

UAL Corporation and United Air Lines, Inc.

Captain Paul Whiteford, Chairman
UAL-MEC
Air Line Pilots Association, International
Suite 700
6400 Shafer Court
Rosemont, IL 60018

Dear Captain Whiteford:

Attached hereto are the following documents negotiated by and between UAL Corporation ("UAL"), United Air Lines, Inc. (the "Company") and the Air Line Pilots Association, International ("ALPA") (collectively referred to as the "Restructuring Agreement"):

Term Sheet setting forth the elements of the Restructuring Agreement, together with Attachments A through L, inclusive, further detailing the agreements reached.

I write to confirm that UAL, the Company and the Association will reduce these agreements to contractual language and implement them as of the effective date (May 1, 2003) following satisfaction of the following conditions:

- ☐ Acceptance by the ALPA UAL-MEC;
- ☐ Approval of the UAL Board of Directors Labor Committee;
- ☐ Ratification by the ALPA United Airlines membership;
- ☐ Execution by Captain Duane Woerth, President of ALPA;
- ☐ Approval of the Bankruptcy Court; and
- ☐ Withdrawal of the Company's motion for rejection of the pilot collective bargaining agreement.

In the event these conditions are not all satisfied by April 30, 2003, this letter will terminate and will become null and void in its entirety, and none of UAL, the Company or the Association will have any obligation to implement the Restructuring Agreement 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
UAL Corporation and United Air Lines, Inc.

Accepted and agreed to this ___ day
of March, 2003:

ALPA - UAL Restructuring Agreement
March 26, 2003

Captain Paul Whiteford, Chairman
UAL-MEC
Air Line Pilots Association, International

ALPA/UAL Restructuring Agreement

UAL Corp., United Air Lines, Inc. and the Air Line Pilots Association, International will enter into a Restructuring Agreement ("Restructuring Agreement") to enable the successful reorganization, restructuring and transformation of United and UAL and upon the following terms and conditions. Unless otherwise stated, all terms of the 2000 Collective Bargaining Agreement between the parties ("Agreement") remain in full force and effect, provided the 2000 Agreement will be modified as necessary to enable and to reflect the terms of this Restructuring Agreement together with its Attachments A through L, inclusive, further detailing the agreements reached. This Restructuring Agreement supersedes the Interim Relief Letter of Agreement, which remains in effect until the effective date of this Restructuring Agreement.

Duration	Effective date of May 1, 2003; amendable date of May 1, 2009.
Duration Clause	Revise the duration clause to provide: "This Agreement shall become effective May 1, 2003, shall continue in full force and effect until May 1, 2009 and shall thereafter renew itself yearly without change unless written notice of intended change is served in accordance with Title I, Section 6 of the Railway Labor Act, by either party at least thirty (30) but not more than two hundred and seventy (270) days prior to May 1, 2009 or May 1 of any year thereafter upon written notice by either party thereto."
Wage Rates	Eliminate the base hourly pay increases in Section 3-B scheduled for May 1, 2003 and May 1, 2004. Effective May 1, 2003, reduce base hourly pay rates as in effect on December 31, 2002 by thirty percent (30%); increase base hourly pay rates by 1.5% on May 1, 2006, 2007 and 2008 and on April 30, 2009.
Variable Benefits	B Plan, life, disability and other compensation-based welfare benefits based on reduced actual wage rates. Effective May 1, 2003, the Company contribution to the B Plan will be reduced to 9%.
A Plan Benefits	The parties will modify and revise A Plan benefits as described in Attachments B and E.
Active Health Benefits	ALPA will participate in the medical and dental program described in Attachment E.
Retiree Health Benefits	As described in Attachment E.
Other Benefits	As described in Attachment E.
Mainline Work Rules and Productivity	Revisions to work rules and related provisions as described in Attachment C.
Vacation Override	Eliminate the vacation override pay provision in Section 11-C-1 by paying 2.8 hours per vacation day for each day included in the pilot's awarded vacation period. The value of all other absences (other than sick leave) will be paid at 2.8 hours per day before the monthly bid awards and actual value after the monthly bid awards.

First Class Deadhead	<p>Replace Section 5-D-3 and Section 2-B 1 of Letter 91-2:</p> <p>Deadhead travel will be booked in first class only under the following circumstances:</p>
	<p>International Deadhead : When a pilot is deadheading internationally he will be booked in Business Class, if available at the time of booking. If Business Class is not available, he will be booked in First Class. If First Class is not available, Business Class will be overbooked to accommodate him. If Business Class is booked for international deadhead, pilots may be upgraded to first class at the gate after the Company has accommodated revenue/ passenger upgrades of all classifications (e.g. Mileage Plus).</p>
	<p>Domestic Deadhead : When a pilot is deadheading to a flight assignment and (i) the deadhead leg is greater than three (3) hours, (ii) the deadhead leg is in the same duty period as the flight assignment, the booking will be in Business Class in a three class aircraft and if that is not available at the time of booking the pilot will be booked in First Class. If First Class is not available at the time of booking, then the booking shall be in Economy Class and the pilot will be assigned a seat in the Economy Plus section according to the following order of preference: aisle seat, window seat, middle seat. If the deadhead is in a two class aircraft, the booking will be in First Class, if available at the time of booking. If First Class is not available he may be booked in Economy Class and the pilot will be assigned a seat in the Economy Plus section according to the following order of preference: aisle seat, window seat, middle seat. When a pilot is deadheading back to his domicile he'll be booked in Business Class, if available at the time of booking.. If Business Class is not available he may be booked in Economy Class and the pilot will be assigned a seat in the Economy Plus section according to the following order of preference: aisle seat, window seat, middle seat. Regardless of the class of service booked for domestic deadhead, pilots may be upgraded to a higher class at the gate after the Company has accommodated revenue/ passenger upgrades of all classifications (e.g. Mileage Plus).</p>
Low Cost Operation ("LCO")	The parties will implement the solution described in Attachment D.
Shuttle References	Delete all.
Grievances	ALPA to withdraw the following grievances with prejudice: 2001-U-MEC-100R, 2001-U-MEC-114R, 2002-U-MEC-42R, 2002-U-MEC-49R, 2003-U-MEC-11R.
Scope and job security provisions	See Attachment G.
Success Sharing	The pilot group will participate in the success sharing programs described in Attachment H.

Reorganization Letter	See Attachment I.
Pilot Equity	See Attachment J.
Corporate governance	The Restructuring Agreement will provide the UAL MEC with a pilot designee as a member of the Board of Directors.
Further Events	The parties agree in concept to negotiate under the following principles with respect to any further revisions to the pilot collective bargaining agreement in connection with hostilities in Iraq: (i) any such revisions will take the form of temporary wage rate reductions for all employee and management groups in connection with the Company's attempt to secure government assistance and relaxation of lending covenants and (ii), if ALPA and the Company agree on such revisions, the value of the revisions will be repaid to the pilots out of profits subsequent to the Company's emergence from Chapter 11. Specific terms and conditions to be developed in connection with the negotiation of such revisions.
Fairness in Labor Cost Reductions	If other employee groups do not meet the Company's targets for labor cost savings as specified in the Company's Section 1113(c) motion to the same extent as ALPA (whether by agreement or as a result of 1113(c) terms), then the changes made to the 2000 ALPA United collective bargaining agreement by this Restructuring Agreement will be adjusted to the extent necessary to reduce the pilots' contribution to the same percentage of commitment as the average percentage of commitment of the other employee groups, including salaried and management employees. Further, if the pilots receive a "me too" adjustment under Attachment E and are also entitled to a "fairness" adjustment under the preceding sentence, then the value of the "me too" adjustment shall be credited in the calculation of the "fairness" adjustment.
Fees and Expenses	See Attachment K

Attachment A
Other Compensation

International Override	Revise Section 3-B-1-d to provide \$6 per hour for Captains and \$4 per hour for First Officers.
	Increase override by \$1 per hour on May 1, 2006.
	Eliminate grandfather rights for First Officers in Section 3-B-1-d.
Late Night Flying	Reduce late night flying hourly rates under Section 3-B-7-a in effect on December 31, 2002 by 30%; increase hourly rates by 1.5% on May 1, 2006, 2007, and 2008, and on April 30, 2009.
Hourly Expenses	Revise Section 4-A-1 to provide for \$ 1.75 domestic and Section 2-A of LOA 91-2 to provide for 25¢ International allowance in addition to the allowance in Section 4-A-1.
	Increase the hourly expense allowance in Section 4-A-1 by 5¢ on May 1, 2004 and each May 1 thereafter until May 1, 2008.
B747-400 and B777 Pay Scale	Establish a common pay scale for B747-400 and B777 series aircraft at the same scale as the B777 rates in effect on December 31, 2002 minus 30%.
Monthly Guarantee	Revise minimum monthly guarantee in Section 3-B-4-a to 65 hours per month for lineholders and 70 hours per month for reserves.
Sick Leave	Modify Section 13-A-1 (non-occupational sick leave) to reduce the maximum accrual to 1000 hours.
	Grandfather pilots with sick leave balances in excess of 1000 hours.
	Delete Section 13-B-1, 2, 3 (Occupational Illness or Injury leave).
	Grandfathered Pilots (pilots collecting occupational leave prior to May 1, 2003) will continue to receive benefits under occupational sick leave until returning to active duty as a pilot with the Company or exhausting the balance, whichever occurs first. If a pilot returns to active duty as a pilot with a remaining balance, that balance will be extinguished.
	Sick leave will be reduced by any state disability benefits or Worker's Compensation payments.

	Accrual of sick leave at 5 hours per month. Revise Section 13-A-3-b so that reserves are debited at 5.0 hours per reserve day.
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Attachment B
A Plan Benefits

Actual Pay Rates	A Plan pension calculations on actual pay rates.
Defined Benefit Plan Terms	See Attachment E.

