

Maternity Policy

FRASW

November 15, 2007

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Without prejudice
Subject to contract

1.0 Introduction

1.1 This Maternity Policy:

- (a) has been agreed between United and AFA;
- (b) applies exclusively to those flight attendants working out of Frankfurt, Germany (regardless of residence), who have a right under German law as any other German/EU citizen would to perform work on the ground in Frankfurt, Germany in addition to normal flight attendant duties; and
- (c) includes provisions on health and safety, German compulsory maternity leave, suspension on maternity grounds and alternative ground work (AGW) during pregnancy and breastfeeding.

1.2 Please read this Maternity Policy carefully. It sets out important information concerning your maternity rights and entitlements, including steps you need to take in relation to notifying United of your pregnancy. You are required to comply with Company Policies requiring notification of your condition. If you have any queries about the operation of the policy or the content of any letters that you are required to send, please speak to United's Human Resources Department. You may also speak to your local AFA representative.

2.0 Qualifying Requirements

2.1 To qualify for the benefits under this Maternity Policy, you must:

- (a) be and remain based at the relevant time in Frankfurt, Germany,
- (b) be subject to the German Social Security System and
- (c) possess the right under German law as any other German/EU citizen would to perform work on the ground in Frankfurt in addition to your normal flight attendant duties.

2.2 This policy shall apply accordingly if flight attendants work out of another city within Germany due to a relocation of the base.

3.0 Notification of Pregnancy, Expected Day of Delivery and Actual Day of Delivery

In order to exercise your rights under this policy, you must notify your Supervisor of your pregnancy and the expected day of delivery in writing. You must also provide a medical certification confirming your pregnancy and the expected date of delivery. You can obtain this certificate from your doctor.

After delivery you must notify your Supervisor of the actual date of birth. In the event of a premature or a multiple birth you must advise accordingly and provide a medical certificate that can be obtained from your doctor. Please make sure that the information is provided as soon as possible but preferably no later than 2 weeks after delivery.

Remember that your entitlement to maternity rights is only ensured once you have complied with these steps. Therefore you should notify your Supervisor and as soon as possible.

4.0 Health and Safety

It is the intention of United and AFA that you should be free to continue with your flight duties up to the end of the third month of your pregnancy and also while breastfeeding (however, not before expiration of the post-delivery protection period) unless, according to a physician's certificate, you or your child's life or health would be endangered by a continuance of flight attendant duties. It is therefore your obligation to have your doctor check whether continuing flight attendant duties would result in such a risk.

To assist your doctor (or other registered medical practitioner or registered midwife), you should provide him/her with a full list of the duties of a flight attendant. United and AFA will periodically review the list to ensure that it remains up to date. You should review these duties and risks carefully and discuss with your doctor (or other registered medical practitioner or registered midwife) whether, with regard to the particular features of your case, you are unable to fly for a health and safety reason.

5.0 Suspension from Flying

You may fly up to the end of the third month of pregnancy after which time UAL may offer you alternative ground work (AGW) duties under the conditions set out under Section 8.

6.0 Compulsory Maternity Leave

You are not permitted to work during the last 6 weeks prior to expected date of delivery unless you explicitly declare your willingness to work. If you do so, please be aware that you will only be allowed to perform alternative ground work (AGW). You may revoke your declaration at any time.

In addition, for the period of 8 weeks (in the event of a premature or a multiple birth for the period of 12 weeks) after delivery you will not be permitted to perform either flight attendant duties or alternative ground work. In case of premature delivery, the time periods pursuant to sentence 1 will also be prolonged by the days of the protection period prior to the expected date of delivery that could not be utilized. This prohibition is compulsory; UAL may not allow you to work even if you explicitly declare your willingness to work.

7.0 Paid Protection Period (PPP) and Benefits during Maternity Leave

7.1 During the time that you are not permitted to work due to compulsory maternity leave (i.e. 6 weeks before and 8 or 12 weeks after delivery, as described in Sec. 6), you are entitled to receive statutory maternity pay.

Presently, if you are insured with a statutory health insurance agency (Krankenkasse), you receive an allowance under the regulations of German social law.

Maternity allowance (the current statutory amount is a maximum of €13 per day during the protected period) is paid by the statutory health insurance agency with which you are registered, not by UAL. If you are not covered by the statutory health insurance, you receive a maternity allowance at the expense of the Federal Government currently limited to a maximum of €210 per occurrence.

