

UNITED



Maintenance Instructor Employees 2016 – 2021 Agreement

Between United Airlines and
The International Association of Machinists
And Aerospace Workers (IAMAW)

2016 - 2021 MAINTENANCE INSTRUCTORS AGREEMENT

PREAMBLE

This Agreement is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between United Airlines (referred to in this Agreement as the “Company”) and the International Association of Machinists & Aerospace Workers (referred to in this Agreement as the “Union”) representing the employees comprising the craft or class of Maintenance Instructors as certified by the National Mediation Board in Case R-7323 on June 15, 2012.

The Company and the Union pledge their best efforts to promote the highest degree of safety and customer service, operational efficiency, dignity and respect for employees working under reasonable conditions for competitive pay and benefits, and partnership between the Company and the Union dedicated to the success of United and its co-workers and stakeholders.

This Agreement is designed to provide clear and understandable rules as to the expectations, rights and obligations of Maintenance Instructors, the Union, and the Company. To facilitate identification of provisions that govern specific terms and conditions or that may apply in various circumstances, the Agreement is organized as follows:

Article 1 – Job Classifications & Vacancies

Article 2 – Job Security

Article 3 – Compensation & Benefits

Article 4 – Hours of Service & Overtime

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ARTICLE 1

JOB CLASSIFICATIONS & VACANCIES

ARTICLE 1: JOB CLASSIFICATION & VACANCIES

A. Classifications and Positions

1. Each employee is assigned to a classification. Classifications covered by this Agreement may include, but are not limited to: **Maintenance Instructors**.

2. Positions covered under this Agreement, and brief descriptions of the work performed, may include, but are not limited to, the following:

a. **Maintenance Instructor (MI)** is a basic position within the Maintenance Instructor classification. A Maintenance Instructor shall be an employee classified as a Maintenance Instructor on the effective date of this Agreement and thereafter any employee of the Company hired as a Maintenance Instructor. The work of Maintenance Instructors shall include all work generally recognized as Maintenance Instructors' work performed by the Company conducting classroom and practical technical training at maintenance bases, line stations, and other facilities including, but not limited to, providing technical knowledge and practical instruction for the safe maintenance, repair, and operation of aircraft and aircraft systems as related to maintenance according to established procedures. A Maintenance Instructor also analyzes technical information, develops training programs to meet established objectives, writes, edits, formats, and produces materials for technical instruction, and develops and administers technical examinations where appropriate.

(i) All Maintenance Instructors will be required to possess valid F.A.A. Airframe and Power plant (A&P) Licenses. Maintenance Instructors, who do not currently hold a valid A&P License, prior to the signing of this contract, will not be required to hold a valid A&P License as long as they maintain a valid "A" or "P" or F.C.C. General Radio Telephone Operator's License. If there is any change during the life of this Agreement in the licenses employees covered by this Agreement are required to have, all employees affected shall be given 1 year from the date of such change to obtain each license and there shall be no change in their status or pay during said 1 year period. Any qualified employee, upon request, shall be furnished with a certificate by the Company for presentation to the proper government agency for procuring FAA or FCC licenses.

(ii) In the event that Federal requirements or work organization requirements are changed, the Company and the Union will meet and make such changes in the license requirement provisions as become necessary.

B. Locations and Points As used in this Agreement, a Location is defined as a Company facility with the same station or building designator codes, and a Point is defined as combined Locations within a geographical area as follows:

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- Chicago Point: Includes CHI, MDW, ORD, OPC, and WHQ.
- New York Point: Includes EWR, JFK and LGA.
- Houston Point: Includes IAH, HOU and NHC.
- Denver point: Includes DIA and the Denver Training Facility
- San Francisco Point: Includes SFO and OAK

The Union and the Company may agree to add to, delete from or modify these Point definitions through mutual agreement.

C. Vacancies

1. A “vacancy” is an available position that is filled through a local bid process; a system bid process, or if not filled, through a competitive process. The system bid process is used to change Locations in the basic position within that classification.

2. Bidding

a. Until E-Bid is fully operational, employees who wish to be considered for a vacancy in a basic position must complete a bid/transfer request (“system bid”) that will be maintained on file for the remainder of that calendar year, except that system bid requests submitted during the month of December of any year will be maintained on file for the following calendar year. An employee will be notified if a system bid request is incomplete; incomplete system bid requests will not be considered in filling a vacancy. An employee may withdraw or resubmit system bid requests at any time in writing.

b. When available, vacancies may be electronically "posted" (E-Bid). When and if E-Bid becomes available, the Company and the Union will discuss its application and operation.

c. An employee bidding a vacancy in a different Location, (i) must have at least 1 year of service with the Company ; and (ii) if on a leave of absence or EIS, must be able to return to work at the vacancy’s Location by the reporting date, unless the Company waives these requirements.

3. Awarding Vacancies

a. Transfers within a Point For Locations within the same Point, vacancies will be awarded first by honoring local transfer requests that are on file from employees who are in the same work status in the following order:

(i) Basic positions from existing employees at Locations within that Point by basic bid seniority;

b. Filling Other Vacancies For all other vacancies, including vacancies within the Point that were not filled through the process in (a) above, candidates within the classification will be awarded vacancies as follows:

(i) Vacancies for basic positions will be awarded in the following order:

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(A) Employees with a bid on file within the same classification in basic bid seniority order;

(B) Other employees, including employees covered under this and other collective bargaining agreements between the Company and the IAM on a competitive basis.

4. Notice of Award Results

a. Successful candidates will be notified of the award within 72 hours. Candidates refusing the award will not be considered for another vacancy for 6 months.

b. Absent mutual agreement otherwise, an employee awarded a vacancy at another Location will be given a maximum of 14 days to report to the new Location, or 72 hours after obtaining all necessary clearances, whichever is later. Employees must report to their awarded position by the date specified in the posting. An employee who fails to report on time to fill the awarded vacancy at another Location will not be considered for any other vacancy for 1 year.

c. In reporting to the new Location as the result of filling a vacancy as described in this Section C, a transferring employee may take unpaid consecutive time off of 1 day per 300 miles traveled (with a minimum of 1 day) within 30 days of the reporting date.

d. Absent mutual agreement otherwise, a one-time service fee waived space available travel pass to the new location will be provided for the employee and eligible dependents.

ARTICLE 2: JOB SECURITY

A. Contracting Out of Core Work

1. The Company will not contract out to outside vendor(s) the “core” work currently performed by Maintenance Instructors at the following locations: Denver (DEN), Newark (EWR), Houston (IAH), Chicago (ORD), and San Francisco (SFO). The core work of Maintenance Instructors generally consists of: conducting and developing formal classroom and technical shop training, providing technical knowledge and instruction for the safe maintenance, repair, and operation of aircraft and aircraft systems as related to aircraft maintenance according to procedures established by the Company.

2. Except as provided in Letter of Agreement #9, non-core work currently performed by Maintenance Instructors at these locations may be contracted out, provided it does not directly cause a reduction-in-force for employees employed as of the Effective Date of this Agreement at the location(s) where the contracting out occurs.

B. Conferences Between the Company and Union

1. In the event the Company decides to close a location or contract out work currently performed by Maintenance Instructors, or to contract out Maintenance Training at a location not protected in Paragraph A.1 above, the Company and Union will meet and confer at least 60 days prior to implementation to review and evaluate the impact to employees. The following will be considered during the review and evaluation:

- a. A detailed description of the nature of the proposed location closing or contracting out;
- b. The approximate number of employees and locations likely to be affected;
- c. The impact on the job security of the affected employees;
- d. The reason for the change and the impact it will have on the Company’s operation; and
- e. The Company’s plan to minimize the impact.
- f. If the location closure or contracting out may result in a reduction-in-force of employees covered by this Agreement, the Company and Union will meet to discuss alternatives and reasonable efforts to provide retraining and/or alternate job placement within the Company for affected employees.

C. Seniority Protection Dates

1. No employee in active service or on leave of absence on the date of signing of this Agreement who has a Bid Seniority date of January 1, 2006 or earlier will be furloughed from employment with the Company, except under the following circumstances: failure by the employee to exercise seniority on the system to fill a

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permanent vacancy or to bump an employee not protected by this paragraph C.1, or failure to fill a permanent vacancy in a higher classification the employee is qualified to fill. An employee who fails to exercise seniority or to fill a vacancy will be eligible for applicable recall rights and normal furlough pay.

2. The Company will be excused from the requirements of paragraph C.1 in the event of circumstances beyond the control of the Company, including but not limited to a war, emergency, revocation of an operating certificate, grounding of aircraft, strike or other cessation of work.

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ARTICLE 3: COMPENSATION & BENEFITS

A. Payroll

1. Employees will be paid semi-monthly on the 15th and last day of each month. Pay schedules and pay periods may be modified by the Company as needed or as required by technology or law. The Company will notify the Union of any changes to the payroll schedule.

2. In the event a regular payday falls on a legal holiday, the Company will make every reasonable effort to have payroll prepared and distributed on the day preceding such legal holiday. In the event the distribution cannot reasonably be made prior to a legal holiday, the distribution will be made the day following such legal holiday.

3. Pay advices will include, but are not limited to, a statement of all wages and deductions made for the pay period. Sick leave and vacation balances will be available to employees through an online portal.

4. Employees leaving the service of the Company will be paid for all the time due within 72 hours after separation and in compliance with State law.

5. All wage increases provided for in this Agreement will be effective at the beginning of the pay period closest to the scheduled increase.

6. When there is a shortage of 1 day’s pay or more in the pay due an employee, the Company will issue a supplementary payment to cover the shortage as soon as reasonably possible and within 3 business days after it is determined what is due.

B. Wages

1. An employee whose rate of pay upon the Effective Date of this Agreement would be less than the rate he or she received on the day prior to the Effective Date, will be protected at the higher rate until the date on which his rate of pay under this Agreement equals or exceeds the rate of pay he received prior to the Effective Date. Nothing in this Agreement will be construed to prevent increases in individual rates or classifications over and above the minimum specified. The following hourly rates will prevail on the beginning of the pay period closest to the effective date.

2. Wage Schedule;

a. Maintenance Instructor hired in the classification prior to DOS.

	Current	Effective 11/15/2016	Effective 12/01/2017	Effective 12/01/2018	Effective 12/01/2019	Effective 12/01/2020	Effective 12/01/2021
Hourly Rate	\$41.41	\$49.15	\$50.14	\$51.39	\$52.68	\$53.73	\$54.80
Monthly Rate	\$7,178	\$8,520	\$8,691	\$8,908	\$9,131	\$9,313	\$9,500

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C. Shift Premiums The following shift premiums will be applied to applicable paid hours when an employee works:

1. Afternoon Shift An Afternoon Shift differential of \$2.00 per hour will be paid for any shift scheduled to start between 11:00 and 17:59 inclusive.
2. Night Shift A Night Shift differential of \$4.00 per hour will be paid for any shift scheduled to start between 18:00 and 04:29 inclusive.
3. The shift premium is based on the regularly scheduled shift the employee is scheduled to work. Early-start and hold-over shift premium is determined by the regularly scheduled shift worked.

D. Transfers Between Classifications

1. If an IAM employee commences inactive status such as an illness leave of absence or furlough and returns to a different IAM position, the employee will return at the same step on the new wage progression scale as the step they left at on their old wage progression scale.

E. Benefit Plans and Eligibility

1. Insurance Benefits and Plans to Be Provided Sections E through K of this Article 3 provide for medical, dental, vision, flexible spending account, retiree medical, and life & accident benefits for employees effective January 1, 2015, except for any effective dates otherwise, the benefits described herein will not be amended, modified, altered or terminated without the prior written agreement of the Union, except as required by law or as otherwise permitted herein.

2. Eligibility for Insurance Benefits Subject to the specific provisions of Sections F through K below, employees and their eligible dependents (“Dependents”) are eligible for benefits under this Article 3 in accordance with the following:

- a. Eligibility for Active Benefits All Employees in active service and their Dependents will be eligible for coverage under the medical plans described in Section F, the dental plans described in Section G, the vision plans described in Section H, the flexible spending account plans described in Section I, and the life & accident plans described in Section K. For any employee hired on or after the Effective Date of this Agreement, benefits will commence on the first day of the month following the expiration of 90 days from the employee’s date of hire, unless an earlier date is required by law. Medical benefits under Section F and dental benefits under Section G for employees and their Dependents will be continued while the employee is on layoff due to a reduction in force for a period of 90 days from the date of the employee’s layoff, provided the employee pays the Required Monthly Contribution.

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b. Eligibility for Retiree Medical Coverage Employees and their Dependents will be eligible for retiree medical coverage as provided in Section J below.

3. Coverage Elections At each Annual Enrollment, each employee may elect for himself or herself and any eligible Dependents any of the insurance options that require elections provided under this Article 3.

4. Survivors An employee's Dependents enrolled in any medical option on the date of the employee's death will be "Survivors" entitled to continue medical coverage in accordance with the terms of Section F.6 and dental coverage in accordance with the terms of Section G.5.

5. Domestic Partners Except as otherwise prohibited by state or federal law, an employee's domestic partner will be treated the same as a spouse for purposes of any benefits described in this Article 3. A domestic partner is an individual who is the same sex as the employee for whom the employee has submitted proof of domestic partnership in accordance with the rules and procedures as may be established by the Company from time to time, and provided the domestic partnership has not been terminated. Income will be imputed to the employee for any domestic partner benefits elected by the employee as required by state or federal law.

6. Quarterly Insurance Meetings Once per calendar quarter, the Company and the Union will meet at the Union's request to discuss, and make a good faith effort to resolve, any and all problems (including individual claim issues) relative to the insurance plans described herein.

F. Active Employee Medical Benefits, Including Prescription Drug Benefits

1. Required Domestic Medical Plans Effective January 1, 2015, the Company will offer the following domestic medical plans, the first 3 of which are collectively referred to herein as the "Core Medical Options." The plan designs for the 3 Core Medical Options are outlined in Appendix A.

a. A Core Medical PPO;

b. A Core Medical EPO;

c. A Core Medical High Deductible Health Plan with Health Savings Account ("HDHP"), subject to the Company's right to discontinue after 1 year provided no other high deductible health plan with health savings plan is offered by the Company; and

d. The "Select Regional Medical Plans" described in Section F.5.

2. Optional Medical Plans In addition to the required medical plans under Section F.1 above, each eligible employee will be offered the opportunity to participate in any additional medical plan options offered by the Company. The Company will have the sole authority to establish, modify and discontinue any such additional medical plan(s) and their terms and conditions of participation (including,

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but not limited to, eligibility, plan design, applicable plan documents, plan rules) uniformly across all participating employee groups but may vary contribution rates by employee group. Employees based in Guam will be eligible to participate in Guam-based medical plans, subject to residency requirements of the plans.

3. Failure to Make Election During Enrollment Periods In cases in which an employee fails to make a coverage election, the following rules will govern unless agreed to otherwise by the Union and the Company:

- a. Default to current coverage if available;
- b. If waived coverage (or a new hire), default to waive coverage;
- c. If enrolled in an optional PPO that is being eliminated for the ensuing plan year, default to Core Medical PPO;
- d. If enrolled in an optional EPO that is being eliminated for the ensuing plan year, default to Core Medical EPO;
- e. If enrolled in an optional HDHP that is being eliminated for the ensuing plan year, default to Core Medical HDHP, if offered, otherwise Core Medical PPO;
- f. If enrolled in an HMO or Aetna Select option that is being replaced for the ensuing plan year, default to replacement HMO; and
- g. If enrolled in an HMO or Aetna Select option that is being eliminated for the ensuing plan year, default to Core Medical EPO.

4. Required Monthly Contributions Employees electing medical coverage under this Section F will be required to make “Required Monthly Contributions” as provided in this Section F.4. Required Monthly Contributions will be made by payroll deduction, except in the case of employees on unpaid leave, disability, or other status during which they are not receiving pay, in which case Required Monthly Contributions will be directly billed to, and paid by, the employee.

- a. Core Option 80%/20% Limit The Required Monthly Contributions for the Core Medical Options and Select Regional Medical Plans will not exceed 20% of the total projected cost for the Coverage Tier elected, except that this percentage will vary for the individual employee after taking into account credits and surcharges described below.
- b. Optional Medical Plans Contributions for the Optional Medical Plans under Section F.2 will be set at the Company’s discretion but will be included in the Aggregate Contribution Limit.
- c. Aggregate Contribution Limit Employee contributions for all medical plans offered by the Company under this Section F (excluding the Core Medical HDHP), will not in the aggregate exceed 20% of total projected costs. Compliance with the Aggregate Contribution Limit will be determined after

any required normalization of contributions to recognize the effect of any wellness credits and spousal surcharges.

d. Annual Medical Cost Increases Any increase in the Required Monthly Contribution for the Core Medical Options and Select Regional Medical Plans, from one calendar year to the next, will not exceed 9.25% of the prior year's contribution. This percentage will vary for the individual employee after taking into account credits and surcharges.

e. Coverage Tiers The Monthly Required Contribution for any Core Medical Option will be based on a four-tier structure (subject to insurance carrier requirements):

(i) Employee only or spouse/qualified domestic partner only or Dependent children only ("employee only");

(ii) Employee and spouse/qualified domestic partner ("employee and spouse/domestic partner");

(iii) Employee and 1 or more children, or spouse/qualified domestic partner and 1 or more children ("employee and child(ren)"); and

(iv) Employee and spouse/qualified domestic partner and 1 or more children ("family").

f. Actuarial Review Upon Union request, the Company will provide the Union's actuary with the calculations and supporting data related to the determination of Required Monthly Contributions for the following plan year.

5. Select Regional Medical Plans Any plan offered under this Section F.5 will be referred to herein as a "Select Regional Medical Plan." Unless replaced or discontinued in accordance with this Section F.5, the Company will continue to offer to eligible employees the following existing plans: all Kaiser HMOs, NetCare Guam HMO, NetCare Guam Health Plan Plus, HMO Illinois, HMO Colorado, HMSA Hawaii and Group Health Washington. In the event the Company desires to replace or discontinue offering any of the foregoing plans for the following year, it may do so, provided that:

a. in the event of replacement, the resulting disruption of employee enrollees in terms of their ability to continue utilizing the same medical providers in the proposed replacement plan is less than 20% (in which case the replacement plan will be in all respects treated as a Select Regional Medical Plan covered by Art. 3), and;

b. in the event of discontinuation and not replacement: (i) the year-over-year increase in the gross premium for such plan is more than 20%; or (ii) employee enrollment in such plan has declined to a level less than 50% of the enrollment on the Effective Date of the Agreement.

