

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-K/A

Amendment No. 1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the Fiscal Year Ended December 31, 1994 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

Commission File No. 1-6033

UAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

36-2675207

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

Location: 1200 Algonquin Road, Elk Grove Township, Illinois 60007

Mailing Address: P. O. Box 66919, Chicago, Illinois 60666

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (708) 952-4000

Securities registered pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock (\$.01 par value)	New York, Chicago and Pacific Stock Exchanges
Preferred Stock Purchase Rights	New York, Chicago and Pacific Stock Exchanges
Depository Shares representing interests in Registrant's Series B Preferred Stock, without par value	New York Stock Exchange
6-3/8% Convertible Subordinated Debentures due 2025	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark whether the Registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such shorter period that the
Registrant was required to file such reports), and (2) has been subject to
such filing requirements for the past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filings pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained,
to the best of Registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-K or any
amendment to this Form 10-K.

The number of shares of common stock outstanding as of March 1, 1995 was
12,378,232. The aggregate market value of voting stock held by non-
affiliates of the Registrant was \$1,172,997,849 as of March 1, 1995.

Part III information shall be incorporated by reference from the
Registrant's definitive proxy statement for its 1995 Annual Meeting of
Shareholders or shall be added hereto by an amendment to this Form 10-K, in
either case within the time required by the instructions to Form 10-K.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON
FORM 8-K.

- (a) 3. The exhibits required by this item are listed in "Index to Exhibits" herein.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

UAL CORPORATION

By: /s/ Douglas A. Hacker

Douglas A. Hacker
Senior Vice President - Finance

May 10, 1995

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Restated Certificate of Incorporation as filed in Delaware on July 12, 1994, as corrected on February 2, 1995 (filed as Exhibit 3.1 to Registrant's Form S-4 Registration Statement (Registration No. 33-57579 and incorporated herein by reference).
3.2	By-laws, as amended on July 12, 1994 (filed as Exhibit 3.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
*4.1	Rights Agreement dated as of December 11, 1986 between Registrant and First Chicago Trust Company of New York, as Rights Agent, as amended.
4.2	Deposit Agreement dated as of July 12, 1994 between UAL Corporation and holders from time to time of Depositary Receipts described herein (filed as Exhibit 4.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference). Registrant's indebtedness under any single instrument does not exceed 10% of Registrant's total assets on a consolidated basis. Copies of such instruments will be furnished to the Securities and Exchange Commission upon request.
10.1	Amended and Restated Agreement and Plan of Recapitalization, dated as of March 25, 1994 (the "Recapitalization Agreement"), as amended, among UAL Corporation, the Air Line Pilots Association, International and the International Association of Machinists and Aerospace Workers (filed as Exhibit A to Exhibit 10.1 of UAL Corporation's (File No. 1-6033) Form 8-K dated June 2, 1994 and incorporated herein by reference; amendment thereto filed as Exhibit 10.1 of UAL Corporation's (File 1-6033) Form 8-K dated June 29, 1994 and incorporated herein by reference).
*10.2	Waiver and Agreement, dated as of December 23, 1994, to the Recapitalization Agreement among UAL Corporation, the Air Line Pilots Association, International and the

International Association of Machinists and Aerospace Workers.

- *10.3 Third Amendment, dated as of March 15, 1995, to the Recapitalization Agreement among UAL Corporation, the Air Line Pilots Association, International and the International Association of Machinists and Aerospace Workers.
- 10.4 UAL Corporation Employee Stock Ownership Plan, effective as of July 12, 1994 (filed as Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- 10.5 UAL Corporation Employee Stock Ownership Plan Trust Agreement between UAL Corporation and State Street Bank and Trust Company, effective July 12, 1994 (filed as Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- 10.6 UAL Corporation Supplemental ESOP, effective as of July 12, 1994 (filed as Exhibit 10.3 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- 10.7 UAL Corporation Supplemental ESOP Trust Agreement between UAL Corporation and State Street Bank and Trust Company, effective July 12, 1994 (filed as Exhibit 10.4 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- 10.8 Preferred Stock Purchase Agreement, dated as of March 25, 1994, between UAL Corporation and State Street Bank and Trust Company (filed as Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- 10.9 Amendment No. 1 to Preferred Stock Purchase Agreement, dated as of June 2, 1994, between UAL Corporation and State Street Bank and Trust Company (filed as Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- 10.10 Class I Junior Preferred Stockholders' Agreement dated as of June 12, 1994 (filed as Exhibit 10.12 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- 10.11 Class SAM Preferred Stockholders' Agreement dated as of July 12, 1994 (filed as Exhibit 10.13 to Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1994 and incorporated herein by reference).
- *10.12 First Refusal Agreement dated as of July 12, 1994, as amended by First Amendment dated as of February 24, 1995.
- *10.13 UAL Corporation 1981 Incentive Stock Plan, as amended.
- *10.14 UAL Corporation 1988 Restricted Stock Plan, as amended.
- *10.15 UAL Corporation Incentive Compensation Plan, as amended.
- 10.16 UAL Corporation Retirement Plan for Outside Directors, as amended (filed as Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 and

incorporated herein by reference).

