shall be reviewed under standard confidentiality agreements at the Company's request.

Please indicate your concurrence by signing one copy of this letter in the place indicated below, and returning it to the undersigned.

Sincerely,  
/S/  
Doug McKeen  
Senior Vice President and Director Labor Relations  
Agreed, this 16<sup>th</sup> day of December, 2010

/S/  
David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

March 10, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Ave.  
Washington, DC 20001

Dear Captain Bourne:

This will confirm our discussions regarding the divisional reporting of GSE and PV employees covered by Article 1 of the 2010-2012 Airline Technicians Agreement between United and the Union (“the 2010-2012 Agreement”).

In negotiating the 2010-2012 Agreement, the parties did not adopt LOA #5 (“GSE Reporting”) of the 2009-2012 Continental-IBT Agreement. United continues to assess the question of the divisional reporting of GSE and PV employees, including when it will be appropriate to reorganize divisional structures such that GSE and PV employees will report to Technical Operations. The outcome of this assessment is in no way prejudged by the mutual decision not to adopt LOA #5.

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

Sincerely,

---

P. Douglas McKeen  
Senior Vice President, Labor Relations

Accepted and agreed to this  
10th day of March, 2011

---

David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

**LETTER OF UNDERSTANDING –  
TRANSITION ISSUES**

~~March 16~~November 11, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

As the parties discussed and agreed during the negotiations resulting in the 2010-~~2012~~ 2013 United-IBT Technicians and Related Agreement (also referred to in this Letter as “the New Agreement”), there will be technical and logistical impediments to fully implementing and migrating to the New Agreement as soon as the parties would like. By way of example only, these impediments include challenges such as IT and payroll systems compatibilities and limitations, and transitioning to new methods of accruing, calculating, and administering various types of benefits. A number of such challenges were discussed during our negotiations, and several of them are further addressed below. We mutually recognized during negotiations, however, that as we migrate to the New Agreement we are likely to confront implementation or transition issues the existence or full scope of which we have not yet contemplated.

We have agreed that the Company will use its best efforts to fully implement and migrate to the New Agreement as soon as reasonably practicable. If impediments in doing so arise, the Company will notify the Union and the parties will meet promptly to discuss the issue and devise equitable and practicable solutions reflecting the spirit of cooperation in which the New Agreement was negotiated. In the interim and until such solutions are devised, the Company shall take all practicable steps to mitigate or avoid any detriment, losses, or harm to affected employees.

With respect to specific areas, we have further agreed as follows:

**1. Nomenclature and Article Cross-References**

A. The use of the terms “technician(s)” and “mechanic(s)” shall be deemed to be interchangeable throughout the New Agreement.

B. The terms “extended illness status” (“EIS”) and “unpaid medical leave” (“UML”) shall be deemed to be interchangeable under the New Agreement.

C. Employees classified as “Mechanic’s Helper” shall be known under the New Agreement as “Utility Specialist.”

D. Any recall rights held by United employees on furlough from the classification of “Utility Employee” will be to the “Cleaner” craft.

**2. Transitional License-Requirement Moratorium:**

The parties recognize the importance of requiring that all aircraft technicians possess valid FAA Airframe and Powerplant (“A&P”) Licenses as set forth in Article 3 of the 2010-~~2012~~ 2013 United-IBT Technicians and Related Agreement. Nevertheless, to afford all Technicians a transition period to meet these licensure requirements, we have agreed that the following shall apply:

A. Current employees who meet the existing contractual licensure requirements under the 2005-2009 Agreement, if any, and have completed the trial period of the bid area they hold as of the effective date of the 2010-~~2012~~ 2013 Agreement will not be required under Article 3 to obtain additional license(s) to retain their incumbent position in that bid area. Such employees will be considered “grandfathered” under the licensure requirements in effect for the bid area they hold as of the effective date of the 2010-~~2012~~ 2013 Agreement.

B. An employee who, prior to ratification of the 2010-~~2012~~-2013 Agreement, successfully completed a trial period in a bid area other than line maintenance may move back to that bid area notwithstanding the new license requirements in the 2010-~~2012~~ 2013 Agreement. However, if after the effective date of the 2010-~~2012~~ 2013 Agreement, an employee voluntarily leaves any bid area, he or she must thereafter meet all license requirements to return to that bid area. Employees who involuntarily leave their bid areas after the effective date of the 2010-~~2012~~ 2013 Agreement shall be protected by the grandfather protection set forth in the first sentence of this paragraph. An employee who takes voluntary furlough from a bid area after the effective date of the 2010-~~2012~~ 2013 Agreement shall be treated as having involuntarily left that bid area for purposes of this paragraph 2.