6. Survivors An employee's Dependents enrolled in any medical option on the date of the employee's death will be "Survivors" entitled to continue coverage in

accordance with the terms of the applicable plan document, provided that if the employee has less than 10 Years of Service (as defined in Section J.2.a) the period of continued coverage will be limited to 3 months (exclusive of COBRA).

G. Active Employee Dental Benefits

1. Required Dental Plan Effective January 1, 2015, the Company will offer, and each employee will be eligible to participate in, the Core Dental Option. The plan design for the Core Dental Option is outlined in Appendix B.

2. Optional Dental Plans In addition to the Core Dental Option, each employee may participate in any additional dental plan options offered by the Company. The Company will have the sole authority to establish, modify and discontinue such programs and their terms and conditions of participation (including, but not limited to, eligibility, plan design, applicable plan documents, plan rules) uniformly across all participating employee groups but may vary contribution rates by employee group. Employees based in Guam will be eligible to participate in domestic dental plans or in Guam-based dental plans subject to residency requirements of the plans.

3. Failure to Make Election During Enrollment Periods In cases in which an employee fails to make a coverage election, the following rules will govern unless agreed to otherwise by the Union and the Company:

- a. Default to current coverage if available;
- b. If waived coverage (or new hire), default to waive coverage; and
- c. If enrolled in an optional dental plan that is being replaced or eliminated, default to Core Dental Option.

4. Required Monthly Contributions Employees electing dental coverage will be required to make monthly contributions as provided in this Section G.

- a. Core Option 80%/20% Limit Effective January 1, 2015, required Monthly Contributions for the Core Dental Option will not exceed 20% of the total projected cost for the Coverage Tier elected.
- b. Optional Dental Plans Contributions for any optional dental plans will be set at the Company's discretion.
- c. Annual Dental Cost Increases Any increase in the Required Monthly Contribution for the Core Dental Option, from one calendar year to the next, will not exceed 9.25% of the prior year's contribution.
- d. Coverage Tiers The required contribution for each month of coverage for the Core Dental Option will be based on a four-tier structure:

(i) Employee only or spouse/qualified domestic partner only or Dependent children only ("employee only");

(ii) Employee and spouse/qualified domestic partner (“employee and spouse/domestic partner”);

(iii) Employee and 1 or more children, or spouse/qualified domestic partner and 1 or more children (“employee and child(ren)”); and

(iv) Employee and spouse/qualified domestic partner and 1 or more children (“family”).

5. Survivors An employee’s Dependents enrolled in any dental option on the date of the employee’s death will be “Survivors” entitled to continue coverage for 3 months (exclusive of COBRA) in accordance with the terms of the applicable plan document.

H. Active Employee Vision Benefits

Effective January 1, 2015, each employee may participate in any vision plan options offered by the Company. The Company will have the sole authority to establish such programs and their terms and conditions of participation, including, but not limited to, eligibility, plan design, applicable plan documents, plan rules, and contribution rates. Employees based in Guam will be eligible to participate in domestic vision plans or in Guam-based vision plans subject to residency requirements of the plans.

I. Active Employee Flexible Spending Account Plans

Effective January 1, 2015, each employee will be eligible to participate in the Company’s flexible spending account plans for health expenses and dependent care expenses by making an election to contribute a portion of his pay. The maximum election for health expenses will be the lesser of the statutory limit (e.g., currently \$2,500 for 2013) or \$10,000. Reimbursement will be available for expenses incurred during the plan year and following the plan year through the date currently permitted by law, or later if legally permissible and administratively feasible. Forfeitures will be used to defray the administrative expenses of the program. The maximum election for reimbursement for dependent care expenses will be the maximum statutorily permissible election.

J. Retiree Medical Program

1. Retiree Bridge Medical Each employee with at least 20 years of service (measured from Company Seniority date to separation date) as of September 16, 2014 who retires on or after September 16, 2014 while enrolled in active medical coverage will be eligible to participate in the retiree bridge medical program providing for participation in any domestic medical plan available to active employees, subject to the following rules:

a. At the time of retirement, the employee must be at least age 60 and less than age 65.

b. At the time of retirement, the retired employee’s sick leave bank will enable the retiree to participate in the contributory funding aspect of the plan by using 11 hours of sick leave for each month of participation. Payment of the 11

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hours of sick leave will be accepted as the retiree's complete payment obligation for each such month of participation.

c. If a retiree has insufficient sick leave remaining in his bank to purchase continued participation in the plan for any period of time for which he is eligible and desires such coverage, the retiree may obtain coverage at the unsubsidized rate under Section J.2 below.

d. Coverage for the retiree terminates the earlier of age 65 or attainment of Medicare-eligibility.

e. Spouse/domestic partner coverage will only be available if the employee has an enrolled spouse/domestic partner on the date of retirement (spouses/domestic partners cannot later be added). Coverage will be available for any other Dependents enrolled on the date of retirement or who are thereafter born or adopted and timely enrolled. Coverage for any spouse/domestic partner or other Dependent terminates upon the earliest of the expiration of 5 years of coverage (measured from the date the retiree's retiree bridge medical coverage commenced), the spouse/domestic partner or Dependent reaches age 65, or the retiree dies (except that upon the retiree's death, the spouse/domestic partner and/or other Dependents may elect to use any remaining sick leave in the manner described above, and then will be eligible for COBRA coverage).

2. Regular Retiree Medical Each employee who retires on or after the Effective Date of this Agreement while enrolled in active medical coverage who is not eligible for retiree bridge medical (or ceases to be eligible) will be eligible to participate in the regular retiree medical program providing for participation in any domestic medical plan available to active employees at the full cost of coverage (i.e., no Company subsidy), subject to the following rules:

a. At the time of retirement, the employee must be at least (i) age 60, (ii) age 55 with at least 10 years of Company service, or (iii) age 50 with at least 20 years of Company service; and the employee must be less than age 65.

b. Coverage for the retiree terminates at the earlier of age 65 or attainment of Medicare-eligibility.

c. Spouse/domestic partner coverage will only be available if the employee has an enrolled spouse/domestic partner on the date of retirement (spouses/domestic partners cannot later be added). Coverage will be available for any other Dependents enrolled on the date of retirement or who are thereafter born or adopted and timely enrolled. Coverage for any spouse/domestic partner or other Dependent terminates upon the earliest of the spouse/domestic partner or Dependent reaches age 65 or the retiree dies (except that upon the retiree's death, the spouse/domestic partner and Dependents will be eligible for COBRA coverage).

ARTICLE 3**COMPENSATION & BENEFITS****K. Life & Accident Insurance**

Effective January 1, 2015, each employee will be eligible for life & accident insurance (i.e., life insurance, long term disability insurance, and accident insurance) on the same basis, including cost, as management and administrative employees of the Company (excluding officers). Retiree life insurance coverage will not be offered. The Company subsidy for long term disability insurance will be 50% of the cost of coverage.

L. Retirement Plans

1. Pension Benefits Employees covered by this Agreement (including employees hired after the Effective Date of this Agreement) will be eligible to participate in the IAM National Pension Plan (NPP) at the following hourly contribution rate.

Effective Date	1/1/2017	1/1/2018	1/1/2019	1/1/2020	1/1/2021
Contribution	<u>\$ 3.65</u>	<u>\$ 3.75</u>	<u>\$ 3.80</u>	<u>\$ 3.90</u>	<u>\$ 4.00</u>

Such participation in the NPP will be pursuant to the terms of the Standard Contract Language agreements executed by the Company and the Union in 2006, as may be amended from time to time upon agreement of the parties.

2. 401(k) Benefits Without regard to the pension plan in which an employee participates under subsection (1) above, each employee will be eligible to participate in a Company-sponsored 401(k) retirement savings plan pursuant to the terms of such plan. Any such plan will not be otherwise altered or diminished for such employees unless done so on a company-wide basis for all employees participating in such plan. Before any changes are made, the Company will notify the Union in writing in advance of the effective date of such change(s). Upon request by the Union, the Company will meet to explain the change(s). The Company may transition all other employees under this Agreement from the United Airlines Ground Employee 401(k) Plan to the Continental Airlines, Inc. 401(k) Savings Plan, or vice versa, by plan merger or otherwise.

M. Company-Wide Programs

Except as otherwise expressly provided herein, covered employees will be eligible to participate in other Company-wide programs on the terms and conditions established in such programs for the Maintenance Instructors participation. These programs will not be altered or diminished for Maintenance Instructors unless done so on a Company-wide basis. Before any changes are made, the Company will notify the Union in writing in advance of the effective date of such change(s). Upon request by the Union, the Company will meet to explain the change(s).

Other Company-wide programs presently include:

- Pass Travel Programs
- On-Time Bonus Program
- Quarterly Customer Satisfaction Bonus Program

N. Profit Sharing Plan

For profit-sharing for covered employees effective for 2014 profit sharing paid in 2015 and subsequent years of this agreement, the profit sharing plan for IAM represented employees shall be funded with five percent (5%) of pre-tax profit up to a pre-tax margin of six and nine-tenths percent (6.9%) plus ten percent (10%) of pre-tax profit in excess of a pre-tax margin of six and nine-tenths percent (6.9%). Special and unusual items shall be excluded from pre-tax profit when making these calculations.

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COMPENSATION & BENEFITS

APPENDIX A – PLAN DESIGNS FOR CORE MEDICAL OPTIONS					
	Core PPO Option		Core EPO Option	Core HDHP	
PLAN DESIGN	In-Network	Out-of-Network	In-Network	In-Network	Out-of-Network
Annual Deductibles	\$300 single/ \$600 family	\$600 single/ \$1200 family	\$200 single/ \$400 family	\$2500 single only \$5000 true family deductible*	\$5000 single only \$10,000 true family deductible*
HSA Seed Amount (pro-rated per paycheck)	NA		NA	\$750 single / \$1500 family	
Annual Out-of-Pocket (OOP) Limits	\$2000 single/ \$4000 family (includes medical coinsurance and deductible, but not copays)	\$4000 single/ \$8000 family (includes medical coinsurance and deductible, but not copays)	\$1,500/\$3,000 (includes medical coinsurance and deductible, but not copays)	\$3000 single only \$6000 true family maximum* (includes deductible and coinsurance)	\$6000 single only \$12000 true family maximum* (includes deductible and coinsurance)
Cross Application Out-of-Network Deductibles and OOP to In-Network	Yes		NA	Yes	
Office Visit PCP	\$25 co-pay	Covered at 60% after deductible	\$25 co-pay	Covered at 95% after deductible	Covered at 60% after deductible
Office Visit Specialist	\$40 co-pay		\$40 co-pay		
Preventive Services (comprehensive array; See Appendix C)	100% preventive		100% preventive	100% preventive	

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APPENDIX A – PLAN DESIGNS FOR CORE MEDICAL OPTIONS					
	Core PPO Option		Core EPO Option	Core HDHP	
PLAN DESIGN	In-Network	Out-of-Network	In-Network	In-Network	Out-of-Network
Laboratory, x-ray and diagnostic testing	Covered at 80% after deductible	Covered at 60% after deductible	Included w/office visit	Covered at 95% after deductible	Covered at 60% after deductible
Hospital/Inpatient			Covered at 90% after deductible		
Outpatient Facilities/Surgical			Covered at 90% after deductible		
Urgent Care Center	\$50		\$50 co-pay		
Emergency Room	\$200 flat copay, waived if admitted		\$200 co-pay, waived if admitted		
Retail Generic Drugs	\$10 co-pay Mandatory Mail – Limit 3 retail fills for maintenance drugs* (Workaround for lower costs Rx at Target/Costco)		\$10 co-pay Mandatory Mail – Limit 3 retail fills for maintenance drugs (Workaround for lower costs Rx at Target/Costco)	Covered at 100% after deductible	
Retail Brand Preferred Drugs	\$30 co-pay Mandatory Mail – Limit 3 retail fills for maintenance drugs- only if less expensive than retail (Workaround for lower costs Rx at Target/Costco)		\$30 co-pay Mandatory Mail – Limit 3 retail fills for maintenance drugs- only if less expensive than retail (Workaround for lower costs Rx at Target/Costco)	Covered at 95% after deductible	

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APPENDIX A – PLAN DESIGNS FOR CORE MEDICAL OPTIONS					
	Core PPO Option		Core EPO Option	Core HDHP	
PLAN DESIGN	In-Network	Out-of-Network	In-Network	In-Network	Out-of-Network
Retail Brand Non-Preferred Drugs	\$50 co-pay Mandatory Mail – Limit 3 retail fills for maintenance drugs - only if less expensive than retail (Workaround for lower costs Rx at Target/Costco)		\$50 co-pay Mandatory Mail – Limit 3 retail fills for maintenance drugs - only if less expensive than retail (Workaround for lower costs Rx at Target/Costco)	Covered at 95% after deductible	
Retail Drug Supply Limit	30 day supply		30 day supply	30 day supply	
Mail Order Generic Drugs	\$25 co-pay		\$25 co-pay	Covered at 100% after deductible (plan provides coverage for drugs that are allowed to be covered pre-deductible)	
Mail Order Brand Preferred Drugs	\$75 co-pay		\$75 co-pay	Covered at 95% after deductible	
Mail Order Brand Non-preferred	\$125 co-pay		\$125 co-pay	Covered at 95% after deductible	
Mail Order Drug Supply Limit	90 day supply		90 day supply	90 day supply	

Covered Services and Excluded Services will be the same for employees under this Agreement as for all other employee groups participating in such plans.

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COMPENSATION & BENEFITS

APPENDIX B – PLAN DESIGN FOR CORE DENTAL OPTION		
Benefit Features	Traditional PPO Dental Benefits	
	In-network:	Out-of-network:
Annual Deductibles		
Individual	\$50	\$50
Family (2 members of family must each satisfy individual deductible)	\$100	\$100
Annual Benefit Maximum	\$2,000	\$2,000
Orthodontics Lifetime Maximum	\$2,000	\$2,000
Office Visit Copay	\$0	\$0
PREVENTIVE SERVICES and DIAGNOSTIC SERVICES		
Dental cleaning Topical Application of Fluoride, Sealants and Space Maintainers	100% Covered frequency and/or age limitations may apply to these services	100% Covered frequency and/or age limitations may apply to these services
MINOR RESTORATIVE SERVICES		
Fillings, Endodontics, Periodontics, Oral Surgery	Covered up to 80%; after deductible	Covered up to 80%; after deductible; Subject to reasonable and customary limits
MAJOR RESTORATIVE AND PROSTHODONTICS		
Initial placement of Dentures or Bridges to 1 or more natural teeth which are lost while covered by the Plan. Inlays and Crowns (Porcelain or Stainless Steel)	Covered up to 50%; after deductible; frequency and/or age limitations may apply to these services	Covered up to 50% after deductible; Subject to reasonable and customary limits; frequency and/or age limitations may apply to these services
ORTHODONTICS		
Exams, X-Rays, Models, Appliances (Adult and Child)	Covered up to 50%; after deductible; frequency and/or age limitations may apply to these services	Covered up to 50% after deductible; Subject to reasonable and customary limits; frequency and/or age limitations may apply to these services

Covered Services and Excluded Services will be the same for employees under this Agreement as for all other employee groups participating in such plan.

APPENDIX C – PREVENTIVE SERVICES

Preventive Exams and Screenings – Adult Male

Physical Exam	100% annually
Prostate-Specific Antigen (PSA)	100% annually
Lipid Panel	100% annually
Glucose Testing	100% annually
Colorectal Screening	100% annually
Complete Blood Count (CBC)	100% annually

Immunizations – Adult Male

Tetanus Injections (with or without diphtheria)	100% as often as recommended by physician
Meningitis	100%
Herpes Zoster	100%
Influenza Vaccine	100% annually
Pneumococcal Vaccine	100%
Travel Vaccinations	100% as often as recommended by physician
Measles, Mumps, Rubella (MMR) for Adults	100%

Preventive Exams and Screenings – Adult Female

Physical Exam	100% annually, 1 general and 1 well-woman exam annually
Lipid Panel	100% annually
Glucose Testing	100% annually
Colorectal Screening	100% annually
Chlamydia Infection Screening	100% annually
Mammogram	100% annually
Bone Density	100% annually
Pap Test	100% annually
Complete Blood Count (CBC)	100% annually

Immunizations – Adult Female

Tetanus Injections (with or without diphtheria)	100% as often as recommended by physician
Meningitis	100%
Herpes Zoster	100%
Influenza Vaccine	100% annually
Human Papillomavirus (HPV)	100%
Pneumococcal Vaccine	100%
Travel Vaccinations	100% as often as recommended by physician
Measles, Mumps, Rubella (MMR) for Adults	100%

APPENDIX C – PREVENTIVE SERVICES

**Preventive Exams and Screenings – Children Birth to 18
(Covered as Well-Child Care)**

Office Visits; Examinations Includes:

- Physical and medical history
- Height and weight
- Head circumference (<1 year)
- Ocular prophylaxis (at birth)
- Hemoglobin (<1 year)
- Preventive health counseling, injury prevention and education
- Dental health
- Subjective assessment of vision and hearing (0–4 years)
- Vision and hearing screen (4–18 years)
- Developmental screening (up to 4 years)
- Blood pressure (>1 year)
- Administration of immunizations as indicated below

100%, as often as recommended by physician up to age 2, annually as of age 2

Immunizations – Children Birth to 18 (Covered as Well-Child Care)

- Hepatitis B Series
- Hepatitis A Series
- Diphtheria/Tetanus/Pertussis (DTaP)
- Adult Tetanus/Diphtheria (Td)
- Haemophilus Influenza (Hib) Series
- Influenza Vaccine
- Rotavirus
- Polio Series (IPV)
- Pneumococcal Conjugate (PCV)
- Measles/Mumps/Rubella (MMR)
- Chickenpox Vaccine (VZV)
- Travel Vaccinations

100%, as often as recommended by physician

ARTICLE 4: HOURS OF SERVICE & OVERTIME

A. The Workday and Workweek

1. The work week begins at 0000 hours Sunday and ends at 2359 hours on Saturday. A full-time work week consists of 40 hours, with a maximum of 8 consecutive hours per day, inclusive of a 30 minute meal period.

2. Except where required by the Company due to immediate operational needs, an employee may not work more than 16 hours in any consecutive 24 hour period.