- 10.17 Description of Complimentary Travel and Cargo Carriage Benefits for UAL Directors (filed as Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1994 and incorporated herein by reference).
- *10.18 UAL Corporation 1992 Stock Plan for Outside Directors, as amended on December 15, 1994.
- 10.19 UAL Corporation 1995 Directors Plan.
- 10.20 Employment Agreement between UAL Corporation and Gerald Greenwald (filed as Exhibit 10.5 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
- 10.21 Amendment No. 1 to Employment Agreement between UAL Corporation and Gerald Greenwald (filed as Exhibit 10.6 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
- 10.22 Restricted Stock Deposit Agreement between UAL Corporation and Gerald Greenwald (filed as Exhibit 10.7 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
- 10.23 1988 Restricted Stock Plan Deposit Agreement between UAL Corporation and Gerald Greenwald (filed as Exhibit 10.8 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
- 10.24 Non-Qualified Stock Option Agreement between UAL Corporation and Gerald Greenwald (filed as Exhibit 10.9 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
- 10.25 Restricted Stock Deposit Agreement between UAL Corporation and John A. Edwardson (filed as Exhibit 10.10 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
- 10.26 Restricted Stock Deposit Agreement between UAL Corporation and Stuart I. Oran (filed as Exhibit 10.12 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994 and incorporated herein by reference).
- 10.27 Letter Agreement No. 6-1162-JCM-500 dated December 9, 1994 to Agreement dated December 18, 1990 between The Boeing Company, as seller, and United Air Lines, Inc., and United Worldwide Corporation, as buyer, for the acquisition of Boeing 777-200 aircraft (as previously amended and supplemented, "777-200 Purchase Agreement" (filed as Exhibit 10.7 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990 and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.1, 10.2 and 10.22 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, (ii) Exhibit 10.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993, and (iii) Exhibit 10.14 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, and incorporated herein by reference)). (Exhibit 10.27 hereto is filed with a request for confidential treatment of certain portions.)

- *10.28 Letter Agreement 6-1171-FT-831 dated February 22, 1995 to 777-200 Purchase Agreement. (Exhibit 10.28 hereto is filed with a request for confidential treatment of certain portions.)
- 10.29 Letter Agreements dated January 31, 1995 to Agreement dated December 18, 1990 between The Boeing Company, as seller, and United Air Lines, Inc., and United Worldwide Corporation, as buyer, for the acquisition of Boeing 747-400 aircraft (as previously amended and supplemented, "747-400 Purchase Agreement" (filed as Exhibit 10.8 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1990, and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.4 and 10.5 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991, (ii) Exhibits 10.3, 10.4, 10.5, 10.6 and 10.22 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, (iii) Exhibit 10.3 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993, and (iv) Exhibit 10.14 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, and incorporated herein by reference)). (Exhibit 10.29 hereto is filed with a request for confidential treatment of certain portions.)
- 10.30 Letter Agreement dated February 28, 1995 to 747-400 Purchase Agreement. (Exhibit 10.30 hereto is filed with a request for confidential treatment of certain portions.)
- *10.31 Letter Agreement dated February 10, 1995 to A320 Purchase Agreement dated August 10, 1992 between AVSA, S.A.R.L., as seller, and United Air Lines, Inc., as buyer, for the acquisition of Airbus Industrie A320-200 model aircraft (as previously amended and supplemented, "A320-200 Purchase Agreement" (filed as Exhibit 10.14 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.4 and 10.5 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993, and (ii) Exhibits 10.15 and 10.16 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, and incorporated herein by reference)). (Exhibit 10.31 hereto is filed with a request for confidential treatment of certain portions.)
- 10.32 Agreement dated March 1, 1990 between The Boeing Company and United Air Lines, Inc., as amended and supplemented, for the acquisition of Boeing 767-300ER aircraft (filed as Exhibit (10)L to Registrant's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.7, 10.8, 10.9 and 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991, (ii) Exhibits 10.7, 10.8, 10.9, 10.10, 10.11, 10.12, 10.13 and 10.22 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and (iii) Exhibit 10.14 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, and incorporated herein by reference).
- 10.33 Agreement dated April 26, 1989 between The Boeing Company and United Air Lines, Inc., as amended and supplemented, for the acquisition of Boeing 757-200 and 737 aircraft (filed as Exhibit (10)K to Registrant's Annual Report on Form 10-K for the year ended December 31, 1989, and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.12

and 10.13 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991, (ii) Exhibits 10.14, 10.15, 10.16, 10.17, 10.18, 10.19 and 10.22 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and (iii) Exhibit 10.14 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, and incorporated herein by reference).

- 10.34 An amended and restated agreement, dated March 19, 1992, between The Boeing Company and United Air Lines, Inc., for the acquisition of Boeing 737 aircraft (filed as Exhibit 10.15 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference; supplements thereto filed as (i) Exhibits 10.20, 10.21 and 10.22 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1993, and (ii) Exhibit 10.14 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994, and incorporated herein by reference).
- 10.35 Letter Agreement among the State of Indiana, the City of Indianapolis, the Indianapolis Airport Authority and United Air Lines, Inc. dated as of December 1, 1994, amending the Agreement among the State of Indiana, the City of Indianapolis, the Indianapolis Airport Authority and United Air Lines, Inc. dated November 21, 1991, concerning United's aircraft maintenance facility (filed as Exhibit 10.29 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1991, and incorporated herein by reference; supplements thereto filed as Exhibits 10.9 and 10.10 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1993, and incorporated herein by reference).
- 10.36 United Supplemental Retirement Plan (filed as Exhibit 10.42 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1992, and incorporated herein by reference).
- *10.37 Description of Officer Benefits.
- 10.38 Form of Severance Agreement between UAL Corporation and certain officers of United Air Lines, Inc. (filed as Exhibit 10.27 to Registrant's Form 10-Q for the quarter ended June 30, 1993 and incorporated herein by reference).
- 10.39 First Amendment to UAL Corporation Employee Stock Ownership Plan, dated December 28, 1994 and effective as of July 12, 1994.
- *11 Calculation of fully diluted net earnings per share.
- *12.1 Computation of Ratio of Earnings to Fixed Charges.
- *12.2 Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements.
- *21 List of Registrant's subsidiaries.
- *23.1 Consent of Independent Public Accountants.
- 24 Power of Attorney (included as a part of the signature page of the Registrant's report on Form 10-K for the year ended December 31, 1994 and incorporated herein by reference).
- *27 Financial Data Schedule.
- *99.1 Annual Report on Form 11-K for Employees' Stock

Each of Exhibits 10.4 through 10.7, 10.13 through 10.26 and 10.37 through 10.39 is a management contract or compensatory plan or arrangement required to be filed as an exhibit to Registrant's Form 10-K, as amended by this Form 10-K/A, pursuant to Item 14(c) of Form 10-K.