C. None of the foregoing provisions shall relieve any employee of any applicable regulatory or other legal requirements.

**3. Transitional Protection of Incumbent Leads for One Year Following Effective Date:**

A. No employee who, as of the effective date of the 2010-~~2012~~ 2013 United-IBT Technicians and Related Agreement, is a non-temporary active incumbent in a Lead position shall be involuntarily reduced from that position ~~for a period of twelve (12) months following the effective date~~ the duration of the Agreement.

B. The foregoing paragraph shall not apply under the following circumstances: (a) an act of nature; (b) a strike or labor dispute; (c) a reduction in the Company’s operations because of a decrease in the available fuel supply or other critical

materials due either to governmental action or commercial supplier being unable to meet the Company's demands; (d) a revocation of the Company's operating certificate(s), the grounding of a substantial number of the Company's aircraft by governmental action, or a significant reduction in the size of the Company's fleet or schedule beyond current levels; (e) a declared or undeclared war or national emergency; or (f) compulsion by government agency or legislative or court action.

**4. Means of Posting, Notification, Transmission, or Communication:**

The parties recognize and agree that there are instances in the 2010-2012 2013 United-IBT Technicians and Related Agreement where language mirrored from the Continental-IBT collective bargaining agreement anticipates or prescribes means of posting, notification, transmission, or communication by United that currently are not in use, not available, and/or not practicable at United. In such instances, United may continue to use its current means, and will use reasonable good faith efforts to migrate to the anticipated or prescribed means as the consolidation progresses. Until that occurs, the parties shall meet and confer to discuss issues or concerns either party might raise in these areas.

**5. Holiday and Vacation:**

The parties recognize and agree that, due to factors such as IT infrastructure and the accrual and/or calendar-based nature of holiday and vacation benefits, a transition period will be necessary to migrate to and implement the provisions set forth in Articles 8 (Holidays) and 9 (Vacations) of the 2010-2012 2013 United-IBT Technicians and Related Agreement. In particular, the parties agree as follows:

**A. — Holidays (Article 8):**

~~Employees will observe floating holidays as follows in 2011:~~

~~1. — Each employee will continue to observe two floating holidays based on his Birthday and his Date of Employment as reflected on his most recent UG-100, pursuant to the terms of Article VIII of the 2005-2009 Mechanics and Related Agreement.~~

~~2. — Each employee will also be entitled to observe two additional floating holidays in calendar year 2011 pursuant to the terms of Article 8 of the New Agreement.~~

~~A.B.~~ Vacations (Article 9):

1. In 2011, vacation accrual (for use in 2012) and usage shall continue to be governed by Article XIII of the 2005-2009 United-IBT Mechanics and Related Agreement.

2. Beginning January 1, 2012; (or the date of ratification, whichever

comes later), vacation accrual (for use in 2013) and usage shall be governed by Article 9 of the New Agreement.

B.C. In the event other issues arise in the migration to or administration of the terms of Article 8 and 9 of the New Agreement, the Company will notify the Union and the parties will meet to discuss the issues and devise equitable and practicable solutions reflecting the spirit of cooperation in which the New Agreement was negotiated.

**6. Effective Date of Wage and Premium Adjustments:**

Any adjustments to wages and premiums reflected in the New Agreement shall take effect beginning with the first full pay period commencing after the date of ratification of the New Agreement.

**7. Pre-Merger TAs Withdrawn:**

Based upon negotiations subsequent completion of the merger between United and Continental, all Tentative Agreements (“TAs”) reached by the Union and United prior to October 1, 2010 have been superseded or incorporated as appropriate in the New Agreement and are therefore deemed withdrawn except as so incorporated. In the event either party believes that a previous TA or its terms has been inadvertently overlooked, the parties shall meet and confer to discuss the issue.

