

**UAL Corporation  
United Airlines, Inc.**

November \_\_, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch:

Attached to this letter are the Letter of Agreement regarding the Economic Recovery Program and Exhibits A through G negotiated by and between the UAL Corporation ("UAL"), United Airlines, Inc. (the "Company") and the Association of Flight Attendants (the "Association" or "AFA") in complete and final form (collectively, the "Recovery Agreements").

I write to confirm our agreement that UAL, the Company and the Association will execute and implement the attached Recovery Agreements upon the satisfaction of each of the following business conditions to the Economic Recovery Program:

- the closing of a loan facility for the Company guaranteed in substantial part by the Air Transportation Stabilization Board on terms and in an amount reasonably acceptable to the Association and the Company; and
- participation in the Recovery Program by the Company's other labor groups on terms reasonably acceptable to the Association and the Company.

In the event these conditions are not satisfied on or before December 31, 2002, this letter will terminate and become null and void in its entirety, and neither the Company nor the Association will have any obligation to implement the Recovery Agreements in whole or in part.

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

Sincerely,

Glenn F. Tilton  
Chairman, President and Chief Executive Officer

Accepted and agreed to  
this \_\_\_\_ day of \_\_\_\_\_, 2002.

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Patricia A. Friend  
International President  
Association of Flight Attendants, AFL-CIO

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Gregory E. Davidowitch  
UAL-MEC President  
Association of Flight Attendants, AFL-CIO

**(Economic Recovery Program)**

LETTER OF AGREEMENT  
between  
UNITED AIR LINES, INC.  
and  
THE FLIGHT ATTENDANTS  
in the service of  
UNITED AIR LINES, INC.  
as represented by  
ASSOCIATION OF FLIGHT ATTENDANTS, AFL-CIO

THIS LETTER OF AGREEMENT 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 ASSOCIATION OF FLIGHT ATTENDANTS (hereinafter referred to as "AFA" or the "Association").

WHEREAS UAL, the Company and the Association have reached agreement concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"),

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

1. Effective Date. This Letter of Agreement will become effective on December 1, 2002 (the "Effective Date").\*
2. Contract Extension. The amendable date of the 1996 – 2001, 2001 – 2006 collective bargaining agreement between the Company and the Association (the "Flight Attendant Agreement") is hereby extended to May 15, 2008. Section 35.B. of the Flight Attendant Agreement is hereby amended to read in its entirety as follows:

This Agreement shall become effective December 1, 2002 and shall continue in full force and effect without modification until May 15, 2008, at which date this Agreement shall renew itself in its entirety without modification on May 15, 2008 and annually on each succeeding May 15<sup>th</sup> 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 party hereto at least sixty (60) days but not more than two hundred seventy (270) days prior to May 15, 2008 or May 15<sup>th</sup> of any year thereafter, upon written notice to either party hereto. By virtue of this Duration Clause there shall be a moratorium on

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\* The first day of the flight attendant pay month following the satisfaction of the business conditions stated in the letter between Glenn Tilton and Greg Davidowitch dated November \_\_\_\_, 2002.

conferences or negotiations to modify this Agreement under Section 6, Title I of the Railway Labor Act, as amended, or otherwise, until at the earliest two hundred seventy (270) days prior to May 15, 2008.

Effective as of the date of signing, all side letters remain unchanged.

3. Actual Hourly Pay Rates. The actual rates for hourly pay for domestic and international flying under Section 5.A.1. and 2. ("Actual Rates") are set forth in Exhibit A of this Letter of Agreement and shall apply for all purposes under the Flight Attendant Agreement except for the calculation of benefits described in paragraph 5 of this Letter of Agreement. Exhibit A1 includes the Additional Increase for Exceeding Threshold Plan.

The Section 5.B.1. and 5.P. and Section 12.C.7.i. and 1. premium increases scheduled for August 1, 2003 and August 1, 2004 are hereby deferred until May 15, 2008. The Section 5.Q. Lump Sum Payments scheduled for March 1, 2003 and March 1, 2005 and the Formula Adjustment Procedure for 2003 – 2006 are hereby cancelled. The two percent (2.0%) increase in Section 5.A.1. and 2. hourly rates for domestic and international flying scheduled for March 1, 2004 is hereby cancelled. The Section 5.K. Cost of Living Adjustment (COLA) shall be forgone from December 1, 2002 through November 30, 2004.

4. Book Hourly Pay Rates. The book rates for hourly pay for domestic and international flying under Section 5.A.1. and 2 ("Book Rates") are set forth in Exhibit B of this Letter of Agreement and shall only apply to the calculation of benefits described in paragraph 5 of this Letter of Agreement. The forgone Section 5.Q. Lump Sum Payments of the Flight Attendant Agreement shall apply to the calculation of benefits under the United Airlines Flight Attendant Defined Benefit Pension Plan. Such Lump Sum Payments shall be calculated based upon Book Rates set forth in Exhibit B.

5. Benefits. All benefits under (a) the United Airlines Flight Attendant Defined Benefit Pension Plan, (b) the flight attendant long-term disability income benefit under the United Airlines Employee Welfare Benefit Plan, and (c) all flight attendant group life insurance programs under the United Airlines Employee Welfare Benefit Plan shall be calculated and paid on the basis of Book Rates or Actual Rates, whichever is higher. For the same period, all other benefits under the AFA Agreement shall be calculated and paid on the basis of Actual Rates. The flight attendant contribution toward the premium for the long-term disability income benefit and group life insurance programs under the United Airlines Employee Welfare Benefit Plan shall be calculated on the basis of Book Rates or Actual Rates, whichever is higher.

6. Flight Attendant Equity. UAL and the Company shall provide the flight attendants represented by the Association as of the Effective Date the UAL stock options described in Exhibit C to this Letter of Agreement.

7. Contract Revisions. Sections 3.G., 7.A., 9.G.3, 9.G.4b. and 12.G. hereby amended as described in Exhibit D to this Letter of Agreement. The Association and the Company hereby adopt the Letters of Agreement on Section 5.H. and Section 6.B.5. attached in Exhibit D.

8. Deferral of Vacation "Me-Too". The modifications to flight attendant vacation accruals established pursuant to Section 18.B. which were triggered by the Company's change to the Series 15 vacation allowances, which are effective for vacation year 2003, will not be effective for flight attendants during vacation years 2003 through 2008.

9. Grievance Settlement. The parties hereby adopt the settlement attached as Exhibit E to this Letter of Agreement to settle the Avolar grievance.

10. Profit Sharing. The flight attendants shall participate in the UAL profit sharing program described in Exhibit F to this Letter of Agreement.

11. Letters of Agreement. The Association and the Company hereby adopt the Letters of Agreement regarding successorship transactions, consolidation protection, no discipline for wage garnishments, meetings to improve dispute resolution process, Section 1113/1114, trip trading with open flying, furlough alternatives, uniform jackets and Recovery Program meetings attached as Exhibit G to this Letter of Agreement. The Company has also provided the Association with the letter regarding Onboard Service policy clarifications attached in Exhibit G.

12. Shuttle Discussions. The Association and the Company shall discuss the creation of a shuttle or similar operation to compete against low cost competitors.

13. Duration. This Letter of Agreement shall become effective on the Effective Date and shall run concurrently with the Flight Attendant Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this LETTER OF AGREEMENT this \_\_\_\_ day of \_\_\_\_\_, 2002.

WITNESS:

FOR UNITED AIR LINES, INC.

\_\_\_\_\_  
Peter B. Kain  
Vice President – Labor Relations

FOR UAL CORPORATION

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Glenn F. Tilton

Chairman, President and Chief Executive  
Officer

WITNESS:

FOR THE ASSOCIATION OF FLIGHT  
ATTENDANTS, AFL-CIO

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Patricia A. Friend, International  
President

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Gregory E. Davidowitch, President  
AFA United Master Executive Council

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### Additional Increase for Exceeding Threshold Plan - Exhibit A1

If in calendar year 2005, Company performance exceeds the Recovery Plan Profit Sharing Annual Plan Threshold by between \$48 and \$95.9 million (after any payments required by this Plan), then on December 1, 2006 the Flight Attendants will be granted an additional 1% point increase to their December 1, 2006 actual base rate of pay. If Company performance exceeds the Recovery Plan Profit Sharing Annual Plan Threshold by \$96 million or more (after any payments required by this Plan), then on December 1, 2006 the Flight Attendants will be granted an additional 2% point increase to their December 1, 2006 actual base rate of pay.