3. Day Shift is the first shift of the day and begins on or between 04:30 and 10:59. Afternoon Shift is the second shift of the day and begins on or between 11:00 and 17:59. Midnight Shift is the third shift of the day and begins on or between 18:00 and 04:29.

4. Regularly Scheduled Days Off (RDOs)

a. All Maintenance Instructors will have Monday through Friday as their scheduled work days and Saturday and Sunday as their consecutive days off.

5. Maintenance Instructors providing training shall furnish breaks to the class as is reasonably necessary.

6. Maintenance Instructors not in classroom training will be granted one (1) ten (10) minute rest period during the first half of a work shift and one (1) ten (10) minute rest period during the second half of the work shift without loss of time, for the purpose of relaxation.

7. Work Shifts

a. The starting times of work shifts will be governed by operational needs. The Company will establish Maintenance Instructors schedules on a local basis consistent with Company Policy and needs of the service. Maintenance Instructors may begin their normal workday starting time within the hours of 0430 and 0930 in accordance within established guidelines with the approval of local Management. Maintenance Instructors may be assigned other starting times as required for training or technical support assignments.

8. Scheduling

a. Maintenance Instructors will be scheduled to provide a maximum of fifteen (15) days of classroom instruction requiring travel per calendar month. Fifteen (15) day teaching assignments requiring travel, occurring back to back in two (2) consecutive calendar months will be separated by an interval of no less than five (5) calendar days. There will no limit to the number of instructional days which do not require travel.

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HOURS OF SERVICE & OVERTIME

b. A minimum of ten (10) days' notice will be provided for teaching assignments requiring travel. A minimum of five (5) days' notice will be provided for teaching assignments requiring a shift change.

c. Notice requirements under this section may be waived by the Instructor.

9. Authorized Unpaid Time Off (AUTO)

a. AUTO will be awarded based upon operational activity and staffing. AUTO may be available in advance on a daily or extended basis.

b. Advance AUTO may be granted up to 30 days in advance and will be awarded in Bid Seniority order by shift times, work area and classification.

c. When the Company anticipates that "Day-Of AUTO" will be available, a "Day-Of AUTO" list will be posted prior to the beginning of the shift with a designated removal time. Day of AUTO will be awarded by shift times, work area and classification by Bid Seniority. All requests received after the AUTO list removal time will be considered on a first come, first serve basis.

d. Day-of AUTO will be awarded to those employees working an overtime shift first, followed by those working a base shift.

e. Advance AUTO may be granted in increments up to 31 days. Advance and day-of AUTO will be awarded after 1) known and awarded DAT requests are granted, and then 2) Floating Holiday requests are granted.

10. Adverse Conditions

a. In any location, the Station Manager or his designee may declare an "Adverse Condition Day." The Company will establish a phone contact number that employees can call to determine the status of their specific work facility during adverse conditions. Upon contact, the employee will be given a definitive answer as to the current status of their facility during adverse conditions. (Note: 1 facility may be open while another is closed even though both are in a single location that has been declared to be under Adverse Condition rules.)

b. When an Adverse Condition has been declared, absence from duty will be treated as follows:

(i) Facility Open

(A) On an Adverse Condition Day an employee will be allowed to report for work up to 60 minutes late with no loss of pay for absence/tardiness. An employee arriving later than 60 minutes after the beginning of the shift will be paid only for the actual hours worked. In neither case will an employee be charged with an absence/tardiness.

(B) If an employee is unable to report to work, he will be allowed to work from home on the day and will be paid for that day. He will not be charged with an absence.

(C) In departments that operate 7 days per week or allow DAT, an employee will be allowed to substitute any DAT to make up work missed when absent due to adverse conditions.

(D) An employee who is scheduled and does report to work on time will be entitled to full pay for the day unless the employee is not needed and voluntarily takes the day without pay (AUTO).

(ii) Facility Closed

(A) When the decision to close a facility is made before the start of a shift, the Company will try to notify employees not to report to work. An employee who misses work due to a facility closure will be paid for the regular scheduled hours missed for the first day. After the facility has been closed, the Company will determine when the facility can expect to reopen and how pay and/or make-up hours will be handled.

(B) At locations that have more than 1 shift assigned to work, the decision to close may apply to only 1 shift. When the decision is made to close a facility during a shift, an employee who is at work at the time of the decision will receive pay for the remainder of his/her regular shift.

(C) Absence due to a facility closure will not be treated as an absence for attendance purposes.

B. Overtime

1. Basic Rules

a. Overtime is any time worked by an employee other than during the employee's scheduled shift. Overtime will be determined at Management's discretion based upon operational needs. Employees may not work overtime without prior Company approval except when not doing so would negatively impact a training class, customer service or operations.

b. Except as otherwise provided to accommodate computer system programming, overtime will be computed and paid for actual time worked. There will be no compounding or pyramiding of overtime or premium rates provided for in this Agreement and no employee will receive more than double the straight time rate for any hours worked.

c. Where any of these overtime provisions differ from federal, state or local law, the practices will be altered in that location to comply with the law.

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HOURS OF SERVICE & OVERTIME

d. For purposes of computing overtime, the 24 period begins with the starting time of the employee’s regularly assigned shift.

e. Unpaid occupational or non-occupational sick time is not included in the computation of the 40 hour requirement for compensation of overtime on an employee’s regularly scheduled days off.

f. Local management, in consultation with the Local Union Committee, may establish processes and procedures for offers of overtime so long as they are not inconsistent with this Agreement.

2. Compensation for Working Overtime

a. For employees assigned to an 8 hour shift:

(i) Overtime rate of time and 1/2 will be paid:

(A) For the first 4 hours worked in excess of 8 hours in any regular work day.

(B) For the first 8 hours worked on 1 of the 2 regularly scheduled days off each work week, if a minimum of 40 hours is worked during the work week.

(ii) Overtime rate of double time will be paid:

(A) For hours worked in excess of the first 8 hours worked on 1 of the 2 regularly scheduled days off each work week, if a minimum of 40 hours is worked during the work week.

(B) For all time worked on the second regularly scheduled day off if a minimum of 40 hours is worked during the work week and if a minimum of 4 hours is worked on the first regularly scheduled day off.

(C) For time worked in excess of 12 hours in any 24 hour period except when an employee, after bidding, voluntarily changes shifts.

3. Overtime Meal and Break Periods

a. Employees working overtime in conjunction with their regular shift will be afforded, in addition to the rest and/or meal periods provided during their regular shift, the following rest and/or meal periods:

# Hours Overtime	10 Minute Paid Rest Period	10 Minute Paid Rest Period	30 Minute Paid Meal Period
2-4	√		
Over 4-8	√	√ (If sum of shift + OT is less than or equal to 12 hours)	√ (If sum of shift + OT is greater than 12 hours)
Over 8	√	√	√

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(i) Employees scheduled for more than 2, but 4 or less hours of overtime will receive 1 10-minute paid rest period at the applicable rate of pay.

(ii) Employees scheduled for more than 4, but less than 8 hours of overtime will receive 1 10-minute paid rest period at the applicable rate of pay and either:

(A) One additional 10-minute paid rest period at the applicable rate of pay, in the event the sum of their regular shift and overtime shift is less than or equal to 12 hours; or

(B) One 30-minute meal period, in the event the sum of their regular shift and overtime shift is greater than 12 hours.

(iii) Employees scheduled for 8 or more hours of overtime will receive 2 10-minute paid rest periods at the applicable rate of pay and 1 30-minute meal period.

4. Overtime Eligibility

a. To be eligible for an overtime assignment, an employee must be qualified to perform the work. Employees are responsible for maintaining an accurate record of their qualifications and may not remove a qualification without Company approval.

b. Overtime is permitted for employees off on Union time, off on military leave, jury duty or for testimony in a judicial proceeding, while on special assignment, during in-station training on a vacation day, DAT or Holiday. Employees on a vacation day, DAT or floating holiday will be eligible for overtime from the end of the last regularly scheduled shift prior to the vacation, DAT or floating holiday through the vacation period.

c. Employees are ineligible for overtime: (a) for 24 hours from the start of a shift where the employee was absent due to illness, FMLA or unauthorized unpaid time off; (b) until after they have worked a regular shift in their normal classification following a temporary upgrade to a management position; and (c) except for emergency situations, when it would require them to work (including their regular shift) in excess of 16 hours in any 24 hour period.

5. Awarding Overtime

a. To the extent possible, overtime opportunities will be distributed by management in a fair and equitable manner.

ARTICLE 5: VACATION & HOLIDAYS

A. Vacation

1. The calendar year in which vacation is accrued is “the Accrual Year.” The calendar year in which vacation is scheduled and taken is “the vacation Usage Year.” Employee’s (excluding new hire probationary employees), vacation will be scheduled for and taken during the vacation Usage Year beginning January 1 following the Accrual Year in which the vacation was accrued. New hire probationary employees as of January 1 of the vacation Usage Year become eligible to use accrued vacation when they complete probation.

2. The vacation period is considered to begin at the start time of the first regularly scheduled shift designated as a vacation day, and end at the regular shift end time of the last day of the vacation block designated as a vacation day.

3. Accrual of Vacation Employees will accrue vacation as follows:

a. A full-time employee in active paid service (including any Authorized Unpaid Time Off (AUTO)) will accrue vacation during the Accrual Year based on his or her completed years of vacation seniority (as reflected by the Vacation Seniority Date) as of December 31 of the Accrual Year, as follows:

Completed Years of Service	Vacation Weeks/Hours
Less than 1 year	Up to 1 week/40 hours (prorated)
1 to 3 years	2 weeks/80 hours regular
4 to 8 years	3 weeks/120 hours regular
9 to 15 years	4 weeks/160 hours regular
16 to 23 years	5 weeks/200 hours regular
24 to 28 years	6 weeks/240 hours regular
29 or more years	7 weeks/280 hours regular

b. Other Vacation Accrual Rules

(i) Employees hired on or before the fifteenth (15th) day of the month will accrue vacation for that month. Employees hired after the fifteenth (15th) day of the month will begin to accrue vacation beginning with the first day of the month following the month of hire.

(ii) Except as provided below in connection with Extended Illness Status for occupational illness or injury (Art 6.D.3), employees must be in an active status for more than ½ of a month in order to accrue vacation for that month.

4. Block Vacation Bidding and Usage

a. Block vacation weeks available for bid for the following year will be scheduled Sunday through Saturday. The Company, in consultation with the Union will determine the number of employees who may be on vacation during

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VACATION & HOLIDAYS

any given week, the process for DAT bidding, and the number of protected weeks around a bid vacation that may be allowed.

b. Employees will designate the number of days, if any, of vacation to be taken on a day-at-a-time (DAT) basis in the following year no later than during the first round of block vacation bidding.

c. Members of the military reserve who will attend a 2 week training assignment during the following year may at the employee's option set aside 1 or 2 weeks of accrued vacation to be taken during the employee's military leave.

d. The Union and the Company will meet locally at least 30 days in advance of the vacation bidding, but in no event later than October 1st. Local management will provide the local Union Committee with background information that enables the Union Committee to engage in a meaningful dialogue with management regarding the method of scheduling vacation for the coming year. The information to be discussed will include anticipated and historical block week and DAT allotments, vacation accruals, historical and anticipated bidding procedures and rules, classification and work area identification, and the seniority lists to be used. If the discussion is not completed by October 15th, it may be escalated to the level of AGC, the Department Manager and HR at that station, if not resolved within 10 days, the issue will be escalated to the PDGC of the IAM and the Director of Labor Relations.

e. Bidding will begin no later than November 1, and will be completed before training classes are scheduled for the following year and no later than December 15.

f. The Company will provide block vacation bid forms or electronic access for employees to indicate their preferences for block weeks. Confirmation of receipt will be provided to employees submitting pre-bids.

g. The award of block vacation will be based on Vacation Seniority at the point. Bids in the first round of block bidding may be split into 2 separate periods of no less than 1 week each. Multiple weeks may be bid in any subsequent round if taken consecutively.

h. Employees failing to bid at the assigned time will be allowed to select block vacation from weeks still available at the time they report to bid as long as that round is still open. Employees who fail to bid a week of vacation (or 2 weeks if they buy a week of vacation) will have those weeks assigned by the Company at the end of block bidding.

i. Employees will retain and carry with them their accrued block vacation if they transfer to another station in the same classification during the Vacation Usage Year. The Company will honor vacation block weeks already

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awarded to transferring employees unless mutually satisfactory alternate arrangements are made.

5. Day-At-a-Time (DAT) Bidding, Eligibility, and Usage

a. Employees eligible for vacation may designate all of their vacation as block vacation, up to 2 weeks as DAT vacation, or a combination of block and DAT.

b. Consistent with operational manpower requirements, additional flexibility in the scheduling of DAT vacation may be implemented on a local basis by agreement between the Union and the Company. Any such local arrangements will not prejudice the system application of the DAT program and will be deemed to expire each vacation year unless renewed on a local basis by agreement between the Union and the Company.

c. Employees will bid DAT vacation following the block bidding process and following the establishment of the training schedule for the Vacation Usage year.

d. Following the vacation bid, DAT's will awarded first come, first served based on operational availability as determined by the Company.

e. Maintenance Instructors will provide as much advance notice as possible when requesting DAT, Company approval is required for the award of DAT within 8 hours prior to the start of the shift. On non-teaching days DAT's may requested up to 4 hours after an employees scheduled shift start time, subject to management approval.

f. Half-day DATs will not be awarded during the initial vacation bidding process, but unbid DAT liability that remains available effective January 1 will be available for use as half-day DATs.

6. Use of Vacation, and Status of Vacation at Separation

a. Except as otherwise required by law, vacation must be taken during the calendar year (the Vacation Usage Year) following the year in which the vacation was earned (the Accrual Year).

(i) However, employees may carry forward, to the year after the Vacation Usage Year, a maximum of 3 unused vacation days and/or Floating Holidays in total (or hourly equivalent) to be used on any open DAT slot on their shift during the following year, or at the employee's option, have all or part of the 3 unused vacation days (including block vacation, DAT's, and Holidays) paid out no later than February 28 of the following year.

(ii) Employees with more than 3 unused vacation days (including block vacation, DAT's, and Holidays) at the end of the Vacation Usage Year will have all days in excess of 3 days paid out no later than February 28 of the following year.

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(iii) If an employee works at the Company's request on his or her scheduled vacation day, the employee will have the option of either (a) rescheduling the vacation day, or (b) receiving a payout of the vacation day at the end of the Vacation Usage Year.

(iv) An employee who is sick or injured prior to the commencement of his or her scheduled vacation and whose illness or injury disables him/her through the entire period of his scheduled time off will, at the employee's option, receive vacation pay for the scheduled vacation or receive sick leave pay for the scheduled period of time and have his or her vacation rescheduled. The employee will not receive both sick pay and vacation pay for the same period. If the Company does not reschedule the affected vacation in the vacation Usage Year the employee will then receive vacation pay for the affected vacation.

b. An employee who leaves the Company either voluntarily or involuntarily will receive full payment for unused vacation credited from the previous year and, if required by law, vacation accrued in the year of separation through date of separation. In the event of retirement, resignation with proper notice, permanent disability, or death, the employee or his or her estate will receive full payment for unused vacation credited from the previous year and all vacation accrued in the year of separation through date of separation. Except as otherwise required by law, an employee who has not completed 6 months of Company service is not eligible for pay for accrued vacation upon separation.

c. Employees granted an indefinite leave of absence as full time representatives of the Union shall be granted vacation pay for all unused vacation time accrued to the end of the month preceding the leave of absence. Employees will not accrue vacation while on full-time Union Leave, but will recommence vacation accrual effective with the date of return to active status in the Maintenance Instructor classification.

d. Prior to the vacation bid for the following usage calendar year, employees with 2 weeks or less of accrued vacation may elect to "buy" a week of vacation for use in the following usage year. The payment for the additional week will deducted on a pro-rata basis from each pay cycle during the usage year at an amount to be determined annually by the Company. Such vacation must be bid as a block.

7. Variable Use Option Employees may convert up to 2 weeks of accrued vacation per year into their sick bank, up to the maximum sick bank accrual, for the purpose of funding sick pay for a planned upcoming significant medical event (e.g., maternity or major surgery or course of treatment, which will be documented).

B. Holidays

1. Observed Holidays All employees (excluding new hire probationary employees) covered under this Agreement are eligible for the following holidays:

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- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

2. Floating Holidays In addition, employees (excluding new hire probationary employees) are eligible for 2 Floating Holidays each calendar year, one of which will be on the employee's birthdate (Birthday Floater), and the other which will be on the employee's date of employment anniversary date. (Date of Employment Floater). Unused Floating Holidays will be counted as unused vacation and will be eligible for carry-over to the following calendar year subject to the vacation carryover provisions, including the 3 day carry over limit.

a. During the general block vacation bid, employees may designate their Birthday Floater for use on their birthday, and/or their Date of Employment Floater on their date of employment anniversary date. Employees who do not do so may use their Birthday Floater as a general Floating Holiday.

b. Floating holidays may be placed in conjunction with vacation weeks during the general block vacation bidding.

c. Floating Holidays will otherwise be bid and administered the same as DATs.

3. Employees will be paid holiday pay at 8 straight-time hours for all holidays, regardless of whether they are scheduled to work.

4. Employees working on a holiday will receive their holiday pay plus pay for time worked on the holiday at the applicable rate (time and one-half for all hours worked up to 12 hours, and double-time thereafter).

5. If a holiday falls during an employee's vacation period, the employee may elect to add a day either at the beginning or the end of the vacation, or to be paid for the holiday in addition to the vacation pay at the straight-time rate. Employees must notify management of their preference at the time of bidding.

6. If an employee calls in sick on a holiday that he or she is scheduled to work, the employee will receive holiday pay, but will not receive any sick pay nor will any time be deducted from his or her sick bank.

7. If an employee is scheduled to work a holiday and does not report, other than for reasons of sickness, holiday pay will not be paid.