**8. Benefits:**

~~A. — Active Health & Welfare Benefits. With respect to health and welfare benefit plans and programs other than retiree medical and retiree life coverage, unless otherwise agreed to by the parties following the date of ratification of the New Agreement, Exhibit B of this Letter of Understanding shall replace Article 16 (Benefits) of the New Agreement effective January 1, 2013.~~

~~B. — Retiree Medical/Retiree Life. With respect to retiree medical and retiree life coverage for employees who retire on or after January 1, 2013, the terms of Article 16 shall be replaced by Exhibits A and B effective as of January 1, 2013; provided, however, that the Union may notify the Company in writing no later than April 1, 2012, that the Union wishes to postpone to a later date, or indefinitely suspend, the January 1, 2013 effective date with respect to retiree medical and retiree life coverage for employees who retire on or after January 1, 2013. For avoidance of doubt, with respect to eligibility for retiree medical coverage and cost share as well as retiree life insurance, prior to such effective date employees are subject to, and may retire under, the terms of Sections E and F of Article 16 of the New Agreement as in effect on the date of ratification of the New Agreement; and, on or after such effective date (i.e., the January 1, 2013 or later effective date), employees are subject to, and may retire under, the terms of Exhibits A and B of this Letter of Understanding. After such effective date, employees who retired prior to~~

~~such effective date shall remain entitled to the cost sharing provisions of Article 16 of the New Agreement as in effect on the date of ratification but under the plan options offered to active employees, as established and/or modified by the Company from time to time; and, for purpose of determining cost share, any EPO option will be treated like an HMO option.~~

~~C.—— CARP. Notwithstanding the terms of Exhibit B or anything else in the New Agreement or this Letter of Agreement, and in light of the current legal and statutory restrictions that prevent the immediate placement of employees into the Continental Retirement Plan (“CARP”) or another defined benefit plan sponsored by the Company CARP will not, either upon the date of ratification of the New Agreement or upon January 1, 2013, be considered a Company wide program unless otherwise agreed to by the parties following the ratification date. Therefore, the parties have agreed to transitional 401(k) contributions set forth in paragraph E below and to jointly explore opportunities to provide a mutually acceptable retirement program other than CARP, if necessary.~~

~~—— D.—— Transitional 401(k) Contributions.—— Recognizing the commitment described in the previous paragraph, the parties agree to the following transitional approach to retirement contributions for employees. Notwithstanding the terms of Exhibit B or anything else in the New Agreement or this Letter of Agreement, the Continental Airlines, Inc. 401(k) Savings Plan shall not at any time be considered a Company wide program and employees shall not participate in the Continental Airlines, Inc. 401(k) Savings Plan, unless the United Airlines Ground Employee 401(k) Plan is merged into the Continental Airlines, Inc. 401(k) Savings Plan. Whether such plans are merged or not, with respect to hours worked on or after the date of ratification of the New Agreement, employees shall remain eligible for the company contributions in effect under paragraph 5 of LOA 05-03M of the 2005-2009 Mechanics and Related Agreement, provided, however, that: (i) the “Replacement Plan Base Contribution” described therein shall be increased by one percent (1%) from four percent (4%) to five percent (5%); (ii) the “Additional Contribution” described therein shall remain unchanged; and (iii) each reference to “5.0%” in subparagraph 5(a) of LOA 05-03M shall be changed to “6.0%”. If the plans are merged, employees shall be subject to the terms of the surviving plan, except to the extent such terms are inconsistent with paragraph 5 of LOA 05-03M and any Exhibits relating thereto, and provided that employees shall not be eligible for company contributions under the surviving plan, whether matching or non-elective/direct, other than as described above. For purposes of this paragraph, the reference to “Base Contributions: 4%” in Exhibit I of LOA 05-03M shall be changed to “Base Contributions: 5%”.~~



~~E. Profit Sharing. Exhibit C to LOA 05-03M shall cease to be effective as of the date of ratification of the New Agreement. Notwithstanding anything else herein to the contrary, Section C of Exhibit B (Profit Sharing) shall be effective as of the date of ratification retroactive to January 1, 2011.~~

A. Covered employees will participate in the United Continental Holdings, Inc. Profit Sharing Plan, adopted effective January 1, 2011, and as may be amended from time to time (the "PSP"), with such participation to begin effective with the Award Year (as defined in the PSP) beginning January 1, 2012 and to continue in accordance with the terms of the PSP. The Company has the unilateral right to alter, modify, revise or terminate the PSP. However, the PSP may not be altered, modified, revised or terminated for covered employees unless done so on a Company-wide basis.

