

- b. Should the Company place into service any of the following aircraft types, or series thereof, those aircraft will be classified as narrow-body or wide-body as listed below:

<u>Narrow-Body</u>	<u>Wide-Body</u>
F-100	MD 11
MD 80-90	A 310
A321	A 330
	A 340

Should the Company place into service any new equipment of an aircraft type not included in this list, such new equipment should be treated for this purpose the same as the aircraft type on the above list or currently in service that is most comparable to such new equipment.

X. Crossing Picket Line

The Company will not require Flight Attendants to layover at any hotel whose employees are on strike and who are picketing the layover hotel or to deadhead off-line on any airline whose employees are on strike and who are picketing the airport(s) through which Flight Attendants must travel. If alternative accommodations cannot be found, the Company will make every effort to transport Flight Attendants so as to avoid picket lines.

Y. Electronic Bulletin Board

The Company will maintain an automated Bulletin Board for the Flight Attendants use in trip trades, RDO trades, vacation trades, and any other such rescheduling functions under the Flight Attendants' control as may become available in the future.

Z. Electronic Communications

The Company may communicate with Flight Attendants and AFA-CWA via electronic means. The Company is not required to provide paper documents for official notices, general information, and correspondence related to grievances and hearing decisions, except that the Company will continue to send paper copies of disciplinary letters, Letters of Charge, and hearing/grievance decisions to the affected Flight Attendant(s). The Company will provide adequate equipment in domiciles for Flight Attendants to access electronic communications. The AFA-CWA and the Company will meet to discuss Flight Attendant access issues prior to implementation of any new communication methodology.

**SECTION 5  
COMPENSATION**

A. 1. Domestic Flying

Flight Attendants assigned Domestic lines of flying and Domestic reserve lines shall be paid a minimum monthly rate in accordance with the schedule hereinafter set forth:

	<u>01/07/05</u>	<u>05/01/07</u>	<u>05/01/08</u>	<u>12/31/08</u>
1st year	\$1,119	\$1,142	\$1,165	\$1,188
2nd year	\$1,183	\$1,207	\$1,231	\$1,255
3rd year	\$1,259	\$1,284	\$1,310	\$1,336
4th year	\$1,294	\$1,320	\$1,346	\$1,373
5th year	\$1,467	\$1,496	\$1,526	\$1,557
6th year	\$1,930	\$1,969	\$2,008	\$2,048
7th year	\$2,034	\$2,074	\$2,116	\$2,158
8th year	\$2,084	\$2,126	\$2,168	\$2,212
9th year	\$2,152	\$2,195	\$2,239	\$2,284
10th year	\$2,221	\$2,265	\$2,310	\$2,357
11th year	\$2,269	\$2,315	\$2,361	\$2,408
12th year	\$2,322	\$2,369	\$2,416	\$2,465
13th year	\$2,374	\$2,421	\$2,469	\$2,519
14th year	\$2,410	\$2,458	\$2,507	\$2,558

In addition to the above rates of pay, a Flight Attendant shall be paid the following for each credited flight hour in excess of sixty-five (65) hours a month:

	<u>01/07/05</u>	<u>05/01/07</u>	<u>05/01/08</u>	<u>12/31/08</u>
1st year	\$17.22	\$17.57	\$17.92	\$18.28
2nd year	\$18.20	\$18.56	\$18.93	\$19.31
3rd year	\$19.37	\$19.75	\$20.15	\$20.55
4th year	\$19.91	\$20.31	\$20.71	\$21.13
5th year	\$22.57	\$23.02	\$23.48	\$23.95
6th year	\$29.69	\$30.29	\$30.89	\$31.51
7th year	\$31.29	\$31.91	\$32.55	\$33.20
8th year	\$32.06	\$32.71	\$33.36	\$34.03
9th year	\$33.10	\$33.77	\$34.44	\$35.13
10th year	\$34.16	\$34.85	\$35.54	\$36.25
11th year	\$34.91	\$35.61	\$36.33	\$37.05
12th year	\$35.73	\$36.44	\$37.17	\$37.92
13th year	\$36.52	\$37.25	\$37.99	\$38.75
14th year	\$37.08	\$37.82	\$38.58	\$39.35