Attachment C
Work Rule Modifications

Monthly Actual and Scheduled Flight Time Limitations	Revise monthly actual and scheduled flight time limitations in Section 5-B-1 and 5-B-2; and LOA 91-2, L-1 and L-2 from 81/85 to 89.
Year End Maxing-out Protection	Jointly develop a process to limit year-end maxing-out.
Trip Rig	Revise Section 5-G-3-c Trip Rig to 1:4 time away from base.
Sick Leave Pay	Revise Section 13-A-3-a Sick leave pay to provide pilots will be paid and charged for all actual hours missed.
Training Freeze	Revise Section 8-D-6 from 24 months to 36 months.
Preferential Bidding System	The Company and ALPA agree to a Preferential Bidding System (PBS) under the following conditions:
AD OPT or Similar	The Company will use the AD OPT or a similar mutually agreed upon product. The Company will not make any changes to this system unless mutually agreed upon.
Notice Provision	Amend or delete all provisions of the Agreement that are inconsistent with PBS; accordingly reduce the notice period for involuntary vacations from 45 days to 30 days, provided further that no such notice shall be provided after schedule preferencing has closed for the month in which the vacation falls. (See Section 11-E-2-c.)
DRD	The Detailed Requirements Document (DRD) previously used for the United Shuttle will be the basis for the new product with the following modifications:
	a. The value of all absences other than sick leave will be paid at 2.8 hours per day before preferencing and actual value after preferencing.
	b. To maintain the weekend off patterns specified in Section 5-G-1-e-(1), the planner interface will be restricted so the number of reserves required for each day of the bid month will not exceed 80% during line construction.
	c. Edited to remove references to the United Shuttle and make consistent with other provisions of the CBA.

Training and Implementation	Training and Implementation of PBS schedule consistent with the following:
	a. A Joint Implementation Team (JIT) consisting of representatives from ALPA, the Company and the vendor. This team will determine what changes need to be made to the DRD including (but not limited to) what additional criteria need to be added to the system for preferencing. It is anticipated this team will meet as needed during the implementation period. After implementation is complete the team will meet on an as needed basis to review the system.
	b. Consistent with a "Train the Trainer" approach, pilots on the SSC and pilots in the domicile will be trained to train other pilots on the system. In addition, the SSC and joint implementation team will attend the planner's training. When training and meetings are held, trip drops, if necessary, will be on a displacement basis.
	c. The JIT will determine the appropriate level of training required. Training could be accomplished at the domiciles or DENTK. Self study will be available at the pilot's option. Pilots will receive one vacation day credit provided the training occurs on a day off and is accomplished at a domicile or DENTK.
	d. Parallel testing of the system will occur before implementation. The JIT will monitor the progress of this parallel testing and to determine if additional testing is needed prior to implementation.
	e. Trained instructors will be available in each domicile during the testing period to facilitate the phase in period of PBS. In addition, the company will establish a mechanism for handling pilot questions.
	f. Phase in on a seat, fleet and domicile basis consistent with the needs of the Company.
	g. The parties agree that the above provisions will not unnecessarily delay the implementation of PBS.
F/O Currency	Institutionalization of landings – applies to pilots who become NQ while flying the line (does not apply to surplus reduction lines, pilots on a leave of absence, etc.)
	Guidance language in FOM for Captains to actively ensure F/O currency
	Notification to pilot via Unimatic 30 days prior to their going NQ
	(a) Lineholders may schedule a landing currency simulator landing period on a day off prior to going NQ.
	(b) Lineholders will not receive a vacation day credit for day of landing currency simulator training.
	(c) Reserve will attend training on day of reserve availability.
	d) Pilot will be provided a hotel room, hourly expense allowance per Section 4-A-1 and transportation per Section 9-D.
	(e) Pilot may request flight office assistance to facilitate F/O currency.
	(f) Pilot who goes NQ will be on ANP status for the next ID only and will be entitled to 20-H-3 pick up to make up time.

Under 8 hr Augmentation – LOA 91-2	Eliminate augmentation on all trips scheduled for less than 8 hours of flight time.
Downtown Layovers	Revise Section 5-G-1-c to eliminate the “downtown or downtown like” requirement for layovers of fewer than 20 hours.
Days Off	Revise Section 5-G-1-d lineholder minimum days off to 12/12. Revise Section 5-G-1-e reserve pilot days off to 12/12 with three (3) moveable days each month. The first day off in a block of days off may be moved to the next scheduled day of availability unless otherwise mutually agreed to move elsewhere in the line by the pilot and crew scheduler. Parties will meet and discuss conditional aggressive reserve pickup as per ERP II.
Paid Moves	A pilot who has been involuntarily displaced (surplused and bumps to a different domicile location other than between the DENTK and DENFO locations) will be entitled to a paid move.
	A pilot who is awarded a vacancy at a different domicile, which results in his/her moving up in status, will be entitled to a paid move. Such move is available to a pilot one time in his/her career unless the pilot is subsequently displaced (surplused) and bumps down in status one or more times. If this occurs, he/she will be entitled to another paid move each of these times if and when he/she bids back up in status at a different domicile than his current domicile location.
	In order to qualify for a paid move entitlement, the pilot must move within a 200 statute mile radius of an airport then serving the domicile (as referenced in Section 5-G-1-B-(3) of the 2000 Agreement). In the case of DENTK, measure from the DENTK location.
QWL Letter 00-20	The parties agree to establish a review process allowing ALPA to appeal any potential violation of the QWL Letter to the Sr. VP of Flight Operations for a prompt resolution. This does not affect the right to grieve a violation of the QWL Letter or any other provision of the Agreement.
	The TAFB will be modified from 270 hours to 338 hours for Mainline Operations and 361 hours in the LCO.
	The Sits requirement will be modified to 2:15.
Manpower Formula	Modify manpower formula in Section 8-B as follows:
	8-B-1: 81 hours becomes 89 mainline and 95 LCO
	8-B-2: 14% mainline captain, 10% mainline first officer, 12% LCO captain, 10% LCO first officer
	8-B-3: 65 hours becomes 89 mainline and 95 LCO
Instructor Letters of Agreement	Revise Instructor LOA 89-2, Paragraph 5-a to provide the maximum allowable pay for a pilot instructor to be not more than 89 hours salary for the B-767 First Officer at the 6 th year of longevity.

	Revise Instructor LOA 89-2, Paragraph 6 to reduce the pilot instructors' minimum days off to 11 in a 30 day month and 12 in a 31 day month.
	The parties agree to negotiate a revision to PI LOA 98-8, 89-2 to permit greater productivity and flexibility of trainees, instructors and customers as to the use and prioritization of assets of the flight center and greater productivity and flexibility of pilot instructors.
	The Company agrees to consult with ALPA regarding the development of a program for pilot instructors to work on their days off to perform contract training.
Domicile Closure	Eliminate the domicile closure protection from the US Airways Code Share Agreement. Any future domicile closings, including the B-767 HNL, must adhere to the provisions of LOA 97-4, Allocation of Flying Protocol (NPDM process). Modify the US Airways Code Share Letter and Exhibits consistent with the parties agreement to extend it. (Attachment L)

Attachment D
Low Cost Operations (LCO)

Mutual Establishment of Terms for LCO	The parties agree to rates of pay and work rules for the United Airlines ("UA") LCO fleet (as defined below) in order to permit UA and UAL Corp. ("UAL") to more effectively compete against both low cost carriers and other network carriers. It is the parties' intention to work together to identify and resolve any on-going issues with respect to maintaining the competitiveness of this Low Cost Operation ("LCO"). "LCO" is a contract term and is not intended to restrict in any way the Company's sole discretion with respect to branding.
LCO Flying Performed by UA	UA will perform all the flying in or for the LCO, utilizing UA pilots on the UA seniority list under the terms and conditions of the UA pilots' collective bargaining agreement (which may, at UA's option, include an LCO Side Letter of Agreement that reflects the terms of this Agreement). Successorship and transfer rights associated with the LCO shall be governed by Section 1-D and 1-E of the Agreement.
Description and Use of LCO Fleet	The LCO fleet will consist of B737-300/500 and A319/320 fleets or aircraft of no greater seating capacity than the maximum certificated capacity of the A320. All of UA's A319/320 and B737-300/500 aircraft including future deliveries in the fleet may be operated under the work rules contained in this attachment with no market restrictions. The LCO fleet may be used at either the mainline or the LCO, at the Company's discretion.
Pay for the Fleet	<p>The LCO fleet will have a common pay scale which shall be the same as the B737-300/500 fleet as in effect on December 31, 2002, reduced by 30%.</p> <p>A pilot will be paid the greater of (i) his actual hours flown including deadhead, (ii) the minimum monthly guarantee, (iii) a duty period "look back" value of 5.0 hours per duty period for trips actually flown, or (iv) a "look back" value of 4.5 hours times calendar days worked in the month. "Work Day" for purposes of the previous sentence includes a flying assignment performed, sick leave and field stand-by but excludes shaded day(s). There will be no other RIGS or other synthetic time.</p>
Optional Separate Subsidiary	If UAL or UA establishes a separate majority-owned subsidiary of UAL or UA to house the LCO contemplated by this Attachment D, UAL and UA agree that such subsidiary will remain a majority-owned subsidiary of UAL or UA as applicable, so long as it continues as a corporation. All pilots in the LCO and all supervisors of such pilots will continue to be solely UA employees operating under the UA air carrier certificate. Nothing in this paragraph limits or restricts in any way the Company's right, in its sole discretion, to establish any other subsidiary at UA or UAL except an LCO subsidiary, which remains covered by the first two sentences of this paragraph.
Optional Certificate	If UAL or UA secures a separate air carrier certificate for such subsidiary, all pilots and supervisors of such pilots in the LCO will continue to operate solely as UA employees under the UA air carrier certificate.