~~F. Quarterly Meetings. Notwithstanding anything else herein to the contrary, Section E of Exhibit B (Quarterly Meetings) shall be effective as of the date of ratification.—~~

~~G. Document Requests. Notwithstanding anything else herein to the contrary, Section F of Exhibit B (Document Requests) shall be effective as of the date of ratification.—~~

~~H.— Definition of "Company wide." For purposes of Exhibit B of this Letter of Understanding, the term "Company wide" shall refer to the various workgroups of Continental Airlines, Inc. Thus, the terms "Company wide programs" and "Company wide benefit programs" mean those benefit plans or programs offered broadly to the various workgroups of Continental Airlines, Inc. as in effect on the date of ratification of the New Agreement, or thereafter established and/or modified (subject to the terms of this Article 16) by the Company from time to time. These terms do not include benefit plans or programs offered broadly to the various workgroups of United Air Lines, Inc., unless such plans or programs are also offered broadly to the various workgroups of Continental Airlines, Inc.~~

## **9. Drug and Alcohol Testing**

The Company's policies relating to drug and alcohol testing in effect as of the date of ratification of the New Agreement shall remain in effect for the transition period; provided, however, that the Company shall be allowed to make such changes required to come into or remain in compliance with applicable legal or regulatory requirements.

## **10.— Occupational Injury Sick Leave Bank**

~~United employees who, as of the effective date of the 2010-2012 United IBT Technicians and Related Agreement, have accrued more than seven hundred (700) hours for Occupational Injury Pay under the 2005-2009 Mechanics and Related Agreement, shall be allowed to retain the amount accrued as of date of ratification of the New Agreement notwithstanding the seven hundred (700) hour limit specified in Article 11, Section C of the New Agreement. Such employees shall not accrue additional credit in~~

~~their Occupational bank until the bank drops below the seven hundred (700) hour limit, and shall thereafter be subject to that limit and the other terms of Article 11, Section C.~~

**1110. Zeroing Out of Overtime**

As soon as practicable after the ratification of the New Agreement, the overtime hours of each employee will be reduced to zero (0), and in each Bid Area a list of the employees in seniority order will be posted pursuant to Article 17, Section H.1. Thereafter, Article 17, Section H.1 shall continue to apply pursuant to its terms.

**1211. Days Off**

Through and including December 31, 2012, Article 7, Sections A through C of the New Agreement shall be subject to the following:

Employees may be assigned to fixed days off during the work week, or to a standard rotating days off schedule, provided that when at least two (2) but not more than twelve (12) employees in a classification are assigned on a shift in a group customarily treated together for shift bidding purposes, not more than two-thirds (2/3) of such employees, and in such groups of more than twelve (12) employees, not more than one-half (1/2) will be so assigned to pairs of fixed days off which are within Monday through Friday of each work week. With respect to the foregoing, the Company will not unreasonably exercise its discretion under Article 7 paragraphs A through C.

**1312. Compensation**

A. Technicians who are in active service with the Company as of the date of ratification of the New Agreement who are not at top of scale as of that date shall be compensated pursuant to the following basic hourly rates:

<u>Longevity</u>	<u>Date of Ratification</u>	<u>July 1, 2012</u>
1st 6 Months	\$18.63	\$18.63
2nd 6 Months	\$18.63	\$18.63
3rd 6 Months	\$19.50	\$19.99
4th 6 Months	\$21.00	\$21.00
5th 6 Months	\$21.00	\$21.44
6th 6 Months	\$21.00	\$21.44
7th 6 Months	\$22.36	\$22.92
8th 6 Months	\$22.36	\$22.92
9th 6 Months	\$24.47	\$25.08
10th 6 Months	\$24.47	\$25.08
6th Year	\$27.51	\$27.51
Thereafter	\$30.41	\$31.17

B. Ground Communication Technicians (GCTs) who are in active service with the Company as of the date of ratification of the New Agreement shall, following ratification, continue to receive the special work differential of ten cents pursuant to the terms of Article XXII, Section P of the 2005-2009 Mechanics and Related Agreement, and in addition shall receive the following basic hourly rates:

<u>Longevity</u>	<u>Date of Ratification</u>	<u>7/1/2012</u>
1st 6 Months	\$30.40	\$31.16
2nd 6 Months	\$30.78	\$31.55
Thereafter	\$31.62	\$32.41

Employees recalled or otherwise returning to or entering the GCT classification after the date of ratification of the New Agreement shall be compensated pursuant to the Technician basic hourly rates of pay shown in Appendix A of the New Agreement.

C. The parties recognize that the Company currently employs no active Computer Technicians (CTTs) or Lead CTTs. In the event any CTTs or Lead CTTs are recalled to active service after the date of ratification of the New Agreement, such employees shall receive the work differential of ten cents pursuant to the terms of Article XXII, Section P of the 2005-2009 Mechanics and Related Agreement.

