

## Letter of Agreement 20-03 Pilot Voluntary Separation Leave

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

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between UNITED AIRLINES, INC. (hereinafter referred to as the "Company") and the AIR LINE PILOTS in the service of UNITED AIRLINES, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (hereinafter referred to as the "Association").

WHEREAS, a reduction in flying at United has created a surplus of Pilots, and

WHEREAS, the parties are seeking solutions to avoid involuntary measures to address the surplus of Pilots,

THEREFORE, the parties agree as follows:

- A. Eligibility Requirements and Award Process for Pilot Voluntary Separation Leaves ("P-VSL")
1. In order to be awarded a P-VSL a Pilot must be at least sixty-two (62) years of age as of August 28, 2020 and have completed ten (10) years of service, as defined in Section 24-F-2-a-(2), as of that date. All references to age as a criteria for eligibility shall be the Pilot's age as of August 28, 2020.
  2. A Pilot on Long-Term Disability ("LTD") status (including the legacy United PDI program and the legacy Continental long term disability plan) as of the date P-VSL bidding opens shall not be eligible to be awarded a P-VSL.
  3. Any Pilots bidding for a P-VSL award and who meet the criteria specified in Paragraph A.1, above, must:
    - a. Submit a bid for a P-VSL to Manpower Planning (submission method will be communicated via CCS message to all Pilots). Manpower Planning will send a confirmation to the Pilot upon receipt of the bid.
    - b. Execute the attached waiver. In the event that a Pilot fails to execute a waiver or revokes such waiver before the waiver effective date such Pilot will be ineligible to participate in a P-VSL (and if already initiated, removed from the P-VSL).

4. The Company shall award a P-VSL to all Pilots who place such a bid and who are at least sixty-three (63) years of age, regardless of their Category.
5. The Company, at its sole discretion, may award additional P-VSLs, by Category, to Pilots between sixty-two (62) and sixty-three (63) years of age. In applying this Paragraph A.5 to a given Category, the Company may set an eligibility cut-off between sixty-two (62) and sixty-three (63) years of age. The Company may establish different cut-offs, in increments of no less than a calendar month, for different Categories. Any such award shall be made by seniority within Category, among Pilots who meet the eligibility cut-off for that Category.
  - a. For example, for a particular Category (e.g., 777 CLE FO), the Company may set the eligibility threshold at sixty-two (62) years and six (6) months. A junior Pilot who is sixty-two (62) years and nine (9) months old could be awarded a P-VSL while a younger, senior Pilot who is sixty-two (62) years and three (3) months old would not be awarded a P-VSL (because the Pilot does not satisfy the age criteria).
  - b. For example, the Company may set the eligibility threshold for 787 CLE CA at sixty-two (62) years and zero (0) months and the eligibility threshold for 787 CLE FO at sixty-three (63) years and zero (0) months because those are different Categories.
6. For the purpose of awarding P-VSLs by Category, a Pilot's Category shall be the Category the Pilot held prior to Bid 20-07D.
7. Instructor/Evaluators shall be eligible to participate in the P-VSL program. For the application of Paragraph A.5, the combination of the Pilot's status as an Instructor or Evaluator and the fleet upon which the Pilot instructs or evaluates (e.g., B737 Instructor) shall be applied. A Job Share Evaluator shall be awarded a P-VSL if the Pilot meets the eligibility criteria for either the Pilot's line position or Evaluator status.

**B. Initiation and Termination of a P-VSL**

1. Except as provided in Paragraph B.1.a, all P-VSLs shall commence on August 29, 2020.
  - a. The Company may, on a Category basis, delay the start of a Pilot's P-VSL by no more than three (3) Bid Periods, based on manpower needs. Any such delay in Category shall be offered to all awarded Pilots by seniority and assigned by inverse seniority, regardless of the Pilot's age.
  - b. A Pilot who is on any other form of leave or program (such as a multi-month E-SRL) and is awarded a P-VSL shall convert to P-VSL as of the effective date of the Pilot's P-VSL. A Pilot on a P-VSL will still be subject to furlough in accordance with Section 7, based on the Pilot's seniority (i.e., the Pilot cannot volunteer for furlough), and upon recall will resume the P-VSL.

2. A Pilot awarded a P-VSL shall surrender all Company property and exchange their flying crew identification badges for a non-crew United employee badge no later than the first (1st) day of the Pilot's P-VSL.
3. An award of a P-VSL is irrevocable by the Pilot and the Company.
4. A Pilot on a P-VSL shall be on an irrevocable permanent leave and have no responsibility to the Company. The Pilot shall remain a United employee until the date prior to their sixty-fifth (65th) birthday, at which time the Pilot shall be retired from United. At any time, a Pilot on a P-VSL may submit a notice of retirement from United to sever employment (and terminate the P-VSL) earlier than the Pilot's sixty-fifth (65th) birthday.
5. A Pilot on a P-VSL shall not be eligible to resume Active Status, nor shall the Pilot participate in Monthly Schedule Preferencing or bid for or be awarded a new Category in a vacancy or displacement bid. Pilots on a P-VSL shall not be included in Category min-max or junior man calculations or be included in the staffing report for their Category.

