

# Required Steps under Section 1113 To Change Our Labor Agreement

1. United makes a Contract proposal to the Union which contains changes that it believes are necessary to the reorganization of the company and are fair and equitable to all other affected parties.
2. The Debtor (company) must negotiate in good faith with AFA, in an attempt to reach an Agreement on the proposed changes.
3. If an Agreement is reached between United and AFA, the Membership must vote to ratify the Tentative Agreement.
4. If the changes are ratified, they would go into effect immediately.
5. If no Agreement is reached or a tentative Agreement is not ratified, United can file an application under Section 1113 to reject our Contract. In order for a court to grant a Section 1113 application, United must show the following:
  - The changes are necessary to the reorganization of the airline
  - The changes are fair and equitable to all parties
  - The company provided the Union with all relevant information necessary to evaluate the proposal
  - The Union rejected the Contract proposal without good cause and
  - The balance of the equities clearly favors rejection of the Contract.
6. Within fourteen days of the filing of the application the court must schedule a hearing and within thirty days of the hearing the court must issue whether to approve or deny the application to reject the Collective Bargaining Agreement.