If the full 2% point additional increase is granted for December 1, 2006, there will not be any further increase to the 2.08% increase scheduled for December 1, 2007. However, if the full 2% point additional increase has not been granted due to the Company's performance, then if in calendar year 2006 the Company performance exceeds the Recovery Plan Profit Sharing Annual Plan Threshold by between \$48 and \$95.9 million (after any payments required by this Plan), then on December 1, 2007 the Flight Attendants will be granted an additional 1% point increase to their scheduled December 1, 2007 increase. If Company performance exceeds the Recovery Plan Profit Sharing Annual Plan Threshold by \$96 million or more (after any payments required by this Plan), then on December 1, 2007 the Flight Attendants will be granted an additional 2% point increase to their scheduled December 1, 2007 increase. However, any potential increases in both 2006 or 2007 cannot exceed a total of 2% points. The various potential increases are as follows:

Scenario	Amount Above 2005 Company Annual Plan Threshold	Amount Above 2006 Company Annual Plan Threshold	December 1, 2006 Wage Increase	December 1, 2007 Wage Increase	May 15, 2008 Wage Increase
1	\$0-\$47.9 million	\$0-\$47.9 million	0.0%	2.08%	1.99%
2	\$0-\$47.9 million	\$48-\$95.9 million	0.0%	3.08%	1.99%
3	\$0-\$47.9 million	\$96 million or greater	0.0%	4.08%	1.99%
4	\$48-\$95.9 million	\$0-\$47.9 million	1.0%	2.08%	1.99%
5	\$48-\$95.9 million	\$48-\$95.9 million	1.0%	3.08%	1.99%
6	\$48-\$95.9 million	\$96 million or greater	1.0%	3.08%	1.99%
7	\$96 million or greater	\$0-\$47.9 million	2.0%	2.08%	1.99%
8	\$96 million or greater	\$48-\$95.9 million	2.0%	2.08%	1.99%
9	\$96 million or greater	\$96 million or greater	2.0%	2.08%	1.99%

## Actual Rates – Exhibit A

### AFA Wages Rates

#### Scenario #1

Recovery Plan			
	12/01/2002	12/01/2007	05/15/2008
Wage Change 1-5	-	-	-
Wage Change 6-14	(3.95%)	2.08%	1.99%

### Domestic Flying

#### Minimum Monthly Rate (65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	1,359	1,359	1,359	1,359
2nd Year	1,437	1,437	1,437	1,437
3rd Year	1,529	1,529	1,529	1,529
4th Year	1,572	1,572	1,572	1,572
5th Year	1,782	1,782	1,782	1,782
6th Year	2,344	2,252	2,298	2,344
7th Year	2,469	2,372	2,421	2,469
8th Year	2,530	2,430	2,481	2,530
9th Year	2,613	2,510	2,562	2,613
10th Year	2,696	2,590	2,644	2,696
11th Year	2,756	2,647	2,703	2,756
12th Year	2,820	2,709	2,766	2,820
13th Year	2,882	2,768	2,826	2,882
14th Year	2,926	2,811	2,869	2,926

### International Flying

#### Minimum Monthly Rate (65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	1,399	1,399	1,399	1,399
2nd Year	1,477	1,477	1,477	1,477
3rd Year	1,569	1,569	1,569	1,569
4th Year	1,612	1,612	1,612	1,612
5th Year	1,821	1,821	1,821	1,821
6th Year	2,608	2,505	2,557	2,608
7th Year	2,733	2,625	2,679	2,733
8th Year	2,789	2,679	2,735	2,789
9th Year	2,880	2,766	2,824	2,880
10th Year	2,936	2,820	2,879	2,936
11th Year	3,003	2,885	2,945	3,003
12th Year	3,076	2,955	3,017	3,076
13th Year	3,136	3,011	3,074	3,136
14th Year	3,177	3,051	3,115	3,177

#### Per Hour Rate (In Excess of 65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	20.91	20.91	20.91	20.91
2nd Year	22.10	22.10	22.10	22.10
3rd Year	23.52	23.52	23.52	23.52
4th Year	24.18	24.18	24.18	24.18
5th Year	27.41	27.41	27.41	27.41
6th Year	36.06	34.64	35.36	36.06
7th Year	37.99	36.49	37.25	37.99
8th Year	38.93	37.39	38.17	38.93
9th Year	40.20	38.61	39.41	40.20
10th Year	41.48	39.84	40.67	41.48
11th Year	42.40	40.73	41.58	42.40
12th Year	43.39	41.68	42.55	43.39
13th Year	44.34	42.59	43.48	44.34
14th Year	45.02	43.24	44.14	45.02

#### Per Hour Rate (In Excess of 65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	21.53	21.53	21.53	21.53
2nd Year	22.72	22.72	22.72	22.72
3rd Year	24.14	24.14	24.14	24.14
4th Year	24.80	24.80	24.80	24.80
5th Year	28.02	28.02	28.02	28.02
6th Year	40.12	38.54	39.34	40.12
7th Year	42.04	40.38	41.22	42.04
8th Year	42.90	41.21	42.07	42.90
9th Year	44.31	42.56	43.45	44.31
10th Year	45.17	43.39	44.29	45.17
11th Year	46.20	44.38	45.30	46.20
12th Year	47.33	45.46	46.41	47.33
13th Year	48.24	46.33	47.29	48.24
14th Year	48.87	46.94	47.92	48.87



# AFA Wages Rates

## Scenario #2

	Recovery Plan		
	12/01/2002	12/01/2007	05/15/2008
Wage Change 1-5	-	1.00%	-
Wage Change 6-14	(3.95%)	3.08%	1.99%

## Domestic Flying

### Minimum Monthly Rate (65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	1,359	1,359	1,373	1,373
2nd Year	1,437	1,437	1,451	1,451
3rd Year	1,529	1,529	1,544	1,544
4th Year	1,572	1,572	1,587	1,587
5th Year	1,782	1,782	1,799	1,799
6th Year	2,344	2,252	2,321	2,367
7th Year	2,469	2,372	2,445	2,493
8th Year	2,530	2,430	2,505	2,555
9th Year	2,613	2,510	2,587	2,638
10th Year	2,696	2,590	2,670	2,723
11th Year	2,756	2,647	2,729	2,783
12th Year	2,820	2,709	2,792	2,848
13th Year	2,882	2,768	2,854	2,910
14th Year	2,926	2,811	2,897	2,955

## International Flying

### Minimum Monthly Rate (65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	1,399	1,399	1,414	1,414
2nd Year	1,477	1,477	1,492	1,492
3rd Year	1,569	1,569	1,585	1,585
4th Year	1,612	1,612	1,628	1,628
5th Year	1,821	1,821	1,840	1,840
6th Year	2,608	2,505	2,582	2,634
7th Year	2,733	2,625	2,705	2,759
8th Year	2,789	2,679	2,761	2,816
9th Year	2,880	2,766	2,852	2,908
10th Year	2,936	2,820	2,907	2,965
11th Year	3,003	2,885	2,974	3,033
12th Year	3,076	2,955	3,046	3,106
13th Year	3,136	3,011	3,104	3,166
14th Year	3,177	3,051	3,145	3,208

### Per Hour Rate (In Excess of 65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	20.91	20.91	21.12	21.12
2nd Year	22.10	22.10	22.32	22.32
3rd Year	23.52	23.52	23.76	23.76
4th Year	24.18	24.18	24.42	24.42
5th Year	27.41	27.41	27.68	27.68
6th Year	36.06	34.64	35.71	36.42
7th Year	37.99	36.49	37.61	38.36
8th Year	38.93	37.39	38.54	39.31
9th Year	40.20	38.61	39.80	40.59
10th Year	41.48	39.84	41.07	41.89
11th Year	42.40	40.73	41.98	42.82
12th Year	43.39	41.68	42.96	43.81
13th Year	44.34	42.59	43.90	44.77
14th Year	45.02	43.24	44.57	45.46