* Previously filed.

UAL CORPORATION 1995 DIRECTORS PLAN

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UAL CORPORATION
1995 DIRECTORS PLAN

SECTION 1

General

1.1. Purpose, History and Effective Date. UAL Corporation (the "Company") maintains the UAL Corporation 1992 Stock Plan for Outside Directors (the "Prior Plan") which provides certain benefits to non-employee directors of the Company. In order to (i) encourage stock ownership by directors to further align their interests with those of the stockholders of the Company, while at the same time providing flexibility for directors who, due to their individual circumstances, may be unable to take stock in lieu of cash compensation, and (ii) add certain deferral features for fees and stock awards, the Company has authorized a variety of compensation alternatives, including those set forth in the Prior Plan, that will be available to Outside Directors under a new plan to be known as the UAL Corporation 1995 Directors Plan (the "Plan"). The Plan shall be effective immediately upon approval by the Board of Directors, except that subsections 1.4, 1.5, 1.7, 1.8 and 4.2 and Sections 2 and 3 and all references to Stock Awards, Stock Deferrals and the Company Stock Subaccount shall be effective on July 3, 1995, but only if the Plan is approved by shareholders of the Company (the "Effective Date") prior thereto. Upon the Effective Date the Prior Plan shall be terminated (with prior stock deferrals thereunder being treated as deferrals under subsection 4.2 of the Plan); provided, however, that if shareholder approval is not obtained at the next annual meeting of shareholders of the Company, subsections 1.4,

1.5, 1.7, 1.8 and 4.2 and Sections 2 and 3 and all references to Stock Awards, Stock Deferrals and the Company Stock Subaccount shall be deleted and the Plan shall be restated accordingly, and the Prior Plan will continue in effect in accordance with its terms.

1.2. Participation. Only Outside Directors shall be eligible to participate in the Plan. As of any applicable date, an "Outside Director" is a person who is serving as a director of the Company who is not an employee of the Company or any subsidiary of the Company as of that date.

1.3. Administration. The authority to manage and control the operation and administration of the Plan shall be vested in the Executive Committee of the Board (the "Committee"). Subject to the limitations of the Plan, the Committee shall have the sole and complete authority to:

- (a) interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan;
- (b) correct any defect or omission and to reconcile any inconsistency in the Plan or in any payment made hereunder; and
- (c) to make all other determinations and to take all other actions necessary or advisable for the implementation and administration of the Plan.

The Committee's determinations on matters within its control shall be conclusive and binding on the Company and all other persons. Notwithstanding the foregoing, no member of the Committee shall act with respect to the administration of the Plan except to the extent consistent with the exempt status of the Plan under Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 16b-3").

1.4. Shares Subject to the Plan. Shares of stock which may be distributed under the plan are shares of common stock of the Company, par value \$.01 per share ("Stock"). The shares of Stock which shall be available for distribution pursuant to the Plan shall be treasury shares (including, in the discretion of the Company, shares purchased in the open market). The number of shares of Stock to be distributed pursuant to Outside Directors' elections to receive shares of Stock in lieu of Eligible Cash Fees (as described in subsection 3.1) shall be determined in accordance with Section 3. The number of shares of Stock to be distributed pursuant to Outside Directors' Deferral Elections (as described in Section 4) shall be determined in accordance with Section 4. The number of shares of Stock which are available for awards under Section 2 shall be 20,000; provided, however, that:

- (a) in the event of any merger, consolidation, reorganization, recapitalization, spinoff, stock split, reverse stock split, rights offering, exchange or other change in the corporate structure or capitalization of the Company affecting the Stock, the number and kind of shares of Stock available for awards under Section 2 and the annual awards provided thereunder shall be equitably adjusted in such manner as the Committee shall determine in its sole judgment;
- (b) in determining what adjustment, if any, is appropriate pursuant to paragraph (a), the Committee may rely on the advice of such experts as they deem appropriate, including counsel, investment bankers and the accountants of the Company; and
- (c) no fractional shares shall be granted or authorized pursuant to any adjustment pursuant to paragraph (a), although cash payments may be authorized in lieu of fractional shares that may otherwise result from such an equitable adjustment.

1.5. Compliance with Applicable Laws. Notwithstanding any other provision of the Plan, the Company shall have no obligation to deliver any shares of Stock under the Plan unless such delivery would comply with all applicable laws and the applicable requirements of any securities exchange or similar entity. Prior

to the delivery of any shares of Stock under the Plan, the Company may require a written statement that the recipient is acquiring the shares for investment and not for the purpose or with the intention of distributing the shares. If the redistribution of shares is restricted pursuant to this subsection 1.5, the certificates representing such shares may bear a legend referring to such restrictions.

1.6. Director and Shareholder Status. The Plan will not give any person the right to continue as a director of the Company, or any right or claim to any benefits under the Plan unless such right or claim has specifically accrued under the terms of the Plan. Participation in the Plan shall not create any rights in a director (or any other person) as a shareholder of the Company until shares of Stock are registered in the name of the director (or such other person).