Work Rules in Basic Agreement Modified	All of the contractual rules and procedures for the mainline will apply in the LCO except as noted herein:
Duty Days	Same maximum on duty days as mainline.
Minimum Layovers	Same minimum layovers as mainline except in domicile adjusted to 12:45.
Scheduled Deadhead	Scheduled deadhead will be paid at ratio of 1:1
PBS	PBS will be used.
Monthly Cap	The monthly line construction cap will be 95 hours and no more than 380 hours TAFB. The monthly actual cap of 95 shall apply and shall include deadhead for both lineholders and reserves.
Minimum Days Off	All pilots have ten (10) days off in a 30 day month and eleven (11) days in a 31 day month, with three (3) moveable days per month applicable to reserves. The first day off in a block of days off may be moved to the next scheduled day of availability unless otherwise mutually agreed to move elsewhere in the line by the pilot and crew scheduler.
No Bank	Pilots will be paid for all work in the month (no bank).
Minimum Guarantee	Minimum monthly guarantee of 65 hours for lineholders and 70 for reserves.
Prevention of Maxing Out	Jointly develop a process to limit year-end maxing out.
Bid Freeze	<p>Bid freeze to reduce training events and isolate fleet(s) to maximize efficiency:</p> <ol style="list-style-type: none"> 1. Incumbent pilot freeze – no change from mainline 2. Bid into the operation – 36 month freeze 3. Bid within the operation – 54 month freeze. This includes both a change of equipment within the operation and an upgrade in status in the operation. 4. Surplus into the LCO operation from another assignment outside of the LCO operation – 36 month freeze for any future bidding within the LCO. Notwithstanding the 36 month freeze, a pilot in the LCO may bid to the mainline and if awarded the vacancy, he will receive a 36 month freeze. 5. Freezes incurred will be in addition to any unserved freeze not to exceed 60 months.

Attachment E
BENEFITS

Pilot medical benefits will be described in a separate section of the Medical Plan¹ and a summary of the agreed upon benefits will be included in the Collective Bargaining Agreement. If, during the term of this Agreement, the Company agrees to improvements (for any employee group (union or non-union)) in the terms, other than employee contributions, of the medical or dental coverage as described below, such improvements will be provided to the active pilots and to pilots retiring on or after July 1, 2003.

Active Employees	
Medical Preferred Provider Option (PPO)	
In-network	\$250 single/\$500 family deductible
	80/20 coinsurance
	\$1,500 single \$3,000 family out-of-pocket limit
	Out patient mental health and substance abuse treatment payable at 80% after the deductible and the employee share does not apply to out-of-pocket limits.
	Unlimited lifetime maximum
Out-of-network	Deductibles and out of pocket limits are the same as In-Network amounts
	60/40 co-insurance. Pilots or their dependents who receive pre-approved covered treatment will receive in-network benefits for those expenses if within 30 miles of their home there is no in-network specialist or in-network primary care physician as applicable to the treatment in question. ALPA and the Company shall meet as soon as possible to develop a 6 month transition plan for those individuals who as of the Effective Date are receiving treatment from an out-of-network provider for scheduled surgery, inpatient treatment in a hospital, dialysis, chemotherapy, treatment as a follow-up to an accident or injury occurring before the Effective Date, terminal illness, or as a follow-up to a surgery performed before the Effective Date. The transition period for those employees or their eligible dependents who are receiving treatment from an out-of-network provider for their pregnancy shall be the lesser of nine months or the pregnancy.
	All covered expenses limited to Reasonable and Customary as currently defined in the Medical Plan

¹ The management medical benefits described in the draft SPD provided to ALPA on December 27, 2002 and as further modified in this Attachment are the underlying basis for the pilot medical benefits under this Restructuring Agreement.

	Inpatient mental health and substance abuse treatment limited to 30 days per calendar year per person, out patient payable at 50% after the deductible and the employee share is not applied to the out-of-pocket limit.
	\$500,000 lifetime maximum for expenses incurred on or after May 1, 2003.
Covered expenses would include necessary care and treatment of illness, injury, and pregnancy as well as expenses for certain preventive care, e.g., pap smears, PSA tests and certain routine physicals. The PPO Incentive check, and coverage for FAA physicals will be discontinued.	
Prescription drugs at retail subject to deductible and co-insurance as described above for in-network. Mandatory use of mail after 90 days at retail. Mail order prescription drug employee co-payment \$15 for generic medication for up to 90 day supply and \$45 for brand medication for up to a 90 day supply. Employee co-pay increases annually at the same rate as the cost of the mail order prescription drug plan increases (cost to be determined using active employees and pre-Medicare retirees). Any increase in the co-payment for any year will not exceed 7% of the prior year's co-payment, rounded to the nearest dollar. Strong management to ensure consistency with medical necessity and generally accepted practice.	
Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits.	
Full right of reimbursement.	
Employee contribution would equal 20% of the cost of the plan (cost to be determined using active employees and pre-Medicare retirees). Any increase in the employee contribution for any year will not exceed 7% of the prior year's contribution, rounded to the nearest penny. The contributions would be based on a 4 tier rate structure. For example, the 2003 employee medical contribution for one adult would be \$50.48 per month. With the 2004 increase (not to exceed 7% per year) the 2004 rate would be up to \$54.01 per month; the 2005 rate would be up to \$57.79 per month; and so on.	
Offer HMO options as appropriate. Employee contribution will be the cost of the HMO option less the Company contribution to the cost of the PPO option.	
Dental	Provide current PPO dental plan
	Deductible \$50 per person \$100 per family (doesn't apply to preventive)
	100% Preventive
	80% Restorative
	50% major and orthodontia
	Annual non-orthodontia max - \$2,000
	Lifetime orthodontia max \$2,000
Maintenance of Benefits for employees with other group coverage rather than Coordination of Benefits	
Employee contribution would equal 20% of the cost of the plan. The cost will not increase more than 7% per year, rounded to the nearest penny. The contributions would be based on a 4 tier rate structure.	
Offer Dental Health Maintenance Organization (DHMO) coverage. Employee contribution will be the cost of the DHMO less the Company's contribution to the cost of the PPO option.	
Survivors Benefits	Book, except that for employees who die after May 1, 2003, the employee must have had at least ten years of service on the date of

	death in order for the eligible dependents to receive such coverage.
Flexible Spending Account	Book
Life Insurance	Book
Accidental Death and Dismemberment	Book
Short Term Disability /Sick Leave	STD – Book Sick Leave See Attachment A
Long term Disability	Book except: The current definition of disability will apply for the first 72 months of disability, and thereafter the definition will provide that the employee is eligible if unable to work in any occupation for which the employee is reasonably qualified by training or education, and experience and which produces an annual income, from an employer whose place of employment is within the local economy of the employee's residence, no less than 75% of the employee's pay on which the disability benefit was based. There is a Family Social Security offset and offset of income from Workers' Compensation, State disability benefits, and benefits from the Pilots' Defined Benefit Pension Plan (A-Plan). In the case of A Plan benefits, the reduction will be the benefit amount for the optional form of payment elected by the pilot but without reduction for distribution of the Contribution Account. Pilots who on April 30, 2003 (or on the day prior to implementation of the revised LTD provisions if later), are on LTD or are exhausting sick leave or vacation incident to commencement of LTD benefits, will be covered by the former LTD provisions.
Illness Leave of Absence	Maximum period of unpaid illness leave of absence 3 years, medical and dental benefits continue while on approved leave.
Defined Benefit Pension Plan	Utilizing the current pilot defined benefit plan: 1.35% times final average pay (highest consecutive 36 months out of the the120 months immediately preceding retirement), times years of participation to a maximum of 30 years. Early retirement reduced 3% per year from age 60.
Defined Contribution Plan	Company contribution to the Pilot Directed Account Plan equal to 9% of pay.
Vacation Accrual	Book
Retired Employees (Who Retire on or after July 1, 2003)	

Retiree Medical	<p><u>Pre Medicare</u></p> <p>Provide the same PPO option as active employees. Employee must be at least age 50 with at least 10 years of service and retire from active status or illness leave of absence, provided that an employee who has 5 to 10 years of service as of May 1, 2003, who is at least age 50 as of that date, and who retires from active status or illness leave of absence qualifies for the same benefit as an active employee. Employee contribution based on length of service at retirement as follows:</p> <table data-bbox="674 449 1044 590"> <tr> <th colspan="2">PPO Option</th></tr> <tr> <th>Years of Service</th><th>% of Cost</th></tr> <tr> <td>Fewer than 20</td><td>80%</td></tr> <tr> <td>20 thru 24</td><td>60%</td></tr> <tr> <td>25 and over</td><td>40%</td></tr> </table> <p>The cost to the retiree will increase annually as the cost of the coverage increases.</p>	PPO Option		Years of Service	% of Cost	Fewer than 20	80%	20 thru 24	60%	25 and over	40%
PPO Option											
Years of Service	% of Cost										
Fewer than 20	80%										
20 thru 24	60%										
25 and over	40%										
	<p><u>Post Medicare</u></p> <p>Employee must be at least age 50 with at least 10 years of service and retire from active status or illness leave of absence. One or more supplemental plans to Medicare will be offered with the retiree paying the full cost of the coverage minus a company contribution of \$90 per month.</p> <p>The cost to the retiree will increase annually as the cost of the coverage increases.</p>										
Survivor's Benefits	Book										
Retiree Life	Employees must be at least age 50 with at least 10 years of service and retire from active status or illness leave of absence. The benefit is \$10,000.										

ATTACHMENT F
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ATTACHMENT G
SECTION 1
RECOGNITION, SCOPE AND CAREER SECURITY

A. RECOGNITION

The Air Line Pilots Association, International (the "Association"), has furnished the Company evidence that a majority of the airline pilots employed by the Company have designated the Association to represent them and in their behalf negotiate and conclude an agreement with the Company as to hours of labor, wages and other employment conditions covering the pilots in the employ of the Company in accordance with the provisions of Title II of the Railway Labor Act, as amended and the certification issued by the National Mediation Board in Case No. R-3463.