C. Compensation and Benefits While on P-VSL

1. A Pilot on a P-VSL shall be paid fifty (50) hours of pay per Bid Period, beginning with the first Bid Period of the P-VSL and ending on the Pilot's sixty-fifth (65th) birthday.
  - a. Notwithstanding Section 3-I-6, a Pilot's pay for the Bid Period in which the Pilot's sixty-fifth (65th) birthday occurs shall be pro-rated based on the number of days in the Bid Period, up to the day prior to the Pilot's birthday. For example, if a Pilot turns sixty-five (65) on the sixteenth (16th) day of a thirty (30) day Bid Period, the Pilot shall be paid twenty-five (25) hours for the Bid Period  $[(15/30)*50 \text{ hours} = 25 \text{ hours}]$ .
  - b. The Pilot's hourly rate of pay shall be the hourly rate of pay as of the date the bidding for P-VSLs opens. A Pilot's hourly rate of pay shall not change during the P-VSL, even if the Pilot would have otherwise been displaced, had the Pilot's pay protection terminated, or been subject to any other change in pay provided by the UPA.
  - c. A Pilot's compensation while on a P-VSL shall be considered Eligible Earnings for retirement contributions provided in Section 22-A. Notwithstanding Section 3-H-1, a Pilot on a P-VSL shall not be eligible for participation in the Company profit sharing program.
2. Except as provided below, a Pilot on a P-VSL shall be eligible for all benefits provided in Section 24 at Active Pilot rates. A Pilot on a P-VSL is not eligible to participate in the LTD Plan described in Section 24-H, and shall be removed from the program as of the effective date of the P-VSL. A Pilot on a P-VSL shall continue to participate in Open Enrollment.
3. Upon separation, a Pilot on a P-VSL shall be eligible for Retiree Medical Benefits as provided in Section 24-F, to the extent the Pilot would otherwise

be eligible for such programs. Following separation the Pilot shall also be eligible for continuation of dental and vision coverage through COBRA.

4. A Pilot on a P-VSL shall not accrue sick leave or vacation or be eligible for any active employee bonus programs. A Pilot shall be paid for all accrued but unused vacation as of the start of the Pilot's P-VSL.
5. A Pilot on a P-VSL shall not be subject to the Company's Conflict of Interest Policy and may seek all types of pilot employment.

#### D. Company Paid Move

1. Notwithstanding the eligibility requirements contained in the UPA, a Pilot awarded a P-VSL shall be eligible for a Company paid move in accordance with the terms of this Agreement. A Pilot who has exercised a Career Move in accordance with Section 10-B within twenty-four (24) months of initiating a move under the terms of this Agreement shall have the remaining Section 10-B-1 pro-rated value of the Career Move debited against the value of the move provided herein. A Pilot who has an entitlement for a move from Guam as provided in LOA 12-01 Paragraph H-3 shall be allowed to elect from that entitlement or the paid move provided herein.
2. A Pilot shall accrue 5,000 pounds of paid moving expenses for any Bid Period, or portion thereof, the Pilot is on P-VSL, up to a maximum of 25,000 pounds.
3. A Pilot shall be provided all entitlements included in Section 10 related to a paid move, except that the Pilot shall not be allowed travel days provided in Section 10-E-1.
4. Notwithstanding Section 10-C-1-a through c, a Pilot may move anywhere within the lower forty-eight (48) states. In addition, a Pilot moving from Guam shall be allowed to move to Hawaii.
5. The Company shall be responsible for all imputed income and taxes resulting from a Pilot's exercise of a paid move as described in accordance with Section 10-K-6 of the UPA.
6. Any paid move provided under the terms of this Agreement shall be completed by August 28, 2021, including any extension provided in accordance with Section 10-C-1-e.

#### E. Travel Enhancements

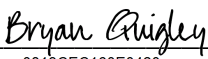
1. No later than February 1, 2021, a Pilot may elect either the Miles or Positive Space ("PS") Passes enhanced travel benefit. The Company shall inform Pilots of the imputed income and tax obligations related to the two options. A Pilot who fails to make an election shall be considered to have forfeited the enhanced travel benefit.