1.7. Definition of Fair Market Value. The "Fair Market Value" of a share of Stock on any date shall be equal to the average of the high and low prices of a share of Stock reported for New York Stock Exchange Composite Transactions for the applicable date or, if there are no such reported trades for such date, for the last previous date for which trades were reported.

1.8. Source of Payments. Except for Stock actually delivered pursuant to the Plan, the Plan constitutes only an unfunded, unsecured promise of the Company to make payments or awards to directors (or other persons) or deliver Stock in the future in accordance with the terms of the Plan.

1.9. Nonassignment. Neither a director's nor any other person's rights to payments or awards under the Plan are subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment by creditors of the director.

1.10. Elections. Any notice or document required to be filed with the Committee under the Plan will be properly filed if delivered or mailed by registered mail, postage prepaid, to the Committee, in care of the Company, at the Company's principal executive offices. The Committee may, by advance written notice to affected persons, revise such notice procedure from time to time. Any notice required under the Plan may be waived by the person entitled thereto.

SECTION 2

Formula Stock Awards

As of the first business day of January each year after the Effective Date, each Outside Director shall be awarded 100 shares of Stock (the "Stock Award").

SECTION 3

Elections to Receive Stock in Lieu of Eligible Cash Fees

3.1. Election to Receive Stock. Subject to the terms and conditions of the Plan, each Outside Director may elect to forego receipt of all or any portion of the Eligible Cash Fees (as defined below) payable to him or her during 1995 following the Effective Date (or payable during 1995 prior to the Effective Date and subject to a Deferral Election made in accordance with Section 4) and during any calendar year thereafter and instead to receive whole shares of Stock of equivalent value to the Eligible Cash Fees so foregone (determined in accordance with subsection 3.3). An election under this subsection 3.1 to have Eligible Cash Fees paid in shares of Stock shall be valid only if it is in writing, signed by the Outside Director, and filed with the Committee in accordance with uniform and nondiscriminatory rules adopted by the Committee but, in any event:

- (a) at least six months prior to any date in 1995

following the Effective Date or subsequent years on which such Eligible Cash Fees would otherwise be payable; and

- (b) prior to January 1, 1995 with respect to any amounts payable during 1995 prior to the Effective Date and deferred pursuant to a Deferral Election made in accordance with Section 4.

For purposes of the Plan, the term "Eligible Cash Fees" means the retainer fees, meeting fees, committee fees and committee chair fees that would otherwise be payable to the Outside Director by the Company in cash as established, from time to time, by the Board or any committee thereof.

3.2. Revocation of Election to Receive Stock. Once effective, an election pursuant to subsection 3.1 to receive Stock shall remain in effect for successive calendar years until it is revised or revoked. Any such revision or revocation shall be in writing, signed by the Outside Director and filed with the Committee and shall be effective for the calendar year next following the date on which it is received by the Committee, or such later date specified in such notice; provided, however, that no revision or revocation shall be effective prior to six months from the date it is made.

3.3. Equivalent Amount of Stock. The number of whole shares of Stock to be distributed to any Outside Director, or credited to his or her Deferred Compensation Account (as defined in subsection 4.3) pursuant to a Deferral Election made in accordance with Section 4, by reason of his or her election pursuant to subsection 3.1 to receive Stock in lieu of Eligible Cash Fees shall be equal to:

- (a) the amount of the Eligible Cash Fees which the Outside Director has elected to have paid to him or her in shares of Stock or credited to his or her Company Stock Subaccount (as defined in subsection 4.3);

DIVIDED BY

- (b) the Fair Market Value of a share of Stock as of the date on which such Eligible Cash Fees would otherwise have been payable to the Outside Director.

The Fair Market Value of any fractional share shall be paid to the Outside Director in cash; provided, however, that fractional shares subject to a Deferral Election filed in accordance with subsection 4.1 shall be deferred and credited to the Company Stock Subaccount.

SECTION 4

Deferral Elections

4.1. Deferrals of Fees. Subject to the terms and conditions of the Plan, each Outside Director, by filing a written "Deferral Election" with the Committee in accordance with uniform and nondiscriminatory rules adopted by the Committee, may elect to defer the receipt of all or any portion of the Eligible Cash Fees otherwise payable to him or her for a calendar year commencing on or after January 1, 1995 (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) until a future date (the "Distribution Date") specified by the Outside Director in his or her Deferral Election as of which payment of his or her Deferred Compensation Account attributable to amounts deferred pursuant to his or her Deferral Election shall commence in accordance with subsection 4.4; provided, however, that in no event shall the Distribution Date elected pursuant to this subsection 4.1 be different from the Distribution Date, if any, elected by the Outside Director pursuant to subsection 4.2. If no Distribution Date is specified in an Outside Director's Deferral Election or has otherwise been elected by the Outside Director pursuant to subsection 4.2, the Distribution Date shall be deemed to be the first business day in January of the year following the date on which the Outside

Director ceases to be a director of the Company for any reason. An Outside Director's Deferral Election shall be effective with respect to Eligible Cash Fees (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) otherwise payable to him or her for services rendered after the last day of the calendar year in which such election is filed with the Committee; provided, however, that:

- (a) a Deferral Election which is filed within 30 days of the date on which a director first becomes an Outside Director shall be effective with respect to all Eligible Cash Fees (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) otherwise payable to him or her after the date of the Deferral Election; and
- (b) by notice filed with the Committee in accordance with uniform and nondiscriminatory rules established by it, a director may terminate or modify any Deferral Election as to Eligible Cash Fees payable for services rendered after the last day of the calendar year in which such notice is filed with the Committee; provided, however, that no modification may be made to the Distribution Date unless the Outside Director shall file such notice with the Committee at least one year prior thereto.