8. A Maintenance Instructor will not be scheduled to travel on a holiday without the Maintenance Instructors consent.

ARTICLE 6: LEAVES OF ABSENCE & SICK LEAVE

A. Leaves of Absence

1. Jury Duty (including Grand Jury Duty)

a. In addition to vacation accrued based on active paid service, the Company will grant employees necessary time off for actual work time (base hours) missed as a result of being called for mandatory jury and grand jury duty (both jury pool and trial service if selected).

b. Subject to the needs of the service, the Company will grant employees time off for voluntary jury service, but such voluntary service will be unpaid.

c. Employees may retain jury-duty payments they receive, regardless of whether the service is mandatory or voluntary.

d. Upon receipt of a summons for jury duty (or selection for voluntary jury service), the employee will provide a copy of the summons (or, in the case of voluntary service, applicable court documentation) to his or her supervisor. When the employee completes the jury service, he or she must furnish his supervisor with court documentation reflecting his or her attendance and dates of service.

e. An employee required by the court to report for jury duty will not be required by the Company to report for work on his or her regularly scheduled shift the same day, including a midnight shift immediately prior to actually reporting for jury duty (or at the employee's option, a midnight shift immediately following actually reporting for jury duty) or an afternoon shift immediately following serving jury duty. An employee performing jury duty for 5 or more consecutive working days will, at his or her request, be scheduled for adjusted regular days off as necessary to accommodate his or her jury service. Upon completion of jury duty, or if temporarily released from jury duty for a calendar week or more, the employee will resume his or her regular shift and days off.

2. Military Leave

a. Military leave, including return from military leave, will be governed by Company policy, as amended and in effect at the time of the leave or return, and by the Uniformed Services Employment and Reemployment Rights Act and other applicable law.

3. Personal Leave (PLOA)

a. Where an active employee (excluding new hire probationary employees) presents the Company an application stating justifiable reasons, and where the requirements of the operation permit, the Company may grant an unpaid PLOA, in writing, for up to 90 days. Subject to the requirements of the

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operation, the Company may, in writing, extend a PLOA in increments of 90 days upon the employee's appropriate application in writing to the Company.

b. Employees on PLOA must provide the Company and the Union at least 10 days' advance notice of their return from a PLOA. Upon their return, they will be returned to the job held when PLOA was granted.

c. An employee granted PLOA will retain and continue to accrue seniority during the first 90 days of any such leave. For PLOAs extended beyond 90 days, the employee will retain but will not accrue seniority after 90 days, except as required by applicable law. The employee will remit applicable dues or service fees directly to the Union during his or her entire PLOA.

4. Educational Leave

a. Where an active employee (excluding new hire probationary employees) presents the Company an application stating justifiable reasons, and where the requirements of the operation permit, the Company may grant an unpaid Educational Leave. The application must specify the entire period of time the employee plans to remain on such leave in order to obtain the desired education, and the leave cannot exceed the period necessary for the designated course(s) or class(es).

b. An employee granted Educational Leave will retain and continue to accrue seniority during the first 90 days of any such leave. For Educational Leave longer than 90 days, the employee will retain but not accrue seniority after 90 days.

c. If the Company grants the Educational Leave, the employee will have no right to reemployment until the entire leave period has elapsed. With the approval of the Department Managing Director, an employee may be allowed reemployment prior to the end of the original leave period. At the end of the leave, the employee will be returned to work if a vacancy is available or based upon competitive bid.

5. Company Offered Leave of Absence (COLA)

a. At its discretion, the Company may offer COLA whenever a reduction in force situation exists. The Company will confer with the Union on the terms and conditions of any COLA.

6. Outside Employment While on Leave

a. During a leave of absence, outside employment for an employer other than the Company is not permitted without prior written approval from the Company and notice to the Union. An employee who engages in such unapproved employment will be deemed to have resigned his or her employment with the Company and his or her name will be stricken from the seniority roster.

7. Full time Union Leave

a. Employees accepting full-time employment with the Union as representatives of the employees covered by this Agreement will be granted an indefinite unpaid leave of absence by the Company. An employee on leave of absence for this purpose will retain and continue to accrue seniority.

b. The employees on Union Leave will receive all Company-provided employee benefits that can reasonably be continued in effect during their leaves of absence. The Union will pay the premiums for medical coverage received by employees on leave and serving in these positions.

8. Personal Emergency Leave (PEL)

a. An employee's supervisor may authorize up to 4 days off with pay if an employee's immediate family member becomes critically ill, or in the event of a death in the immediate family of (a) the employee, or (b) the employee's spouse or Company-recognized domestic partner. When the death is that of a non-immediate family member of the employee or of his or her spouse or Company-recognized domestic partner, the employee's supervisor may approve up to a full day off with pay. Personal Emergency Leave may also be granted if the employee or his or her spouse or Company-recognized domestic partner experiences a miscarriage or other medical pregnancy termination procedure.

b. Familial Relationship Definition For the purpose of this policy, "immediate" family members are:

- Husband/Wife/Domestic Partner (as recognized by applicable law or by the Company)
- Child (defined as natural children, step-children or in-laws)
- Parent (defined as natural parents, step-parents or in-laws)
- Brother or Sister (defined as natural siblings, step-siblings or in-laws)
- Grandparent (defined as natural grandparents, step-grandparents, or in-laws)
- Grandchildren and any other relatives living with the employee.

c. Additional Requirements:

(i) To qualify for Personal Emergency Leave, the employee may be required to submit documentation.

(ii) Generally speaking, Personal Emergency Leave for purposes of bereavement must be taken within 30 days after the date of death.

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(iii) An employee may take up to 2 instances of Personal Emergency Leave for each family member over the course of his or her employment with the Company.

(iv) If an employee is on vacation, Personal Emergency Leave will begin at the scheduled expiration of the vacation.

(v) If an employee is absent from work on sick leave or any type of LOA, Personal Emergency Leave will not be granted.

9. Benefits While On Leave The chart below provides a brief overview of benefits available to employees while on a leave of absence. For full details, consult the governing provisions of this Agreement.

Leave Type	Medical/ Dental/ Vision	Basic Life	Voluntary Life	Right to return to position	Seniority	Length of Leave
Personal (PLOA)	To end of month and then COBRA			Yes	90 days	90 days
Furlough	Until pay continuation Ceases			Based on your recall rights	Less than 10 years adj. to Pay and vacation seniority after 90 days.	Less than 10 years / length of service. More than 10 years / lifetime
Paid Medical	Yes	Yes	Yes	Yes	Yes	Yes
Military	Company policy across the board			Yes	Yes	Up to 5 years
EIS	Active rates for ½ of leave and then COBRA	Yes for Company contribution		Yes	Continues for length of leave	6 years or length of service
Education	To end of month and then COBRA			If position is available	90 days	Length of program

*Employee can exercise right to continue (“port”) coverage directly with the life insurance carrier. Premiums for portable coverage may vary from the active premium cost.

B. Sick Leave

1. Paid sick leave is available to employees (excluding new hire probationary employees) for use when they are unable to perform their regular duties due to illness or non-occupational injury. Such leave will be granted only in cases of actual illness or injury.

a. Beginning with an employee's second non-FMLA sick leave absence of 3 or more days within a rolling 6-month period, the employee will be required to submit a doctor's certificate for all sick leave absences of 3 or more days.

b. Whether and when doctor's certification will be allowed or required for approved FMLA occurrences will be governed by applicable law.

c. In special circumstances local management may waive or require a doctor's certification. The Company may require a doctor's certification before approving any sick leave of 3 or more consecutive weeks.

d. Dental and doctor appointments will not be considered a basis for paid sick leave unless it can be shown that the dentist or doctor in question does not maintain office hours outside the employee's regular work time or on the employee's regular days off.

e. During the first 6 months of employment an employee will not be paid sick leave pay for absences due to illness or non-occupational injury.

f. Sick leave charged to the employee's accrued paid sick leave bank will be paid at 100% based on the employee's rate of pay and regularly scheduled hours.

2. Sick Time Accrual

a. Active Employees will accrue paid sick leave of 8 hours per month of paid status, up to a maximum sick leave bank of 1200 hours.

3. To the extent permitted by law, if an employee's employment ceases for any reason, all of his or her credit for sick leave will be cancelled except for vacation credit converted into sick leave, and no payment for such accumulated credit will be made at any time. However, subject to the terms and conditions of a retiree bridge medical plan, employees will be eligible to participate in such plan by using the balance in their sick bank at retirement to participate in the contributory funding aspect of the plan.

4. Except as otherwise required by law, employees may use up to 3 days of accrued sick leave per rolling year for absences required by the injury or illness of a spouse or dependent minor child.

5. Employees will retain and continue to accrue seniority while on sick leave.

6. The costs of medical certifications and examinations in connection with sick leave will be the responsibility of the employee. However, if the Company

requires an additional medical certification or physical exam not addressed above, the Company will assume the costs for the certification or exam.

C. Occupational Injury Leave

1. Occupational Injury occurs when an employee is unable to work because of an injury or illness incurred on the job. The injury or illness must be one that is covered by the applicable state Workers' Compensation law, and must be verified in writing by the employee's treating physician. Leaves of absence for Occupational Injury will be granted upon the employee's presentation of written verification from a qualified doctor in accordance with the applicable state Workers' Compensation law.

2. In the event of Occupational Injury, employees may use their own personal physician if they have registered that physician with the Company prior to the injury or illness. The Company will have the right to monitor the employee's course of treatment through its own physician. The Company will pay the costs of any separate and additional physical exams it requires of an employee.

3. Full-time employees (excluding new hire probationary employees) will accrue paid Occupational Injury Leave of 8 hours per month of paid status, up to a maximum bank of 1200 hours. As soon as reasonably practicable after the Effective Date of the Agreement, each subsidiary-United employee employed as of the Effective Date of this Agreement will receive a credit of 100 hours for every 66 hours in his or her Occupational Injury Leave bank, up to a maximum of 1200 hours.

a. No Occupational Injury Leave credit will accrue while an employee is in unpaid status, except AUTO.

b. Paid Occupational Injury Leave accrual is in addition to Sick Leave accrual, and may be used only for absence resulting from Occupational Injury Leave.

c. For each hour of Occupational Injury Leave pay or Workers' Compensation pay the employee receives, an hour will be deducted from his or her Occupational Injury Leave bank.

d. Employees who exhaust their occupational injury bank may elect to convert any remaining sick bank hours into occupational injury hours.

4. Occupational Injury Leave pay will be based on the employee's base rate of pay and scheduled hours. Such pay will be at a rate equal to the employee's base rate of pay times his or her regularly scheduled hours, reduced by the amount of Worker's Compensation pay the employee receives from the Company's insurance carrier or the state.

5. If an employee's employment ceases for any reason, all of his or her credit for Occupational Injury Leave will be cancelled, and no payment for such accumulated credit will be made at any time.

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6. Employees will not be refused permission to return to work because they have not signed releases of liability pending the disposition or settlement of any claims which they may have for compensation arising out of Occupational Injury.

D. Extended Illness Status (EIS)

1. An employee unable to work due to illness or injury who exhausts his or her sick leave will be placed on active no-pay status for 16 days. Thereafter, if the employee remains unable to return to work, he or she will be placed on Extended Illness Status. Subject to the Company's reasonable accommodation process, an employee's initial EIS leave may continue for up to (a) 6 years from the first day the employee is placed on EIS leave, or (b) the employee's length of service (whichever period is shorter). The Company will notify the Union when an employee is placed on EIS.

a. Subject to the Company's reasonable accommodation process, an employee who has returned from a previous EIS leave will be eligible for a subsequent EIS leave equal to (a) the unused duration eligibility from the previous EIS leave, plus (b) 1/2 of his or her length of service since returning to work from the previous EIS leave, up to a maximum of 6 years or the employee's total length of service (whichever period is shorter).

[Example: Employee A with 10 years of service (6-year EIS maximum) goes on EIS leave and returns 2 years later. Employee A would initially be eligible for a subsequent EIS of up to 4 years (6 years minus 2 years previous EIS). After 2 years of active paid service following the return, Employee A would be eligible for a second EIS leave of up to 5 years (4 years plus 1/2 times 2 years of active paid service).]

[Example: Employee B with 4 years of service (4-year EIS maximum) goes on EIS leave and returns 2 years later. Employee B would initially be eligible for a subsequent EIS of up to 2 years (4 years minus 2 years). After 2 years of active paid service following the return, Employee A would be eligible for a second EIS leave of up to 3 years (2 years plus 1/2 times 2 years of active paid service).]

b. An employee will be eligible for a maximum of 6 years of EIS leave during their employment for EIS based on the same non-occupational illness or injury.

2. Employees on EIS:

a. must ensure that their address and other contact information on file with the Company are kept current;

b. for pay purposes only, will retain and continue to accrue seniority for the length of the EIS leave or the employee's length of service, whichever period is shorter;

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c. may, with management approval and subject to Company policies as amended and in effect at the time of travel, be granted free or reduced rate transportation privileges except vacation passes; and

d. may remain on active-employee medical insurance coverage for a maximum duration equal to $\frac{1}{2}$ of his or her EIS leave duration eligibility. Coverage will be according to the provisions of the Company's applicable insurance plan(s) as amended and in effect. Thereafter, the employee may, at his or her own expense, continue insurance coverages according to the provisions of the Company's insurance plans as amended and in effect, but will not accrue or be entitled to any employee benefits.

(i) If an employee who has returned from a previous EIS leave goes on a subsequent EIS leave, he or she may remain on active-employee medical insurance coverage for a maximum duration equal to (a) the unused coverage eligibility from the previous EIS leave, plus (b) $\frac{1}{4}$ of his or her length of service since returning to work from the previous EIS leave.

[Example: Employee C with 10 years of service (6-year EIS maximum, 3-year coverage maximum) goes on EIS leave and returns to work 2 years later. Employee A would initially be eligible for medical coverage during a subsequent EIS for up to 1 year (3 years minus 2 years previous EIS). After 2 years of active paid service following the return, Employee C would be eligible for coverage during a second EIS leave for up to 1.5 years (1 year plus $\frac{1}{4}$ times 2 years of active paid service).]

[Example: Employee D with 5 years of service (5-year EIS maximum, 2.5-year coverage maximum) goes on EIS leave and returns 2 years later. Employee D would initially be eligible for medical coverage during a subsequent EIS for up to .5 year (2.5 years minus 2 years). After 2 years of active paid service following the return, Employee D would be eligible for coverage during a second EIS leave for up to 1 years (.5 year plus $\frac{1}{4}$ times 2 years of active paid service).]

3. In addition, upon returning to work from EIS resulting from occupational illness or injury, an employee will be eligible for a vacation payout as follows:

a. The employee will be retroactively credited with vacation accrual for a period of the EIS leave not to exceed $\frac{1}{2}$ of his or her EIS leave eligibility (a maximum of 3 years or $\frac{1}{2}$ length of service, whichever is shorter).

b. The employee will be entitled to a payout of $\frac{1}{2}$ of that vacation accrual balance after deducting from that balance any vacation time off taken by the employee upon their return which was accrued while on EIS.

4. If an employee on EIS accepts employment elsewhere without prior

approval by the Company and the Union, he or she will be deemed to have severed his employee relationship with the Company.

5. Approximately 60 days prior to the end of the employee's EIS leave, the Company will notify the employee at his or her address on file with the Company that the leave will be expiring and that the employee is responsible either (1) to obtain and provide the Company with necessary medical certifications and other information regarding his or her ability and intention to return to work or (2) to invoke the Company's reasonable accommodation process. Approximately 30 days before the end of the employee's EIS leave, the Company will send a follow-up notification to the employee. If the employee does not respond to these notifications, separation by termination of the employee's EIS leave will be automatic and the Company will not be required to follow the procedures specified in the provisions of the Agreement.

a. Following notice to the Union and the employee that the employee will be separated, the employee may file a grievance protesting his separation and the Union may appeal the Company's decision directly to Step 3 of the grievance procedure.

b. The grievance must be filed within 10 days after the effective date of the separation. If such appeal is not filed, the Company's action will be final and binding.

c. Further appeal, if desired, will be to the System Board of Adjustment.

E. Medical Dispute Resolution

1. In the event that the employee's Physician and the Company's Physician do not agree on an employee's ability to return to regular duties, the employee may request Medical Dispute Resolution. Medical Dispute Resolution will be initiated when the employee submits a request in writing to the designated Company department within 40 calendar days of the employee's notification of the conflicting physicians' determinations.

2. The Company will identify a list of impartial physicians from which the employee will select a third-party physician to complete a third-party medical evaluation. The decision of the majority concerning the employee's medical fitness to perform his/her regular duties will be binding upon the Company and the employee.

3. The expense of the Company's Physician will be borne by the Company; the expense of the employee's Physician will be borne by the employee; and the expense of the selected impartial physician will be borne ½ by the employee and ½ by the Company.

4. This third-party physician Medical Dispute Resolution procedure will not apply to assignments involving restricted duty, whether temporary or permanent.

ARTICLE 7: SENIORITY**A. Seniority Defined** Employees have 3 types of seniority under this Agreement:

1. **Company Seniority Date** An employee's Company Seniority begins on the date an employee is placed on the Company's payroll. Employees will stop accruing Company Seniority and their date will be adjusted for periods on educational and personal leaves of absence that exceed 90 days.

2. **Vacation Seniority Date** An employee's Vacation Seniority begins on the date an employee is placed on the Company's payroll and is used to determine vacation accrual and vacation bidding. Employees will stop accruing Vacation Seniority and their date will be adjusted for periods of educational and personal leaves of absence that exceed 90 days for all employees, and for periods on furlough that exceed 90 days for employees with less than 10 years of Company service at the time of the furlough.

3. **Bid Seniority Date** An employee's Bid Seniority begins on the date the employee is placed on the Company's payroll for newly hired regular employees. For Company employees transferring into this Agreement, Bid Seniority is the date an employee is notified that he or she is awarded an open vacancy. A common seniority date will be assigned when multiple positions are filled at the same time for the same vacancy. Employees will stop accruing Bid Seniority and their date will be adjusted for periods of promoted status that exceed 183 days, and for periods on educational and personal leaves of absence that exceed 90 days. Bid Seniority is used for all types of bidding contained in this Agreement except for vacations.

B. Adjustments to Seniority Dates When adjustments are made to the seniority dates described above, they will be made for different types of absences as follows:

1. **Personal or Educational Leave of Absence:** Seniority for all dates will be retained and continue to accrue during the first 90 days of the leave of absence. Seniority for all dates will no longer accrue starting with the 91st day.

2. **Non-occupational or Occupational Extended Illness Leave of Absence:** Seniority for all dates will be retained and continue to accrue for the duration of the leave.

3. **Union Leave of Absence:** Seniority for all dates will be retained and continue to accrue for the duration of the leave. Employees on Union leave may return to their former positions without a vacancy.