### Per Hour Rate (In Excess of 65 Hours a Month)

04/01/2002 12/01/2002 12/01/2007 05/15/2008

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	21.53	21.53	21.75	21.75
2nd Year	22.72	22.72	22.95	22.95
3rd Year	24.14	24.14	24.38	24.38
4th Year	24.80	24.80	25.05	25.05
5th Year	28.02	28.02	28.30	28.30
6th Year	40.12	38.54	39.73	40.52
7th Year	42.04	40.38	41.62	42.45
8th Year	42.90	41.21	42.48	43.33
9th Year	44.31	42.56	43.87	44.74
10th Year	45.17	43.39	44.73	45.62
11th Year	46.20	44.38	45.75	46.66
12th Year	47.33	45.46	46.86	47.79
13th Year	48.24	46.33	47.76	48.71
14th Year	48.87	46.94	48.39	49.35

# AFA Wages Rates

## Scenario #3

Recovery Plan			
	12/01/2002	12/01/2007	05/15/2008
Wage Change 1-5	-	2.00%	-
Wage Change 6-14	(3.95%)	4.08%	1.99%

### Domestic Flying

#### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	1,359	1,359	1,386	1,386
2nd Year	1,437	1,437	1,465	1,465
3rd Year	1,529	1,529	1,559	1,559
4th Year	1,572	1,572	1,603	1,603
5th Year	1,782	1,782	1,817	1,817
6th Year	2,344	2,252	2,343	2,390
7th Year	2,469	2,372	2,469	2,518
8th Year	2,530	2,430	2,530	2,580
9th Year	2,613	2,510	2,612	2,664
10th Year	2,696	2,590	2,696	2,750
11th Year	2,756	2,647	2,755	2,810
12th Year	2,820	2,709	2,820	2,876
13th Year	2,882	2,768	2,881	2,939
14th Year	2,926	2,811	2,925	2,984

### International Flying

#### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	1,399	1,399	1,427	1,427
2nd Year	1,477	1,477	1,506	1,506
3rd Year	1,569	1,569	1,600	1,600
4th Year	1,612	1,612	1,645	1,645
5th Year	1,821	1,821	1,858	1,858
6th Year	2,608	2,505	2,607	2,659
7th Year	2,733	2,625	2,732	2,787
8th Year	2,789	2,679	2,788	2,843
9th Year	2,880	2,766	2,880	2,937
10th Year	2,936	2,820	2,935	2,994
11th Year	3,003	2,885	3,002	3,062
12th Year	3,076	2,955	3,075	3,136
13th Year	3,136	3,011	3,134	3,197
14th Year	3,177	3,051	3,176	3,239

#### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	20.91	20.91	21.33	21.33
2nd Year	22.10	22.10	22.54	22.54
3rd Year	23.52	23.52	23.99	23.99
4th Year	24.18	24.18	24.66	24.66
5th Year	27.41	27.41	27.96	27.96
6th Year	36.06	34.64	36.05	36.77
7th Year	37.99	36.49	37.98	38.74
8th Year	38.93	37.39	38.92	39.69
9th Year	40.20	38.61	40.19	40.99
10th Year	41.48	39.84	41.47	42.30
11th Year	42.40	40.73	42.39	43.23
12th Year	43.39	41.68	43.38	44.24
13th Year	44.34	42.59	44.33	45.21
14th Year	45.02	43.24	45.00	45.90

#### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2007	05/15/2008
1 st Year	21.53	21.53	21.96	21.96
2nd Year	22.72	22.72	23.17	23.17
3rd Year	24.14	24.14	24.62	24.62
4th Year	24.80	24.80	25.30	25.30
5th Year	28.02	28.02	28.58	28.58
6th Year	40.12	38.54	40.11	40.91
7th Year	42.04	40.38	42.03	42.87
8th Year	42.90	41.21	42.89	43.74
9th Year	44.31	42.56	44.30	45.18
10th Year	45.17	43.39	45.16	46.06
11th Year	46.20	44.38	46.19	47.11
12th Year	47.33	45.46	47.31	48.25
13th Year	48.24	46.33	48.22	49.18
14th Year	48.87	46.94	48.86	49.83

# AFA Wages Rates Scenario #4

Recovery Plan				
	12/01/2002	12/01/2006	12/01/2007	05/15/2008
Wage Change 1-5	-	1.00%	-	-
Wage Change 6-14	(3.95%)	1.00%	2.08%	1.99%

## Domestic Flying

### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	1,359	1,359	1,373	1,373	1,373
2nd Year	1,437	1,437	1,451	1,451	1,451
3rd Year	1,529	1,529	1,544	1,544	1,544
4th Year	1,572	1,572	1,587	1,587	1,587
5th Year	1,782	1,782	1,799	1,799	1,799
6th Year	2,344	2,252	2,274	2,322	2,368
7th Year	2,469	2,372	2,395	2,445	2,494
8th Year	2,530	2,430	2,454	2,506	2,556
9th Year	2,613	2,510	2,535	2,588	2,639
10th Year	2,696	2,590	2,616	2,670	2,724
11th Year	2,756	2,647	2,674	2,730	2,785
12th Year	2,820	2,709	2,737	2,794	2,850
13th Year	2,882	2,768	2,796	2,854	2,911
14th Year	2,926	2,811	2,839	2,898	2,956

### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	20.91	20.91	21.12	21.12	21.12
2nd Year	22.10	22.10	22.32	22.32	22.32
3rd Year	23.52	23.52	23.76	23.76	23.76
4th Year	24.18	24.18	24.42	24.42	24.42
5th Year	27.41	27.41	27.68	27.68	27.68
6th Year	36.06	34.64	34.99	35.72	36.43
7th Year	37.99	36.49	36.85	37.62	38.37
8th Year	38.93	37.39	37.76	38.55	39.32
9th Year	40.20	38.61	39.00	39.81	40.60
10th Year	41.48	39.84	40.24	41.08	41.90
11th Year	42.40	40.73	41.14	42.00	42.84
12th Year	43.39	41.68	42.10	42.98	43.84
13th Year	44.34	42.59	43.02	43.91	44.78
14th Year	45.02	43.24	43.67	44.58	45.47

## International Flying

### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	1,399	1,399	1,414	1,414	1,414
2nd Year	1,477	1,477	1,492	1,492	1,492
3rd Year	1,569	1,569	1,585	1,585	1,585
4th Year	1,612	1,612	1,628	1,628	1,628
5th Year	1,821	1,821	1,840	1,840	1,840
6th Year	2,608	2,505	2,530	2,583	2,634
7th Year	2,733	2,625	2,651	2,706	2,760
8th Year	2,789	2,679	2,705	2,762	2,817
9th Year	2,880	2,766	2,794	2,852	2,909
10th Year	2,936	2,820	2,848	2,907	2,965
11th Year	3,003	2,885	2,913	2,974	3,033
12th Year	3,076	2,955	2,984	3,046	3,106
13th Year	3,136	3,011	3,041	3,104	3,166
14th Year	3,177	3,051	3,082	3,146	3,208

### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	21.53	21.53	21.75	21.75	21.75
2nd Year	22.72	22.72	22.95	22.95	22.95
3rd Year	24.14	24.14	24.38	24.38	24.38
4th Year	24.80	24.80	25.05	25.05	25.05
5th Year	28.02	28.02	28.30	28.30	28.30
6th Year	40.12	38.54	38.93	39.74	40.53
7th Year	42.04	40.38	40.78	41.63	42.46
8th Year	42.90	41.21	41.62	42.49	43.34
9th Year	44.31	42.56	42.99	43.88	44.75
10th Year	45.17	43.39	43.82	44.73	45.62
11th Year	46.20	44.38	44.82	45.75	46.66
12th Year	47.33	45.46	45.91	46.86	47.79
13th Year	48.24	46.33	46.79	47.76	48.71
14th Year	48.87	46.94	47.41	48.40	49.36

# AFA Wages Rates

## Scenario #5 & #6

	Recovery Plan			
	12/01/2002	12/01/2006	12/01/2007	05/15/2008
Wage Change 1-5	-	1.00%	1.00%	-
Wage Change 6-14	(3.95%)	1.00%	3.08%	1.99%