UAL pays a supplement to the maternity allowance. Presently, the amount of this supplement is defined as the average remuneration per calendar day minus compulsory deductions (i.e. net pay) less the €13 per day maternity allowance. The average remuneration per calendar day shall be calculated on the basis of the last three calendar months worked prior to the commencement of the 6-week protection period before the expected date of delivery. If you are not able to work during pregnancy due to the fact that your or your child's life or health would be endangered by a performance/continuance of employment, the supplement will be calculated on the average earnings with reference to the last three months prior to the commencement of the month in which pregnancy occurred.

Non-temporary increases/decreases in the average remuneration which go into effect during the compulsory protection period before and after delivery (see Section 6) shall be incorporated into the calculation as of that point in time. One-off remuneration payments as well as days on which no remuneration or less remuneration was achieved, e.g. due to an absence from work without fault, shall not be taken into account.

The formula for calculating this payment is:

(income during reference period minus compulsory deductions, i.e. net pay) divided by (number of calendar days during reference period) minus (€13) equals (supplemental payment per day).

- 7.2 If you are not able to work due to the fact that your or your child's life or health would be endangered by a performance/continuance of employment during pregnancy (but outside the protection periods mentioned in Section 7.1), you receive continued remuneration to the amount of your previous average earnings. These are calculated with reference to the last three months prior to the commencement of the month in which pregnancy occurred. Reductions in earnings that occur during the calculation period as a result of reduced hours (*Kurzarbeit*), shortage of work (*Arbeitsausfall*), non-culpable absence from work (*unverschuldetes Arbeitsversäumnis*) and any one-off payments shall not be taken into consideration. Permanent reductions of earnings that take effect during or after the expiry of the calculation period and that are not based on a prohibition of employment under the law relating to the protection of mothers, shall be accounted for by adjusting the average earnings accordingly, effective the day of the reduction.
- 7.3 During compulsory maternity leave as defined in Section 6.0 you will be entitled to the benefit of your normal terms and conditions of "active" employment (that is, those terms that would apply had you not been absent from active flight duties) relating to:
- (i) seniority;
 - (ii) years of service for the purposes of any retirement benefit offered by United;
 - (iii) medical, dental, life insurance and other COBRA-related benefits (in each case, provided you continue to pay the normal premium and subject at all times to the rules of the relevant insurance scheme); and
 - (iv) payment of performance incentive, profit sharing and other success sharing pay factors for which entitlement was earned prior to the commencement of the compulsory maternity leave.
- 7.4 Except as defined in Section 7.3 above, you will not be entitled to any other benefits during a compulsory maternity leave.

8.0 Alternative Ground Work (AGW)

Offer of AGW

- 8.1 For the time period after expiration of the third month of pregnancy or even as of the beginning of your pregnancy (if you are not able to work due to the fact that your or your child's life or health would be endangered by a performance/continuance of employment during pregnancy) until commencement of the compulsory maternity leave (see Section 6) United may, at its discretion, offer you alternative ground work duties ("AGW duties"). The same applies if at any other time you are unable to fly for a health and safety reason related to pregnancy or breastfeeding.
- (a) Throughout the Maternity Policy, the term "AGW duties" means suitable duties of a general administrative nature that you may perform within the Frankfurt Onboard Service domicile (or at the current domicile location).
 - (b) The precise tasks to be performed may be changed from time to time depending on the availability of AGW generally and the business requirements of United. The definition of AGW duties will not be substantially changed without United first advising AFA of the reasons for the change and affording AFA an opportunity to confer with United.
- 8.2 AGW duties will normally be offered on the basis of the average hours worked during the 3-month period prior to the commencement of the pregnancy. United will explain to you matters such as the duties you will perform, the person to whom you report, and the person with whom contact should be made in order to resolve any day-to-day difficulties or payroll issues.
- 8.3 Throughout your AGW period:
- (a) You will devote the whole of your attention to your AGW duties;
 - (b) You agree to use all reasonable skill and care in carrying out your AGW duties;
 - (c) You must conduct yourself at all times in accordance with the United Airlines Code of Business Conduct, the Flight Attendant's Articles of Conduct and all United Regulations and Policies in force from time to time;
 - (d) You are required to observe the relevant Frankfurt Base ground policies, rules and regulations in effect at that time. In particular, you will observe the rules relating to hours of work and scheduling appropriate to AGW duties;

- (e) You will remain subject to the United Onboard Service disciplinary and grievance procedures as set out in the United/AFA Agreement; and
- (f) You are required to undergo any training United may require so that you may perform your AGW duties (in which case, such training will be considered part of your normal AGW duties).