Notwithstanding the provisions of paragraph (b) next above, the Committee may, in its sole discretion, after considering all of the pertinent facts and circumstances, approve a change to the Distribution Date which is requested by an Outside Director less than one year prior thereto.

4.2. Deferral of Stock Awards. Subject to the terms and conditions of the Plan, each Outside Director, by filing a written "Stock Deferral Election" with the Committee in accordance with uniform and nondiscriminatory rules adopted by the Committee, may elect to defer the receipt of all or any portion of the Stock Award which is otherwise to be made to him or her for 1996 and subsequent years until the Distribution Date; provided, however, that if no Distribution Date has been elected (or is deemed to have been elected) pursuant to subsection 4.1, the "Distribution Date" shall be the date specified by the Outside Director in his or her Stock Deferral Election or, if no such date is specified, the first business day in January of the year following the date on which the Outside Director ceases to be a director of the Company for any reason. An Outside Director's Stock Deferral Election shall be effective with respect to Stock Awards otherwise to be made to him or her pursuant to Section 2 after the last day of the calendar year in which such election is filed with the Committee; provided, however, that by notice filed with the Committee in accordance with uniform and nondiscriminatory rules established by it, an Outside Director may terminate or modify any Stock Deferral Election as to Stock Awards to be made after the last day of the calendar year in which such notice is filed with the Committee. No modification may be made to the Distribution Date unless the Outside Director shall file such notice with the Committee at least one year prior thereto. Notwithstanding the provisions of this section, the Committee may, in its sole discretion, after considering all of the pertinent facts and circumstances, approve a change to the Distribution Date which is requested by an Outside Director less than one year prior thereto.

4.3. Crediting and Adjustment of Deferred Amounts. The amount of any Eligible Cash Fees (including any Eligible Cash Fees that he or she has elected to receive in Stock pursuant to Section 3) deferred pursuant to subsection 4.1 ("Deferred Compensation") and the amount of any Stock Award deferred by an Outside Director pursuant to a Stock Deferral Election ("Stock Deferral") shall be credited to a bookkeeping account maintained by the Company in the name of the Outside Director (the "Deferred Compensation Account"), which account shall consist of two subaccounts, one known as the "Cash Subaccount" and the other as the "Company Stock Subaccount." Any Stock Deferrals and Eligible Cash Fees that the Outside Director has elected to receive in Stock pursuant to Section 3 and which he or she has also elected to defer pursuant to subsection 4.1 shall be credited to his or her Company Stock Subaccount. Any other Deferred Compensation shall be credited to his or her Cash Subaccount. An Outside

Director's Deferred Compensation Account shall be adjusted as follows:

- (a) As of the first day of February, May, August and November, and as of July 3, 1995 (which dates are referred to herein as "Accounting Dates"), the Outside Director's Cash Subaccount shall be adjusted as follows:
 - (i) first, the amount of any distributions made since the last preceding Accounting Date and attributable to the Cash Subaccount shall be charged to the Cash Subaccount;
 - (ii) next, the balance of the Cash Subaccount after adjustment in accordance with subparagraph (i) above shall be credited with interest for the period since the last preceding Accounting Date computed at the prime rate as reported by The Wall Street Journal for the current Accounting Date, or if such date is not a business day, for the next preceding business day;
 - (iii) next, on the Accounting Date occurring on July 3, 1995, the balance in the cash Subaccount shall be charged with a distribution equal to that portion of the balance in the Cash Subaccount which is attributable to Eligible Cash Fees payable prior to the Effective Date which the Outside Director has elected to receive in Stock pursuant to Section 3 and which were credited to the Cash Subaccount pursuant to the Outside Director's Deferral Election (as adjusted in accordance with the terms of the Plan through July 3, 1995); and
 - (iv) finally, after adjustment in accordance with the foregoing provisions of this paragraph (a), the Cash Subaccount shall be credited with the portion of the Deferred Compensation otherwise payable to the Outside Director since the last preceding Accounting Date or, in the case of the Accounting Date occurring on February 1, 1995, subsequent to January 1, 1995, which is to be credited to the Cash Subaccount.
- (b) The Outside Director's Company Stock Subaccount shall be adjusted as follows:
 - (i) as of the Effective Date, the Company Stock Subaccount shall be credited with that number of stock units ("Stock Units") which is equal to the amount charged to the Cash Subaccount as of that date pursuant to subparagraph (a) (iii) next above, divided by the Fair Market Value of a share of Stock as of the Effective Date;
 - (ii) as of any date on or after the Effective Date on which Eligible Cash Fees would have been payable to the Outside Director in Stock but for his or her Deferral Election, the Company Stock Subaccount shall be credited with a number of Stock Units equal to the number of shares of Stock (including any fractional shares) to which he or she would have been entitled pursuant to Section 3;
 - (iii) as of the date on which a Stock Award would be made to the Outside Director pursuant to Section 2 but for his or her Stock Deferral Election, the Company Stock Subaccount shall be credited with a number of Stock Units equal to the number of shares of Stock that would have been awarded to the Outside Director as of such date but for his or her Stock Deferral Election;
 - (iv) as of the date on which shares of Stock are distributed to the Outside Director in accordance with subsection 4.4 below, the Company Stock Subaccount shall be charged with an equal number of Stock Units; and

- (v) as of the record date for any dividend paid on Stock, the Company Stock Subaccount shall be credited with that number of additional Stock Units which is equal to the number obtained by multiplying the number of Stock Units then credited to the Company Stock Subaccount by the amount of the cash dividend or the fair market value (as determined by the Board of Directors) of any dividend in kind payable on a share of Stock, and dividing that product by the then Fair Market Value of a share of Stock.