### Domestic Flying

#### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	1,359	1,359	1,373	1,386	1,386
2nd Year	1,437	1,437	1,451	1,465	1,465
3rd Year	1,529	1,529	1,544	1,560	1,560
4th Year	1,572	1,572	1,587	1,603	1,603
5th Year	1,782	1,782	1,799	1,817	1,817
6th Year	2,344	2,252	2,274	2,345	2,391
7th Year	2,469	2,372	2,395	2,469	2,518
8th Year	2,530	2,430	2,454	2,530	2,580
9th Year	2,613	2,510	2,535	2,613	2,665
10th Year	2,696	2,590	2,616	2,696	2,750
11th Year	2,756	2,647	2,674	2,757	2,811
12th Year	2,820	2,709	2,737	2,821	2,877
13th Year	2,882	2,768	2,796	2,883	2,940
14th Year	2,926	2,811	2,839	2,926	2,985

#### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	20.91	20.91	21.12	21.33	21.33
2nd Year	22.10	22.10	22.32	22.54	22.54
3rd Year	23.52	23.52	23.76	24.00	24.00
4th Year	24.18	24.18	24.42	24.66	24.66
5th Year	27.41	27.41	27.68	27.96	27.96
6th Year	36.06	34.64	34.99	36.07	36.79
7th Year	37.99	36.49	36.85	37.98	38.74
8th Year	38.93	37.39	37.76	38.92	39.69
9th Year	40.20	38.61	39.00	40.20	41.00
10th Year	41.48	39.84	40.24	41.48	42.31
11th Year	42.40	40.73	41.14	42.41	43.25
12th Year	43.39	41.68	42.10	43.40	44.26
13th Year	44.34	42.59	43.02	44.35	45.23
14th Year	45.02	43.24	43.67	45.02	45.92

### International Flying

#### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	1,399	1,399	1,414	1,428	1,428
2nd Year	1,477	1,477	1,492	1,507	1,507
3rd Year	1,569	1,569	1,585	1,600	1,600
4th Year	1,612	1,612	1,628	1,645	1,645
5th Year	1,821	1,821	1,840	1,858	1,858
6th Year	2,608	2,505	2,530	2,608	2,660
7th Year	2,733	2,625	2,651	2,733	2,787
8th Year	2,789	2,679	2,705	2,789	2,844
9th Year	2,880	2,766	2,794	2,880	2,937
10th Year	2,936	2,820	2,848	2,936	2,995
11th Year	3,003	2,885	2,913	3,003	3,063
12th Year	3,076	2,955	2,984	3,076	3,137
13th Year	3,136	3,011	3,041	3,135	3,197
14th Year	3,177	3,051	3,082	3,177	3,240

#### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	21.53	21.53	21.75	21.97	21.97
2nd Year	22.72	22.72	22.95	23.18	23.18
3rd Year	24.14	24.14	24.38	24.62	24.62
4th Year	24.80	24.80	25.05	25.30	25.30
5th Year	28.02	28.02	28.30	28.58	28.58
6th Year	40.12	38.54	38.93	40.13	40.93
7th Year	42.04	40.38	40.78	42.04	42.88
8th Year	42.90	41.21	41.62	42.90	43.75
9th Year	44.31	42.56	42.99	44.31	45.19
10th Year	45.17	43.39	43.82	45.17	46.07
11th Year	46.20	44.38	44.82	46.20	47.12
12th Year	47.33	45.46	45.91	47.32	48.26
13th Year	48.24	46.33	46.79	48.23	49.19
14th Year	48.87	46.94	47.41	48.87	49.84

# AFA Wages Rates

## Scenario #7, #8, & #9

Recovery Plan				
	12/01/2002	12/01/2006	12/01/2007	05/15/2008
Wage Change 1-5	-	2.00%	-	-
Wage Change 6-14	(3.95%)	2.00%	2.08%	1.99%

### Domestic Flying

#### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	1,359	1,359	1,386	1,386	1,386
2nd Year	1,437	1,437	1,465	1,465	1,465
3rd Year	1,529	1,529	1,559	1,559	1,559
4th Year	1,572	1,572	1,603	1,603	1,603
5th Year	1,782	1,782	1,817	1,817	1,817
6th Year	2,344	2,252	2,296	2,344	2,391
7th Year	2,469	2,372	2,419	2,469	2,519
8th Year	2,530	2,430	2,479	2,530	2,581
9th Year	2,613	2,510	2,560	2,613	2,665
10th Year	2,696	2,590	2,642	2,697	2,751
11th Year	2,756	2,647	2,700	2,756	2,811
12th Year	2,820	2,709	2,763	2,820	2,876
13th Year	2,882	2,768	2,824	2,882	2,939
14th Year	2,926	2,811	2,867	2,926	2,985

#### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	20.91	20.91	21.33	21.33	21.33
2nd Year	22.10	22.10	22.54	22.54	22.54
3rd Year	23.52	23.52	23.99	23.99	23.99
4th Year	24.18	24.18	24.66	24.66	24.66
5th Year	27.41	27.41	27.96	27.96	27.96
6th Year	36.06	34.64	35.33	36.06	36.78
7th Year	37.99	36.49	37.22	37.99	38.75
8th Year	38.93	37.39	38.14	38.93	39.70
9th Year	40.20	38.61	39.38	40.20	41.00
10th Year	41.48	39.84	40.64	41.49	42.32
11th Year	42.40	40.73	41.54	42.40	43.24
12th Year	43.39	41.68	42.51	43.39	44.25
13th Year	44.34	42.59	43.44	44.34	45.22
14th Year	45.02	43.24	44.10	45.02	45.92

### International Flying

#### Minimum Monthly Rate (65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	1,399	1,399	1,427	1,427	1,427
2nd Year	1,477	1,477	1,506	1,506	1,506
3rd Year	1,569	1,569	1,600	1,600	1,600
4th Year	1,612	1,612	1,645	1,645	1,645
5th Year	1,821	1,821	1,858	1,858	1,858
6th Year	2,608	2,505	2,555	2,608	2,660
7th Year	2,733	2,625	2,677	2,733	2,788
8th Year	2,789	2,679	2,732	2,789	2,844
9th Year	2,880	2,766	2,822	2,880	2,937
10th Year	2,936	2,820	2,877	2,937	2,995
11th Year	3,003	2,885	2,943	3,004	3,063
12th Year	3,076	2,955	3,014	3,076	3,138
13th Year	3,136	3,011	3,072	3,136	3,198
14th Year	3,177	3,051	3,112	3,177	3,240

#### Per Hour Rate (In Excess of 65 Hours a Month)

	04/01/2002	12/01/2002	12/01/2006	12/01/2007	05/15/2008
1 st Year	21.53	21.53	21.96	21.96	21.96
2nd Year	22.72	22.72	23.17	23.17	23.17
3rd Year	24.14	24.14	24.62	24.62	24.62
4th Year	24.80	24.80	25.30	25.30	25.30
5th Year	28.02	28.02	28.58	28.58	28.58
6th Year	40.12	38.54	39.31	40.13	40.93
7th Year	42.04	40.38	41.19	42.05	42.89
8th Year	42.90	41.21	42.03	42.90	43.75
9th Year	44.31	42.56	43.41	44.31	45.19
10th Year	45.17	43.39	44.26	45.18	46.08
11th Year	46.20	44.38	45.27	46.21	47.13
12th Year	47.33	45.46	46.37	47.33	48.27
13th Year	48.24	46.33	47.26	48.24	49.20
14th Year	48.87	46.94	47.88	48.88	49.85

**Recovery Program Exhibit B  
Book Rates**

**Book Rates**

**Domestic Flying**

**Minimum Monthly Rate (65 Hours a Month)**

Year	03/01/2002	04/01/2002	03/01/2004
1 st Year	1,288	1,359	1,386
2nd Year	1,362	1,437	1,465
3rd Year	1,450	1,529	1,559
4th Year	1,490	1,572	1,603
5th Year	1,689	1,782	1,817
6th Year	2,222	2,344	2,391
7th Year	2,341	2,469	2,519
8th Year	2,399	2,530	2,581
9th Year	2,477	2,613	2,665
10th Year	2,556	2,696	2,750
11th Year	2,612	2,756	2,811
12th Year	2,673	2,820	2,877
13th Year	2,732	2,882	2,940
14th Year	2,774	2,926	2,985