B. SCOPE

The pilots on the Pilots' System Seniority List (the "United Pilots") shall have the sole and exclusive right to perform and be trained to perform Company Flying and operate Company Aircraft in accordance with the terms and conditions of this agreement or any other applicable agreement or agreements between the Company and the Association (together, the "Agreement").

1. Company Flying

Except as provided in paragraph B-2, "Company Flying" includes without limitation all commercial flight operations of any sort whatsoever, whether revenue, nonrevenue, scheduled or unscheduled, conducted (i) by the Company or a Company Affiliate, or (ii) by the Company or a Company Affiliate for other air carriers, or (iii) by an Entity managed by or under the Control of the Company or a Company Affiliate, or (iv) by an Entity in which the Company or a Company Affiliate owns any Equity.

2. Exceptions to Company Flying

Company Flying does not include flight operations that are (i) normally performed by the Company's engineering and test pilots (other than ferry flights that are not diagnostic test flights) or (ii) conducted by a Feeder Carrier pursuant to paragraph C-1 below, or (iii) conducted by a Domestic Air Carrier pursuant to paragraph C-2 below, or (iv) conducted by a Foreign Air Carrier pursuant to paragraph C-3 below (including Foreign Air Carriers that are subject to paragraph C-3-c below), or (v) conducted by an Air Carrier Purchaser during the operations following a Successorship Transaction but before an Operational Merger that are subject to paragraph D below, or (vi) conducted by any other air carrier in accordance with an Industry Standard Interline Agreement.

3. Pilot Training

Neither the Company nor a Company Affiliate shall enter into any agreement or arrangement with any person who is not employed by the Company to conduct or supervise United pilot training or to utilize United training facilities to train other pilots, including without limitation all United pilot training historically performed at the Pilot Training Center, except that the Company may:

- a. Use retired or disability retired United pilots who perform the present duties of a flight technical instructor in the Pilot Training Center as consultants to the Company while under the Company's supervision;
- b. Permit aircraft manufacturers or other qualified organizations to conduct initial training of United flight training personnel on new aircraft equipment types;
- c. Sell its training services to third parties using United pilot instructors who are working as independent contractors on their days off;
- d. Dry lease training assets to another airline to perform training for its pilots.

C. PERMITTED CODE SHARING, MARKETING, OWNERSHIP AND OTHER ARRANGEMENTS

1. Feeder Flying

The Company or a Company Affiliate may enter into code sharing with Feeder Carriers in conformance with the provisions of this paragraph C-1. The Company or a Company Affiliate may create, acquire, Control, manage, take an Equity interest in, enter into code sharing arrangements with, or sell, lease or transfer aircraft to Feeder Carriers that comply with the provisions of this paragraph C-1 below, without the flight operations of such air carrier being considered Company Flying or the aircraft of such air carrier being considered Company Aircraft.

a. Key Cities

- (1) A Feeder Carrier shall not operate a Feeder Flying Non-Stop between current or future Company Key Cities unless the Company demonstrates that a Company Round Trip operating in that Market instead of the Feeder Flying Round Trip would not pass the BIRR Test.
- (2) As an exception to the foregoing, Feeder Carriers may operate in the IAD-LGA, IAD-EWR, and IAD-JFK Markets.

b. Connecting Operations

Feeder Carriers as a group shall schedule at least ninety percent (90%) of their Feeder Flying Non-Stops into or out of the following airports: IAD, DCA, MIA, LGA, EWR, JFK, ORD, DEN, LAX, SFO, SEA, BOS, PDX, PHX, LAS, SJC, SAN, any airport within thirty miles of any of the foregoing, and any other airport that the parties later agree to add to this list. Up to five percent (5%) of Feeder Flying flights may be applied toward satisfying this requirement even if such flights include multiple stops, as long as such flights (i) originate or terminate at one of the foregoing airports, (ii) maintain a single flight number on a single aircraft for all the legs of such flight to or from such airport, and (iii) operate with scheduled intermediate stops of less than two (2) hours.

c. Feeder Flying on Company Routes

- (1) A Feeder Carrier shall not initiate a new scheduled Feeder Flying Round Trip in any Market operated by the Company at any time in the preceding twenty-four (24) months, unless the Company demonstrates that a Company Round Trip that may be initiated in the Market instead of the Feeder Flying Round Trip would not pass the BIRR Test.
- (2) The Company shall not remove a scheduled Company Round Trip from any Market served by Feeder Flying unless the Company demonstrates that the Round Trip to be removed would not pass the BIRR Test in the absence of a Feeder Flying Round Trip scheduled to depart within thirty (30) minutes of the Company Round Trip.

d. Number of Block Hours of Feeder Flying

In each calendar year, the number of scheduled block hours of Feeder Flying may not exceed the number of scheduled block hours of Company Flying.

e. Feeder Carrier Branding

- (1) Feeder Carriers may not conduct commercial flight operations under the name United Airlines or other names used by the Company except as provided in subparagraph (2) below.
- (2) Aircraft operated in Feeder Flying may bear the Company's logo or aircraft livery only if such aircraft bear the name United Express or similar name connoting a connection with United Airlines (other than the name United Airlines or other name used by the Company).

f. Feeder Carrier Operation of Small Jets Larger than 50 Seats

A Feeder Carrier may perform Feeder Flying operating Small Jets with a certificated seating capacity in excess of fifty (50) seats if it also provides job opportunities to furloughed United Pilots. [on a basis to be negotiated]

2. Other Domestic Code Sharing Agreements.

In addition to the code sharing permitted by LOA 02-11 (US Airways Code Share), the Company may enter into or maintain code sharing with Domestic Air Carriers ("Domestic Code Sharing Agreements") that permit such carriers ("Domestic Air Carrier Associates") to apply the Company's designator code to their operations. Prior to entering into such agreements the Company will meet and confer with the Association regarding the appropriateness of any labor terms relative to the particular circumstances of any proposed code share agreement. Following such discussions, the Company will negotiate with the prospective partner any labor protections that it deems appropriate to the circumstances consistent with its business judgment, which shall include a commitment to negotiate as much reciprocal code share as reasonably possible, subject however, to a reduction for circumstances and/or limitations that are beyond the Company's control.

3. International Code Sharing Agreements

In addition to the code sharing contained in any of the Company's agreements on the effective date of this Agreement, the Company may enter into or maintain code sharing agreements with Foreign Air Carriers ("International Code Sharing Agreements") that permit such carriers to utilize the Company's designator code with the Company on such carriers' flight operations between the United States and Territories and foreign points or between two foreign points ("International Flying"). Prior to entering into such agreements the Company will meet and confer with the Association regarding the appropriateness of any labor terms relative to the particular circumstances of any proposed code share agreement. Following such discussions, the Company will negotiate with the prospective partner any labor protections that it deems appropriate to the circumstances consistent with its business judgment, which shall include a commitment to negotiate as much reciprocal code share as reasonably possible, subject however, to a reduction for circumstances and/or limitations that are beyond the Company's control.

a. Protection Against Reduction of Company Flights.

The Company shall not remove a scheduled Company Non-Stop from a Joint International Non-Stop Market unless the Company demonstrates that the Company Non-Stop to be removed does not pass the BIRR Test.

b. Cabotage

The Company will join the Association in strongly opposing any changes in U.S. law that would permit Foreign Air Carriers to engage in cabotage. However, if cabotage is permitted, the Company shall not be prohibited from code sharing with any Foreign Air Carrier code share partner who engages in it.

c. Acquisition of Equity of Foreign Air Carriers.

The Company or a Company Affiliate may acquire up to 50% of the Equity of any Foreign Air Carrier that is a member of the Star Alliance or any successor multi-airline network (the "Network") or of any other Foreign Air Carrier that, as a condition of such investment, commits within six months of the investment to become a member of the Network, without such investment by itself causing the flight operations of such air carrier to be considered Company Flying, the aircraft of such air carrier to be considered Company Aircraft or such Entity to be considered a Company Affiliate. However, the Company or its Affiliate, as the case may be, shall sell its Equity in a Foreign Air Carrier as soon as practicable if that Foreign Air Carrier ceases to be a member of the Network, or fails to become a member of the Network within eighteen months of the commitment to do so.

4. Code Sharing Agreements –General

Except as provided in paragraphs C-1, C-2, and C-3 above, neither the Company nor a Company Affiliate shall enter into any agreement or arrangement that permits any other air carrier to conduct commercial flight operations under any designator code currently or in the future used by the Company or a Company

Affiliate.

5. Block Space.

The Company may enter into block space arrangements with other carriers (*i.e.*, the advance purchase or reservation of blocks of seats on other carriers for resale by the Company) only:

- a. On flights which carry the Company's designator code pursuant to paragraphs 1-C-1, 1-C-2 and 1-C-3 above;
- b. On a limited number of occasions where United Vacations or Mileage Plus from time to time purchases block seats in order to provide connecting service as part of group vacation packages where such service or seats on such service are not available from the Company; or
- c. On other occasions, limited in number and consistent with the Company's limited practices as of the date of this Agreement, where the Company from time to time purchases seats for connecting passengers over routes on which the Company does not maintain operating authority.

D. SUCCESSORSHIP

1. Successorship Transactions

The Company and its 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 of fifty percent (50%) or more of the Equity of the Company or Parent or fifty percent (50%) or more of the value of the assets of the Company (for the purpose of this paragraph, including the Low Cost Operation ("LCO") as described in [Section or LOA] whether or not such operation is in a subsidiary of UAL or UA or contained within UA) (a "Successorship Transaction"), to employ or cause the Company to continue to employ the United Pilots in accordance with the provisions of the Agreement and to assume and be bound by the Agreement, provided that, in order for a Successor to be required to employ or to cause the Company to continue to employ any of the United Pilots 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; however, if the Successorship transaction is for less than all or substantially all of the Equity of the Company or a Parent, or assets of the Company (as defined above), paragraph F-1, providing for minimum block hours, shall be modified and/or prorated to correspond to the size of the Company airline operations disposed of to the Successor and the size of the Company airline operations retained by the Company.