4. **Furlough:** Except as otherwise provided, employees will retain and continue to accrue Company Seniority and Bid Seniority for the duration of furloughs from active service. For Vacation Seniority, employees with 10 or more years of service at the time of furlough will retain and continue to accrue seniority while on furlough. For Vacation Seniority, employees with less than 10 years of service at the time of furlough will retain and continue to accrue seniority for the first 90 days while on furlough.

C. Probation

1. Company employees transferring competitively into the Maintenance Instructor classification will be regarded as probationary for the first 180 calendar days of active service in the position.
2. Newly hired employees will be regarded as probationary for the first 180 calendar days of active service in the position.
3. An employee's probationary period may be extended in appropriate cases, in increments of 90 days, in which case the Company will notify the Union.
4. Employees may be discharged at any time and for any reason during their probationary periods without a hearing.
5. Upon successful completion of their probationary periods, employees will be retained on the Seniority List in order of their Bid Seniority dates.
6. An employee may be assigned and re-assigned to any shift during his or her probationary period with a 7 day notice.

D. Seniority Lists

1. Seniority Lists
 - a. Seniority Lists will be made available electronically and will include the Name, Classification, Position, Bid Seniority date, and Company Seniority date, of each employee in a position represented by this Agreement. Seniority lists will be sorted in Bid Seniority date order. Ties will be broken in the following order:
 - (i) Company Seniority date;
 - (ii) The lowest of the last 4 digits of the social security number.
2. Juniority Lists
 - a. Juniority lists, used for purposes of layoff and recall, will be made available electronically and will include the Name, Classification, Position, and Bid Seniority date, and Company Seniority of each employee in a position covered under this Agreement. Juniority lists will be sorted in Bid Seniority date order with the junior employee listed first. Ties will be broken in the following order:
 - (i) Company Seniority date in juniority order;
 - (ii) The highest of the last 4 digits of the social security number.
3. Employees are responsible for reviewing the lists to ensure their seniority dates are accurate. Any discrepancies should be reported immediately to local management. Such claims may be processed by the Assistant General Chair of the Union if not resolved locally. If an employee fails to protest the list within 60 days after his or her seniority date and position on the seniority list is first established or

adjusted, there will be no monetary liability or other retroactive application for subsequent seniority adjustments.

E. Loss of Seniority An employee will lose all forms of seniority under this Agreement and be removed from all seniority lists for the following reasons:

1. Resignation from the Company;
2. Resignation from the Maintenance Instructor Classification;
3. Termination;
4. Retirement;
5. Discharge for just cause;
6. Absence from work for 2 consecutive days without properly notifying the Company of the reason for absence, unless the failure to notify the Company of the absence was due to verifiable circumstances beyond the control of the employee;
7. Failure to return to active service from a Leave of Absence or Inactive Status (Personal Leave, Educational Leave, COLA, Furlough), unless the failure to report was due to verifiable circumstances beyond the control of the employee;
8. Failure to return from an Extended Illness Leave of Absence within the time period specified in this Agreement or as specified by applicable law;
9. Failure to respond within 3 days or return within 10 days from an offer of permanent recall, where the employee retains no other recall rights;
10. Not paying the required administrative fee to the Union when in permanent promoted status within the same Division of the Company;
11. Entering permanent promoted status outside the same Division within the Company; and
12. Except for employees transferring to another Company position in an IAM-represented work group not covered by this Agreement, after 3 consecutive months in a permanent position that is not promoted status.

F. Employee Transfers Employees that transfer to different IAM-represented classifications within this or any other collective bargaining agreement will retain and continue to accrue seniority in their former classification, and location for 2 years. Employees may return to their former basic classification within 2 years without a vacancy. When the employee returns to a former classification within that 2 year period, the employee will lose seniority in the classification he or she left. The Company will notify the Local Committee of such movement.

G. Promoted Status

1. Promoted status means a permanent or temporary assignment (processed on the employee profile) to a management position within their division below the Director level. Example: A Maintenance Instructor transferring to a Maintenance

Training Supervisor in the Technical Operations division will be considered in promoted status. A Maintenance Instructor transferring to a Reservations Supervisor in the Reservations division will not be considered in promoted status.

2. Employees in promoted status as of the Effective Date of this Agreement who, under the predecessor agreement, were accruing classification/bid for 183 days may continue to accrue such seniority for the remainder of said 183 days. Employees in promoted status as of the Effective Date of this Agreement who were accruing Bid Seniority without limitation may continue to accrue such seniority for 183 days from the Effective Date. In either case, after the 183 days, employees in promoted status may retain but will no longer accrue Bid Seniority.

3. To continue accruing Bid Seniority for 183 days and to retain Bid Seniority thereafter, employees in promoted status must pay a monthly administrative fee to the Union as set by the Union. Employees in promoted status on the Effective Date of this Agreement will commence payment of the administrative fee within 90 days of that date. Employees who transfer to promoted status after the Effective Date must commence payment of the administrative fee in the month that follows such transfer. Employees in promoted status who elect not to pay the required administrative fee will lose their Bid Seniority.

4. Employees in permanent promoted status will use their bid seniority to obtain available vacancies when they desire to return to the basic position in their classification. (There must be a vacancy in order for an employee in promoted status to return.) An employee in a permanent promoted position may return to the basic position without a vacancy at any time during the first 60 days in a promoted position. In no event will an employee be furloughed or bumped from his or her Location as a result of a management employee returning to a position covered under this Agreement.

5. Employees in temporary promoted status will not need a vacancy when they desire to return to the previous position from which they were temporarily promoted.

6. If an employee is temporarily assigned to a promoted position (as defined in Subsection 2 above) for combined periods which exceed 183 days within a 12 month rolling year, the employee will retain bid seniority and furlough recall seniority but will accrue no more than 183 days seniority during that 12 month period.

H. Reductions

1. If it becomes necessary to reduce the number of employees in any position covered by this Agreement, the Company will provide 20 calendar days' written notice or pay in lieu thereof to regular, non-probationary employees. The 20 day notice period will begin on the date following the written notice. The Company will notify the appropriate District and Local IAM officials.

2. During a reduction in force, system vacancies in the affected position will

be suspended if necessary. All reductions will occur in juniority order according to their Bid Seniority date. Affected employees will have 5 days after notification of the reduction in force to complete an option form. Employees requesting system options will have 3 days to complete the system option form and will be placed on furlough status with applicable recall rights and furlough pay if they do not return the form or do not choose a Location.

3. Reductions will follow the process outlined below:

a. Basic Positions (Location Only)

(i) Identify the number of employees in the basic position to be furloughed at that Location.

(ii) Employees affected in the Location will be given the following options based on their Bid Seniority date:

(A) Affected employees may fill a vacancy.

(B) Affected employees, who did not choose Option (A) above or chose Option (A) above but were not awarded a position, may choose to elect layoff with any applicable recall rights and furlough pay.

(C) Affected employees who are unable to maintain a position and were not laid off after exercising the above options may elect within the basic position within their classification to displace and/or fill, in order, up to the equivalent number of: (1) vacancies; (2) probationary employees; and (3) the most junior employees on the system.

(1) These employees will be provided with and must indicate their order of preference(s) from a list by Location which will be equal in number to employees in basic classifications being laid off, provided they have sufficient seniority to displace on the system.

(2) Employees opting system displacement must list all Locations to which they are willing to transfer in order of preference.

(3) At the time system options are awarded, the list of system options will be reduced in reverse order by the number of employees who have elected to accept layoff rather than fill a vacancy or displace on the system.

(4) Awards from among the remaining positions will be made on the basis of Bid Seniority, with the most senior employee being awarded his or her first choice. Employees who fail to choose options or whose options were unavailable will be furloughed with any applicable recall rights and furlough pay.

b. Basic Positions (Point Only)

(i) Identify the number of employees in the Point that may be affected due to displacement regardless of the Location.

(ii) Employees affected in their current Location within the Point will be given the following options based on their Bid Seniority date:

(A) An employee must fill a vacancy, or if none exists and the employee is more senior, must displace the most junior employee at the Point in his or her current basic position. Employees who could obtain a position but decline this option will be laid off with recall to their current Location. Employees who are laid off are eligible for furlough pay if the distance from the employee's local home address to the new work Location increases by more than 20 miles.

(B) Affected employees who are unable to maintain a position and were not laid off after exercising the above options may elect within the basic position within their classification to displace and/or fill, in order, up to the equivalent number of: (1) vacancies; (2) probationary employees; and (3) the most junior employees on the system.

(1) These employees will be provided with and must indicate their order of preference(s) from a list by Location which will be equal in number to employees in basic classifications being laid off, provided they have sufficient seniority to displace on the system.

(2) Employees opting system displacement must list all Locations to which they are willing to transfer in order of preference.

(3) At the time system options are awarded, the list of system options will be reduced in reverse order by the number of employees who have elected to accept layoff rather than fill a vacancy or displace on the system.

(4) Awards from among the remaining positions will be made on the basis of Bid Seniority, with the most senior employee being awarded his or her first choice. Employees who fail to choose options or whose options were unavailable will be furloughed with any applicable recall rights and furlough pay.

4. Move Package

a. Employees transferring to a different Location as the result of being furloughed and accepting a system option per this Section H will be allowed actual reasonable moving expenses when substantiated by properly received

bills to a maximum total cost payable by the Company of \$10,000 for the following items:

- (i) Shipping, insurance, storage, packing and unpacking for household effects for up to 36,000 pounds;
- (ii) One-time mileage reimbursement at the rate of \$0.29 per mile, or the rate in accordance with Company policy, whichever is greater, for up to 2 automobiles;
- (iii) Miscellaneous expenses such as vehicle registration, application fees, non-refundable deposits, cable hook-up, cancellation fees, rental car while personal car is in transit, shipment of pets, and other similar expenses;
- (iv) Hotel and meal expenses for a period not to exceed 14 total days when commencing work at and/or moving to the new Location. Hotel expenses may not exceed \$200 per night. Meal expenses may not exceed \$40 per day for each immediate family member.

b. When an employee drives his or her car(s) from the former Location to the new Location, on a one-time basis he or she will be granted travel time up to 400 miles per day, to a maximum of 7 days, via the direct route, and will be paid 8 hours pay at straight time for each day needed for traveling to a maximum of 40 hours pay within a 7 day period.

c. Under normal circumstances it is expected that employee moves will be completed within 6 months of reporting to the new Location and within a 14 day move period, from start to finish. However, when circumstances beyond the control of the employee necessitate additional time, an extension may be approved after the situation is reviewed by the Company.

d. Within 6 months of reporting to the new Location, 2 service fee waived space available travel passes to the new Location will be provided for the employee and eligible dependents.

e. The Company will designate a Relocation Services Provider to assist employees moving under this provision.

I. Recall Employees who are involuntarily furloughed from a basic position will have recall rights to Location(s), Point(s) and/or both as follows:

- 1. Unless an employee's recall rights have already been satisfied:
 - a. Active Employees as of date of signing of this Agreement maintain recall rights to the basic position, Point(s) and/or Location(s) from which they were laid off until recall is offered and is either accepted or declined; and
 - b. Employees hired after the date of signing of this Agreement will have recall rights to the basic position, Point(s) and/or Location(s) from which they were laid off for five (5) years or up to the length of their Bid Seniority

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date, whichever is less. These recall rights terminate when recall is offered and is either accepted or declined, or the term of their recall rights expire. These employees will have their vacation seniority date adjusted for the duration of any furlough beyond 90 days.

c. Where a furloughed employee remains active in the same classification at another Location within the same Point, he or she will only have recall rights to his or her original Location within the Point.

d. A furloughed employee retains recall rights to his or her classification at the Location or, if applicable, Point, so long as the employee remains active in any classification at any other Location.

2. Regardless of whether the employee accepts or declines, an employee's recall rights have been satisfied and will cease when:

a. The employee is offered recall to his or her primary classification, Point and/or Location; or

b. The employee chooses recall to his or her Point and is offered recall at any Location within that Point in his or her classification.

3. To maintain eligibility for recall, furloughed employees must keep a current address and phone number on file with the Company. When recall is offered, the Company will notify the appropriate District and Local IAM officials. Absent extenuating circumstances or mutual agreement otherwise, an employee will lose recall rights as follows.

a. Written notice of recall is undeliverable at his or her last address of record (notification of recall will be sent return receipt requested);

b. The employee fails to accept recall from furlough within 7 calendar days following the date of attempted delivery of written notification; or

c. The employee fails to report to work within a maximum of 16 calendar days after acceptance of recall, or 72 hours after being informed that all necessary clearances have been met, whichever is later.

d. Employees may be administratively separated if they hold no other Company recall rights.

J. Furlough Pay

1. A regular employee who has completed at least 1 year of compensated service with the Company, laid off through no fault or action of his or her own, will receive furlough pay based on the length of total actual straight time compensated service with the Company since the employee's last date of hire. Furlough pay will be computed on the basis of the employee's regular straight time rate at the time of layoff.

2. Employees who retire in lieu of furlough will receive furlough pay.

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3. Calculation is based on the following furlough pay table where 1 week is equal to 40 hours;

Compensated Service	Furlough Pay
Less than 1 year of service	None
1 year but less than 2 years of service	2 weeks
2 years but less than 3 years of service	2 weeks
3 years but less than 4 years of service	3 weeks
4 years but less than 5 years of service	4 weeks
5 years but less than 6 years of service	5 weeks
6 years but less than 7 years of service	6 weeks
7 years but less than 8 years of service	7 weeks
8 years but less than 9 years of service	8 weeks
9 years but less than 10 years of service	9 weeks
10 years but less than 11 years of service	10 weeks
11 years but less than 12 years of service	11 weeks
12 years but less than 13 years of service	12 weeks
13 years but less than 14 years of service	13 weeks
14 years but less than 15 years of service	15 weeks
15 or more years of service	17 weeks

4. An eligible employee will begin receiving furlough pay with the pay period following the effective date of the layoff. Furlough pay will be the equivalent of normal straight time earnings, at regular pay periods and continuing until all such furlough is paid. Furlough pay will not be due after an employee has been offered recall or accepts other employment with the Company. If an employee dies while receiving furlough pay, the unpaid balance will be paid to his or her executor, administrator or legal heirs.

5. An employee is not eligible for furlough pay if any 1 or more of the following conditions exist:

- a. The employee remains employed with the Company in any position.
- b. The employee fails to exercise seniority to accept any position in the same or higher classification that would enable him or her to remain in the active employ of the Company, unless the distance from the employee's local home address to the new work Location increases by more than 20 miles.
- c. The layoff is caused by an Act of God, a war emergency, revocation of the Company's Operating Certificate or Certificates, or grounding of a substantial number of Company aircraft.

- d. The layoff is caused by a strike or picketing of the Company's premises or any work stoppage or other action that interrupts or interferes with any operations of the Company.
- e. The employee is dismissed for cause or resigns.
- f. Without being furloughed, the employee retires.
- g. There is a temporary cessation of work because of circumstances beyond the Company's control.

6. Furlough Restoration When an employee returns to active service in an IAM-represented position from layoff status while receiving furlough pay, he or she will retain eligibility for any unused weeks of furlough pay in the event of a future furlough. If the employee has exhausted furlough pay, he or she will not be eligible for additional furlough pay until the employee has returned to work as an active IAM-represented employee and fulfills 1 year of compensated service. After 1 year of compensated service as an IAM-represented employee:

- a. An employee returning from permanent recall will have his or her eligibility for furlough pay fully restored; and
- b. An employee returning to active service in a regular, non-temporary position under this or any other collective bargaining agreement between the Company and the Union who has not been permanently recalled will regain his or her rights to obtain furlough pay in the event of future qualifying events based on the length of time that has occurred since the employee's return to active service.

K. Furlough Benefits

- 1. An employee on furlough will continue to have employee pass privileges for 6 months beginning with the effective date of the furlough.
- 2. A furloughed employee's medical benefits will continue until the end of the month in which pay or pay continuation ceases.

ARTICLE 8: UNION REPRESENTATION

A. Recognition The Company recognizes the Union as the exclusive representative and sole collective bargaining agent with respect to rates of pay, rules and working conditions for all employees employed by the Company composing the craft or class of Maintenance Instructors for purposes of the Railway Labor Act, pursuant to the certification issued by the National Mediation Board on June 15, 2012, in Case No. R-7323.

B. Union Security

1. As a condition of employment, all employees of the Company covered by this Agreement will, on the Effective Date of this Agreement, become and remain members in good standing of the Union or, in the alternative, render the Union a monthly sum equivalent to the standard monthly dues required of the Union members ("Service Fees.") Employees covered by this Agreement and hired on or after the Agreement's Effective Date will comply with these requirements on or before the 60th day following their initial seniority date.

2. During the life of this Agreement the Company agrees to deduct from the pay of each member of the Union and remit to the Union standard initiation (or reinstatement) fee, Service Fees, and monthly membership dues uniformly levied in accordance with the constitution and by-laws of the Union as prescribed by the Railway Labor Act, as amended, provided such member of the Union voluntarily executes form(s), to be known as a check-off form. Such authorization form will be provided by the Union, and will provide such information as the Company may require to make the deductions. The Company will pay over to the District Lodge 141 the wages withheld for such fees and/or dues. The amount so withheld will be deducted from the appropriate paycheck, reported and paid to the Union monthly. The employee's employee number, last name, first name, middle initial, dues or fees deducted, dues rate, rate of pay, station code, department, job, and status of employment will be transmitted with the monthly fees/dues.

a. The Company will advise the Union of the name, employee number, hire date, home address, station code, department, job of any new hires and the names, employee numbers and dates of all other employees covered by the Agreement who have been terminated, laid off, retired, transferred, changed status, or recalled at the time the Company turns over the monies to the Union per above.

3. It will be the responsibility of any employee who is not on a dues deduction program to keep their membership current by direct payments of monthly dues or Service Fees to the Union.