## 2. International Flying

Flight Attendants assigned International lines of flying and International reserve lines shall be paid a minimum monthly rate in accordance with the schedule hereinafter set forth:

	<u>01/07/05</u>	<u>05/01/07</u>	<u>05/01/08</u>	<u>12/31/08</u>
1st year	\$1,152	\$1,175	\$1,199	\$1,223
2nd year	\$1,217	\$1,241	\$1,266	\$1,291
3rd year	\$1,292	\$1,318	\$1,345	\$1,371
4th year	\$1,328	\$1,354	\$1,381	\$1,409
5th year	\$1,500	\$1,530	\$1,561	\$1,592
6th year	\$2,148	\$2,191	\$2,234	\$2,279
7th year	\$2,251	\$2,296	\$2,342	\$2,388
8th year	\$2,297	\$2,342	\$2,389	\$2,437
9th year	\$2,372	\$2,419	\$2,468	\$2,517
10th year	\$2,418	\$2,466	\$2,515	\$2,566
11th year	\$2,473	\$2,522	\$2,573	\$2,624
12th year	\$2,534	\$2,584	\$2,636	\$2,689
13th year	\$2,582	\$2,634	\$2,687	\$2,740
14th year	\$2,616	\$2,668	\$2,722	\$2,776

In addition to the above rates of pay, a Flight Attendant shall be paid the following for each credited flight hour in excess of sixty-five (65) hours a month:

	<u>01/07/05</u>	<u>05/01/07</u>	<u>05/01/08</u>	<u>12/31/08</u>
1st year	\$17.73	\$18.08	\$18.45	\$18.81
2nd year	\$18.72	\$19.09	\$19.47	\$19.86
3rd year	\$19.88	\$20.28	\$20.69	\$21.10
4th year	\$20.43	\$20.83	\$21.25	\$21.68
5th year	\$23.08	\$23.54	\$24.01	\$24.49
6th year	\$33.04	\$33.70	\$34.38	\$35.06
7th year	\$34.63	\$35.32	\$36.02	\$36.74
8th year	\$35.33	\$36.04	\$36.76	\$37.49
9th year	\$36.49	\$37.22	\$37.96	\$38.72
10th year	\$37.20	\$37.94	\$38.70	\$39.47
11th year	\$38.05	\$38.81	\$39.58	\$40.37
12th year	\$38.98	\$39.76	\$40.55	\$41.36
13th year	\$39.73	\$40.52	\$41.33	\$42.16
14th year	\$40.25	\$41.05	\$41.87	\$42.71

3. a. Notwithstanding sub-paragraphs 1. and 2. above, Flight Attendants will be paid Domestic rates of pay for Domestic ID(s) flown and International rates of pay for International ID(s) flown in addition to any ID(s) scheduled in her/his line of flying or for ID(s) traded with open flying or with other Flight Attendants, except Flight Attendants assigned to an International line of flying or an International Reserve line who are involuntarily assigned to a Domestic ID(s) shall be guaranteed International rates of pay for such ID(s).
- b. A Flight Attendant who is awarded a relief line of flying which contains both Domestic and International ID(s) shall have a Line guarantee equal to the value of the Domestic ID(s) plus the value of the International ID(s) at her/his rate of pay.