In the event of any merger, consolidation, reorganization, recapitalization, spinoff, stock split, reverse stock split, rights offering, exchange or other change in the corporate structure or capitalization of the Company affecting the Stock, each Outside Director's Company Stock Subaccount shall be equitably adjusted in such manner as the Committee shall determine in its sole judgment.

4.4. Payment of Deferred Compensation Account. Except as otherwise provided in this subsection 4.4 or subsection 4.5, the balances credited to the Cash Subaccount and Company Stock Subaccount of an Outside Director's Deferred Compensation Account shall each be payable to the Outside Director in 10 annual installments commencing as of the Distribution Date and continuing on each annual anniversary thereof. Notwithstanding the foregoing, an Outside Director may elect, by filing a notice with the Committee at least one year prior to the Distribution Date, to change the number of payments to a single payment or to any number of annual payments not in excess of ten. Each such payment shall include a cash portion, if applicable, and a Stock portion, if applicable, as follows:

- (a) The cash portion to be paid as of the Distribution Date or any anniversary thereof and charged to the Cash Subaccount shall be equal to the balance of the Cash Subaccount multiplied by a fraction, the numerator of which is one and the denominator of which is the number of remaining payments to be made, including such payment.
- (b) The Stock portion to be paid as of the Distribution Date or any anniversary thereof and charged to the Company Stock Subaccount shall be distributed in whole shares of Stock, the number of shares of which shall be determined by rounding to the next lower integer the product obtained by multiplying the number of Stock Units then credited to the Outside Director's Company Stock Subaccount by a fraction, the numerator of which is one and the denominator of which is the number of remaining payments to be made, including such payment. The Fair Market Value of any fractional share of Stock remaining after all Stock distributions have been made to the Outside Director pursuant to this paragraph (b) shall be paid to the Outside Director in cash.

Notwithstanding the foregoing, the Committee, in its sole discretion, may distribute all balances in any Deferred Compensation Account to an Outside Director (or former Outside Director) in a lump sum as of any date. Notwithstanding the foregoing, the Committee, in its sole discretion, may distribute all of an Outside Director's Share Unit Account to such Outside Director (or former Outside Director) in a lump sum as of any date or, if requested by an Outside Director who has elected to receive a lump sum, the Committee, in its sole discretion, may distribute all balances in any Deferred Compensation Account to an Outside Director (or former Outside Director) in installments satisfying this Section 4.4 as requested by the Outside Director (or former Outside Director).

4.5. Payments in the Event of Death. If an Outside Director dies before payment of his or her Deferred Compensation Account commences, all amounts then credited to his or her Deferred Compensation Account shall be distributed to his or her Beneficiary (as described below), as soon as practicable after his or her death, in a lump sum. If an Outside Director dies after payment of his or her Deferred Compensation Account has commenced but before the entire balance of such account has been distributed, the remaining balance thereof shall be distributed to his or her Beneficiary, as soon as practicable after his or

her death, in a lump sum. Any amounts in the Cash Subaccount shall be distributed in cash and any amounts in the Stock Subaccount shall be distributed in whole shares of Stock determined in accordance with paragraph 4.4(b), and the Fair Market Value of any fractional share of Stock shall be distributed in cash. For purposes of the Plan, the Outside Director's "Beneficiary" is the person or persons the Outside Director designates, which designation shall be in writing, signed by the Outside Director and filed with the Committee prior to the Outside Director's death. A Beneficiary designation shall be effective when filed with the Committee in accordance with the preceding sentence. If more than one Beneficiary has been designated, the balance in the Outside Director's Deferred Compensation Account shall be distributed to each such Beneficiary per capita (with cash distributed in lieu of any fractional share of Stock). In the absence of a Beneficiary designation or if no Beneficiary survives the Outside Director, the Beneficiary shall be the Outside Director's estate.

SECTION 5

Amendment and Termination

While the Company expects and intends to continue the Plan, the Board of Directors of the Company reserves the right to, at any time and in any way, amend, suspend or terminate the Plan; provided, however, that no amendment, suspension or termination shall:

- (a) be made without shareholder approval to the extent such approval is required by law, agreement or the rules of any exchange or automated quotation system upon which the Stock is listed or quoted;
- (b) except as provided in subsection 4.4 (relating to lump sum payments of amounts held in an Outside Director's Deferred Compensation Account) or this Section 5, materially alter or impair the rights of an Outside Director under the Plan without the consent of the Outside Director with respect to rights already accrued hereunder;
- (c) amend the provisions of Section 2 or 3 more frequently than once in any six-month period except to comport with changes in the Internal Revenue Code of 1986, as amended, the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder; or
- (d) make any change that would disqualify the Plan or any other plan of the Company intended to be so qualified from the exemption provided by Rule 16b-3 under the Securities Exchange Act of 1934, as amended.

6-1162-JCM-500

United Air Lines, Inc.
Executive Offices
P. O. Box 66100
Chicago, IL 60666-0100

Subject: Letter Agreement No. 6-1162-JCM-500 to
Purchase Agreement No. 1663 -
Buyer Participation in Model 777/PW4077
1000 Cycle Flight Validation Program

Gentlemen:

Reference is made to Purchase Agreement No. 1663 dated as of December 18, 1990 (the Purchase Agreement) between The Boeing Company (Boeing) and United Air Lines, Inc. (Buyer) relating to the sale by Boeing and the purchase by Buyer of thirty-four (34) Model 777-222 aircraft (hereinafter referred to generally as the Aircraft).