- 2. Miles Travel Enhancement
  - a. Fifteen (15) days following the month in which the Pilot makes their election, the Pilot shall be provided 250,000 Mileage Plus Miles. The Mileage Plus Miles shall not have an expiration date.
  - b. The Pilot is responsible for any imputed income or tax liability related to the allocation of Mileage Plus Miles at the time the Mileage Plus Miles are added to their account.
  
- 3. PS Passes Travel Enhancement
  - a. Fifteen (15) days following the month in which the Pilot makes their election, the Pilot shall be provided with sixteen (16) one-way positive space travel passes (PS5L). Any travel using such passes must be completed by August 28, 2025.
  - b. PS Passes may be used by the Pilot's "travel eligibles" but cannot be used for "buddy" travel.
  - c. The PS Passes shall be eligible for day-of upgrades (based on availability).
  - d. The Pilot shall be responsible for any imputed income or tax liability at the time of issuance.
  
- 4. A Pilot on a P-VSL may participate in Company pass travel programs on the same basis as an Active Pilot, until the Pilot's retirement.

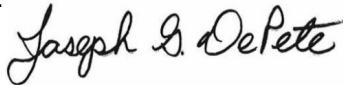
This Letter of Agreement shall become effective upon signing and shall run concurrent with the provisions of Section 25, Duration of the basic Agreement.

IN WITNESS HEREOF, the parties have executed this Letter of Agreement this 16th day of July, 2020.

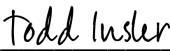
FOR UNITED AIRLINES, INC.

DocuSigned by:  
  
 Bryan Quigley  
 Sr. Vice-President, Flight Operations  
 United Airlines, Inc.

FOR THE UNITED MASTER EXECUTIVE COUNCIL

  
 Joseph G. DePete  
 President  
 Air Line Pilots Association, International

DocuSigned by:  
  
 Paul Carlson  
 Managing Director  
 Pilot Contract Administration  
 United Airlines, Inc.

DocuSigned by:  
  
 Captain Todd Insler, Chairman  
 United Airlines MEC  
 Air Line Pilots Association, International

**Pilot Voluntary Separation Leave Program (P-VSLP)**  
**Acknowledgement and Waiver**

This acknowledgement will constitute the agreement between you, the Air Line Pilots Association ("ALPA") and United Airlines ("the Company") on the terms of your Pilot Voluntary Separation Leave (P-VSL) (hereinafter the "Agreement").

1. You have elected to bid for and were awarded a Pilot Voluntary Separation Leave (P-VSL). This is a voluntary election. In consideration of your participation in P-VSL the Company will provide you with compensation and benefits through your 65<sup>th</sup> birthday. Such terms are separately governed by the Pilot Voluntary Separation Leave Letter of Agreement (LOA 20-XX), incorporated by reference herein.
2. Subject to the effective date specified in paragraph 4, below, once you have elected to take P-VSL it will permanently end your status as an active pilot once your leave commences and will permanently end your employment with the Company effective on your sixty-fifth (65<sup>th</sup>) birthday. ***By signing this Agreement, you acknowledge that you have waived any claim to revoke, change, or modify your P-VSL status between the effective date of this Agreement and your 65<sup>th</sup> birthday.*** Election of P-VSL is irrevocable and permanent upon the effective date of this Agreement. Specifically, you acknowledge that by making this voluntary election you forfeit your right under the UPA to return to active service as a pilot, to bid for and be awarded a line of flying, and to bid for and be awarded a vacancy or displacement.
3. Except as to claims that cannot be released under applicable law, as a condition of P-VSL you waive and release any and all claims relating to the P-VSL program, including any grievance under the United Pilot Agreement or claims arising under federal, state and local statutory or common law, including the Railway Labor Act, Age Discrimination in Employment Act, or the Older Workers Benefit Protection Act. Such waiver shall not preclude a grievance under the United Pilot Agreement to enforce the terms of the Pilot Voluntary Separation Leave Letter of Agreement.
4. You acknowledge that you were given forty-five (45) days to consider and accept the terms of this Agreement and that you were advised to consult with an attorney about the Agreement before signing it. After signing, you have seven (7) additional days from the date you sign to revoke your acceptance ("Revocation Period"). If you decide to revoke this Agreement after signing and returning it, you must provide a written statement of revocation by sending it via electronic mail or registered mail, directed to

Sarah Nau  
Director of Labor Relations – Flight  
United Corporate Support Center  
233 S. Wacker Drive, 25th Floor  
Chicago, IL 60606  
[sarah.nau@united.com](mailto:sarah.nau@united.com)

If you do not revoke during the seven-day Revocation Period, this Agreement will take effect on the eighth (8th) day after the date you the sign the Agreement.

Dated this \_\_\_ day of \_\_\_\_\_, 202\_\_.