2. Successorship Agreements.

The Company and its Affiliates shall not consummate 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 pilots, and to guarantee that the pilots on the United Pilots' System Seniority List will be employed by the Successor in accordance with the provisions of the Agreement.

3. Air Carrier Successors.

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 the Company's pilots with the seniority integration rights provided in Sections 2, 3, and 13 of the Labor Protective Provisions specified by the Civil Aeronautics Merger Board in the Allegheny-Mohawk merger ("Allegheny-Mohawk LPPs"), except that the integration of the seniority lists of the respective pilot groups shall be governed by Association Merger Policy if both pre-transaction pilot groups are represented by the Association.

4. Competing Proposal

In the event the Company or its Parent receives a proposal (a "Proposal") for a transaction which would result in a Successor if completed, and the Company or its Parent determines to pursue or facilitate the Proposal, the Company or its Parent will in good faith seek to provide the Association with the opportunity to make a competing Proposal at such time and under such circumstances as the Board of Directors of UAL or the Company reasonably determines to be consistent with its or their fiduciary duties.

5. If the acquiring Entity in a Successorship Transaction is an air carrier or an Entity that Controls an air carrier ("Air Carrier Purchaser"), the flight operations of the Company and Air Carrier Purchaser shall be integrated but shall first remain separate until the implementation of an integrated seniority list pursuant to paragraph D-3 above and a single collective bargaining agreement (the "Operational Merger Date").

E. OTHER LABOR PROTECTIVE PROVISIONS

If the Company (for the purpose of this paragraph, including the Low Cost Operation ("LCO") as described in [Section or LOA] whether or not such operation is in a subsidiary of UAL or UA or contained within UA) disposes of or transfers to an air carrier (the "Transferee") (by sale, lease or other transaction, whether directly or indirectly through an Affiliate of the Transferee) aircraft or route authority which produced twenty percent (20%) or more of the Company's operating revenues, block hours, or ASMs during the twelve (12) months immediately prior to the date of the agreement to transfer such aircraft or route authority (the "Transaction Date"), net of revenues, block hours or ASMs that are produced by aircraft or route authority that were placed into service during the same period (any such transfer, a "Substantial Asset Sale"), then:

1. Offer of Employment to United Pilots.

The Company shall require the Transferee to offer pilot employment to eligible United Pilots. The eligibility criteria shall be determined by agreement between the Company and the Association and shall be reasonably related to the assets transferred, the interests of the United Pilots and the Company, and the nature and timing of the transaction among other issues. If the Association and the Company are unable to agree upon eligibility criteria that are consistent with the foregoing considerations, the System Board of Adjustment shall determine such eligibility criteria pursuant to the expedited procedures set forth in paragraph J-1 below (the "Transferring Pilots"). The number of pilot employment opportunities for Transferring Pilots shall be, as measured in the twelve (12) months prior to the Transaction Date, the sum of (i) the average monthly pilot staffing actually utilized in the operation of the aircraft transferred to the Transferee in connection

with the Substantial Asset Sale plus (ii) the average monthly pilot staffing actually utilized in the operation of the route authority transferred to the Transferee in connection with the Substantial Asset Sale to the extent such pilot staffing is not included in the calculation of clause (i) above. Offers of employment that are rejected by a United Pilot shall in turn be offered to other United Pilots under the eligibility criteria determined under the first sentence of this subparagraph 1, until such opportunities have been exhausted.

2. Seniority Integration.

The Company shall require the Transferee to provide the Transferring Pilots with the seniority integration rights provided in Sections 2, 3, and 13 of the Allegheny-Mohawk LPPs except that the integration of the Transferring Pilots into the Transferee's seniority list shall be governed by Association Merger Policy if both pre-transaction pilot groups are represented by the Association. The Company shall require each Transferee to provide the seniority integration rights specified in the preceding sentence in connection with a Substantial Asset Sale in a written document enforceable against the Transferee by the Association and/or the Transferring Pilots.

3. The section of the Agreement providing for minimum block hours shall be modified and/or prorated to correspond to the size of the Company airline operations following the transfer to a Transferee who offers the United Pilots the transfer rights in paragraphs E-1 and E-2 above.

F. SCHEDULED BLOCK HOURS

1. Block Hours Guarantee.

The Company shall schedule no fewer than the following specified number of block hours of Company Flying during the term of this Agreement: _____ [to be determined by the parties on the basis of the Company's bankruptcy exit plan with a reasonable cushion].

2. Changed Circumstances

The following will govern the Company's obligations under this Section 1-F in the event the Company experiences changed economic circumstances beyond the Company's control:

a. Substantial Economic Change

The block hour guarantee in paragraph F-1 is based on an assumed annual operating margin [to be defined] of X%. If the operating margin in a calendar year falls below X%, then the block hour guarantee in the following calendar year may be reduced by Y% for each percentage point or partial percentage point by which the operating margin fell below X%.

b. Circumstances beyond the Company's Control

In addition to the Company's ability to reduce flight operations under the terms and conditions described in paragraph F-2-a (Substantial Economic Change), the commitments and protections described in paragraph F-1 (Block Hours Guarantee) above may be modified if and

only to the extent that the Company demonstrates that any such modification is a direct result of a circumstance beyond the Company's control. The phrase "circumstance beyond the Company's control" means only a natural disaster, a labor dispute within the Company involving a cessation of work, the grounding of a substantial number of Company Aircraft by a government agency, a reduction in flight operations directly caused by a supplier's inability to provide sufficient aircraft, fuel or other critical materials for the Company's operations, revocation of the Company's operating certificate(s), a declared or undeclared war emergency or terrorist act that causes the Company to cease conducting a substantial portion of its flight operations, compulsion by a domestic or foreign government agency, or court or legislative action. For purposes of clarification, the phrase "circumstance beyond the Company's control" does not include any economic or financial considerations including, but not limited to, the price of fuel, aircraft or other supplies, the cost of labor, the level of revenues, the state of the economy, the financial state of the Company, or the relative profitability or unprofitability of the Company's then-current operations in the absence of the circumstances described in the preceding sentence.

G. LABOR DISPUTES

1. The Agreement contains no contractual prohibition whatsoever on the ability of ALPA and the United Pilots to honor lawful picket lines.
2. ALPA and/or the United Pilots are not prohibited from:
 - a. Refusing to layover at a struck hotel or other struck facility;
 - b. Refusing to deadhead on carriers whose employees are engaged in a lawful strike, as long as alternatives are reasonably available; and
 - c. Engaging in a concerted refusal, called by the Association, to perform pilot work or services on flights where the Company, pursuant to an agreement or arrangement with another air carrier, is performing that air carrier's flying in response to a labor dispute and that air carrier's employees are engaged in a lawful strike.

H. FOREIGN OWNERSHIP AND DOMICILES

1. The Company shall continue to be a Domestic Air Carrier subject to the Railway Labor Act, as amended.
2. The Company shall maintain its world headquarters, executive offices, and offices for senior Flight Operations personnel in the fifty United States.
3. In the event the Company opens a pilot domicile outside of the United States and Territories, United Pilots assigned to such domicile shall be afforded all rights under this Agreement and the Railway Labor Act.

I. REVIEW COMMITTEE

1. A standing committee, consisting of two (2) Association representatives and two (2) Company representatives (plus additional representatives if deemed appropriate by the Association and the Company) (the "Related Carrier Review

Committee" or "RCRC") shall be maintained by the parties. The RCRC may establish such subcommittees as it deems appropriate. The RCRC and its subcommittees will meet as often as they deem necessary, but no less than quarterly, in order to implement and monitor compliance with this Section 1.

2. The Company shall provide the RCRC, on a monthly basis, all information necessary to monitor and enforce the terms and conditions established in Section 1 of the Agreement. When this information involves proprietary, sensitive or confidential information concerning either the Company or any other carrier, the RCRC will review such information under a confidentiality agreement with the same terms as the confidentiality agreement currently in effect between the Company and the Association with such modifications, if any, as are acceptable to the Association and Company.
3. The RCRC shall review all new and modified agreements concerning the Company's relationships with other air carriers as governed by this Section 1 in order to ensure compliance with the terms of this Section 1. In reviewing agreements with Feeder Carriers, the RCRC shall make such recommendations to the Company as the RCRC deems appropriate for the purpose of strengthening the Company's contractual relationships with Feeder Carriers and protecting the Company's feed.
4. The parties will utilize appropriate aspects of the NPDM procedures currently utilized by the System Schedule Committee in connection with a review of the Feeder Carriers aimed at ensuring that all Feeder Carriers maintain the highest possible quality assurance and flight safety programs and provide a product that meets the Company's high quality standards.

J. REMEDIES

1. A grievance filed by the Association alleging a violation of Section 1 of the Agreement, 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 of Adjustment no later than fifteen (15) days following the submission of the grievance to the System Board and decided no later than twenty-one (21) days after such submission, unless the parties agree otherwise in writing.
2. If the System Board decides that the Company has violated any part of Section 1, the System Board will direct the Company to comply with the Agreement and will fashion an appropriate remedy for the harm caused by the Company's failure to comply with the Agreement.