**International Flying**

**Minimum Monthly Rate (65 Hours a Month)**

Year	03/01/2002	04/01/2002	03/01/2004
1 st Year	1,327	1,399	1,427
2nd Year	1,400	1,477	1,506
3rd Year	1,487	1,569	1,600
4th Year	1,528	1,612	1,645
5th Year	1,726	1,821	1,858
6th Year	2,472	2,608	2,660
7th Year	2,590	2,733	2,787
8th Year	2,644	2,789	2,844
9th Year	2,730	2,880	2,938
10th Year	2,783	2,936	2,995
11th Year	2,847	3,003	3,063
12th Year	2,917	3,076	3,138
13th Year	2,972	3,136	3,198
14th Year	3,011	3,177	3,240

**Per Hour Rate (In Excess of 65 Hours a Month)**

Year	03/01/2002	04/01/2002	03/01/2004
1 st Year	19.82	20.91	21.33
2nd Year	20.95	22.10	22.54
3rd Year	22.30	23.52	23.99
4th Year	22.92	24.18	24.66
5th Year	25.98	27.41	27.96
6th Year	34.18	36.06	36.78
7th Year	36.01	37.99	38.75
8th Year	36.90	38.93	39.71
9th Year	38.11	40.20	41.00
10th Year	39.32	41.48	42.31
11th Year	40.19	42.40	43.25
12th Year	41.13	43.39	44.26
13th Year	42.03	44.34	45.23
14th Year	42.68	45.02	45.92

**Per Hour Rate (In Excess of 65 Hours a Month)**

Year	03/01/2002	04/01/2002	03/01/2004
1 st Year	20.41	21.53	21.96
2nd Year	21.54	22.72	23.17
3rd Year	22.88	24.14	24.62
4th Year	23.51	24.80	25.30
5th Year	26.56	28.02	28.58
6th Year	38.03	40.12	40.92
7th Year	39.85	42.04	42.88
8th Year	40.67	42.90	43.76
9th Year	42.00	44.31	45.20
10th Year	42.82	45.17	46.07
11th Year	43.80	46.20	47.12
12th Year	44.87	47.33	48.28
13th Year	45.73	48.24	49.20
14th Year	46.33	48.87	49.85

## Recovery Program Exhibit C Stock Options Terms

<b>Issuer</b>	UAL Corporation (the “Issuer”).
<b>Issue</b>	Stock Options (the “Options”) to purchase Issuer common stock (the “Common Stock”).
<b> Holders</b>	United flight attendants represented by the Association as of the Effective Date of the Recovery Program.
<b>Number</b>	The Holders will receive Options to purchase ___%* of the fully diluted common equity of the Issuer following the issuance of the Options (i.e., the maximum number of common shares issuable upon the exercise, conversion or exchange of all securities exercisable, convertible or exchangeable for Common Stock as of the Effective Date, including the Options and all other outstanding stock options but excluding all outstanding management stock options with an exercise price in excess of \$20 per share of Common Stock). Upon exercise of each Option, the Holder thereof will receive one share of Common Stock.
<b>Exercise Price</b>	The exercise price for the Options will be equal to the average closing price of the Common Stock during the 30 consecutive trading days prior to [ratification by the Association] (it being understood that the parties wish to avoid variable plan accounting treatment for the Options). <i>[This language is under review to ensure common date for all groups.]</i>
<b>Grant Date</b>	The Effective Date of the Recovery Program.
<b>Expiration Date</b>	The tenth anniversary of the Effective Date.
<b>Allocation</b>	The allocation of Options will be determined by the Association, and the Association will provide the Company with an Option allocation statement (sufficient to identify Holders by name) by the Grant Date.
<b>Vesting</b>	One third of the Options will vest to the Holders on each of the Effective Date, the first anniversary of the Effective Date and the second anniversary of the Effective Date. Unvested Options will be forfeited upon separation of service. Any forfeited Options will be provided to flights attendants hired after the Effective Date under terms to be agreed upon by the Issuer and the Association in a manner that does not trigger variable plan accounting for the additional options so issued. Vested but unexercised Options will remain exercisable by the Holder through the Expiration Date notwithstanding separation of service; provided, however, that such Options may be exercised by a Holder’s estate or the

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\*Flight attendants’ share of the allocation of 30.0% (the percentage of employee options).

beneficiaries of the estate only during the two-year period immediately following the death of such Holder.

<b>Exercise</b>	The Options will be exercised through a “cashless brokered” exercise mechanism beginning no later than sixty (60) days following the Grant Date. The Issuer will bear the administrative costs of the “cashless brokered” exercise of the Options. All “in-the-money” Options that remain unexercised as of the day preceding the Expiration Date will be deemed exercised by the Holder through the “cashless brokered” mechanism and under an administrative procedure to be developed by the Association and the Issuer. The Issuer will withhold taxes as required by applicable law from the proceeds of exercised Options. Each Holder will be responsible for all Taxes incurred in connection with the exercise of such Holder’s Options.
<b>Anti-Dilution Protections</b>	The number of shares issuable upon the exercise of each Option will be adjusted, according to a formula acceptable to the Association in its sole discretion, upon (i) the payment of any stock dividend or any special or extraordinary dividend or distribution to the then-current holders of the Common Stock, (ii) any reclassification, subdivision or combination of Common Stock, (iii) any issuance of additional Common Stock or securities that are convertible into or exchangeable for less than fair market value or adequate consideration or (iv) any other customary dilution event.
<b>Registration</b>	Both the Options and the Common Stock underlying the Options will be fully registered on the Effective Date and the Common Stock underlying the Options will remain registered through and including the Expiration Date.
<b>Common Stock</b>	When delivered, the Common Stock issued upon the exercise of the Options will be fully paid, non-assessable and listed on a national stock exchange.
<b>Mergers and Business Combinations</b>	The Options will receive customary adjustments and protections, on terms satisfactory to the Association in its sole discretion, if the outstanding Common Stock is converted into, exchanged for or exercised for cash or the securities of a third party.
<b>Transfer</b>	The Options will be non-transferable other than to the estate and heirs of the Holder upon the death of the Holder.



**Recovery Program Exhibit D**  
**Contract Revisions and Adjustments During Recovery Program**

**1. Section 3.G. is hereby amended to read as follows:**

The Company shall honor all requests of the Union for release of flight attendants for Union business consistent with the needs of the service. AFA releases may be made up in accordance with the provisions of Section 9.I.4.d. and 12.Q.4.d. at any time in the two (2) subsequent schedule months. The RDO process, defined in Section 9.G.3., may also be used to make up AFA releases in the two (2) subsequent schedule months.

**2. Sections 7.A. and 12.G. are hereby amended to read as follows:**

**NEW – Section 7.A.9. and 12.G.9.**

Notwithstanding the provisions of subparagraphs 1, 4, 5 and 7 above, a flight attendant may at her/his option elect to project, by using the RDO process, to ninety-five (95) hours for the first month of the quarter, one hundred ninety (190) hours for the first two (2) months of the quarter and two hundred seventy (270) hours for the full quarter. Once the flight attendant elects this option, it will apply to the remainder of the quarter.

**Section 9.G.3. ID For Days Off**

A lineholder may trade IDs in their lines of flying with another lineholder for days off (RDO).

**3. Section 9.G.4.b. is hereby amended to read as follows:**

The daily allocation shall not be less than four percent (4%) of the active flight attendant population for each type of flying assigned to the domicile. A fractional number will be rounded up. If the needs of the service permits, Onboard Scheduling may allow the daily allocation to be exceeded.

(Same day trades - Book)

**Recovery Program Exhibit D**  
**Contract Revisions and Adjustments During Recovery Program**

**(Downtown Hotels)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

During the negotiations concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"), the parties agreed that notwithstanding the provisions of Section 6.B.5. of the Flight Attendant Agreement, the requirement for the Company to provide layover hotels in downtown or downtown-like locations will be changed from thirteen (13) to fourteen (14) hours.

This Letter of Agreement shall become effective on the Effective Date of the Economic Recovery Program Letter of Agreement and shall become null and void in its entirety on May 15, 2008.

Sincerely,

Peter B. Kain  
Vice President – Labor Relations

Accepted and agreed to  
this \_\_\_\_ day of \_\_\_\_\_, 2002.

