

Early Out Letter of Agreement

LETTER OF AGREEMENT BETWEEN UNITED AIR LINES, INC

AND

THE FLIGHT ATTENDANTS

IN THE SERVICE OF

**UNITED AIR LINES, INC.
AS REPRESENTED BY
THE ASSOCIATION OF FLIGHT ATTENDANTS – CWA**

THIS LETTER OF AGREEMENT is made and entered into in accordance with the Railway Labor Act by and between UNITED AIR LINES, INC. (hereinafter referred to as “s-UA” or the “Company”) and the ASSOCIATION OF FLIGHT ATTENDANTS – CWA, AFL-CIO (hereinafter referred to as “AFA” or the “Union”).

S-UA shall offer eligible Flight Attendants a one-time opportunity to separate voluntarily from the Company with a severance payment and retiree pass travel benefits (hereinafter referred to as the “Early Out Program” or “Early Out Package(s)”) as set forth below:

1. Eligibility: Flight Attendants who satisfy the following conditions: a) are on active s-UA payroll, including voluntary furlough, or on approved leaves of absences, at the time of their bids, b) as of August 31, 2012, will have at least 15 years of service to the Company as a Flight Attendant, and c) have not applied for or been awarded a cross-over or redeployment transfer to the Continental subsidiary. The Company in its sole discretion shall determine the number of Early Out Packages to award. If there are more eligible bidders than Early Out Packages to award, Early Out Packages shall be awarded to the senior eligible bidders, based on system seniority.
2. Severance Payment: Within 30 days of their separation of employment, Flight Attendants awarded Early Out Packages shall be paid a lump sum severance payment of twenty-four hundred dollars (\$2,400) per full year of service to the Company as a Flight Attendant, up to a maximum of sixty thousand dollars (\$60,000). All payments will be subject to applicable taxation and withholding.
3. Pass Travel: A Flight Attendant who is awarded an Early Out Package and who, on the date of her/his separation from employment, is eligible to retire with retiree pleasure travel privileges under the policies in effect at the time for United employees, shall be entitled to such retiree pleasure

travel privileges as part of the Early Out package on the same terms and subject to the same conditions, present and future, as retirees.

A Flight Attendant who is awarded an Early Out Package and who, on the date of her/his separation from employment, is not eligible to retire with retiree pleasure travel privileges, shall be entitled to alternative NRSA pleasure travel ("Early Out Passes") at boarding priority BP8C (or its future equivalent), without vacation passes, for a maximum of 15 years. If during this 15 year period the Flight Attendant "ages" into eligibility for retiree pleasure travel privileges under the policies in effect at the time for United employees, her/his Early Out Passes convert to retiree pleasure travel privileges on the same terms and subject to the same conditions, present and future, as retirees. If 15 years expire without the Flight Attendant aging into eligibility for retiree pleasure travel privileges, her/his Early Out Passes cease at the expiration of the 15-year period, and the Flight Attendant is ineligible for retiree pleasure travel privileges.

A Flight Attendant is not eligible for both Early Out Passes and the "20-Year Passes" pursuant to the Resignation -- Special Pass Benefit Letter of Agreement (page 331 of the 2005-2010 sUA/AFA Flight Attendant Agreement).

4. COBRA Subsidy: A Flight Attendant who is awarded an Early Out Package and who is not eligible for retiree medical, shall have the option to elect COBRA continued medical coverage for up to 18 months, with the first three months subsidized at the Flight Attendant's active co-worker rate. The Flight Attendant's cost for the final 15 months shall be the full COBRA rate.
5. Separation from Employment: Flight Attendants awarded Early Out Packages shall terminate their employment with s-UA effective August 31, 2012 (i.e., last day of employment shall be August 30, 2012).
6. Bid Process: Participation in the Early Out Program is voluntary. The Company will establish the details of the bid process, including the bidding deadline and award date, after discussions with the Union.
7. Forfeiture for Conduct: If an eligible Flight Attendant is awarded an Early Out Package, but before August 31, 2012, is charged with conduct that could lead to discharge, the Flight Attendant's Early Out Package shall be held in abeyance pending a hearing pursuant to Section 26.A. of the s-UA/AFA Flight Attendant Agreement, which shall be conducted as soon as practicable. If the outcome of the hearing is anything other than termination of employment, the Flight Attendant retains the Early Out Package. If the outcome of the hearing is termination of employment, the Flight Attendant forfeits the Early Out Package. In a case of termination, if

the System Board of Adjustment orders reinstatement, the Flight Attendant shall have the option of taking the Early Out Package in lieu of reinstatement.

8. No Implied Changes to Flight Attendant Agreement: This Letter of Agreement does not modify the s-UA/AFA Flight Attendant Agreement except as specifically provided herein.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this _____ of January 2012.

FOR UNITED AIR LINES, INC.

**FOR THE FLIGHT ATTENDANTS
IN THE SERVICE OF UNITED
AIR LINES, INC.**

Sam Risoli
Senior Vice President --
Inflight Services

Gregory E. Davidowitch, President
United Master Executive Council
Association of Flight Attendants -- CWA,
AFL-CIO