K. DEFINITIONS

The following definitions shall apply to the capitalized terms in Section 1 of the Agreement:

1. "Affiliate" of Entity A means, any other Entity which directly or indirectly Controls, is Controlled by or is under common Control with Entity A.
2. "Base Internal Rate of Return" or "BIRR" means the discount rate at which the net present value of the stream of Cash Flows generated by the Capital

Resources measured by the Company's customary methods and time periods, equals zero:

- a. "Cash Flow" means the after-tax difference between:
 - (1) The actual or reasonably projected revenues generated by operating the applicable Round Trip (including the point to point segment revenues and all beyond revenues not otherwise carried by the Company's flight operations); and
 - (2) The fully allocated expenses incurred to produce those revenues (including the actual or reasonably projected cost of operating the Round Trip and a reasonably allocated portion of the beyond expenses attributable to the applicable Round Trip including flight variable, overhead, ownership and variable beyond traffic costs).
 - b. "Capital Resources" means the assets necessary to operate the Round Trip consisting of the cost of the aircraft and all supporting infrastructure such as gates, slots, ground equipment, spare parts and spare aircraft that are reasonably allocated to the Round Trip.
 - c. When measuring the rate of return of a Round Trip, revenues and costs associated with connecting traffic will be allocated to the Company Round Trip using the established Company prorate method. Further, where appropriate the revenues and costs for operating the aircraft used in the Round Trip over the course of the aircraft day or international flight cycle as applicable may be utilized as part of determining the Cash Flow for that Round Trip. This would include applying the BIRR Test to a Non-Stop where no Round Trip exists for the operation to be measured.
3. "Base Internal Rate of Return Test" or "BIRR Test" means a comparison of the BIRR to the Hurdle Rate. If the BIRR is less than the Hurdle Rate on the operation to be measured, the BIRR Test is failed.
 4. "Company" means United Air Lines, Inc.
 5. "Company Aircraft" includes all aircraft owned or leased by the Company or a Company Affiliate. Company Aircraft do not include aircraft that have been sold, leased or transferred.
 6. "Control": Entity A shall be deemed to "Control" Entity B if Entity A, whether directly or indirectly,
 - a. owns securities that constitute, are exercisable for or are exchangeable into thirty (30%) or more of (i) Entity B's outstanding common stock or (ii) securities entitled to vote on the election of directors of Entity B; or otherwise owns thirty percent (30%) or more of the Equity of Entity B; or
 - b. maintains the power, right, or authority--by contract or otherwise--to direct, manage or direct the management of all or substantially all of Entity B's operations or provides all or substantially all of the controlling management personnel of Entity B; or

- c. maintains the power, right or authority to appoint or prevent the appointment of a majority of Entity B's Board of Directors or similar governing body; or
 - d. maintains the power, right or authority to appoint a minority of Entity B's Board of Directors or similar governing body, if such minority maintains the power, right or authority to appoint or remove any of Entity B's executive officers or any committee of Entity B's Board of Directors or similar governing body, to approve a material part of Entity B's business or operating plans or to approve a substantial part of Entity B's debt or equity offerings.
- 7. "Domestic Air Carrier" means an Air Carrier as defined in 49 U.S.C. Section 40102(a)(2).
- 8. "Entity" means any business form of any kind including without limitation any natural person, corporation, company, unincorporated association, division, partnership, group of Affiliated Entities acting in concert, trustee, trust, receivership, debtor-in-possession, administrator or executor.
- 9. "Equity" means: (i) common stock or other securities that carry the right to vote for one or more members of a board of directors or similar governing body, or shares or interests in a partnership or limited partnership which shares or interests have general voting rights (all of the foregoing being collectively referred to as "Common Equity") and (ii) securities that are then currently or in the future exchangeable into, exercisable for, or convertible into Common Equity.
- 10. "Feeder Carrier" means a Domestic Air Carrier that, when engaged in code sharing with the Company:
 - a. Does not operate any aircraft that utilizes an engine with an external propeller ("Turbo/Prop Aircraft") other than Turbo/Prop Aircraft that are certificated for seventy-eight (78) or fewer seats and have a maximum permitted gross takeoff weight of less than seventy-five thousand (75,000) pounds; and
 - b. Does not operate any aircraft that utilizes a turbine-driven engine without an external propeller ("Jet Aircraft"), other than Small Jets.
- 11. "Feeder Flying" means flight operations conducted by a Feeder Carrier pursuant to paragraph C-1.
- 12. "Foreign Air Carrier" means an air carrier that is not a Domestic Air Carrier.
- 13. "Gateway" (used with or without capitalization) means an airport in the United States from which the Company engages in non-stop flights to and from foreign points.
- 14. "Key City" means DCA, MIA, LGA, EWR, JFK, and SEA and any other city that is identified as a hub (currently IAD, ORD, DEN, SFO and LAX) in the Company's Annual Report on Form 10-K.
- 15. "Hurdle Rate" means the internal rate of return established by the Company for allocating capital resources for airline related expenditures.

16. "Industry Standard Interline Agreement" means an agreement or other arrangement between two carriers or among three or more carriers, such as the International Air Transport Association's "multilateral Interline Traffic Agreements," establishing rights and obligations relating to the transportation of through passengers and/or through shipments by the party carriers.
17. "Joint International Non-Stop Market" means a Non-Stop Market in which parties to an International Code Share Agreement may apply their respective designator codes to each other's flight(s).
18. "Market" means a pair of airports, e.g., ORD-MSP.
19. "Non-Stop" means a flight in a Market that does not include a scheduled intervening take off and landing.
20. "Parent" refers to UAL Corp. ("UAL") or any other Entity that has majority control of the Company, whether directly or indirectly through the majority control of other Entities that have majority control the Company.
21. "Round Trip" means a pair of flights to and from one city in a Market to the other, e.g. ORD-STL-ORD.
22. "Small Jets" means (a) Jet Aircraft that are certificated in the United States of America for seventy (70) or fewer seats and a maximum permitted gross takeoff weight of less than eighty thousand (80,000) pounds and (b) up to eighteen (18) specific aircraft with certificated seating capacity in excess of seventy (70) seats operated by Feeder Carrier Air Wisconsin Airlines Corp. ("AWAC"). These eighteen aircraft are identified as the "AWAC Quota".. Currently, the AWAC Quota is filled by BAe-146 aircraft with the following tail numbers: N463AP, N179US, N181US, N183US, N606AW, N607AW, N608AW, N609AW, N610AW, N611AW, N612AW, N614AW, N615AW, N616AW, N290UE, N291UE, N292UE, and N156TR. AWAC may replace any aircraft within the AWAC Quota with: (i) any other BAe-146 or AVRO 85 aircraft each with no more passenger seats than were carried in the actual operation of the replaced aircraft, or (ii) any other aircraft with a maximum certificated seating capacity in the United States of eighty-five (85) seats and a maximum certificated gross takeoff weight in the United States of up to ninety thousand (90,000) pounds.
23. "United States" when referring to geographical extent means only the States of the United States of America and the District of Columbia.
24. "United States and Territories" means the United States and its territories and possessions including but not limited to the Commonwealth of Puerto Rico.

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Attachment H
Success Sharing

The pilots will participate in the following incentive program and profit sharing program:

I. Incentive Program	
Program	All domestic employees (including all United pilots) will participate in an annual incentive program that aligns the interests of management and other employees.
Annual Performance Incentive Program	<ul style="list-style-type: none"> • Prior to each calendar year beginning with 2004, the Compensation Committee of the Board of Directors will establish a performance incentive formula (the "Annual Incentive Formula") that will provide a threshold or minimum incentive payment, a target or average incentive payment and a maximum incentive payment for senior management, other management, and other employees. • The Annual Incentive Formula will be based on the following performance measures as reasonably weighted by the Committee. Each business unit (e.g., United Airlines², ULS) may have its own incentive plan measures. For example: financial performance (e.g., EBITDAR margin, pre-tax margin), operational performance (e.g., on-time performance), customer satisfaction (e.g., intent to repurchase), employee engagement, safety performance (e.g., lost time injuries) and reasonably comparable measures as adopted by the Committee. • A significant cash portion of the target cash compensation of management employees is payable through the Annual Performance Incentive Program. It is understood that the Compensation Committee of the BOD will, from time to time, review and adjust the target compensation levels, cash compensation levels and the portion of cash compensation at risk, provided that such compensation at risk remains a significant

²The LCO (if established) may have separate measures for its own employees. UA employees providing services to the LCO will have UA measures.

	portion of the target cash compensation of management employees.
Employee Incentive Payments	<p>Non-management employees will receive the following cash incentive payments based on United's actual performance under the annual incentive program (with linear interpolation between the performance points):</p> <p>Threshold Performance: 2.5% of Wages Target Performance: 5% of Wages Maximum Performance: 10% of Wages</p>
Wages	Base pay, overtime, holiday pay, longevity, sick pay, vacation pay, shift differential, overrides and premiums but excluding expense reimbursement, incentive or profit sharing payments, pension payments, imputed income or other similar awards or allowances.
Payment Date	On the same date as incentive payments are made to management employees.
Benefits	Incentive payments will be pensionable (A Plan but not B plan for pilots).
Duration	The incentive plan will cover each calendar year beginning in 2004.
Distribution Option	Cash, subject to 401(k) deferral.
Dispute Resolution (As to both incentive and profit sharing programs)	The Company will provide any information requested by the Association to audit calculation of UAL's performance under the incentive plan and under the profit sharing program below. Expedited arbitration under Section 1-J for any disputes over incentive payment and profit sharing calculations.

II. Profit Sharing Program

Program	All domestic employees (including all United pilots) will participate in a pre-tax profit sharing program with respect to calendar years beginning in 2005.
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Pretax Profit	Consolidated UAL pre-tax earnings as calculated under U.S. generally accepted accounting principles and reported in regulatory filings but excluding (i) unusual, special or extraordinary charges or (ii) charges with respect to grant or exercise of employee equity or options or (iii) charges with respect to payments under this profit sharing program.
Annual Profit Sharing Pool	15% of the excess of (i) annual Pretax Profit over (ii) the Annual Plan Threshold, but in no event more than the pool cap.
Annual Plan Threshold	The product of (i) net UAL revenues and (ii) the following percentages (which represent net pretax profit margins): <div style="margin-left: 40px;"> 2005 8% 2006 10% 2007 10% 2008 10% 2009 10% </div>
Pool Cap	8% of Wages of all participating employees.
Pilots' Share	43.5% of the Profit Sharing Pool*
Pilot Allocation	As determined by the Association
Payment	May 1 st of the year following each program year.
Distribution Option	Cash, subject to 401(k) deferral.

* Pilots' share subject to further review upon completion of other labor group agreements.