## B. Premium Pay Positions

1. In addition to regular compensation, a Flight Attendant shall receive the following hourly rates of compensation for each credited flight hour and all ground holding time when designated and performing as Purser:

B-737 Series, A320 Series,	<u>\$1.87 (1/07/05)</u>
B-757 Series, A319 Series	<u>\$1.91 (5/1/07)</u>
	<u>\$1.95 (5/1/08)</u>
	<u>\$1.99 (12/31/08)</u>

B-747, B-777, DC-10 and B-767 Series Purser	<u>\$3.73 (1/7/05)</u>
	<u>\$3.80 5/1/07)</u>
	<u>\$3.88 (5/1/08)</u>
	<u>\$3.96 12/31/08)</u>

Aft Purser B-747	<u>\$2.07 (1/7/05)</u>
	<u>\$2.11 (5/1/07)</u>
	<u>\$2.15 (5/1/08)</u>
	<u>\$2.19 (12/31/08)</u>

2. When performing in the following positions, in addition to regular compensation, a Flight Attendant shall receive the following hourly rates of compensation for each credited flight hour and all ground holding time:

B-747 Lower Galley, aft & forward	\$0.91 (5/1/03)
	\$0.93 (5/1/07)
	\$0.95 (5/1/08)
	\$0.97 (4/30/09)

First Class Galley — Main Deck  
for 747-400, 747-200

with more than 24 passenger seats**	\$0.91 (5/1/03)
	\$0.93 (5/1/07)
	\$0.95 (5/1/08)
	\$0.97 (4/30/09)

\*\*and on any new or reconfigured equipment requiring a substantially similar service as required for the first class galley main deck.

3. a. Such compensation shall be paid on a per hour basis for aircraft flown, except vacation pay shall be paid in accordance with sub-paragraph b. below.
- b. Flight Attendants who were paid four hundred fifty (450) credited hours, excluding vacation, in any Purser position in the previous calendar year shall be eligible for non-qualified premium pay for her/his vacation(s). In addition, Flight Attendants who are paid four hundred fifty (450) credited hours, excluding vacation, in a qualified Purser position in the previous calendar year shall be eligible for qualified Purser pay for her/his vacation(s).
- c. Flight Attendants who were paid four hundred fifty (450) credited hours, excluding vacation, in premium pay positions in the previous calendar year shall be eligible for galley premium pay for her/his vacation(s).
- C. A lineholder's minimum monthly guarantee shall be reduced by the amount of scheduled time she/he misses during a month as a result of being unavailable for duty on a without pay basis.

- D. A reserve shall be guaranteed ten (10) hours of incentive pay, in addition to base pay, for the month, provided that when a reserve is unavailable for duty on a without pay basis, her/his minimum guarantee will be reduced by three hours and fifty-seven minutes (3:57) (1/19th) in a thirty (30) day month and three hours and forty-five minutes (3:45) (1/20th) in a thirty-one (31) day month for each day unavailable for scheduled duty.

- E. Reserve Override

In addition to Paragraph D above, a reserve shall be compensated at the following rate prorated for each credited flight hour:

\$1.82 (5/1/03)
\$1.86 (5/1/07)
\$1.89 (5/1/08)
\$1.93 (4/30/09)

- F. Credited time shall be used to compute total hours of flying during a month for purposes of determining a Flight Attendant's compensation (base pay and incentive pay).
- G. Lineholder on unassigned days and reserves (in addition to their minimum guarantee) shall be allowed Five Dollars (\$5.00) per hour prorated for performing publicity assignments. For each day of a publicity assignment, the hourly rate shall commence at the time the Flight Attendant reports to the place as designated by the Company and shall terminate at the time released.
- H. Understaffing Pay
- Should a flight be dispatched with less than the total number of Flight Attendants onboard required by the Company standard, each Flight Attendant working the flight will be compensated at the rate of Five Dollars (\$5.00) per hour or fraction thereof for each Flight Attendant absent, block to block and for holding time when a meal is served.

## I. Night Pay

In addition to all other compensation, Flight Attendants will receive Thirty-Five Cents (\$.35) per hour, prorated, for each actual flight hour worked as a member of the crew between the hours of 2200-0600 based on the departure of the flight segments.