D. Lead Mechanics and Aircraft Inspectors who, in both instances, are in active service with the Company in Hawaii as of the date of ratification of the New Agreement shall, following ratification, continue to receive the Hawaii Differential of \$2.20 pursuant to the terms of Letter 84-4M of the 2005-2009 Mechanics and Related Agreement. Such differential shall be in lieu of, and not in addition to or cumulative to, (1) any other Hawaii Differential, including the HNL Market Adjustment Premium described in Article 15, Section N of the New Agreement, and (2) the five percent (5%) premium (override) for Lead Technicians and Inspectors described in Appendix A of the New Agreement.

E. Ground Service Equipment and Facilities Maintenance Technicians who, in both instances, are in active service with the Company as of the date of ratification of the New Agreement shall, following ratification, continue to receive pay for one license pursuant to the terms of Article XXII, Section O.4 of the 2005-2009 Mechanics and Related Agreement, regardless of whether or not they possess a license. This license pay shall be in lieu of, and not in addition to or cumulative to, any premium described in Article 15, Section P or Appendix A, Paragraph D of the New Agreement.

F. Maintenance Planning Analysts (MPAs) shall, upon ratification of the New Agreement, receive an increase in their basic hourly rates of ~~40.8~~13.3%.

G. Technicians assigned to the Maintenance Base Boiler Room who are in active service with the Company as of the date of ratification shall, following ratification, continue to be eligible for the 60 cent per hour premium pursuant to the terms of Article XXII, Section I.3 of the 2005-2009 Mechanics and Related Agreement.

Sincerely,

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P. Douglas McKeen  
Senior Vice President Labor Relations

Agreed, this ~~16<sup>th</sup>~~ 11<sup>th</sup> day of ~~March~~ November, 2011:

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Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

**LETTER OF UNDERSTANDING –  
AMALGAMATION PROCESS &  
RESOURCE UTILIZATION DURING TRANSITION BEFORE FINAL  
AMALGAMATION**

~~March 16~~November 11, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

The International Brotherhood of Teamsters (“IBT” or “Union”), United Airlines (“United”), and Continental Airlines (“Continental”) (together, “the Parties”), recognize the value of the merger to the Airline Technicians and Related Employees represented by the IBT, to the other employees of Continental and United, to the traveling public, and to the shareholders of United Continental Holdings, Inc. With this in mind, the Parties wish to expedite the amalgamation process and establish terms for a smooth and seamless transition to a single, unified Technicians and Related group operating under a single contract, employed by a single air carrier within a single transportation system.

Based on our discussions in the context of the negotiations resulting in the 2010-~~2012~~2013 United-IBT Agreement, this letter will confirm our agreement in furtherance of these ends.

**A. Single Carrier and Amalgamation Processes**

1. No later than one-hundred twenty (120) days following the ratification by United’s Airline Technicians and Related Employees of the 2010-~~2012~~2013 Agreement (“Ratification”), the Union will file, and United and Continental will support, a petition with the National Mediation Board (“NMB”) requesting that the NMB determine that United and Continental (“the Carriers”) are operating as a single transportation system for representation purposes (“Single Carrier”) under the Railway Labor Act (“RLA”). It is the intent of the Parties to secure the NMB’s single-carrier determination as expeditiously as possible, and the Parties will each take all reasonable measures to facilitate the NMB’s determination.

2. The Union will take all reasonable measures to support the efforts of United and Continental to obtain expeditious regulatory approval of an air carrier certificate issued by the Federal Aviation Administration under which United and Continental will operate as a single air carrier (“Single Operating Certificate”).

3. As soon as reasonably practicable following Ratification, the Union will commence the process of integrating the United and Continental seniority lists into a single seniority list of Airline Technicians and Related Employees employed by the Single Carrier (“Integrated Seniority List”).

a. The seniority lists of will be integrated in accordance with the United-IBT and Continental-IBT CBAs and applicable law.

b. The Union shall use its reasonable best efforts to complete the seniority integration process no later than 120 days following Ratification.

c. The Carriers will respond as quickly as practicable to reasonable Union requests for employment data or other information necessary for the seniority integration. The provision of such data or information may be made subject to execution of confidentiality agreements acceptable to the Carriers and the Union.