4. No employee covered by this Agreement or an employee whose employment is terminated pursuant to the provisions of this Section B, nor the Union, will have any claim for loss of time, wages or any other damages against the Company because of the Company's agreeing to this Section B of this Agreement or because of any alleged violation, misapplication, compliance or non-compliance with any of the provisions of this Section B. The Union will indemnify the

Company and hold the Company harmless from any and all such claims and any and all legal fees incurred by the Company in connection therewith, except to the extent that such claims or fees are finally determined by a court of competent jurisdiction to have resulted from the gross negligence, fraud or willful misconduct of the Company. If the Company is named as a defendant or charged party in any action by an individual discharged pursuant to the provisions of this Article, the Company will promptly notify the Union and the Union will undertake the defense of the case. Subject to the Company's right to elect to undertake its own defense, the Union will maintain the exclusive right to defend, settle, mitigate damages, litigate, and/or take whatever action it deems necessary and proper through attorneys of the Union's choosing and at the Union's cost. If the Company decides to retain its own counsel, it will do so at its own cost, and not at the cost of the Union, and if the Company elects to undertake its own defense the Union will be relieved of its obligation in this Section to indemnify the Company and hold the Company harmless. Nothing in this Section will prohibit the Union from filing a claim against the Company for non-compliance with this Section B or obligate the Union to indemnify the Company for, hold the Company harmless from, or defend the Company in the event the Union files such a claim against the Company.

5. Any employee maintaining, or maintaining and accruing, seniority under this Agreement but not employed in a classification covered by this Agreement will not be required to maintain Union membership during such employment but may do so at his option. Should such employee return to a classification covered by this Agreement, he will be required to become a member of the Union within 15 days after the date he returns to such classification, and will, as a condition of employment in classifications covered by this Agreement, become a member of the Union and maintain membership in the Union so long as this Section B remains in effect, to the extent of paying an initiation (or reinstatement) fee and/or monthly membership dues or Service Fees.

6. The payment of membership dues or Service Fees will not be required as a condition of employment during leave of absence without pay.

7. The provisions of this Section B will not apply to any employee covered by this Agreement to whom membership in the Union is not available by tender of initiation (or reinstatement) fee, if applicable, and monthly dues or Service Fees, upon the same terms and conditions as are generally applicable to any other employee of his classification at his point on the Company's system or in the local lodge on the Company's system to which assigned by the Union, or to any employee to whom membership in the Union is denied or terminated for any reason other than the failure of the employee to tender initiation (or reinstatement) fee, if applicable, and monthly dues.

8. If an employee covered by this Agreement becomes delinquent in the payment of monthly dues or Service Fees, the Union will take steps necessary in accordance with its established procedures to notify the employee in writing that he is delinquent in the payment of monthly membership dues or Service Fees as specified herein and accordingly will be subject to discharge as an employee of the

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Company. If such employee still remains delinquent in the payment of dues or service fees after the Union has completed all steps in its established procedure, the Union will certify in writing to the Company that the employee has failed to remit payment of dues or Service Fees within the grace period allowed under the Union's procedure and is, therefore, to be discharged. The Company will then promptly notify the employee involved that he is to be discharged from the services of the Company and will promptly take proper steps to so discharge the employee.

9. When a member of the Union properly executes a dues or fees authorization form the President and Directing General Chairman of the Union will forward the necessary information to a Payroll Representative designated by the Company. A check off form must be completed in a legible manner acceptable to the Company or it will be returned to the President and Directing General Chairman of the Union for correction.

10. Any notice of revocation of checkoff authorization as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and 2 hard copies delivered by first class mail or other mode of delivery accepted in the ordinary course of business, addressed to the President and Directing General Chairman of the Union. Dues or Service Fee deductions will be continued until 1 copy of such notice of revocation is received by the appropriate Payroll Representative from the President and Directing General Chairman of the Union.

11. An employee who has executed a check off form and who (1) has been promoted to a job which is not covered by the Agreement and in which the employee does not pay a monthly administrative fee to retain seniority pursuant to Section 6.G.2, (2) resigns from the Company, (3) is laid off and accepts employment in classifications not covered by any IAM Agreement, or (4) is otherwise terminated from the employ of the Company, will be deemed to have automatically revoked his assignment as of the date of such action. If such an employee (1) transfers back or returns to a job covered by the Agreement, (2) is rehired, (3) is recalled, or (4) is re-employed, further deductions of Union dues will be made only upon execution and receipt of another check off form. An employee who has executed a check-off form who enters layoff status directly from a position covered by this Agreement will have his dues or Service Fees deductions automatically reinstated upon direct recall to a classification covered under this Agreement.

12. The Union will be responsible to collect (1) back dues or Service Fees owed at the time of starting deductions for any employee, (2) dues or Service Fees missed because the employee was delinquent in dues or fees at the time of going on leave of absence, and (3) initiation (or reinstatement) fees or dues or Service Fees missed because of accidental errors in the Union's accounting procedure.

13. Dues or Service Fee deductions are to be withheld from the first pay date of the month. Should a deduction be missed, or in the event an insufficient amount is deducted the proper adjustment will be made from the next pay check(s) until collected.

14. Check off forms submitted to the Company at least 12 days or more before

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the first pay date of the month will commence deductions on that date. When a check off form is submitted to the Company that indicates an initiation (or reinstatement) fee is to be withheld that fee will be withheld equally from the first 2 pay dates of the month and dues or Service Fee deductions will commence the following month.

15. In the event of termination of employment, there will be no obligation of the Company to collect initiation (or reinstatement) fee or dues or Service Fees until all other deductions have been made, and such obligation to collect dues or Service Fees will not extend beyond the pay period to which the employee's last day of work occurs.

16. The seniority status and rights of employees granted leaves of absence to serve in the Armed Forces will not be terminated by reason of any of the provisions of this Section B, but such employees will upon resumption of employment in classifications covered by this Agreement be governed by the provisions of Section B.2 above.

17. When an employee is to be discharged by the Company under the provisions of this Section B, the discharge will be deemed to be for cause within the meaning of the terms of this Agreement. A grievance by an employee who is to be discharged as the result of an interpretation or application of the provisions of this Section B will be subject to the following procedure:

a. Such employee who believes that the provisions of this Section B pertaining to him have been improperly interpreted or applied and who desires a review must submit his request for review in writing within 5 days from the date he receives notification of the discharge. The request will be submitted to the Vice President of Labor Relations with a copy to the President and Directing General Chairman of the Union. The Vice President of Labor Relations or his designee will review the grievance and render a written decision, to the employee, with a copy to the President and Directing General Chairman of the Union not later than 10 days following receipt of the grievance.

b. If the decision is not satisfactory to either the employee or the Union, then either may appeal the grievance directly to the System Board of Adjustment within 15 days from the date of the decision. The terms governing the Board of Adjustment will be applicable, except as otherwise specified herein.

c. During the period a grievance is pending under the provisions of this Section and until a decision is rendered by the Vice President of Labor Relations or his designee, or by the Board of Adjustment if appeal is made to that Board, the employee will not be discharged from the Company because of non-compliance with the terms of this Section B.

d. Saturdays, Sundays, and holidays will be excluded only from the time limits specified in this Section B. 17.

C. Union Officials

1. The Union will notify the Company in writing of the election, appointment, or removal of Union Representatives. The District Lodge will notify the Company in writing of the Committee members at each location. At its option, the Union may designate a System Committeeperson for the Maintenance Instructor group in lieu of Shop Stewards at each of the domiciles. The Union will designate a Committee Person at each domicile and, in addition may designate an alternate Committee person at each domicile.

2. Effective upon the Date of Signing of this Agreement, the Company will assume the cost of a total of 500 hours of straight-time pay per year, to be used by employees authorized by the Union for the purpose of administration of this Agreement between the Union and the Company.

a. Representatives and other employees authorized by District Lodge 141 must give prior notice and report all time spent on Union business to the designated management representative.

3. The parties will work with each other in good faith to ensure both that: (1) employees are reasonably represented in grievances and (2) the Company's operation continues without undue delay.

4. The Union will provide the Company with the names, addresses, and phone numbers of its official Union Representatives.

5. The Company will provide the Union a reasonable amount of time as needed (not to exceed 2 hours) to participate in new-hire orientation for employees covered under this Agreement.

D. Union Travel and Access to Company Facilities

1. Union Travel Employees of the Union will be furnished positive space transportation over the lines of the Company for the purpose of administering this Agreement at the level and to the extent such passes are provided to officials of other unions representing other Company work groups.

2. Bulletin Boards

a. The Company will provide bulletins boards (maximum dimension 3' x 5') acceptable to the Company for the Union's exclusive use at each station where employees covered by this Agreement are located. The Company and the Union will determine the placement of bulletins boards by mutual agreement.

b. No political, inflammatory, controversial, or derogatory material will be permitted on Union bulletin boards. Union bulletin boards will be used exclusively for Union notices or materials regarding the following:

- Union recreational and social affairs
- Union elections

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- Union appointments and results of Union elections
- Union meetings
- Educational materials relating to contract administration
- Excerpts from official Union publications

There will be no other general distribution or posting by employees on the Company's property.

3. Union Access The Company will sponsor the officially designated representative(s) of the Union in obtaining appropriate credentials (S.I.D.A. Badge). The Company agrees to admit to its bases the officially designated representative of the Union to transact business as is necessary for the administration of the Contract. Such business will not interfere with the operations of the Company.

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ARTICLE 9

INVESTIGATIONS, GRIEVANCES & ARBITRATION

ARTICLE 9: INVESTIGATIONS, GRIEVANCES & ARBITRATION

A. Investigations

1. An employee who has completed his/her probationary period will not be disciplined or discharged without just cause. Except for attendance/dependability matters below the level of termination warning, the Company will conduct an investigatory meeting with an employee to discuss charges that, with reasonable foreseeability, could result in discipline. The Company will provide written notice to the employee of any such action, and will copy the Union's Local Committee on all such notices. An employee who has completed his/her probationary period will have access to the grievance process.

2. The Company will follow a progressive discipline system. This will not limit the Company's ability to discharge employees for a single serious offense, to hold an employee out of service without pay, or to issue a disciplinary suspension if circumstances so warrant.

3. If the Company intends to question a non-probationary employee as part of an investigation that, with reasonable foreseeability, could result in discipline against that employee, the Company will inform the employee that he/she has the right to have a Union representative present during the questioning. If the employee elects to have a Union representative present, the Union representative will not interfere with the Company's questioning, but at the conclusion of the Company's questioning will be given an opportunity to ask clarifying questions. The Union representative will be afforded a reasonable opportunity to consult with the employee before questioning begins. This Section E.3 will not apply to Supervisor inquiries of employees in the normal course of work.

4. Employees held out of service pending investigation of disciplinary charges will incur no loss of pay, except that employees may be held out of service without pay when charged with any of the following: (1) being arrested for or charged with a disqualifying criminal offense that falls under the jurisdiction of the airport or city where the employee works; (2) participating in an unlawful or prohibited job action; (3) refusal or adulteration of a drug or alcohol test; (4) insubordination, or refusal to obey a direct order that is not safety-related; (5) refusal to participate in a Company investigation; (6) an act or threat of abuse or violence; (7) an act of fraud; or (8) use or possession of alcohol, illegal drugs, or weapons on Company property. In the event an employee is held out-of-service without pay, proposed termination charges will be prepared within 30 days from the date the employee was held out of service. If circumstances require an employee to be held out of service without pay and without charge for greater than 30 calendar days, the employee will revert to paid status beginning on the 31st day, provided the employee is otherwise fully qualified and available to work. Upon issuance of the proposed charges, the parties will meet to schedule the Investigative Review Hearing within 15 calendar days.

5. No employee will be disciplined to the extent of loss of pay (other than for insubordination, job abandonment or failure to attend a scheduled investigatory

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meeting) or discharged from employment without a prompt, fair and impartial investigative hearing at which he may be represented and assisted by Union Representatives. Prior to the hearing, the Company will give the Union and employee copies of any previous disciplinary action letters which are to be considered, and the Company will advise the Union in writing of the precise charges against the employee. The Union and employee will have at least 72 hours advance notice (excluding Saturdays, Sundays, and Holidays) prior to any disciplinary hearing, and at least 72 hours (excluding Saturdays, Sundays, and Holidays) before the hearing the Company and the Union will provide to each other copies of documents or records upon which they intend to rely at the hearing. Any appeals of discipline imposed as a result of the investigative review hearing will be made directly to Step 3 of the grievance procedure using the rules and time limits which apply to that Step.

6. Witnesses necessary for a proper disciplinary investigation or hearing will be compensated at their applicable rate for time spent in the investigation or hearing. The employee charged or under investigation will be compensated for time spent in the investigation or hearing at his/her straight-time rate.

7. Upon written or verbal authorization from the employee, the Company will provide the Union with access to the employee's personnel file at a time and location to be determined by the Company, and the Union will be entitled to copies of any documents contained in the file.

8. Upon receipt of the employee's written request submitted no sooner than 15 months after the date of a disciplinary letter (including letters of warning, reprimand, or suspension), the Company will remove the record of that disciplinary action from the employee's active personnel file. The 15 month waiting period will not include periods while the employee was on layoff, Leave of Absence or Extended Illness Status. Regardless of whether the employee requests removal, disciplinary letters more than 15 months old may not be considered by the Company as part of the employee's past record when assessing subsequent discipline.

a. In instances of disciplinary discharges or discipline involving a violation of the Company's policy against harassment, discrimination, or retaliation (H&D Policy), the record will, pursuant to Section E.8 above, be removed from the employee's personnel file. However, records will remain in the Company's corporate fair employment practices files for 48 months and during that period may be considered in connection with future alleged instances of the employee's violation of the Company's H&D policy.

B. Grievances and Arbitration

1. Purpose If an employee, group of employees, or the Union believes that the Company has either violated the Agreement in how it disciplined or discharged an employee or interpreted or applied the Agreement, the complaint should be settled at the lowest possible level based upon the facts and common sense under the following procedures. The Company will designate a representative(s) at each location where persons covered by this Agreement are employed who is empowered

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ARTICLE 9 INVESTIGATIONS, GRIEVANCES & ARBITRATION

to settle all local grievances not involving change in Company policy, or interpretations, or changes in the intent and purpose of this Agreement.

2. Procedures

a. Time Limits Because the ability to research or document issues decreases over time, complaints must be lodged promptly after the disputed event occurs. The Company is not responsible for any monetary remedy extending more than 30 days prior to the filing of the complaint in writing in Step 1. Any Company answers not appealed in writing within the required time limits for any step of the procedure will be considered closed on the basis of the Company's answer, unless the time limits have been extended by mutual written agreement. Complaints not timely answered by the Company are considered denied, and may immediately be appealed to the next step of the procedure. Time limits for hearings, appeals, decisions, and System Board responses exclude Saturdays, Sundays, and Holidays.

b. Stenographic Record Whenever the parties agree that a stenographic record should be made of any investigation or hearing provided for in this Agreement, the cost will be shared equally by both parties to the dispute. When it is not mutually agreed that such a stenographic record should be made, the party that desires such stenographic record may obtain and pay for it. A copy of such stenographic record will be furnished to the other party to the dispute upon request at pro rata cost. The cost of any additional copies requested by either party will be paid by the party requesting them, whether the stenographic record is taken by mutual agreement or otherwise.

c. Management Grievance The Company may file a grievance against the Union. Any such grievances will be filed in writing with the Union's President and Directing General Chairperson, who will provide a written answer within 14 days. If the answer is unsatisfactory, the Company may appeal the grievance to the System Board within 14 days following receipt of the Union's answer.

3. Steps

a. Step 1

(i) If an employee has a complaint, he should first discuss the matter with his Supervisor, who will attempt to settle the matter.

(ii) If the issue is not satisfactorily resolved, the employee may request a Steward to handle the matter with the Supervisor.

(iii) If the matter is still not resolved, within 30 days of when the employee first knew or should have known of the event giving rise to the dispute, the Steward must put the facts in writing on a standard form provided by the Company and give it to the Supervisor, who has 3 days to give the Union a written response. The complaint form and response will

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not prejudice either party from raising facts or arguments at future steps of this Grievance Procedure.

b. Step 2

(i) If the Union decides to pursue the complaint further, it must be filed in writing with the Company on a standard grievance form within 15 days from the time for the Supervisor's written response in Step 1.

(ii) Unless other provisions in Step 2 apply, the grievance will be considered in a hearing between local management representative(s) and the Local Union Committee within 15 days of the Company receiving the Step 2 grievance form. The Company will provide a written answer to the grievance within 5 days after discussions have concluded. If it is not satisfied with the response, the Union may appeal the grievance to Step 3 of the procedure within 15 days from the Company's written answer. This appeal may contain any disputed or additional germane facts.

(iii) At the request of either party, contract interpretation grievances concerning the intent rather than the application of the Agreement will not be heard in a Step 2 grievance hearing, but instead may be submitted directly to Step 3 of this Grievance Procedure. If upon review at Step 3 the parties agree that a grievance submitted under this Section relates to contract application rather than intent, the grievance will be returned directly to Step 2 for full consideration of all issues.

c. Step 3 If not settled earlier, the grievance will be reviewed by representatives appointed by the Company and Union within 10 days of its referral to Step 3. If the Union desires a formal hearing at the Step 3 level, the PDGC will make a request through the Director of Labor Relations. The Company will provide a written answer within 14 days of this review. If the Union decides to further appeal the answer to the System Board, within 40 days from the Company's answer it must perfect all facts in a written Submission to the Company and the System General Chairman.

d. Step 4 - System Board of Adjustment If the grievance remains unsettled after being processed through Step 3 above, the System General Chairman may request the case be heard by the System Board in compliance with Section 204, Title II of the Railway Labor Act as amended.

(i) The System Board

(A) The System Board of Adjustment will consist of 3 members: the Chairman, a neutral member selected in a manner agreeable to the Company and Union; a Company Member appointed by the Company; and a Union Member appointed by the Union. In matters relating to contract interpretation, all 3 members of the Board will hear and decide the case by majority vote. In disciplinary cases,

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only the Chairman will sit on the Board and will alone decide the case.

(B) Unless the parties agree otherwise, the Board will meet in the city where the Company's Executive Offices are maintained.

(C) The Board will have the power to make sole, final and binding decisions on the Company, the Union, and the employee(s) insofar as a grievance relates to the meaning and application of this Agreement. The Board will have no power to modify, add to, or otherwise change the terms of this Agreement, establish or change wages, rules, or working conditions covered by this Agreement.

(ii) Submissions to the System Board

(A) To be properly before the System Board, the appealing party's Submission must include: (a) the question or questions at issue; (b) a statement of the specific Agreement provisions which are claimed to have been violated; (c) all facts relating to the dispute which it intends to cite in support of its position; and (d) its full position.

(B) A copy of this Submission will be served on the other party.

(C) In cases involving appeals of disciplinary action, letters in the file, suspension, or discharge, the only written procedural step will be the Union's Submission to the Board.