Attachment I
Reorganization Letter

Captain Paul Whiteford, Chairman
UAL-MEC
Air Line Pilots Association, International
6400 Shafer Court, Suite 700 Rosemont IL 60102

Dear Captain Whiteford:

In the discussions leading to the 2003 pilot collective bargaining agreement (the "2003 Agreement"), United Airlines, Inc., UAL Corp., and the Air Line Pilots Association, International, agreed to the following treatment of one aspect of the bankruptcy proceedings of UAL Corp. and United Airlines (the "Bankruptcy Proceedings") under Section 1 of the 2003 Agreement. Unless otherwise defined in this letter, the capitalized terms in this letter are defined in Section 1-K of the 2003 Agreement.

1. Pursuant to this Letter, the definition of Affiliate for purposes of Section 1 of the 2003 Agreement shall not include an Entity (a) that pursuant to a transaction approved in the Company's bankruptcy case currently pending in the United States Bankruptcy Court for the Northern District of Illinois (Case No. 02-B-48191) (including without limitation pursuant to a plan of reorganization or transaction pursuant to Section 363 of the Bankruptcy Code), obtains Control (or the right to obtain Control) in the Company or the reorganized Company; (b) is the Company's only realistic and viable investor in order to emerge from bankruptcy; and (c) would otherwise be an Affiliate under the terms of Section 1-K because it is an airline or has an airline Affiliate (the "Bankruptcy Investor").

2. This exception to the definition of Affiliate shall not apply if the Bankruptcy Investor is or becomes a Successor as defined in paragraph 1-D-1 of the 2003 Agreement.

3. If the Company's and the Bankruptcy Investor's airline operations are merged, the Company and the Bankruptcy Investor will offer the United Pilots the rights specified in paragraphs 1-D-3 and 1-D-5 of the 2003 Agreement.

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
Agreed:

Paul Whiteford
Chairman, UAL-MEC
Air Line Pilots Association, International

Attachment J

ALPA/UAL DISTRIBUTION AGREEMENT

UAL Corporation ("UAL"), United Airlines, Inc. (the "Company") and the Air Line Pilots Association, International ("ALPA"), hereby agree as follows (the "Distribution Agreement"):

1. UAL, the Company, and ALPA are committed to the principle that the pilot group should receive equity, securities, and/or other consideration under a plan of reorganization in an amount that fairly reflects the value of the pilot contribution to the reorganization of UAL and the Company.

2. In consideration for the pilot contributions given in connection with the consensual Section 1113 Restructuring Agreement reached between UAL, the Company, and ALPA effective May 1, 2003 (the "2003 Restructuring Agreement"), which modifies the parties' 2000 collective bargaining agreement ("2000 Agreement") and resolves numerous union grievances concerning the administration of the 2000 Agreement, any plan of reorganization proposed or supported by UAL and the Company as proposed and/or amended from time to time (the "Plan"), shall provide that, upon the effective date of such Plan, the pilot group will receive a percentage distribution of the equity, securities and/or other consideration provided to general unsecured creditors under the Plan (the "Distribution") calculated by the following formula:

$A/A+B$, where:

A is the dollar value of 30 months of average cost reductions under the 2003 Restructuring Agreement as reasonably measured under Labor Model 1.1a (the "ALPA Amount"); and

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

3. In addition, any Plan proposed or supported by UAL and/or the Company will provide the pilot group with at least 43.5%³ (subject to review of the pilot portion of the total agreed-upon labor cost savings from the 2003 Restructuring Agreement through April 30, 2009) of the common equity, securities and/or other consideration provided to all Company employees under the Plan in connection with employee cost reductions (the "Allocation").

4. If, for any reason, a confirmed plan of reorganization in UAL or the Company's Chapter 11 cases does not provide for both the Distribution and the Allocation, then ALPA on behalf of the United pilots will be entitled to a stipulated and allowed nonpriority prepetition general unsecured claim equal to 110% of the ALPA Amount (the "Alternative Distribution"). This Distribution Agreement in no way converts any such claim into an administrative claim or any other claim with priority superior to a prepetition general unsecured claim. ALPA agrees that it will neither assert, support, nor solicit any assertion in any proceeding before the Bankruptcy Court or any other tribunal that any claims allegedly arising from this Distribution Agreement constitute administrative claims (or any other claims with priority superior to a prepetition general unsecured claim) under Sections 503, 507 or any other Section of the Bankruptcy Code.

5. Prior to the effective date of the Plan, ALPA will provide the Company with a reasonable allocation of the Distribution or the Alternative Distribution as applicable (which allocation will distribute all of the Distribution or the Alternative Distribution to the United pilots).

6. The equities, securities and other consideration provided for, received and to be received under this Distribution Agreement and the other consideration provided for, received and to be received under this Restructuring Agreement, will be the sole and exclusive remedy for ALPA for

³ Pilots' share subject to further review upon completion of other labor group agreements.

ALPA - UAL Restructuring Agreement
March 26, 2003

a claim arising under the bankruptcy code with respect to the modifications made to the 2000 pilot agreement by this Restructuring Agreement.

Attachment K

FEES AND EXPENSES

May 1, 2003

Captain Paul Whiteford, Chairman
UAL-MEC Air Line Pilots Association
6400 Shafer Court, Suite #700
Rosemont, IL 60018

Dear Paul:

I write to confirm the following agreement among the Air Line Pilots Association International (the "Association"), the United 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 fees and expenses arising from and in connection with (i) the agreements concerning pilot participation in the first and second Economic Recovery Programs ("ERPs"); (ii) the parties' code share agreement (the "ALPA Code Share Agreement") related to the Company's code share and marketing relationship with US Airways, Inc. and US Airways Express carriers (the "Commercial Code Share Agreement"); and (iii) the agreement concerning pilot contribution to the bankruptcy reorganization of the Company ("Restructuring Agreement").

1. Professional Fees and Expenses

The Company, subject to bankruptcy court approval (which the Company will promptly seek), will reimburse the Association for the reasonable fees and out-of-pocket expenses incurred by the Association including reasonable fees and expenses of outside legal and financial advisors ("Professional Fees and Expenses") incurred by the Association in connection with the review, design, negotiation, approval and ratification of: (i) the ERPs; (ii) the ALPA Code Share Agreement; and (iii) the Restructuring Agreement.

- a. All such Professional Fees and Expenses will be calculated based upon normal hourly rates for actual time expended.
- b. The MEC will provide such documentation as is required by the bankruptcy court.
- c. The reimbursement and fees for the Association's financial advisors shall be in an amount to be negotiated by the parties and to be paid on a court approved Plan of Reorganization permitting the Company to exit from bankruptcy. Such amount shall exclude fees and expenses included in the September 2002 agreement between the Company and the Association.
- d. Legal fees and expenses incurred by the Association related to Section 1113(c) litigation and/or preparation for Section 1113(c) litigation are not reimbursable.

2. Flight Pay Loss

The Company will not bill the Association for flight pay loss incurred by Company pilots who served on the Association's Committees who were preparing for and participating in

negotiations with the Company and at the Company's behest regarding the ERPs, the ALPA Code Share Agreement or the Restructuring Agreement:

- a. The MEC will advise the Company in writing of each pilot involved in such activity and the specific trip(s) dropped for work on the ERPs, the ALPA Code Share Agreement and/or the Restructuring Agreement.
- b. In the event that special meetings of the MEC or Road Shows have been necessary to address issues associated with the ERPs, the Restructuring Agreement or the ALPA Code Share Agreement, 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 either the ERPs, the ALPA Code Share Agreement or the Restructuring Agreement at the meetings and Road Shows as applicable.

3. Aggregate Professional Fees and Expenses and Flight Pay Loss

The Company's obligation to pay Professional Fees and Expenses, excluding those for financial advisors, and Flight Pay Loss incurred pursuant to paragraph 1 and 2 of this Letter of Agreement shall be \$2.5 million in the aggregate.

It is recognized that this Agreement represents special collective bargaining circumstances created by the parties' desire to negotiate modifications to the Pilot Agreement as part of the Company's bankruptcy reorganization. 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 1st day of May, 2003

Captain Paul Whiteford, Chairman
UAL-MEC
Air Line Pilots Association, International

Attachment L

US AIRWAYS CODE SHARE

Letter 02-11
(US Airways Code Share)

LETTER OF AGREEMENT
between
UAL CORPORATION,
UNITED AIR LINES, INC.
and
THE AIR LINE PILOTS
in the service of
UNITED AIR LINES, INC.
as represented by
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

THIS LETTER OF AGREEMENT is made and entered into in accordance with the Railway Labor Act by and between UAL CORPORATION ("UAL"), UNITED AIR LINES, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as "ALPA" or the "Association").

WHEREAS the Company has a code share and marketing relationship with US Airways, Inc. ("US Airways") and US Airways Express carriers (including without limitation the carriers listed on Schedule 1 to this Letter of Agreement) ("USX Carriers") that operate under the US Airways designator code (the "US Code"), or successors to US Airways or USX Carriers, each pursuant to the terms of the commercial agreements between the Company and US Airways listed in Schedule 2 to this Letter of Agreement and future agreements between the Company and USX Carriers (collectively, the "Code Share Agreements");

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

1. Enabling Agreement Notwithstanding changes to Section 1 of the 2003 collective bargaining agreement between the Company and the Association (the "Pilot Agreement"), the parties desire to extend certain terms of Letter 02-11 as restated herein.

2. System Flying The Company shall measure and report the total number of mainline available seat miles ("ASMs") scheduled to be operated by US Airways each month under the UA Code. The Company shall not permit the number of mainline ASMs scheduled to be operated by US Airways under the UA

Code to exceed 41% of the mainline ASMs operated by the Company in any rolling twelve-month period.