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Patricia A. Friend  
International President  
Association of Flight Attendants, AFL-CIO

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Gregory E. Davidowitch  
UAL-MEC President  
Association of Flight Attendants, AFL-CIO

**Recovery Program Exhibit D**  
**Contract Revisions and Adjustments During Recovery Program**

**(Understaffing Pay)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

During the negotiations concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"), the parties agreed that notwithstanding the provisions of Section 5.H. of the Flight Attendant Agreement, should a flight be dispatched with less than the total number of flight attendants for the flight based on staffing guidelines, understaffing pay shall be based on the total number of flight attendants for the flight based on staffing guidelines, regardless of the flight attendants' cabin assignments. No flight attendant will be required to move from her/his bid position.

This Letter of Agreement shall become effective on the Effective Date of the Economic Recovery Program Letter of Agreement and shall become null and void in its entirety on May 15, 2008.

Sincerely,

Peter B. Kain  
Vice President – Labor Relations

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Patricia A. Friend  
International President  
Association of Flight Attendants, AFL-CIO

\_\_\_\_\_  
Gregory E. Davidowitch  
UAL-MEC President  
Association of Flight Attendants, AFL-CIO

**Recovery Program Exhibit E  
Grievance Settlement**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Re: Grievance MEC 7-02 AVOLAR

Dear Mr. Davidowitch:

As a result of discussions between the Company and the Association, the Parties have agreed to settle MEC 7-02 as follows:

1. The Company will provide the AFA \$13,350 as a result of the 369 block hours incurred by North American Jet cabin employees assigned to Avolar for the months of December 2001 through April 2002. The AFA will determine the distribution of such funds.
2. If, in the future the Company considers establishing another Avolar-type operation, the AFA will be notified early in the planning process. This will provide AFA the opportunity to identify issues applicable to the United/AFA Collective Bargaining Agreement. If any such issues are identified, the Company and the AFA will work together to attempt to resolve such issues prior to the time the Avolar-type operation conducts its first flight.
3. This Settlement Agreement is entered into on a non-precedent and non-prejudice basis and will not be referred to by either party in any future forum including, but not limited to grievance, arbitration, or litigation except to enforce the terms of this Settlement Agreement.

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

Sincerely,

H. Gerry Anderson  
Director Issues Resolutions

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

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Gregory E. Davidowitch  
AFA UAL MEC President  
Association of Flight Attendants

**Recovery Program Exhibit F  
Profit Sharing\***

<b>Program</b>	All U.S. payroll employees will participate in profit-sharing with respect to calendar years 2004 through 2008. Profit sharing for 2008 will be pro rated for the number of months in 2008 prior to the first full month of flight attendant earnings covered by pay rates under the new flight attendant collective bargaining agreement (excluding such months covered by any retroactive payments under the new collective bargaining agreement.)										
<b>Operating Profit</b>	Consolidated UAL earnings before interest and taxes as calculated under U.S. generally accepted accounting principles and reported in regulatory filings but excluding unusual, special or extraordinary charges										
<b>Annual Profit Sharing Pool</b>	The excess of (i) 15% of annual Operating Profit over (ii) the Annual Plan Threshold but in no event more than the Pool Cap.										
<b>Annual Plan Threshold</b>	The product of (i) net UAL revenues and (ii) the following percentages (which represent net operating profit margins):  <table><tr><td>2004</td><td>4.0%</td></tr><tr><td>2005</td><td>8.5%</td></tr><tr><td>2006</td><td>10.0%</td></tr><tr><td>2007</td><td>10.0%</td></tr><tr><td>2008</td><td>12.0%</td></tr></table>	2004	4.0%	2005	8.5%	2006	10.0%	2007	10.0%	2008	12.0%
2004	4.0%										
2005	8.5%										
2006	10.0%										
2007	10.0%										
2008	12.0%										
<b>Pool Cap</b>	6% of total cash compensation earned excluding non-compensation items such as imputed income, moving/relocation expenses, per diem, uniform expenses, awards, bonus incentive payments, profit sharing payments and other similar items.										
<b>Flight Attendants' Share</b>	(TBD)% of the Profit Sharing Pool*										
<b>Internal Allocation</b>	As determined by the Association										
<b>Payment</b>	May 1 <sup>st</sup> of the year following each program year.										

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\* Flight attendant share subject to further review upon completion of other labor group agreements.

**Benefits**

Profit sharing payments shall be applied to benefit calculations only. For the purposes of United Airlines Defined Benefit Pension Plan calculations, profit sharing payments will be credited in equal amounts to each month of participation (as defined in the United Airlines Defined Benefit Pension Plan ) credited to the participant in the year the profit sharing payment is paid.

**Dispute  
Resolution**

Company shall provide any information requested by the Association to audit calculation of the Profit Sharing Pool, the Pool cap or the Flight Attendants' share. Any dispute as to these calculations shall be resolved in accordance with Section 27 of the CBA, on an expedited basis.

**\*[Specifics of this Plan under review to ensure accuracy.]**

**Recovery Program Exhibit G  
Letters of Agreement**

**(Successorship Transactions)**

LETTER OF AGREEMENT  
between  
UNITED AIR LINES, INC.  
and  
THE FLIGHT ATTENDANTS  
in the service of  
UNITED AIR LINES, INC.  
as represented by  
ASSOCIATION OF FLIGHT ATTENDANTS, AFL-CIO

THIS LETTER OF AGREEMENT 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 ASSOCIATION OF FLIGHT ATTENDANTS (hereinafter referred to as "AFA" or the "Association").

WHEREAS UAL, the Company and the Association have reached agreement concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"),

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

**A. Successorship Transactions**

1. The Company and any Parent shall require any successor, assign, assignee, transferee, administrator, executor and/or trustee of the Company or of a Parent (a "Successor") resulting from the transfer (in a single transaction or in multi-step transactions) to the Successor of the ownership and/or control of 50% or more of the equity of the Company or Parent or 50% or more of the value of the assets of the Company (a "Successorship Transaction") to employ or cause the Company to continue to employ the employees represented by the Association in accordance with the provisions of the Agreement and to assume and be bound by the Agreement. "Parent" refers to UAL Corp ("UAL") or any entity that has a majority control of the Company, whether directly or indirectly through the majority control of other entities that have majority control of the Company.
2. In order for a Successor to be required to employ or cause the Company to employ any of the employees covered by the Agreement in accordance with the provisions of the Agreement at any air carrier other than the



Company, the Successor must be engaged in the operation of an air carrier.

3. A Successor shall not include an entity that is (a) an IRS-qualified employee benefit plan of the Company or a Parent or a trustee or other fiduciary of such plan acting in its capacity as such, provided that the plan is one in which, pursuant to an Agreement with the Association, employees covered under the Agreement or other Association represented employees who meet the general service requirements applicable to all participants are entitled to participate; or (b) any similar plan or arrangement, pursuant to an Agreement with the Association, involving broad based participation by employees covered under the Agreement or other AFA represented employees. If stock in the plan, which is required to be voted in accordance with directions of the participants, is tendered to and purchased by an entity outside the plan (other than a plan that satisfies the foregoing sentence), such stock shall be deemed to be no longer owned by the plan for purposes of this exemption.
- B. The Company and its Parent shall not conclude any agreement for a Successorship Transaction unless the Successor agrees in writing, as an irrevocable condition of the Successorship Transaction, to assume and be bound by the Agreement, to recognize the Association as the representative of the Successor's employees, and to guarantee that the employees represented by the Association under the Agreement will be employed by the Successor in accordance with the provisions of the Agreement.
  - C. In the event of a Successorship Transaction in which the Successor is an air carrier or entity that controls or is under the control of an air carrier, the Successor shall provide employees represented by the Association under the Agreement immediately prior to the transaction with seniority integration rights provided in Section 2, 3 and 13 of the Labor Protective Provisions specified by the Civil Aeronautics Board in the Allegheny-Mohawk merger ("Allegheny-Mohawk LPPs"), except that the integration of the seniority lists of the respective flight attendant groups shall be governed by the Association's Merger Policy if both pre-transaction flight attendant groups are represented by the Association.
  - D. A grievance filed by AFA alleging a violation of this letter shall, at the request of either party, bypass the initial steps of the grievance process and shall be submitted and heard on an expedited basis directly before the System Board of Adjustment sitting with a neutral arbitrator. The dispute shall be heard by the System Board no later than thirty (30) days following the submission to the System Board and decided no later than thirty (30) days after such hearing, unless the parties agree otherwise in writing.