## J. Success Sharing

## 1. Performance Incentive Program

- a. Flight Attendants will participate in an annual incentive program that aligns the interests of management and other employees.
- b. Prior to each calendar year beginning with 2004, the Compensation Committee of the UAL Board of Directors (“BOD”) will establish a performance incentive formula (the “Annual Incentive Formula”) that will provide a “Threshold” or minimum incentive payment, a “Target” or average incentive payment and a “Maximum” incentive payment for senior management, other management, Flight Attendants and other employees.
- c. The Annual Incentive Formula will be based on the following performance measures as reasonably weighted by the Compensation Committee. Each business unit (e.g., United Airlines, ULS) may have its own incentive plan measures. For example: financial performance (e.g., EBITDAR margin, pre-tax margin), operational performance (e.g., on-time performance), customer satisfaction (e.g., intent to repurchase), employee engagement, safety performance (e.g., lost time injuries) and reasonably comparable measures as adopted by the Committee.
- d. A significant cash portion of the target cash compensation of management employees is payable through the Annual Performance Incentive Program. It is understood that the Compensation Committee of the BOD will, from time to time, review and adjust the target compensation levels, cash compensation levels and the portion of cash compensation at risk, provided that such compensation at risk remains a significant portion of the target cash compensation of management employees.

- e. Flight Attendants will receive the following cash incentive payments based on United’s actual performance under the annual incentive program (with linear interpolation between the performance points) in accordance with the Sideletter on page 338.
  - f. Qualifying “Wages” shall include base pay, holiday pay, sick pay, vacation pay, overrides and premiums but shall exclude expense reimbursement, incentive or profit sharing payments, pension payments, imputed income or other similar awards or allowances.
  - g. Incentive payments will be made to Flight Attendants on the same date as incentive payments are made to management employees.
  - h. Incentive payments will be recognized as earnings under the United Airlines Defined Contribution Program. Incentive payments will not be recognized as earnings for all other benefits under the Flight Attendant Agreement.
  - i. The incentive plan will cover each calendar year beginning in 2004.
  - j. Incentive payments will be paid to the Flight Attendant, subject to applicable 401(k) deferral election, withholding and taxes.
  - k. The Company will provide any information requested by the Association to audit calculation of UAL’s performance under the incentive plan and under the profit sharing program below. Any disputes over incentive payment and profit sharing calculations will be subject to the procedures of Sections 26 and 27, on an expedited basis.
2. Profit Sharing Program
    - a. The Profit Sharing Plan shall become effective on January 1, 2006. The Union will advise the Company whether in lieu of a cash distribution. Flight Attendants profit sharing distribution should be made as an additional Direct Company Contribution to the Flight Attendants’ 401(k) Plan accounts.
    - b. All Flight Attendants who have completed one year of service as of December 31st of the year for which Pre-Tax Earnings are being measured will be eligible to participate in a pre-tax profit sharing program with respect to calendar years beginning in 2005.

- c. Pre-tax Earnings is UAL consolidated net income as determined in accordance with U.S. generally accepted accounting principles (GAAP), but excluding (i) federal, state and local income tax expenses (or credit); (ii) unusual, special or nonrecurring charges or (iii) charges with respect to grant, exercise or vesting of equity, securities or options granted to UAL and United employees, and (iv) expenses associated with the profit sharing contributions.
- d. In the event that the Company has more than \$10 million in Pre-Tax Earnings in the relevant calendar year, then the Annual Profit Sharing Pool shall be 7.5% of Pre-Tax Earnings in 2006 and shall be 15% of Pre-Tax Earnings in each calendar year thereafter.
- e. The allocation to each eligible Flight Attendant will be a pro rata share of the Annual Profit Sharing Pool based on the ratio of the Flight Attendant's Considered Earnings, (as defined in the Success Sharing Plan) for the year to the aggregate amount of Considered Earnings for all eligible employees that year.
- f. Profit Sharing payments will be made no later than April 30th each year.
- g. Profit Sharing payments will be paid to the Flight Attendant, subject to applicable 401(k) deferral election, withholding and taxes.