8.4 It is hoped that there will be no problems with your conduct or performance while you perform AGW duties. However, if your conduct or performance while you perform AGW duties falls below the level expected by United, your AGW duties may be terminated. However, where problems with performance arise from the AGW duties themselves posing a health and safety risk, and where no appropriate modification of the AGW duties is possible, you will be suspended from work on maternity grounds (see Section 8.6.2 below).

AGW Unavailable

8.5 If AGW is not available or United elects not to assign AGW, you will receive the average of 3 months flight hours earnings prior to the commencement of your pregnancy. For further details, please refer to Section 7.2.

Refusal of AGW

8.6 If AGW duties are offered to you, but you refuse them, what happens next depends upon whether your refusal is seen as reasonable or unreasonable under the terms of the Maternity Policy. The fact that this Maternity Policy describes certain refusals as "unreasonable" does not necessarily imply a disciplinary issue (see Section 12.1 below); but it does have consequences for how you are paid. The example of a refusal given below is not exhaustive but remains a case-by-case decision.

Reasonable grounds of refusal

8.7 An example of a reasonable refusal of AGW duties would be if your doctor certifies that your or your child's life or health would be endangered by a performance/continuance of AGW duties and no appropriate modification of the AGW duties is possible.

8.8 If your refusal is reasonable, you will be released from work on maternity grounds and receive pay based on the average of 3 months flight hours earnings prior to the commencement of the pregnancy. However, before you can be released from AGW, you must ensure that your doctor has completed the "Medical Certificate for Pregnant/Breastfeeding Flight Attendant Form" to confirm that you are unable to perform AGW because your or your child's life or health would be endangered by a

performance/continuance of AGW duties.

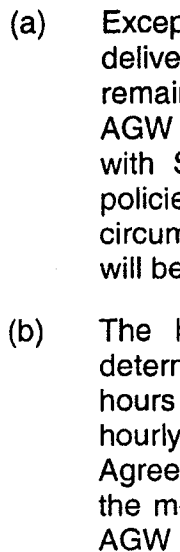
Unreasonable grounds of refusal

- 8.9 Subject to the Maternity Policy Grievance Process (see Section 11.0 below); you will be deemed to have unreasonably refused the offer of AGW duties especially if you refuse in any of the following circumstances:
- (a) You consider that AGW duties are, in and of themselves, unsuitable and inappropriate for you;
 - (b) You consider AGW duties to be on terms substantially less favorable than your normal terms (for example, with regard to your duties, status, benefits and any similar such terms).
- 8.10 If your refusal is unreasonable, you will not be eligible to receive maternity pay from United. Rather, you will be able to:
- (a) Draw down on any entitlement in your sick leave bank; or
 - (b) Take unpaid medical leave of absence,

However, you remain subject at all times to the terms of the United/AFA Agreement and any United rule, policy or regulation in force at that point in time.

AGW Pay

- 8.11 AGW payments will normally be calculated on the basis of the average earnings during the 3-month period prior to the commencement of pregnancy provided that your AGW duties are based on the same reference period (see Section 8.2). An example of such a calculation is appended to this policy as an addendum.
- 8.12 AGW pay will be paid in a single monthly installment on the 16th of each month following the month in which AGW is performed, but otherwise in accordance with normal payroll procedures.
- 8.13 During any periods where you are performing AGW duties, you remain entitled to receive performance incentives, profit sharing and other success sharing pay factors. Your actual AGW earnings will be included in the calculation of this remuneration.
- 8.14 As stipulated in the CBA, if you are incapable of performing AGW because of illness, you will draw from your sick leave bank to the extent sick leave hours are available. If and when sick leave hours are fully exhausted, statutory entitlement from the appropriate health insurance provider becomes available.

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- (a) Except during the last 6 weeks prior to the expected date of delivery (see paragraph 6.0 above), you may draw upon any remaining entitlement in your sick leave bank while performing AGW duties only if you are sick or otherwise for a reason consistent with Section 19 of the United/AFA Agreement and any United policies and procedures in force from time to time. In such circumstances, the hourly rate of utilisation of your sick leave bank will be calculated in accordance with the following formula:
 - (b) The hourly rate of AGW pay (expressed in US Dollars) as determined at paragraph 8.11 above, multiplied by the number of hours scheduled to be worked on that/those day/s, divided by your hourly rate of flight pay as shown in Section 5 of the United/AFA Agreement as amended (the "incentive" rate shown on the 16th of the month payslip) equals the hours of sick bank used per day of AGW whilst sick.