This Letter of Agreement shall become effective on December 1, 2002 and shall run concurrently with the Flight Attendant Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this LETTER OF AGREEMENT this \_\_\_\_ day of \_\_\_\_\_, 2002.

WITNESS:

FOR UNITED AIR LINES, INC.

\_\_\_\_\_

\_\_\_\_\_  
Peter B. Kain  
Vice President – Labor Relations

\_\_\_\_\_

FOR UAL CORPORATION

\_\_\_\_\_

\_\_\_\_\_  
Glenn F. Tilton  
Chairman, President and Chief Executive  
Officer

WITNESS:

FOR THE ASSOCIATION OF FLIGHT  
ATTENDANTS, AFL-CIO

\_\_\_\_\_

\_\_\_\_\_  
Patricia A. Friend, International  
President

\_\_\_\_\_

\_\_\_\_\_  
Gregory E. Davidowitch, President  
AFA United Master Executive Council

\_\_\_\_\_

**Recovery Program Exhibit G  
Letters of Agreement**

**(Consolidation Protection)**

LETTER OF AGREEMENT

between

UNITED AIR LINES, INC.

and

THE FLIGHT ATTENDANTS

in the service of

UNITED AIR LINES, INC.

as represented by

ASSOCIATION OF FLIGHT ATTENDANTS, AFL-CIO

THIS LETTER OF AGREEMENT 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 ASSOCIATION OF FLIGHT ATTENDANTS (hereinafter referred to as "AFA" or the "Association").

WHEREAS UAL, the Company and the Association have reached agreement concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"),

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

1. Purchase of Assets. Neither UAL nor the Company shall hire, employ or agree to hire or employ flight attendants from another air carrier in a purchase of assets unless:
  - a. the Company and the Association have reached agreement on a framework governing the recall of all furloughed United flight attendants; and
  - b. the Company's obligation to employ such flight attendants is limited to the minimum number of flight attendants necessary to operate the assets acquired by the Company under the Flight Attendant Agreement.
  
2. Dispute Resolution. A grievance filed by AFA alleging a violation of this letter shall, at the request of either party, bypass the initial steps of the grievance process and shall be submitted and heard on an expedited basis directly before the System Board of Adjustment sitting with a neutral arbitrator. The dispute shall be heard by the System Board no later than thirty (30) days following the submission to the System Board and decided no later than thirty (30) days after such hearing, unless the parties agree otherwise in writing.

3. Duration. This Letter of Agreement shall become effective upon its execution and shall become null and void in its entirety on March 1, 2009 without regard to whether the parties are then engaged in collective bargaining under the Railway Labor Act. The Association hereby waives any claim that the covenants of UAL or the Company set forth in this Letter of Agreement remain in effect on or after March 1, 2009 pursuant to the status quo provisions of the Railway Labor Act or otherwise.

IN WITNESS WHEREOF, the parties hereto have signed this LETTER OF AGREEMENT this \_\_\_\_ day of \_\_\_\_\_, 2002.

WITNESS:

FOR UNITED AIR LINES, INC.

\_\_\_\_\_

\_\_\_\_\_  
Peter B. Kain  
Vice President – Labor Relations

\_\_\_\_\_

FOR UAL CORPORATION

\_\_\_\_\_

\_\_\_\_\_  
Glenn F. Tilton  
Chairman, President and Chief Executive Officer

WITNESS:

FOR THE ASSOCIATION OF FLIGHT ATTENDANTS, AFL-CIO

\_\_\_\_\_

\_\_\_\_\_  
Patricia A. Friend, International President

\_\_\_\_\_

\_\_\_\_\_  
Gregory E. Davidowitch, President  
AFA United Master Executive Council

\_\_\_\_\_

**Recovery Program Exhibit G  
Letters of Agreement**

**(No Discipline for Wage Garnishment)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Re: Wage garnishments

Dear Mr. Davidowitch:

As a result of discussions between the Company and the Association leading to the Economic Recovery Program Letter of Agreement dated November \_\_, 2002, the Parties have agreed that the Company will not issue discipline to flight attendants based on the Company's receipt of a wage garnishment(s) unless the flight attendant has repeatedly and after notice from the Company failed to take appropriate corrective action.

This Letter shall be effective upon signing and shall run concurrently with the Flight Attendant Agreement.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

**Recovery Program Exhibit G**  
**Letters of Agreement**

**(Meetings to Improve Dispute Resolution Process)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

During the negotiations concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"), the parties expressed their mutual desire to improve the process for resolving disputes. The parties have been engaged in discussions under the facilitation of Mediator Stephen Goldberg to find solutions to our concerns.

1. The Company and the Union confirm our commitment to continue our meetings with Mr. Goldberg to further explore ways to resolve the issues to our mutual satisfaction. Such meetings will resume within forty-five (45) days following the effective date of the Recovery Program, and the process shall be completed within ninety (90) days following the effective date of the Recovery Program.
2. During the interim period, while the Company and Union engage in the process described in paragraph 1, AFA will continue to propose the schedule for hearings before the System Board of Adjustment (discipline and contract cases). If a case cannot be heard per AFA's proposed schedule due to unavailability of Company witnesses, the case will be rescheduled and heard at the next available scheduled System Board hearing date, provided both Company and Union witnesses are available.
3. The Parties will give due consideration to the recommendations of Mediator Goldberg and implement such recommendations as are mutually agreed upon at the completion of the ninety (90) day process described above.

Sincerely,

Frank R. Colosi  
Director Labor Relations  
Onboard Service

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

---

Gregory E. Davidowitch  
AFA UAL MEC President  
Association of Flight Attendants

**Recovery Program Exhibit G**  
**Letters of Agreement**

**(Section 1113/1114 Bankruptcy Protection)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch:

I write to confirm the following agreement between United Airlines, Inc. (the "Company") and the Association of Flight Attendants (the "Association" or "AFA") in connection with the execution and implementation of Letter of Agreement dated [ ] regarding the Economic Recovery Program ("Recovery Program Letter of Agreement"):

The modifications to the flight attendant collective bargaining agreement contained in the Recovery Program Letter of Agreement have been negotiated in good faith by the Company and the Association on the basis of all currently known information and with the intent and goal of avoiding reorganization under Chapter 11 of the Bankruptcy Code through, among other things, (i) the closing of a loan facility guaranteed in substantial part by the Air Transportation Stabilization Board (the "ATSB Loan") on terms and in an amount reasonably satisfactory to the Association and the Company and (ii) labor cost savings provided by all of the Company's labor groups on terms reasonably acceptable to the Association and the Company. The commitments in this letter shall not become effective except upon the funding of the ATSB loan.

If the Company or UAL Corporation nonetheless files a petition for reorganization under Chapter 11, neither the Company nor UAL will file or support any motion or proceeding under any provision of 11 U.S.C. §§1113 or 1114 with respect to the flight attendant collective bargaining agreement during the period between December 1, 2002 and November 30, 2003.

Notwithstanding the commitment contained in the foregoing paragraph, in the event the Company's operating cash flow substantially and adversely deviates from the Company's October 2002 ATSB business plan for a ninety (90) day period, and such deviation presents a threat to the Company's future liquidity, the Company will provide the Association with notice and a full opportunity to discuss possible remedies to the cash flow shortfall. If discussions between the Company and the



Association do not produce a mutually acceptable resolution of the liquidity threat within sixty (60) days of such notice, the commitment contained in the preceding paragraph will become null and void in its entirety, and there shall be no restrictions on the Company's ability to seek relief under 11 U.S.C. §§1113 or 1114. In the event of a war in Iraq or a sudden, unforeseen event that substantially disrupts air travel (e.g., an act of God, act or threat of terrorism, etc.), the commitment contained in the preceding paragraph will become null and void in its entirety, and there shall be no restrictions on the Company's ability to seek relief under 11 U.S.C. §§1113 or 1114.

