



Labor Relations Update



Labor Relations Update for UA Passenger Service, Fleet Service, Stores and Res Employees

November 25, 2013

Retroactivity/Signing Bonus

Retro Pay/Signing Bonus

Eligible IAM-represented employees will receive their Retroactivity and Signing Bonus payments on December 16, 2013 (during the third week of December). The payment will occur off-cycle from the regular payroll checks. Payments will be subject to supplemental tax withholding, along with each employee's standard 401(k) deduction, if applicable. An employee interested in modifying their 401(k) deduction for this payment should do so by November 30, 2013. Changes for former sUA employees can be made through the normal process on the Fidelity website. Changes for former sCO employees should be made through the "Your Benefits Resources" on Flying Together. Any changes to the 401(k) withholding made for the retro/signing bonus check will not be able to be changed back in time for the next regular paycheck.

Seniority List Integration

The IAM has posted the initial combined seniority lists for review on the IAM's website (www.contract.iam141.org). The report of findings and recommendations by neutral arbitrator Joshua Javits, along with the process for co-workers to protest their placement on the lists, are also available on the website.

Implementation of New Pay Rates

Pay Scale Implementation

We continue working on implementing updated pay rates. Implementing the new pay rates correctly is a very complex, multi-step process that involves updating base pay, pay elements and reworked step elements, as well as ensuring that our technology systems can process the new information reliably and seamlessly. We realize that an accurate paycheck is critical to employees for many reasons, so we want to ensure that we take the time to do this correctly. The current target is to have the new pay rates implemented as soon as possible, but with January paychecks at the latest. We will retroactively apply and pay the new pay rates.

Customer Contact Center Commission and Incentive Update

Former s-CO Customer Contact Center employees who earn commission and incentive payments will receive them for the October sales month in late November per the normal schedule. Customer Contact Center leadership is working with the Payroll and Labor Relations teams for December payments since we do not have final dates to implement the new

pay rates. This is being done to ensure that impacted employees are not financially disadvantaged. We will provide further details once finalized.

2014 Vacation Bidding

Airport Operations, Reservations, Stores

While the issue of vacation accrual is still under discussion with the Company and the IAM, we have agreed upon guidelines for moving forward with bidding for 2014, and we have communicated them to the operating divisions. Local Leadership and the local Union Representatives are discussing the appropriate way forward at each location. One of the new options for former sUA employees is the ability to purchase an additional week of vacation for 2014. Any employee who elects to purchase a week of vacation will have a percentage withheld from each paycheck so that when the employee takes the vacation, he or she receives the equivalent pay.

Permanent Committees

The new UA/IAM Agreements call for the establishment of several short-term and permanent joint committees with members from the IAM and United. Joint committees include Selection Criteria for Specialty Positions, Quarterly Insurance Review, Overtime Bypass Procedures, Sourcing, and Transition Resolution Board. We are in the process of making assignments to all of these committees, and as reported earlier, some committees have begun to meet.

Other Contract Negotiations

Now that employees have ratified the Passenger Service, Fleet Service, and Stores Agreements, negotiations for the other IAM agreements can move forward. Negotiations for the Maintenance Instructors and the Fleet Technical Instructors resumed last week separately in Chicago and Houston. We have also had initial planning discussions with the IAM concerning negotiations for the sUA Food Service Employees Agreement, Security Guards Agreement, and the new Load Planners contract.

Sick Pay Implementation

We have implemented the payment of sick time at 100% for all employees covered by the Ramp Service, Passenger Service (including Contact Centers), and Stores Agreement effective November 3, 2013. We will correct sick days that were paid at the 80% rate on November 1 and November 2.