d. Except as set forth below, the Carriers will remain neutral on the substance of any Integrated Seniority List. The Carriers will accept the Integrated Seniority List produced by the Union in accordance with the United-IBT and Continental-IBT CBAs and applicable law if, but only if, the Integrated Seniority List also complies with the following requirements:

i. The Integrated Seniority List must comply with the Final Amended Consent Decree issued on March 2, 1995 in Case No. 73-C-972 by the U.S. District Court for the Northern District of Illinois.

ii. The Integrated Seniority List shall have only prospective effect.

iii. There shall be no “system flush” whereby an employee may displace another employee from the latter’s position as a result of implementing an Integrated Seniority List.

iv. Employees on furlough status may not bump or displace active employees.

v. There shall be no requirement or obligation to compensate employees for work not actually performed or positions not actually held during the period for which compensation is sought.

vi. The Integrated Seniority List shall not contain any other conditions or restrictions that materially increase the Carriers’ costs associated with training or Carrier-paid moves.

e. The Carriers shall not implement the Integrated Seniority List prior to the date on which the Carriers combine the United and Continental Technicians and Related Employees into a single workforce following an NMB single carrier determination and implementation of a single Joint Collective bargaining Agreement (“JCBA”); such date shall hereafter be referred to as the “Operational Integration Date.” No employee of either Carrier may claim an entitlement to seniority rights of any type under the Integrated Seniority List, or to compensation or other benefits in lieu of such seniority rights, prior to the Operational Integration Date.

4. As soon as reasonably practicable following Ratification, the Parties will commence negotiations (“Amalgamation Negotiations”) to amalgamate the United-IBT and Continental-IBT CBAs into a JCBA covering the combined craft or class of Airline Technicians and Related Employees employed by the Single Carrier. The parties shall establish two Joint Negotiating Committees (“JNCs”) to negotiate the JCBA -- (1) a Carrier JNC, appointed by United and Continental, and (2) a Union JNC, appointed by the IBT and composed of employee/Union representatives from both Carriers.

5. The Parties agree to use the services of a mutually acceptable private mediator to facilitate the Amalgamation Negotiations if they deem it appropriate.

~~6. If the Parties fail to implement a JCBA on or before January 1, 2013, United shall implement a 2.5% base wage increase. This increase shall take effect beginning with the first full pay period occurring after January 1, 2013, and shall be reflected beginning with the pay check subsequently issued for that period.~~

## **B. Resource Utilization During Transition**

1. Until the effective date of the JCBA, the Continental CBA and United CBA will remain in effect for the respective groups of Airline Technicians and Related Employees in accordance with the RLA except as modified by this Letter of Agreement or by the JCBA, or except as the Parties otherwise agree with respect to a CBA.

2. Notwithstanding the preceding paragraph, subject only to any applicable training, qualifications, or FAA requirements, and as soon as practicable following the Ratification Date of the New Agreement, United and Continental and the Union shall adopt a mutually acceptable process providing for the full, system-wide utilization of employees under either CBA (i.e., the New Agreement and the IBT-CAL Agreement) to perform work on either Carrier’s equipment or premises, including but not limited to directing employees of one Carrier to assist employees of the other carrier at airport locations where both carriers have operations.

## **C. Disputes Concerning Interpretation or Application of this Letter of Agreement**

1. Disputes concerning the interpretation or application of this Letter of Agreement, as follows:

2. The Carriers jointly and the Union on behalf of the Airline Technicians and Related Employees of both Carriers will each adopt a single position concerning a disputed issue of interpretation or application of this Letter of Agreement, each conveying their respective positions in writing within two (2) weeks of the date that the dispute has been raised. The Carriers will communicate their position to the Director of the IBT Airline Division. The Union will do so by written communication from the Director of the IBT Airline Division to the Carriers' Senior Vice President of Labor Relations.

3. Following the Parties' communication of their positions pursuant to the preceding paragraph, representatives of the Carriers and the Union will confer in an attempt to resolve the dispute.

4. In the absence of agreement pursuant to the preceding paragraph, either the Carriers or the Union may submit the dispute for prompt decision by a special board of adjustment, sitting only with a single arbitrator, who will be mutually determined by the Parties, and who will hear and decide the issue, and issue an opinion and award, within thirty (30) days after s/he is selected. The special board of adjustment may choose to rely on presentations of representatives or counsel in lieu of testimony, and may require briefs in lieu of summations. Each party shall bear their respective costs incurred with respect to this dispute resolution process.