Reference is also made to Letter Agreement 6-1162-DLJ-935 to Purchase Agreement No. 1663 (entitled "Early Approval of One Hundred Eighty (180) Minutes Extended Range Operations with Two-Engine Aircraft").

This Letter Agreement will become part of the Purchase Agreement and will evidence our further agreement with respect to the matters set forth below.

All terms used herein and in the Purchase Agreement, and not defined herein, shall have the same meanings as in the Purchase Agreement.

1. Early ETOPS Approval Plan and Memo of Understanding

1.1 Early-ETOPS Approval Plan

In order to support Buyer's Early-ETOPS Operational Approval Program for 180-minute ETOPS with the Aircraft, Boeing and Buyer have jointly developed the United Airlines 777-222 Early-ETOPS Operational Approval Program (Document D044W002-2, Volume 2, the "Plan") that includes operations and activities necessary for Buyer to obtain Operator Approval from the Federal Aviation Administration to conduct Extended Range Operations (as such terms are defined in Letter Agreement No. 6-1162-DLJ-935). For avoidance of doubt, the November 30, 1993 revision of the Plan has been approved by the Federal Aviation Administration and is the baseline for this agreement.

1.2 Memorandum of Understanding

The Memorandum of Understanding (the "MOU") dated February 14, 1991, Attachment A hereto, describes how Boeing and Buyer intend to work together, and outlines the cooperation between Buyer, Boeing, Pratt & Whitney and Garrett Auxiliary Power Division (Garrett), required to support the design objective and to support Buyer's application for Operator Approval to conduct Extended Range Operations with the Aircraft.

1.3 Precedence of Purchase Agreement

Nothing in the MOU or the Plan shall be deemed to amend or otherwise modify the provisions of the Purchase Agreement, except as specifically provided in this Letter Agreement.

1.4 Non-Exclusivity of MOU and the Plan

Neither, the MOU, nor the Plan, nor this Letter Agreement, are intended to prevent other airlines from

participating in similar activities to support their efforts to obtain Early-ETOPS approval.

2. 1000 Cycle Flight Validation Program

2.1 The 1000-CVP is designed to expose the Model 777 and its systems to environmental conditions and in-flight variables that are likely to occur in the first one to two years of airline operations. The 1000-CVP is also designed to accomplish those tasks necessary to support Boeing's application to the Federal Aviation Administration for One-Hundred-Eighty (180) Minute ETOPS Type Design Approval (the "TDA"). During the latter part of the 1000-CVP, Buyer may participate in the maintenance, operation and servicing of the airplane, as contemplated in the MOU; regulatory authority representatives may also participate in the 1000-CVP.

Buyer's participation in the 1000-CVP is described in Part 5 of the Plan and has been entitled by Buyer as Early ETOPS Validation and Integration Program (the "EEVIP"). Part 5 of the Plan is attached hereto as Attachment B.

The Plan contemplates 1000-CVP Type operations on Buyer's route network during Buyer's participation in the 1000-CVP; the presently contemplated schedule of such operations consists of a minimum of ninety (90) flight sectors to be operated from April 3, 1995 through May 2, 1995. These ninety (90) flight sectors will be preceded by approximately eight-hundred-ten (810) flight sectors conducted primarily by Boeing, and succeeded by the balance of the one-thousand (1000) cycles, approximately one-hundred (100) flight sectors, again conducted primarily by Boeing.

The route network for the EEVIP is currently contemplated to be limited to Dulles (IAD), Denver (DIA), Los Angeles (LAX), Miami (MIA), and Honolulu (HNL). The EEVIP schedule is set forth in Section 5.3 of Part 5 of the November 30th, 1993 revision of the Plan and is attached hereto as Attachment C (the "Schedule").

2.1.1 Buyer agrees that it will exert its best reasonable efforts during the EEVIP to accomplish the primary objective of the Plan, TDA. At a minimum, Buyer agrees to accomplish the following conditions, to the exclusion of other objectives, unless such conditions are otherwise modified by Boeing:

- (a) All flight cycles shall include a minimum of ten minutes at cruise; and
- (b) Ninety or more of the flight cycles shall include cruise segments of two or more hours; and
- (c) Nine or more of such ninety or more flight cycles shall include cruise segments of nine or more hours; and
- (d) The target altitudes of the EEVIP flight cycles shall be greater than 35,000 feet in order to satisfy TDA requirements; and
- (e) All flight cycles must include a complete shutdown of both engines for a minimum of five minutes prior to initiation of the next flight cycle; and
- (f) All other requirements contemplated in the Plan appropriate for completion during the EEVIP.

2.2 Certain terms and conditions related to Buyer's participation in the 1000-CVP which have been negotiated between Buyer and Boeing are documented in this Letter Agreement, as contemplated on page 3 in Letter Agreement 6-1162-DLJ-935.

2.3 Ownership and Control of 1000-CVP Aircraft

2.3.1 Operation of the 1000-CVP Aircraft

During the 1000-CVP, including during the EEVIP, the ownership and control of the Aircraft used in the 1000-CVP (the "1000-CVP Aircraft") at all times will remain with Boeing. During all 1000-CVP flights the final authority and responsibility for the 1000-CVP Aircraft at all times will remain with the Boeing pilot who will occupy one of the two pilots' seats; during Buyer's 1000-CVP participation the second seat may be occupied by a Buyer pilot or, when required, by a regulatory authority pilot/observer. Regulatory authority pilots and observers will have priority over Buyer's pilots and/or Buyer's observers. No revenue passengers or cargo will be carried on the 1000-CVP Aircraft, and Boeing may, to the extent that it reasonably deems necessary, limit or control (i) access to the 1000-CVP Aircraft on the ground and (ii) the carriage of participants, passengers or cargo on 1000-CVP Aircraft flights; for avoidance of doubt, Boeing and Buyer contemplate that only personnel engaged in performing the 1000-CVP will normally be carried on 1000-CVP Aircraft flights.