This letter will have no force or effect, and neither this letter nor any discussions concerning this letter will be cited or referred to in any proceeding, unless the Recovery Program Letter of Agreement is executed and implemented in full upon the satisfaction of the conditions described in the letter between Glenn Tilton and Gregory Davidowitch dated \_\_\_\_\_, 2002.

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

Sincerely,

Peter B. Kain  
Vice President  
Labor Relations

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Patricia A. Friend  
International President  
Association of Flight Attendants, AFL-CIO

\_\_\_\_\_  
Gregory E. Davidowitch  
UAL-MEC President  
Association of Flight Attendants, AFL-CIO

**Recovery Program Exhibit G**  
**Letters of Agreement**

**(Trip Trading With Open Flying)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

During the negotiations concerning flight attendant participation in an economic recovery program for United (the "Recovery Program"), the Company and the Union discussed their mutual goal of expanding trip trade allocations with open flying on cost neutral terms. The parties have committed to meet and explore the conditions necessary to expand daily trip trade with open flying allocations. The meetings will address our mutual desire for increased flexibility for flight attendants while ensuring the Company's requirement for operational integrity. Our mutual goal will be to eliminate trip trade with open flying allocations.

This letter will confirm that within sixty (60) days following the effective date of the Recovery Program, the parties will meet to begin the discussions on trip trading with open flying.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Gregory E. Davidowitch  
AFA UAL MEC President  
Association of Flight Attendants

**Recovery Program Exhibit G  
Letters of Agreement**

**(Furlough Alternative)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

During the course of the negotiations over the flight attendants' participation in the Company's Recovery Program, the Company and the Union agreed in principal to pursue a cost-neutral early retirement option for flight attendants. Such discussions will commence as soon as practical upon completion of negotiations.

Sincerely,

Peter B. Kain  
Vice President  
Labor Relations

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002.

\_\_\_\_\_  
Gregory E. Davidowitch  
AFA UAL-MEC President  
Association of Flight Attendants

**Recovery Program Exhibit G  
Letters of Agreement**

**(Uniform Jackets)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

This letter will confirm that, during the course of the negotiations over the Flight Attendants' participation in the Company's Recovery Program, the Company and the Union discussed the Flight Attendant uniform. Within ninety (90) days from date of signing of the Recovery Program Letter of Agreement, the Company and the Association will meet to determine a cost neutral method of phasing in a uniform jacket with stripes on the cuff of the sleeve through the normal replacement process in accordance with Section 16.D of the Flight Attendant Agreement.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

**Recovery Program Exhibit G  
Letters of Agreement**

**(Recovery Program Meetings)**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

This letter will confirm that, during the course of the negotiations over the Flight Attendants' participation in the Company's Recovery Program, the Company and the Union agreed to meet and confer twice yearly during the recovery period to review the Company's operational and financial performance under the Recovery Program. These meetings will be an opportunity to discuss the impact of the Recovery Program on the Company's recovery.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

**Recovery Program Exhibit G**  
**Letters of Agreement**

December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch,

During the course of the negotiations over the flight attendants' participation in the Company's Recovery Program, the Company and the Union discussed the Company's policies regarding flight attendant dependability infractions. Please be advised that I have distributed to Onboard Service management personnel the following clarifications and guidelines to the Company's Prudent Commuter Policy and the Personal Emergency Policy.

The Personal Emergency Policy will be communicated to flight attendants system-wide.

Sincerely,

Larry D. De Shon  
Senior Vice President  
Onboard Service

## **To Onboard Service Management Personnel**

### Prudent Commuter Policy Clarification

This letter provides clarification to the Prudent Commuter Sideletter in the AFA Agreement as follows:

Flight Attendants who encounter unexpected circumstances or conditions that cause them to miss a schedule obligation should immediately advise Onboard Scheduling. The flight attendant will then be contacted by a supervisor who will evaluate the situation based on:

1. The steps the flight attendant took to ensure schedule integrity.
2. How much control the flight attendant had over the circumstances or conditions.
3. Whether circumstances or conditions were unusual and extraordinary versus predictable situations.
4. How and when Onboard Scheduling was advised.

## To Onboard Service Management Personnel

### Personal Emergency Absences Policy Guidelines

A personal emergency is an unplanned event, which is impossible to anticipate and would reasonably prevent an employee from reporting to work. When discussing or investigating personal emergency absences to determine if they should be excused, the following should be considered:

- How much control did the flight attendant have over the circumstances which gave rise to the absence?
- Was the absence appropriate to the situation? (i.e., would you or any reasonable person have missed work under the same circumstances?)
- Could the flight attendant have made advance arrangements to avoid the absence? (e.g., back-up child care, schedule trade, ANP/PTO/DAT; alternative transportation, etc.)
- Is it likely that such absences will continue as a result of the flight attendant's personal situation? Would a leave of absence and/or a referral to EAP be appropriate?

If the absence has been determined to be an excused personal emergency:

- The absence and the reason for it are recorded in the flight attendant's Work History.
- The incident and any reference to it is not included in future counseling, initial discussions or any discipline.
- Emergency time off due to death in the immediate family (Section 4T of the Agreement and Series 15.7.5) is excused and without loss of pay for up to three consecutive days. Such absences are not included in counseling, initial discussions or discipline for dependability.



December 1, 2002

Mr. Gregory E. Davidowitch, President  
UAL/AFA Master Executive Council  
Association of Flight Attendants  
6400 Shafer Court, Suite 250  
Rosemont, IL 60018

Dear Mr. Davidowitch:

I write to confirm the following agreement among the Association of Flight Attendants (the "Association"), the United AFA Master Executive Council (the "MEC") and United Air Lines, Inc. (the "Company"), concerning the Company's reimbursement of the Association and MEC's legitimate, legally reimbursable collective bargaining related expenses arising from and in connection with the agreement concerning flight attendant participation in the Economic Recovery Program.

1. Reimbursable Fees and Expenses

The Company will reimburse the Association for the reasonable fees and out-of-pocket expenses including reasonable fees and expenses of outside legal and financial advisors ("Reimbursable Fees and Expenses") incurred by the Association in connection with the review, design, negotiation, approval and ratification of (i) the Economic Recovery Program. This shall also include any additional Reimbursable Fees and Expenses incurred by the Association in the sixty days following the effective date of the Economic Recovery Program ("Recovery Program Effective Date") in order to implement either the Economic Recovery Program.

- a. All such Reimbursable Fees and Expenses will be calculated based upon normal hourly rates for actual time expended.
- b. The MEC will provide the Company with sufficient documentation to ensure an accurate accounting of all expenses.
- c. The Company may advise the Association in writing at any time that no further work on the Economic Recovery Program is necessary. In such case, Reimbursable Fees and Expenses associated with the Recovery Program that are incurred by the Association after that date will not be reimbursed by the Company.

2. Flight Pay Loss

The Company will not bill the Association for flight pay loss incurred by Company flight attendants who serve on the Association's Committees who are preparing for and participating in negotiations with the Company and at the Company's behest regarding the Recovery Program.

- a. The MEC will advise the Company in writing of each flight attendant involved in such activity and the specific trip(s) dropped for work on the Recovery Program.
- b. In the event that a special meeting of the MEC is necessary to address issues associated with the Recovery Program, the Company will reimburse the Association for all flight pay loss and reasonable, actual expenses incurred by it which are reasonably related to the time allocated to the Recovery Program at the meeting.

3. Aggregate Reimbursable Fees and Expenses and Flight Pay Loss

The Company's obligation to pay Reimbursable Fees and Expenses and Flight Pay Loss pursuant to paragraph 1 of this Letter of Agreement shall be limited to *(to be discussed)* in the aggregate.

It is recognized that this Agreement represents special collective bargaining circumstances created by the Company's desire to negotiate modifications to the Flight Attendant Agreement to achieve the necessary flight attendant participation in the Recovery Program. If this accurately reflects our understanding, please sign and return two (2) copies for our files.

Sincerely,

Peter B. Kain  
Vice President  
Labor Relations

Accepted and agreed to  
this \_\_\_ day of \_\_\_\_\_, 2002

\_\_\_\_\_  
Patricia A. Friend  
International President  
Association of Flight Attendants, AFL-CIO

\_\_\_\_\_  
Gregory E. Davidowitch  
UAL-MEC President  
Association of Flight Attendants, AFL-CIO