Sincerely,

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P. Douglas McKeen  
Senior Vice President Labor Relations

Agreed, this ~~16<sup>th</sup>~~ 11<sup>th</sup> day of ~~March~~ November, 2011:

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David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters



March 16, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

The parties agree that, within thirty (30) days of the ratification of the Agreement, they shall establish a joint committee to explore and consider all opportunities to provide health and medical coverage (including retiree medical) to the Employees as a viable, cost-effective alternative to the Company's (including Continental's) medical plan. The Company and the Union will, each at their own expense, provide experts to assist the committee. Additionally, the Company and Union will, upon the execution of a mutually acceptable confidentiality agreement, provide the necessary documentation and information required by the committee to perform its duties. The committee will, upon completion of its duties, furnish to the Company and Union a report containing its findings and recommendations, including any and all recommended alternative health and medical plans, including multiemployer welfare benefit plans. To the extent the Company and Union agree upon such an alternative plan, they will work in cooperation and coordination with one another to implement the plan as soon as practicable, including during the term of the existing Agreement.

Sincerely,

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P. Douglas McKeen  
Senior Vice President Labor Relations

Agreed, this 16<sup>th</sup> day of March, 2011:

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David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

**LETTER OF UNDERSTANDING –  
AIRCRAFT MAINTENANCE AT EWR & PHL**

March 1<sup>st</sup> 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

This will confirm our agreement that, without waiver of any rights the Company may have under past practice or the Agreement, the Company will reestablish a line aircraft maintenance mission at the EWR and PHL stations. The Company shall determine the appropriate staffing levels consistent with its assessment of the needs of the operations.

The parties agree that the foregoing commitment fully resolves all issues relating to the closure of the Company's line maintenance operations at EWR, PHL, and BDL, and fully resolves all issues relating to any grievances relating to those closures, including all issues arising from the February 2010 award rendered by Arbitrator Horowitz.

Sincerely,

/s/P. Douglas McKeen  
P. Douglas McKeen  
Senior Vice President Labor Relations

Agreed, this 1<sup>st</sup> day of March, 2011:

/s/ David Bourne  
Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

**LETTER OF UNDERSTANDING –  
GROUND EQUIPMENT AT BOS, HNL, PHX & LAS**

March 1<sup>st</sup> 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

This will confirm our agreement that, without waiver of any rights the Company has under past practice or the Agreement, the Company will staff a Ground Equipment (GQ or GSE) and Facilities (PV) maintenance mission at the BOS, HNL, PHX, and LAS stations. The Company shall determine the appropriate staffing levels, including whether to cross-utilize GQ and PV, consistent with its assessment of the needs of the operations.

Sincerely,

/s/ P. Douglas McKeen  
P. Douglas McKeen  
Senior Vice President Labor Relations

Agreed, this 1<sup>st</sup> day of March, 2011:

/s/ David Bourne  
Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

November 11, 2011

Captain David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington, DC 20001

Dear Captain Bourne:

The parties have agreed that an early out program based on attachment A of this letter of agreement will be available to eligible employees upon ratification of this agreement.

Sincerely,

/S/  
P. Douglas McKeen  
Senior Vice President, Labor Relations

Agreed, this 11<sup>th</sup> day of November, 2011

/S/  
David Bourne  
Director, Airline Division  
International Brotherhood of Teamsters

**Subsidiary United Mechanic and Related Employee (IBT  
Represented) Early Out Program**      **UNITED** 

Early Out Basic Qualification: Age 45 with 10 years of service with United		
	Early Out Retirement Eligible	Early Out Only
<b>Eligibility</b> (Service & Age as of awarded effective date)	Minimum 10 years of service with the company AND age 55 or greater	Minimum 10 years of service with the company AND Age 45 or greater
<b>Early Out Incentive Payment</b>	Eligible co-workers who are approved for the Early Out program will receive a one-time lump sum Early Out Incentive payment in the amount of \$75,000.00	
<b>Travel</b>	Retiree travel consistent with the Company's pass travel program for retirees	Early Out pass privileges bridging into lifetime retiree pass travel privileges upon reaching age requirements subject to the Company's pass travel programs and policies. (*See chart on page 2)
<b>Medical Insurance</b>	Retiree Medical as defined in your contract (Article 11.E)	As a separated employee, no insurance is provided. However, you have the option to purchase COBRA continued medical coverage for up to 18 months at the full cost of the plan. With the first 3 months subsidized at the active employee rate.
<b>Life Insurance</b>	\$10,000 Retiree Life Insurance (Article 11.F)	Company sponsored life insurance coverage ends on date of separation.
<b>Pension</b>	Early Out does not change the pension plan. Pensions are administered by the PBGC so each employee must contact the Plan Administrator to determine payment options.	
<b>Vacation</b>	All accrued and unused vacation will be paid in a lump sum	All accrued and unused vacation will be paid in a lump sum