#### K. Work Stoppage

A Flight Attendant's guarantee will be reduced in accordance with the ANP principles of Paragraphs C and D above, for any period during which there is no work because all or part of the Company's aircraft are not available for flight, due to action by governmental authorities or because of work stoppage or reduction in connection with a labor dispute, or other circumstances beyond the control of the Company. In addition, the furlough provisions of Section 21 shall not apply in any of the circumstances listed above.

Flight Attendants placed on ANP status in accordance with the above Paragraph shall be given recall notice as per the following schedule:

<u>Duration of ANP Status</u>	<u>Recall Notice</u>
1 – 14 days	24 hours
15 – 30 days	72 hours
31 or more days	14 days

It is understood that although Flight Attendants will not be required to report for duty in less time than that listed in the above recall schedule, Flight Attendants may voluntarily return as soon as possible after receiving notice of the recall.

The Company will consider deviations from the above recall notice schedule on an individual case by case basis, based upon individual needs.

Flight Attendants on ANP status shall keep the Company advised as to where and how they can be contacted as outlined in Paragraph E of Section 21.

Flight Attendants on ANP status must contact the Company to advise them of the date on which they will return (which in no event can be later than the times listed above) in accordance with the following:

<u>Duration of ANP Status</u>	<u>Contact Company</u>
1 – 14 days	Immediately
15 – 30 days	24 hours
31 or more days	7 days

#### L. Holiday Pay

In addition to all other compensation, a working Flight Attendant shall be paid at double her/his hourly rate of pay as stated in Section 5.A.1., 2., and the "A" Scale Protection letter of agreement. The amount of holiday pay due shall be calculated as follows:

##### 1. Lineholder

Hourly rate of pay times the credited flight time for the ID, divided by the number of hours away from home, times the number of hours away from home falling within the holiday.

Example:

A Flight Attendant making \$20.00 per hour flies an ID which produces 17 hours of credited flight time and keeps the Flight Attendant away from home (check-in to check-out) for 48 hours of which 24 hours falls on the holiday:

$$\begin{aligned} \$340.00 \div 48 \text{ hours away from home} &= \$7.08 \\ \$7.08 \times 24 \text{ hours on holiday} &= \$169.92 \\ \text{Holiday Pay} &= \$169.92 \end{aligned}$$

## 2. Reserve

- a. If released on a holiday, reserve receives no holiday pay.
- b. If on ready reserve status and does not fly = 4:27 hours (30 days) or 4:13 hours (31 days) times the reserve's hourly rate.
- c. If on ready reserve status and flies an ID, receives greater of sub-paragraph b or lineholder computation.

A Flight Attendant qualifying for two (2) hour call-out pay or five (5) hour stand-by reserve pay shall receive double pay for those hours if they fall within the holiday period.

- 3. In addition to compensation provided under Section 15, Flight Attendants scheduled by the Company to attend any training or meeting on a holiday will receive an additional nine dollars (\$9.00) per hour, prorated.

## M. Critical Coverage Pay

A lineholder will receive one-half (1/2) pay credit for the time she/he must remain available for assignment under the provisions of Section 9, Paragraph J.

## N. Publicity Flights

Flight Attendants participating in promotional, publicity, Company approved certification or experimental flights shall be paid in accordance with Section 5. This paragraph shall not apply to flights performed for non-profit, charitable organizations for which the Flight Attendants have volunteered.

## O. Language Incentive Pay

Notwithstanding the designated Language Qualified positions, the Company may identify additional language needs. Flight Attendant(s) qualified in the identified language(s) as designated in the bid cover letter

working in other than the designated Language Qualified position(s) shall be paid, in addition to all other compensation:

\$0.83 (1/7/05)

\$0.85 (5/1/07)

\$0.87 (5/1/08)

\$0.89 (12/31/08)

per hour prorated for each credited hour flown.

Such compensation shall be paid on a per hour basis for aircraft flown and for all credited time except sick leave and vacation.

The identification of additional language needs will not prevent any Flight Attendant(s) from bidding on or being awarded these IDs.