Rights and Obligations during AGW

8.15 During the performance of AGW duties:

- (a) Your terms and conditions of employment will continue (unless you or United terminate your employment) and you will be treated in all respects as if you were performing active flight duties, both in terms of the benefits to which you are entitled and the obligations you owe United. The only exceptions to this are that:
 - (i) You are not entitled to receive your normal remuneration. Instead, you will receive AGW pay (see Section 8.7 above);
 - (ii) You will be released from any contractual requirements that are inconsistent with the performance of AGW duties, the most obvious being the requirement to perform flight duties.

9.0 Returning to Work

Qualifications and Conditions of Return from compulsory maternity leave:

You must comply with Company policy and the terms of the Agreement for your return to work. These qualifications and conditions of return are set out in the Medical Leave of Absence packet, which can be found in Skynet.

10.0 Elternzeit (Parental Leave under German Social Law) (classed as personal leave for CBA purposes)

10.1 If you intend to take parental leave, you will need to notify the Company in accordance with the following:

- (a) If parental leave is to commence immediately following the birth of the child after the maternity protection period, you must notify United at least six weeks, in other cases at least 8 weeks prior to the commencement, designating the period within three years of the birth of the child in which you will be taking parental leave. Where urgent reasons exist, a reasonable, shorter period shall also be possible in exceptional cases.
- (b) During parental leave, you may be entitled to childcare payments. Such payments are provided by the state. Please contact your local governmental office responsible for childcare payments for further details.

Returning to work

10.2 Qualifications and Conditions of return from Elternzeit (Parental leave under German Social Law)

You must comply with Company policy and the terms of the Agreement for your return to work. These qualifications and conditions of return are set out in the Personal Leave of Absence packet which can be found on Skynet.

11.0 Maternity Policy Grievance Process

11.1 It is hoped that this Maternity Policy can be applied to the satisfaction of United, AFA and the flight attendants to which it relates. However, it is recognized that from time to time disagreements may arise in relation to the interpretation and application of this Maternity Policy. United's policy is to encourage free communication between flight attendants and the company. The grievance process under the 2005-2010 Flight Attendant Agreement aims to ensure that questions and problems arising from the operation of the Maternity Policy can be aired and, where possible, resolved quickly and to the satisfaction of all concerned.

12.0 General

12.1 Before returning to work after your maternity leave, you must be certified by United's medical department as medically fit to return to active flight duties.

12.2 The Maternity Policy has been developed solely for the purpose of

assisting those employees, who are pregnant, have recently given birth or who are breastfeeding. Any attempt by you to act dishonestly or in bad faith in respect of any of the above policy will be dealt with in accordance with the United Onboard Services Disciplinary Procedures.

- 12.3 Where the terms of this Maternity Policy refer to any clauses in other agreements, such as the United/AFA Agreement, it shall include references to such agreements as amended from time to time.

Addendum: Calculation of AGW

FRASW ALTERNATIVE GROUND WORK CALCULATIONS

Name: Susan Smith EDD: 18 July 2007
 File #: 999777

Dates of Alternative Ground Work: 11 Dec. 2006 - 6 June 2007
 Payment Period: 11 Dec. 2006 - 30 Dec. 2006

Total Hours:	<u>45.54</u>	<u>77.33</u>	<u>85.67</u>
Paychecks Used:	<u>1</u>	<u>2</u>	<u>3</u>

Average: 69.85
(Add all figures above together and divide by three)

Gross Amounts from (ALL IN \$)	<u>\$1,952.25</u>	<u>\$2,993.58</u>	<u>\$3,146.98</u>
Paycheck:	<u>1</u>	<u>2</u>	<u>3</u>
Dates:	<u>August</u>	<u>September</u>	<u>October</u>

Average: \$2,697.59 per month
(Add all figures above together and divide by three)

Average: \$622.52 per week
(Take figure above X 12 divide by 52)

Average: \$207.51 per day
(Take figure above and divide by average working days per week, i.e. three or five)

Total Days committed to: _____

Total Days worked: _____

TOTAL GROSS SALARY IN \$: _____

Deductions:

German Tax: TBD _____

Social Tax: TBD _____

TOTAL NET SALARY: \$0.00

Deduction for Union Dues Yes

Vacation Hours to be paid 0

Sick Bank Hours to be paid 0

Compiled By: HR Representative

Checked By: Supervisor

Date: 30 December 2006