(D) In cases not involving appeals of disciplinary action, letters in the file, suspension, or discharge, either:

(1) Within 40 days of receiving the appealing party's Submission, the other party will file a Statement of Position with the appealing party and System Board that will include: (a) the question or questions at issue; (b) all facts relating to the dispute which it intends to cite in support of its position; and (c) the full position on which it will rely, or

(2) Where the parties agree, in advance of the System Board hearing, the Company and Union will prepare a Joint Submission to the System Board which will be signed by each representative and presented to the System Board Member(s). The Joint Submission will include: (a) the issue or issues to be decided; (b) the facts on which the parties agree; (c) the disputed facts; and (d) the primary positions of each party.

(3) Any delay in the filing of a Statement of Position will not cause a delay in the scheduling of the hearing unless expressly agreed to by the parties.

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ARTICLE 9

INVESTIGATIONS, GRIEVANCES & ARBITRATION

(4) Within 15 days after the date the Statement of Position or Joint Submission is filed with the other party, the parties will advise the System Board of the facts, if any, on which they desire to present evidence during the hearing. Each party will have the opportunity at the hearing to present evidence on the facts on which the other party presents evidence. The Chairman may also advise the parties the facts on which he desires to have evidence.

(iii) System Board Hearings

(A) Witnesses who are Company employees will receive free non-revenue positive space (NRPS) transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

(B) Witnesses testifying at the hearing may be required to do so under oath if requested by either party.

(C) Evidence presented at the hearing may include sworn depositions, written evidence, or oral testimony.

(D) Notwithstanding Section B.2,b above regarding stenographic records generally, if a stenographic record of a Step 4 System Board hearing is requested by either party, the cost will be shared equally between the parties.

(E) Each party will assume the compensation, travel expense and other expenses of the witnesses it calls or summons. The expenses of the Chairman will be shared equally by the Company and the Union.

(F) No post hearing briefs will be required following System Board hearings, but either party will be entitled to submit a brief if it so chooses.

(iv) System Board Decisions

(A) The Chairman will give his written decision within 30 days of the close of the hearing unless extended by mutual agreement.

(B) The Chairman's copy of all transcripts and/or all records of cases will be filed in a place to be provided by the Company that will be accessible to the parties.

ARTICLE 10: GENERAL & MISCELLANEOUS

A. Management and Operation of Business

1. Except as restricted by this Agreement, the Company has the sole and exclusive right to manage, operate, and maintain the efficiency of the business and working forces. This includes the rights: to hire, discipline, suspend and discharge employees for just cause; to hire, promote and demote employees, and maintain discipline and efficiency in the Company's facilities; to determine where and when to operate scheduled or unscheduled flights; to determine the type and location of facilities, equipment, and aircraft the Company will utilize; to sell or discontinue all or part of the business; to sell or lease aircraft or facilities; to determine marketing methods and strategies; to enter into code sharing, affiliation, or marketing agreements with other carriers; and to invest (including equity investments) in other business entities including, without limitation, other air carriers.

2. The exercise of any right reserved herein to management in a particular manner, or the non-exercise of a right, will not operate as a waiver of the Company's rights, nor preclude the Company from exercising the right in a different manner. The rights enumerated above will not be deemed to exclude other preexisting rights of management, except as expressly provided in this Agreement.

B. No-Strikes, No-Lockouts

1. The parties intend the procedures in this Agreement and the Railway Labor Act to serve as a means of peaceable settlements for all disputes that may arise between them.

2. During the life of this Agreement, and continuing through 30 days following the date, if any, the parties are released from mediation by the National Mediation Board in connection with negotiations for a successor Agreement:

a. The Company, including its directors, officers, representatives, and agents, will not lock out any employee.

b. The Union (including its directors, officers, representatives, and agents), will not cause, support, promote, or authorize, or authorize its members to cause, nor will any member of the Union participate in, any sit-down, stay-in, job action, or slow-down in any location or facility of the Company; any curtailment or restriction of the operations or any work of the Company; any strike or stoppage of any of the Company's operations; or any picketing of any of the Company's facilities or premises. These prohibitions will also apply where a grievance or dispute comes under the jurisdiction of the System Board of Adjustment as provided for in this Agreement. The Company reserves the right to discipline any employee taking part in any violation of this provision. Notwithstanding the provisions of this Section, it is understood that (1) there is no contractual prohibition on the ability of employees to honor lawful picket lines of the Company's employees, on or in front of the premises; and (2) the employees covered by this Agreement are not prohibited from engaging in a

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ARTICLE 10

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concerted refusal to perform Struck Work. Struck Work for purposes of this contract means when the Company, in response to a labor dispute at a company where the employees are engaged in a lawful strike, is performing work for that company pursuant to an agreement or arrangement with the company and the Company has not previously performed such work.

C. Safety

1. Safety is United's most important priority and is the responsibility of all employees. All employees are expected to help maintain a safe, sanitary, clean and healthy work environment. Each employee will work in a safe manner to ensure unsafe acts or conditions are eliminated. To ensure a safe environment, employees are required to comply with the Company's safety programs, safety policies and procedures. Employees are expected to immediately report unsafe conditions, equipment, tools and practices to a supervisor in the affected work area.

2. Safety Positions

a. Selection Process

(i) Safety Management System (SMS) Based Safety Teams The Company will determine where SMS-Based Safety Teams will be established and how many members will comprise each Team. Open Team member positions will be posted and will be filled with the most qualified candidates through consensus between the Company and the Union based on a competitive interview selection process. Qualifications will include a minimum commitment of 6 months of service on the Team. If consensus cannot be reached in a hub location having a Team composed of more than 5 Team Members, the Union will have the ability to select 1 of the Team members from among qualified candidates. Upon selection, Team members will serve a 90 trial period. Team members who leave the Team will return to the positions they held immediately prior to their selection to the Team.

(ii) IAM Director of Safety The position of Director of Safety will be filled with a qualified candidate through consensus between the Company and the Union based on a competitive interview selection process.

3. The Company will maintain emergency first aid equipment accessible to employees on all shifts. When available, employees will have the ability to take safety triage type training. Employees taken sick or injured at work will be provided medical attention as promptly and reasonably practicable.

4. The Company will provide all required personal protective equipment at no cost to the employee.

5. The Company agrees to maintain safe, sanitary, and healthy working conditions in all facilities and agrees to furnish good drinking water and sanitary fountains.

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6. The Company and IAM-represented employees will comply with all federal, state, and local laws, rules, and regulations applicable to providing a safe work place for employees.

7. A joint Company-Union Safety Action Team (SAT) meeting will be established at each location where represented employees are assigned. The team will meet at least once a month to address safety concerns and review corrective actions taken through the SMS process which includes data from SMS programs and other safety related observations. The Company and Union, through the Safety Action Teams will seek solutions and develop training to help reduce the accident frequency and severity rates.

8. Reasonable time without loss of pay will be allowed to employees for participation in safety meetings and to resolve safety infractions.

9. It is an obligation that employees proactively report safety concerns to management and utilizes the Safety Action Team for all unresolved safety related matters. The Company and Union will jointly review safety incidents to identify "root cause" and corrective actions as required and will provide safety related documents as reasonably requested by the Union.

10. The Company acknowledges the importance of all of the safety programs, including its Blood borne Pathogen Exposure Control Plan as well as ergonomics studies and equipment review to safeguard employees from working in unsafe or unsanitary conditions.

11. The Company will furnish all necessary safety devices for employees working on hazardous or unsanitary work, and employees will be required to use or wear such devices in performing such work.

12. The Company will make available, at no cost to covered employee, a complete post-exposure evaluation when warranted.

13. An employee has the right to refuse to perform work he or she reasonably believes to be unsafe or in violation of established health and safety rules, or any local, state or federal health and safety regulations or laws.

14. When any new equipment is put into service by the Company, employees covered by this Agreement will be given an opportunity to become familiar with such new equipment, provided, however, that the Company may establish a reasonable time within which such employee must become familiar with such equipment.

15. Employees covered by this Agreement will be subject to all applicable federal, state, and local regulations and Company policies with respect to the use, possession, testing on reasonable suspicion, and removal from/return to duty requirements involving the use of alcohol, illicit drugs, and other controlled substances. An employee impaired at work, with a confirmed positive test for alcohol, illicit drugs, or other controlled substances will be discharged for cause. However, at the sole discretion of the Company, an employee who is discharged

under this provision may be offered an opportunity for conditional reinstatement under such terms and conditions as the Company determines appropriate based on the individual facts and circumstances.

D. Appearance Standards

1. Customer confidence is based in part on a consistent and professional public appearance. Maintenance Instructors will be required to comply with the Company's appearance policy and Dress Code Guidelines for Non-Uniformed Co-workers.

2. Suitable rain repellent garments will be issued to employees for use when they are required to work outside in the rain. In addition, the Company will furnish, upon request, each Maintenance Instructor with a shop coat, a pair of coveralls, a line jacket, and a Parka. These items shall be replaced by the Company at such a time as they become worn beyond their useful life. The cost of lost shop coats, coveralls, line jackets, or parkas will be borne by the employee.

3. Employees may wear the official Union patch on a place visible on their outer clothing and in compliance with the Company's appearance policy.

4. Employees are responsible for laundering and maintaining all company provided garments in a clean and presentable manner.

E. Business Cards

The Company will furnish, upon request, business cards to a Maintenance Instructor.

F. Badging & Security

1. Consistent with the needs of the operation, on a local basis the Company will discuss accommodations that might be required in individual cases to allow employees to obtain necessary security badges. Once per year employees will be allowed 60 minutes, not including meal or break times, during working hours to secure airport security badge annual renewals. Employees not scheduled to work during airport badging office hours will be compensated for 60 minutes at the straight time rate once per year for time spent for the annual airport badge renewal.

2. Maintenance Instructors may be requested, but not required, to transport students on or off airport property, or to escort students while in the Airport Operations Area (AOA).

G. Service Records for Separating Employees

Upon the request of an employee separating from employment, the Company will provide the employee with a copy of his service record reflecting the employee's years of service and work history with the Company. Any employee leaving the service of the Company will, upon request, be furnished with a document setting forth the Company's record of his qualifications and training records.

H. Maintenance Instructor Upgrade Plan

1. In preparation for upgrading to teach a new class, or to teach a class that has not been taught for an extended period of time, the Maintenance Instructor's Supervisor shall, after consultation with the Maintenance Instructor, the course principal, and the Department Manager, determine whether an upgrade plan is appropriate and the timeframe within which the upgrade plan must be completed.

2. In the event of the introduction of a new aircraft fleet, or new or different technology or methods which will have a significant impact on employees under this Agreement, the Company and the Union will meet and confer at least 60 days prior to the implementation of the new or different technology or methods to objectively review and evaluate the impact of the technological or method change. The following will be considered during the review and evaluation:

- a. A detailed description of the new fleet, or the nature of the proposed technological or method changes.
- b. The approximate number of employees and locations likely to be affected by the new fleet, or technological or method change.
- c. The impact on the job security of the employees in the affected classification(s).
- d. The impact on upgrade plans for Maintenance Instructors.
- e. The reason for the change and the impact it will have on the Company's operation.
- f. The Company's plan to minimize the impact of the new fleet or technological or method change on the employees affected.

If technological or method changes result, or are likely to result, in a reduction in force of employees covered by this Agreement, the Company will meet with the Union, in order to discuss and consider alternatives to the reduction in force that would minimize or eliminate the reduction in force.

I. Maintenance Instructor Training Opportunities

Training opportunities shall be offered as equally as possible among eligible employees.

J. Pleasure Travel

Employees and their eligible family members will be provided the same free and reduced rate pleasure travel privileges and/or modifications as the Company extends to other major non-management work groups in accordance with Company policy, as may be amended by the Company. The Union will be notified of any changes in policy prior to implementation.

K. Distribution of Agreement

The Company will provide employees with access to the terms of this Agreement (a) electronically, with hyperlinks, on the Company's employee website; (b) by maintaining a limited number of printed copies at each work location for use and consultation at the

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location; (c) by providing means for employees either to download the terms of the Agreement on USB or flash drives provided by the employee, or to print individual Sections or sections; and (d) by printing a modest number of copies of the Agreement for distribution to employees upon finalization of the printed form of the Agreement.

L. Provisions for Parking

1. If free parking facilities are not readily available for employees at their normal work locations, the Company will pay the standard monthly parking fee charged for parking in the area designated for employees at that location.

2. Employees must pay the cost of replacement fees for lost parking decals, stickers, gate cards, keys or similar items. The Company will reimburse employees for the original cost and normal replacement costs for such items.

M. Non-Discrimination and Gender References

1. In keeping with the established policies of the Company and the Union, this Agreement will apply equally to all employees regardless of any protected category under applicable law, including age, citizenship, color, disability, gender, gender identity, genetic information, national origin, pregnancy, race, religion, sexual orientation or veteran status. The Company will not discriminate or retaliate against any employee because of his membership in or lawful activity on behalf of the Union.

2. Whenever this Agreement refers to employees or jobs in the male or female gender, the reference will be recognized as including both genders equally.

N. Indemnification

1. In the event any employee covered by this Agreement is sued in a civil action for damages or other financial relief arising out of such employee's performance of her/his regular paid duties as specified by the Company (including any such action initiated by a fellow employee), the Company, through its insurers, will defend, indemnify, and hold harmless such employee from any money judgment or money award rendered against her/him because of actions taken on behalf of the Company within the scope of his/her performance of regular paid duties, unless it is finally determined by a court of competent jurisdiction that such damages or award resulted from the employee's gross negligence, fraud or willful misconduct.

2. It is expressly understood that such defense, indemnification, and hold harmless of any employee is limited by and subject to all terms and limitations of the Company's policy with its insurers as modified and in effect at the time of such action or judgment.

O. Agreements and Amendments

All formal agreements, amendments, deletions, and additions to this Agreement must be approved by the Union's President and Directing General Chairperson and the Company's Vice President, Labor Relations, or their designees.

P. Savings Clause

1. The parties' intent is that this Agreement be and remain in compliance with all applicable laws and regulations. If any provision of this Agreement is in violation or potential violation of any applicable law or regulation, or if any provision of this Agreement is rendered or declared invalid by any existing or subsequently enacted legislation or by any decree of a court of competent jurisdiction:

a. The remaining provisions will be unaffected and will continue in full effect, and

b. At the request of either party, the parties will, in a timely manner, meet and confer for the purpose of curing the violation or potential violation in a way that requires the least change, disruption of the existing circumstances, and additional cost as is possible while minimizing any negative impact on the employees.

Q. Successorship Transactions

1. The Company and any Parent will require any successor, assign, assignee, transferee, administrator, executor, and/or trustee of the Company or of a Parent (a "Successor") resulting from the transfer (in a single transaction or in multi-step transactions) to the Successor of the ownership and/or control of 50% or more of the equity of the Company or Parent or 50% or more of the value of the assets of the Company or the Parent (a "Successorship Transaction") to continue to recognize and treat with the Union as the representative of the employees covered by this Agreement, to employ or cause the Company to continue to employ the employees represented by the IAM in accordance with the provisions of the Agreement, and to assume and be bound by the Agreement. "Parent" refers to "United Continental Holdings, Inc." ("UCH") or any entity that has a majority control of the Company, whether directly or indirectly through the majority control of other entities that have majority control of the Company. This Agreement will be binding upon any Successor of the Company unless and until changed in accordance with the provisions of the Railway Labor Act, as amended.

2. The Company and its Parent will not conclude any agreement for a Successorship Transaction unless the potential Successor agrees in writing, as an irrevocable condition of the Successorship Transaction, to assume and be bound by this Agreement, to recognize the Union as the representative of the Company's employees, to guarantee that the employees represented by the IAM under this Agreement will be employed by the Successor in accordance with the provisions of the Agreement, and if the Successor is an air carrier or an entity that controls an air carrier, to abide by Section 3, below.

3. 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 Company will require, as a condition of any operational merger that the Successor will provide employees covered under this Agreement with seniority integration

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rights pursuant to the McCaskill-Bond amendment and Sections 2, 3 and 13 of the Labor Protective Provisions specified by the Civil Aeronautics Board in the Allegheny-Mohawk merger (“Allegheny-Mohawk LPPs”).

4. 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 Union with the opportunity to make a competing Proposal at such time and under such circumstances as the Board of Directors of the Parent or the Company reasonably determines to be consistent with its or their fiduciary duties.

5. Consolidation(s) or corporate merger(s) among or between United, Continental, UCH, Continental Micronesia (CMI), and/or Mileage Plus (MPI) (a) will not change the “single carrier” status, or the recognition, bargaining or contract compliance obligations of the entity or entities that result from or remain after such (a) transaction(s), (b) will not constitute a Successorship Transaction, and (c) will not trigger any obligations under this Section Q or otherwise be deemed a violation of the Agreement.

R. Company Equipment The Company may provide equipment including laptops, projectors, phone cards, and other items as needed to instructors. A Maintenance Instructor is not liable for damaged, lost or stolen equipment, except in the case of negligence or misconduct. In the event of damaged, lost or stolen equipment, a report must be filed immediately to include the Maintenance Instructors signed statement of circumstances. All Company equipment is expected to be used in a manner consistent with the Working Together Guidelines.

S. Maintenance Instructor work will be performed by employees covered by this Agreement. Supervisors and Managers should not perform Maintenance Instructor work, except for incidental or occasional performance of such work to ensure the integrity of the operation. The Company and Union intend this to be limited to unique, unforeseeable, emergency, or other critical and safety-related situations, and that any such work performed be non-repetitive, short in duration and operationally critical, and where no hourly-rated employee could reasonably be anticipated to perform the task. In no event will any Maintenance Instructor employee be denied the opportunity for compensated work. However, it is the responsibility of all co-workers to provide the best customer service and to support the operation. In the event disputes over the extent to which, or circumstances under which supervisory or management personnel perform Maintenance Instructor work may arise, the Department Manager and Local Committeeperson will promptly meet and confer in an effort to resolve such matters and to determine an appropriate resolution, including but not limited to pay for denied opportunities for compensated work or overtime, consistent with these provisions and the negotiating processes that led to this Agreement.

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ARTICLE 10

GENERAL & MISCELLANEOUS

T. **Agreement** When this Agreement is accepted by the parties and signed by their authorized representatives, it will supersede any and all existing agreements and understandings, explicit or implicit, affecting the craft or class of employees covered by this Agreement. Any customs, employment policies or interim arrangements established prior to the date of this Agreement will not create any contractual or legal obligation to continue such customs, policies, or arrangements following the Effective Date of this Agreement.