3. Domestic Flying

a. The Company may permit US Airways to operate domestic, mainline flights under the UA Code other than point-to-point flights between (i) any of IAD, ORD, DEN, SFO or LAX and (ii) any of the Company's Key Cities or Gateway Cities as defined in Section 1-K of the Pilot Agreement (currently IAD, ORD, DEN, SFO, LAX, MIA, LGA, EWR, JFK, DCA, BOS and SEA).

b. The Company shall measure and report the total number of ASMs scheduled to be operated by US Airways and USX Carriers each month under the UA Code between (i) any of PIT, PHL or CLT and (ii) any of the Company's Key Cities or Gateway Cities. The Company shall not permit the aggregate number of mainline ASMs scheduled to be operated by the Company on such routes to fall below 16.85% of the aggregate number of ASMs scheduled to be operated by US Airways and the USX Carriers under the UA Code on such routes in any rolling twelve-month period.

4. International Flying

a. The Company shall only permit US Airways or the USX Carriers to operate the following international flights under the UA Code:

- i. any flights that begin or end in PIT, PHL or CLT; and
- ii. any flights on Latin American Routes (i.e., routes to or from the continental United States and any of Mexico, Central America or the Caribbean Islands (including the US Virgin Islands and Puerto Rico)) that begin or end in BOS, DCA or LGA and any USX Carrier flights on Latin American Routes that begin or end in MIA.

b. The Company shall measure and report the total number of mainline ASMs scheduled to be operated by US Airways under the UA Code each month on Transatlantic Routes (i.e., routes between North America and Europe). The Company shall not permit the number of mainline ASMs scheduled to be operated by US Airways under the UA Code on Transatlantic Routes to exceed 42% of the mainline ASMs scheduled to be operated by the Company on Transatlantic Routes in any rolling twelve-month period.

c. The Company shall measure and report the total number of mainline ASMs scheduled to be operated by US Airways under the UA Code each month on Latin American and Transatlantic Routes. The Company shall not permit the number of mainline ASMs scheduled to be operated by US Airways under the UA Code on Latin American Routes to exceed 12.97% of the

mainline ASMs scheduled to be operated by the Company on Latin American and Transatlantic Routes in any rolling twelve-month period.

5. USX Flying

a. The Company shall only permit the UA Code to be used on the following USX Carrier flights:

i. any flights to or from PIT, PHL or CLT provided that any such flights that stop at DEN, LAX, SFO, ORD or IAD shall be point-to-point flights from PIT, PHL or CLT and shall not be operated on jet aircraft with a maximum certificated seating capacity in excess of 70 seats;

ii. flights to or from BOS or MIA provided that such flights may not be operated on jet aircraft with a maximum certificated seating capacity in excess of 70 seats, and none of such flights stop at IAD, ORD, DEN, SFO or LAX;

iii. flights to or from LGA, EWR and JFK (collectively, "NYC") provided that (x) such flights may not be operated on jet aircraft operated with a maximum certificated seating capacity in excess of 70 seats, and no such flights stop at IAD, ORD, DEN, SFO or LAX, and (y) the Company shall not permit the number of ASMs operated by US Airways and USX Carriers to or from NYC under the UA Code to exceed 28.1% of the ASMs operated by the Company to or from NYC; and

iv. flights to or from DCA and BWI provided that (x) such flights may not be operated on jet aircraft operated with a maximum certificated seating capacity in excess of 70 seats, and no such flights stop at IAD, ORD, DEN, SFO or LAX, and (y) the Company shall not permit the number of ASMs operated by US Airways and USX Carriers to or from IAD, DCA and BWI (collectively "WAS") under the UA Code to exceed 21.1% of the ASMs operated by the Company to or from WAS.

b. The Company shall hold each USX Carrier that operates flights under the UA Code to the same safety, operational performance and passenger service standards imposed on United Express carriers (including the annual safety audits of such USX Carriers performed by the Company).

6. Reciprocal Code Share Arrangements

a. The Company shall make commercially reasonable efforts to place the US Code on all of the ASMs operated by the Company within twelve (12) months of the effective date of this Letter of Agreement (the "Phase-In Period"), except to the extent the Company (i) fails to receive required government approval for code sharing on flights despite its best and continuing

efforts to obtain such approval; or (ii) is prohibited by the collective bargaining agreement(s) between the Company, US Airways and/or USX Carriers and any of their unions in effect as of the effective date of this Letter of Agreement and (iii) the airport facility, airport authority, or other physical restrictions on airport locations make such implementation impossible or unreasonably expensive in relation to the benefit of the code share at such location.

b. If, after the conclusion of the Phase-In Period, the Company fails to place the US Code on 100% (minus the exclusions provided for in paragraph 6.a above) of the Company ASMs, in any scheduling month, then, for the next scheduling month, the Company shall limit the number of US Airways ASMs operated with the UA Code to a percentage of US Airways ASMs calculated as $105\% \text{ minus } [100\% * (A-B) / A]$, where A is the number of UA ASMs that should have been operated under the US Code and B is the number of UA ASMs actually operated under the US Code. For example, if the Company was required to operate 16 billion ASMs under the US Code in a given month but only operated 14 billion under the US Code during the month, the Company would be required to limit the UA Code to 92.5% of US Airways ASMs $- [105\% \text{ minus } (100\% * (16-14)/16)]$. For the purposes of all calculations in this paragraph, all ASMs for both carriers will be net of exclusions in paragraph 6.a. above.

7. Block Space Arrangements The Company will not enter into any block space arrangements (i.e., the advance purchase or reservation of blocks of seats on other carriers for resale by the Company) with US Airways or any USX Carrier.

8. Pro Rate Arrangements The Company shall not engage in any form of revenue sharing, profit sharing, margin sharing, or fee-for-departure arrangements with US Airways or USX Carriers for passengers carried on US Airways or USX Carrier flights other than the form of standard interline remuneration arrangements described in the Code Share Agreements in Schedule 2 to this Letter of Agreement. In addition, without the prior written consent of the Association, the Company shall not adopt any amendment or revision to the Code Share Agreements or any other agreement with US Airways that materially changes the proration of interline revenue between the Company and US Airways under the Code Share Agreements in a way that provides economic benefits to the Company from passengers carried on flights operated by US Airways or USX Carriers under the UA Code.

9. Equity Arrangements The Company and its Affiliates (as defined in Section 1-K of the Pilot Agreement) will not purchase or acquire any equity securities, debt securities or other capital securities of US Airways or any Affiliate of US Airways (other than the receipt of securities of US Airways or any Affiliate of US Airways in settlement of bona fide bankruptcy claims (excluding any purchased claims) of the Company or any Affiliate of the Company).

10. Separate Marketing Identity; Transactions The Company may conduct joint marketing efforts with US Airways and USX Carriers in support of the Code Share Agreements (including the use of trade names, promotional materials, logos and marks that reflect the code share) but the Company shall nonetheless maintain a primary, separate operating, corporate and marketing identity (including an independent name, trade name, logo, aircraft livery, trademark, livery and service marks). Neither the Company nor any Company Affiliate shall transfer any of the Company's aircraft (owned, lease or under option), international routes, or international route authorities to US Airways or any Affiliate of US Airways.

11. Labor Disputes The Company shall not permit US Airways or any USX Carrier to operate any flight under the UA Code at any time during a lawful strike by the Company's pilots. The Company shall not operate any flight under the US Code during a lawful strike by the pilots of US Airways.

12. Information Sharing The Company shall provide monthly information concerning the Code Share Agreements to the Related Carrier Review Committee under the terms and conditions described in Section 1-K of the Pilot Agreement.

13. Dispute Resolution Disputes under this Letter of Agreement shall be resolved in accordance with Section 1-J of the Pilot Agreement; provided that Company shall be permitted to cure, and shall cure, a breach of Paragraphs 3, 4, 5 and 6 of this Letter of Agreement on the earlier of (i) 30 days after such breach or (ii) the next published schedule change in the Official Airline Guide for which the Company has not yet transmitted its schedule to the OAG.

14. Duration This Letter of Agreement shall become effective upon its execution and shall run concurrently with the Pilot Agreement as described in Section 22-D of the Pilot Agreement (as Section 22-D is itself amended by the 2003 Restructuring Agreement); provided, however, that paragraph 11 of this Letter Agreement (Labor Disputes) shall remain in full force and effect unless and until revised in a future written agreement between the Company and the Association irrespective of whether the Company's pilots are engaged in a lawful primary strike under the Railway Labor Act, and the Company hereby waives any claim, right or privilege to change, breach or disregard paragraph 11 under the Railway Labor Act or otherwise; and

Notwithstanding the foregoing, the Company may elect to terminate this Letter of Agreement if (i) the Company decides to no longer apply the UA Code to flights operated by US Airways and USX Carriers, or (ii) the Code Share Agreements are terminated. If this Letter of Agreement is terminated pursuant to this paragraph, it shall become null and void and shall no longer run concurrently with the Pilot Agreement.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this ___ day of _____, 2003.

ALPA - UAL Restructuring Agreement
March 26, 2003

WITNESS:

FOR UNITED AIR LINES, INC.

Peter B. Kain
Vice President – Labor Relations

FOR UAL CORPORATION

Glenn F. Tilton Chief Executive Officer

WITNESS:

FOR THE AIR LINE PILOTS
ASSOCIATION, INTERNATIONAL

Duane Woerth, President

Captain Paul Whiteford, Chairman
United Master Executive Council

SCHEDULE 1

Air Midwest Airlines, Inc.
Allegheny Airlines, Inc.
CCAIR, Inc.
Chautauqua Airlines, Inc.
Colgan Air, Inc.
Mesa Airlines, Inc.
Mid-Atlantic Airlines, Inc.
Midway Airlines, Inc.
Piedmont Airlines, Inc.
PSA Airlines, Inc.
Republic Airlines, Inc.
Shuttle America, Inc.
Trans States Airlines, Inc.

SCHEDULE 2

Code Share and Regulatory Cooperation Agreement
United Mileage Plus and US Airways Carrier Participation Agreement
US Airways Dividend Miles Program and United Air Lines Carrier Participation Agreement
Star Alliance Participation Agreement
Passenger Prorate Agreement
United Air Lines, Inc. and US Airways, Inc. Reciprocal Airport Lounge Agreement