## Subsidiary United Mechanic and Related Employee (IBT Represented) Early Out Program

<b>Program Application</b>	The program application window will be offered in the first quarter of 2012 and will last a minimum of 45 days. The Company, at its sole discretion, may offer subsequent application window(s).
<b>Approvals</b>	The Company reserves full and sole discretion on the Early Out approval process. The Company will determine the number of Early Out Plans to be awarded, the effective dates, locations, and order of approvals.

\*Please note, beginning January 1, 2012, eligibility for retiree pass travel will change. The new retiree travel policy for co-workers will provide that retiree status for pass privileges occurs when an employee reaches the following age and active service requirements:

- 45-50 years of age and 20 years of service
- 51 years of age and 18 years of service
- 52 years of age and 16 years of service
- 53 years of age and 14 years of service
- 54 years of age and 12 years of service
- 55 years of age and 10 years of service

## CONSENT DECREE

At the time of printing this Agreement, the United States District Court, Northern District of Illinois, Eastern Division, was expected to order and decree that the following provisions are fully binding on United and the IAM and are made a part of this collective bargaining agreement and are to be expressly printed and incorporated in the printed contract.

1. All job classifications covered by the United-IAM Ramp and Stores, Food Services, Mechanic, Dispatchers, Communications Employees and Security Officers Agreements as well as those jobs covered by United's agreement with the TWU shall henceforth be governed by the following seniority for purposes of determining priorities in layoffs and recalls:
  - a. Classification seniority for all employees who have a classification seniority date in the job classification in question greater than July 2, 1965.
  - b. A seniority date of July 2, 1965 for all employees who were initially hired by United prior to July 2, 1965 but, who have a classification seniority date in the job classification in question less than July 2, 1965.
  - c. Company seniority for all employees who were initially hired by United after July 2, 1965 and did not enter the job classification until after that date.
  - d. Employees in promoted positions holding seniority under the Mechanic, Ramp and Stores, Food Services, Dispatchers or Security Officers Agreements, or who are hereafter promoted to such positions, upon return to a position under one of the Agreements in which they hold seniority, shall have their Company seniority adjusted (for purpose of layoffs and recalls) in the same manner as their Classification seniority is adjusted pursuant to the seniority provisions of the collective bargaining agreement.
2. An employee in a job classification covered by the IAM-United Mechanic, Ramp Service, Food Service and Security Officer collective bargaining agreements who is laid off in his/her classification at a point shall have the choice of exercising seniority in that classification pursuant to the Seniority Article of such collective bargaining agreements or take layoff. If he/she has been in his/her present classification 2 years or more and if he/she does not have sufficient seniority as defined in paragraph 1 to fill a vacancy or displace an employee in his/her present classification on this system, then he/she can exercise his/her seniority as defined in paragraph 1 to any classification in which he/she has worked in the same manner as those employees who have been in their classification less than two years as now provided in the Seniority Article of such collective bargaining agreements. In the event an employee exercises his/her seniority to return to a lower-rated classification, he/she must return to the highest lower-rated classification in which he/she holds seniority or forfeit all seniority held in that or any other classification higher than the classification to which he/she returns.

3. Except pursuant to Section III, all individual classification adjustments granted to IAM represented employees under the Final Consent Decree entered April 30, 1976, as amended, and under this Amended Consent Decree, shall remain in full force and effect.



November 11, 2011

Mr. Clacy Griswold  
International Representative, Airline Division  
International Brotherhood of Teamsters  
1198 Durfee Ave  
So. El Monte, CA 91733

Dear Clacy:

This will confirm our recent discussions and agreement regarding the Employee Assistance Program (“EAP”). In the event the Company decides to change the program, the Company will discuss such changes with the Union in advance of implementation. Notwithstanding any such changes, the Company commits for the duration of the 2010 - 2013 Agreement to continue to fund the current four (4) IBT positions.

Sincerely,

/s/ P. Douglas McKeen  
Senior Vice President, Labor Relations

Accepted and agreed to this  
\_\_\_\_\_ day of \_\_\_\_\_, 2011

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Clacy Griswold  
International Representative, Airline Division