ARTICLE 11: TRAVEL & EXPENSES

A. Travel

1. When employees covered by this Agreement travel away from their domicile to attend or conduct training or any Company required business, they shall be paid for such work on the same basis as at their domicile, with a minimum of 8 hours at the straight time rate for each regularly scheduled work day.

2. All hours spent in traveling or waiting in connection with attending or conducting training or any other Company required business will be paid for at the straight time or the applicable overtime rate. If employees are required to travel on regular days off they will be paid a minimum of four (4) hours, at the applicable overtime rate. If such travel is interrupted for any reason and the employee is released by an agent of the Company for a period of seven and one-half (7 1/2) consecutive hours or more, he shall not be paid for the time released, but in no event shall any employee receive less than eight (8) hours pay at the straight time rate for any regularly scheduled work day while away from his domicile. It is understood the Company may schedule an employee to take his regular days off without compensation except for expenses provided for in Article 11.B.

3. When assigned to travel domestically outside of their normal shift, employees shall receive one hour at the applicable rate prior to the scheduled departure time and one hour at the applicable rate after the actual arrival time if after the completion of their normally scheduled work schedule.

4. Maintenance Instructors will travel to and from business assignments from their domicile. If an employee's city of residence is other than the employee's domicile city, and the employee chooses to travel to and from business assignments from their city of residence, compensation and expenses for travel will be the equivalent of travel to and from the domicile city to and from the business assignment.

5. Upon completion of training or other Company required business, employees shall return to their domicile in accordance with the most recently approved travel plan. Upon return to their domicile, an employee shall, if they have not had a rest period of at least seven and one-half (7 1/2) hours within the preceding sixteen (16) hour period, be entitled to a rest period not less than seven and one-half (7 1/2) hours before being required to report to work.

6. Instructors may elect to extend their travel assignments. The weekend (RDOs) before or after an assignment may be taken at the location of the assignment. If a Maintenance Instructor elects to extend his/her assignment, all expenses (rental car, hotel, etc.) beyond the approved travel plan without the extension for the RDOs, are the responsibility of the Instructor. The Company's hourly responsibility (wages, per diem, overtime/compensatory time) is limited to the approved travel plan without the extended travel or actual time, whichever is less. Travel to or from the travel assignment would be on one of the RDOs, or if approved by management, on a workday with the first eight (8) hours of travel being

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ARTICLE 11

TRAVEL & EXPENSES

considered the normal workday traveled.

7. Maintenance Instructors are required to abide by the Company’s policies regarding business travel.

B. Expenses

1. Employees who travel on Company business will receive per diem to cover all expenses other than transportation and lodging, while away from their base station, beginning with the scheduled flight departure from the employee’s home location and ending with the actual time they return to their home location (flight block in).The per diem rate will be increased according to the table below. An employee shall submit an expense report in accordance with Company regulations for expenses not covered by per diem. Employee expenses shall be reimbursed in a timely manner.

Effective Date	Per Diem Rate
DOS	\$2.20
1/1/2015	\$2.25
1/1/2016	\$2.30
1/1/2017	\$2.35
1/1/2018	\$2.40

2. Corporate credit cards will be issued to Maintenance Instructors for the purpose of managing business expenses. Such credit cards will be issued with a minimum of \$5000.00 credit limit based on individual credit worthiness. In exceptional cases, the Company will assist an employee in obtaining a corporate credit card if the individual credit worthiness is not adequate.

3. The System Committee Chairperson will meet with the appropriate domicile Manager to resolve hotel and rental car issues.

4. Employees will not be required to stay in hotels where union employees are on strike or picketing the hotel.

5. If a Maintenance Instructor requests a rental car, it shall be provided according to the Company’s expense policy when they are away from their home domicile. Maintenance Instructors may be required to share rental cars with other Maintenance Instructors.

6. Maintenance Instructors traveling for work assignments shall only be reimbursed for remote terminal parking at their domicile airports when free parking and transportation are not available.

7. The Company and the Union will cooperate to compile and make available to Maintenance Instructors, available information on airport security, emergency contact procedures, and a local Company contact for all locations where training is performed.

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ARTICLE 11

TRAVEL & EXPENSES

8. Maintenance Instructors are required to abide by the Company's policies regarding business expenses.

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ARTICLE 12

EFFECTIVE DATE & DURATION

ARTICLE 12: EFFECTIVE DATE AND DURATION

A. Effective Date The provisions of this Agreement will become effective on April 18, 2016 (the “Effective Date”) except as otherwise specifically stated in the Agreement.

B. Amendable Date This Agreement will continue in full force and effect through and including December 31, 2021 and will thereafter renew itself without change each succeeding January 1, unless written notice of intended change is served in accordance with Section 6, Title I, of the Railway Labor Act, as amended (the “Act”) by either party no earlier than 18 months prior to December 31, 2021 or any December 31 thereafter.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this April 18, 2016.

For United Airlines, Inc.:

For the International Association of
Machinists and Aerospace Workers, AFL-
CIO:

/s/ Greg Hart

Greg Hart
Executive VP & COO
United Continental Holdings

/s/ Sito Pantoja

Sito Pantoja
General Vice President – Transportation
IAMAW

/s/ Mike Bonds

Mike Bonds
Executive VP, HR & Labor Relations
United Continental Holdings, Inc.

/s/ Mike Klemm

Mike Klemm
President and Directing General Chairman
IAMAW – District 141

/s/ P. Douglas McKeen

P. Douglas McKeen
Senior VP, Labor Relations
United Continental Holdings, Inc.

/s/ Timothy J. Klima

Timothy J. Klima
Airline Coordinator
IAMAW

/s/ Charles Duncan

Charles Duncan
Senior VP, Technical Operations
United Continental Holdings, Inc.

/s/ James Carlson

James Carlson
Assistant Airline Coordinator
IAMAW

/s/ Jeff Wall

Jeff Wall
VP, Labor Relations
United Continental Holdings, Inc.

/s/ Mike Manzo

Mike Manzo
Grand Lodge Representative
IAMAW

/s/ John Wiitala

John Wiitala
VP, Technical Services
United Continental Holdings, Inc.

/s/ Sandy Gardner

Sandy Gardner
Grand Lodge Representative
IAMAW

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ARTICLE 12

EFFECTIVE DATE & DURATION

/s/ Dan O'Connor
Dan O'Connor
Managing Director, Maint. Training

/s/ Richard Pantoja
Richard Pantoja
Research Economist - IAMAW

/s/ Mike Hansen
Mike Hansen
Managing Director, Labor Analysis

/s/ Mike Cyscon
Mike Cyscon
AGC, IAMAW – District 141

/s/ Dixon McKinzie
Dixon McKinzie
Managing Director, Human Resources

/s/ Laura Stone
Laura Stone
AGC, IAMAW – District 141

/s/ Thomas Reardon
Thomas Reardon
Director, Labor Relations

/s/ Joe Bartz
Joe Bartz
AGC, IAMAW – District 141

/s/ Julianne Cooney
Julianne Cooney
Senior Manager, Labor Relations

/s/ Ray Wallis
Ray Wallis
AGC, IAMAW – District 141

/s/ Terry Stansbury
Terry Stansbury
AGC, IAMAW – District 141

/s/ Victor Hernandez
Victor Hernandez
Negotiating Committee

/s/ Gabriel "Bill" Imbema
Gabriel "Bill" Imbema
Negotiating Committee

2016 - 2021 MAINTENANCE INSTRUCTORS AGREEMENT

LOA 1: Implementation of Agreements

April 4, 2016

Mike Klemm
President & Directing General Chairperson
Air Transport Lodge District 141
International Association of Machinists &
Aerospace Workers, AFL-CIO
1771 Commerce Drive, Suite 103
Elk Grove Village, IL 60007

Dear Mr. Klemm:

This confirms our understanding and agreement regarding implementation process for the pending tentative agreements covering the crafts and classes of Central Load Planners, Fleet Service Employees, Fleet Technical Instructors and Related, Maintenance Instructors, Passenger Service Employees, Security Officers and Storekeepers, contingent on ratification and execution of such agreements.

Whereas, United and the IAM recognize that there will be technical and logistical challenges to the immediate implementation of the terms of new agreements, including but not limited to the integration of IT, time and attendance, and payroll systems; and

Whereas, United and the IAM acknowledge that, although the parties discussed many of these implementation and transition issues during negotiations, it is likely that additional and as yet unforeseen impediments and complications will arise in the future; and,

Whereas, United and the IAM desire to provide for the systematic handling of implementation challenges;

Therefore, United and the IAM have agreed as follows:

1. United will use its best efforts to fully implement the terms of the new agreements as soon as reasonably practicable and will share implementation targets and timelines with the Union, as well as regular updates and progress reports. As impediments or other issues in doing so arise, the Company or Union will notify the other party, and the parties will meet promptly to discuss the issues and develop practicable solutions to address the underlying interests, consistent with the process by which the agreements were negotiated. The parties will attempt to mitigate or avoid detriment, losses or harm to affected employees, to the extent practicable.
2. It is expressly agreed that changes to work rules as set forth in the agreements will not be implemented at the effective date, but rather will be effective only upon their actual implementation, as determined by the Company and Union based on availability of resources and required programming, system re-configuration and changes in technology. No retroactive payments or "look back" payments will be due as a result of the scheduled or actual implementation of any of the terms of the new agreements, except that rates of pay will be fully implemented on their effective dates as specified in the agreements.

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3. Should any of the implementation items not be completed by the date of the first scheduled pay scale increase (November 15, 2016), United and IAM will engage in a problem-solving process to determine the extent to which the failure to complete implementation should be considered unreasonable, whether the Company's efforts may be considered insufficient, and whether employees are entitled to any prospective remedy pending the completion of implementation. Should any dispute remain unresolved, it may be processed on an expedited basis at the System Board of Adjustment in accordance with the terms of the agreements.
4. To further the working relationships established, United and the IAM agree to engage in an issue resolution process, as appropriate and necessary, to address matters that may arise under the agreements. The parties agree that such process is not intended to provide for substantive changes in the basic terms and conditions of the agreements, except as may be mutually agreed, and that such process will not be covered by or conducted pursuant to Section 6 of the RLA or be deemed a waiver of the parties' agreement in Article 11, Effective Date and Duration, of the respective collective bargaining agreements.

Please indicate your concurrence by signing one copy of this letter in the place indicated below, and returning it to the undersigned.

Sincerely,

/s/ Thomas Reardon

Thomas Reardon, Director, Labor Relations

Agreed, this 4th day of April, 2016:

/s/ Mike Klemm

Mike Klemm

President & Directing General Chairperson
Air Transport Lodge District 141
International Association of Machinists &
Aerospace Workers, AFL-CIO

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LOA 2: Lump Sum Payment

April 4, 2016

Sito Pantoja
General Vice President-Transportation
International Association of Machinists
& Aerospace Workers
9000 Machinists Place
Upper Marlboro, MD 20722-2687

Dear Mr. Pantoja:

This confirms our understanding and agreement regarding lump sum payments to eligible employees within the Central Load Planners, Fleet Service Employees, Fleet Technical Instructors and Related Employees, Food Service, Maintenance Instructors, Passenger Service Employees, Security Officers, and Storekeepers crafts and classes (the "Eligible Crafts and Classes") in connection with the ratification and execution of the tentative agreements dated April 4, 2016.

Part of the compensation package included in the 2016-2021 tentative agreements includes a \$100 million lump sum payment which will be paid contingent upon and after ratification to eligible IAM members in the Eligible Crafts and Classes.

Should the contract(s) ratify, United will provide to the IAM for review a list of eligible employees on the date of signing of the Agreement so that the distribution process can begin. United will also provide the IAM all payroll data and information reasonably requested by the Union in connection with developing the allocations to eligible employees. United Airlines agrees to pay the first distribution within 60 days of the date of signing of the ratified contracts. Should there be any contract(s) that fail to ratify, eligible employees under the ratified contracts will receive their shares in the same manner and amount as if all contracts had ratified.

We have agreed \$100,000,000 will be the total payment amount, and any fringe benefits or other deductions or payments (e.g., taxes, other than the employer's share of FICA) that are legally or contractually required to be made or increased in amount because of the payments to individual employees herein will not increase the Company's financial liability beyond the \$100,000,000.

All payments under this Letter of Agreement will be made separately from employees' normal paychecks and will be subject to withholding of (i) applicable taxes as required by law; and (ii) Union dues, fees and assessments. The lump sum payments will not be considered pensionable earnings under either the IAM National Pension Plan or the Continental Retirement Plan, or eligible compensation for purposes of company contributions or company-matching contributions to any defined contribution (401k) plan(s). Employees may make individual contributions to the 401(k) plan(s).

United and IAM have agreed on the methodology for eligibility and allocation of the \$100,000,000 to employees. Eligible employees will receive an equal share per year of completed Company Service as of the date of signing of the Agreement, approximately \$200 per year of service. Eligible employees with less than one year of service will receive a minimum payment equal to a one-year share.

Employees in the following status on the date of signing of the Agreement will be considered eligible for the lump sum payment:

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- Active
- Leaves of Absence
 - Educational (*Only includes educational leaves provided for in the CBA, does not include employees on a Company offered Special Leave*)
 - Illness
 - Military
 - Personal (*Only includes personal leaves provided for in the CBA, does not include employees on a Company offered Special Leave*)
- Temporary Assignments

To ensure that the Company's total liability or payments do not exceed the total payment amount a holdback amount shall be established which will be funded through withholding two percent (2.00%) of the \$100,000,000 to correct any errors or omissions in the allocation, calculation, and distribution of amounts to employees, as determined in the challenge process described below. Such errors or omissions will be paid by the Company from the holdback amount no later than 60 days after the date that the challenge process described below is fully concluded and becomes final and non-appealable. Any portion of the holdback fund that remains unpaid after satisfying any errors or omissions as determined in the challenged process shall be paid pro rata to eligible employees according to the allocation methodology.

Challenges, if not resolved by the IAM and United, will be decided by a neutral arbitrator selected by the IAM and United in the same manner as a neutral member of a System Board of Adjustment. If notwithstanding this challenge procedure, an employee brings an action or charge against the Union and/or the Company pertaining to the terms and/or application of this letter, the defending parties shall bear their own costs and fees associated with their defenses.

Please indicate your concurrence by signing one copy of this Letter of Agreement as indicated below, and returning it to the undersigned.

Sincerely,

/s/ P. Douglas McKeen

P. Douglas McKeen
Senior Vice President, Labor Relations
United Airlines

Agreed, this 4th day of April, 2016

/s/ Sito Pantoja

Sito Pantoja
General Vice President-Transportation
International Association of Machinists
& Aerospace Workers, AFL-CIO

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LOA 4: Board of Directors Seat

April 4, 2016

Sito Pantoja
General Vice President-Transportation
International Association of Machinists
& Aerospace Workers
9000 Machinists Place
Upper Marlboro, MD 20722-2687

Dear Mr. Pantoja:

On behalf of United Continental Holdings, Inc., a Delaware corporation (the "Corporation"), reference is made to the Restated Certificate of Incorporation of the Corporation (the "Charter"). Capitalized terms used but not defined herein have the respective meanings set forth in the Charter.

The Corporation hereby confirms that, pursuant to Part III of the Charter regarding the Class IAM Junior Preferred Stock, the IAM, as holder of the Class IAM Junior Preferred Stock, shall continue to have voting rights as prescribed therein until such time (the "IAM Termination Date") as (i) there are no longer any persons represented by the IAM (or any IAM Successor) employed by the Corporation or any of its Affiliates or (ii) the letter agreement between the Corporation and the IAM, dated as of May 1, 2003, no longer provides that the IAM has the right to appoint a director of the Corporation. As set forth fully in Part III of the Charter, until the IAM Termination Date, the IAM as holder of the share of Class IAM Junior Preferred Stock shall have the right, voting as a separate class, to (1) elect one director to the Board of Directors at each annual meeting of stockholders for a term of office to expire at the succeeding annual meeting of stockholders, (2) remove such director with or without cause and (3) fill any vacancies in such directorship resulting from death, resignation, disqualification, removal or other cause.

Please acknowledge and confirm your agreement with the terms set forth above by signing this letter agreement in the space indicated below.

Sincerely,

UNITED CONTINENTAL HOLDINGS, INC.

/s/ Brett J. Hart
Brett J. Hart
Executive Vice President, General Counsel and Secretary

Acknowledged and agreed,

INTERNATIONAL ASSOCIATION OF MACHINISTS
& AEROSPACE WORKERS

/s/ Sito Pantoja
Sito Pantoja
General Vice President-Transportation

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LOA 9: Job Protections

April 4, 2016

P. Douglas McKeen
Senior Vice President, Labor Relations
United Airlines
233 S. Wacker Drive, 25th Floor
Chicago, IL 60606

Dear Mr. McKeen:

This confirms our understanding and agreement with respect to job protections and the contracting out of work. United hereby commits that, through July 1, 2024, the Company will not contract out any work currently performed by those IAM-represented United employees covered under the Passenger Service Employees and Fleet Service Employees collective bargaining agreements at all hub and station airport locations, including but not limited to:

- Work at stations as set forth under Article 2.A.1;
- Work in support of United Express operations at CLE, EWR, IAH, LAX, ORD and SFO;
- Work insourced in support of the United Express operation at IAD;
- Work insourced in DEN in support of the United Express operations and TOB;
- Work retained through agreement between United and IAM (pursuant to Article 2.A.4.b) at ATL, BIL, IND, KOA, LIH, MCI, OGG, RDU, RNO, RSW, SAT, SJC, SJU, SLC, SMF, STL, and TUL.
- Work performed by IAM-represented employees covered under the Central Load Planners, Storekeeper Employees, Maintenance Instructors, Fleet Technical Instructors & Related and Security Officers collective bargaining agreements.
- Work performed by IAM-represented reservations agents covered under the Passenger Service Employees collective bargaining agreement.

After July 1, 2024, the provisions of Article 2 in the collective bargaining agreements for IAM-represented employees will remain in full force and effect, except to the extent modified by subsequent agreement.

Sincerely,

/s/ Sito Pantoja

Sito Pantoja
IAM General Vice President

Agreed this 4th day of April, 2016:

/s/ P. Douglas McKeen

P. Douglas McKeen
Senior Vice President, Labor Relations