2.3.1.1 During the non-EEVIP portion of the 1000-CVP, flight operations will be conducted in accordance with Boeing's procedures. Buyer's documentation (MMEL, DDG, Flight Manual, etc.) may be used during this portion, but Boeing's procedures will be utilized for the non-EEVIP portion of the 1000-CVP Aircraft release and operation.

2.3.1.2 Flight operations during the EEVIP will be conducted in accordance with Buyer's procedures. Should the Boeing Pilot-in-Command request a deviation from Buyer's flight operation procedures, such request will be honored.

2.3.1.3 Buyer's Participation During The 1000-CVP

Buyer's participation during the EEVIP portion of the 1000-CVP, subject to the conditions stated in the previous paragraph, will be fully accommodated. Boeing recognizes that Buyer wishes to conduct certain evaluations during the non-EEVIP portion of the 1000-CVP and that access to the 1000-CVP Aircraft is essential for those evaluations. Boeing agrees that Buyer may participate in the non-EEVIP portion of the 1000-CVP, subject to the following conditions:

(i) Buyer will submit to Boeing a list of personnel, each identified for a specific evaluation. Participation on any particular flight will be limited to those personnel identified as linked to an evaluation scheduled to be conducted on that flight.

(ii) The personnel identified in (i) above will be required to attend a one-time class conducted by Boeing Flight test familiarizing the personnel with Boeing Flight Procedures, Test Conduct and Protocol.

(iii) Buyer's personnel will be expected to rigorously adhere to the procedures identified in (ii) above. All actions by Buyer's personnel on board the 1000-CVP Aircraft must be coordinated with the Boeing Test Director prior to the Test Flight, and be part of an approved Test Plan.

(iv) All evaluations contemplated by Buyer during the non-EEVIP portion of the 1000-CVP will be on a non-interference basis; in the case of any conflict between Buyer's evaluation and the objectives of the 1000-CVP, the 1000-CVP objectives will have precedence.

2.3.1.4 Participation Limited to Essential Personnel

The 1000-CVP Aircraft will be operated under an FAA

Experimental Category Airworthiness Certificate. FAA Order 8130.2, Paragraph 139 b (13) states that "No person may be carried in this aircraft during flight unless that person is required for that flight." Specific purposes mentioned in the order include: Research and Development, Showing Compliance With Reulations, and Crew Training.

Buyer agrees that all of Buyer's personnel will meet the requirements as stated above. This condition applies to the entire 1000-CVP, including the EEVIP. The final determination of whether an individual meets the criteria of "Essential Personnel", as defined above, will be left to the discretion of the Pilot-in-Command.

2.3.2 Maintenance of the 1000-CVP Aircraft

2.3.2.1 Responsibility

It is contemplated in the Plan that Buyer's maintenance crews will observe during the non-EEVIP portion of the 1000-CVP and will conduct all maintenance during the EEVIP. It is anticipated that, during the EEVIP, Buyer's mechanics will primarily utilize Buyer's Maintenance Manuals and other documents. When Buyer's maintenance crews participate in the 1000-CVP, they shall work in conjunction with, and under the supervision of, Boeing crews.

2.3.2.2 Tooling and Maintenance Procedures Checkout

Boeing intends to perform validation checks of various items of Ground Support Equipment ("GSE") tools and maintenance procedures. Buyer's mechanics may observe these validations. If Buyer chooses to perform its own tooling or maintenance procedure validations, they must be accomplished during the EEVIP, not to interfere with the TDA Schedule.

2.3.2.3 Records

During the non-EEVIP portion of the 1000-CVP, Boeing mechanics will perform all maintenance activity on the 1000-CVP Aircraft and will use standard Boeing forms and records. During the EEVIP portion of the 1000-CVP, Buyer's mechanics may utilize Buyer's records and forms for such maintenance; however, Boeing will maintain a separate record on Boeing's standard form to record that such work was accomplished. Only Boeing records will be the official documentation of the 1000-CVP Aircraft in support of TDA.

2.3.2.4 Oversight

During the EEVIP portion of the 1000-CVP, Boeing reserves the right to require Buyer's mechanics to utilize Boeing procedures if, in Boeing's sole opinion, an unsafe or inappropriate action is contemplated.

2.3.2.5 Engine Change

To satisfy TDA requirements, verify engine change tooling (specifically the Boeing-designed bootstrap), and to afford Buyer's mechanics the opportunity to develop experience, it is agreed that an engine change will be scheduled. Such engine change will be performed by Buyer's mechanics under the supervision of Boeing personnel.

2.3.2.5.1 Location and Date

Boeing and Buyer agree that the engine will be changed at Denver International Airport (DIA) on or about April 24th, 1995.

2.3.2.5.2 Spare Engine Title and Ownership

The spare engine (plus QEC) installed on or about April 24th, 1995 on the 1000-CVP Aircraft will be owned and

provided by Boeing. This engine will be delivered by Boeing to DIA on April 10th, 1995. The engine that is removed will be returned to Seattle by Boeing to be held in reserve as a Spare. Subsequent to the 777 Flight Test Program, the engine will be refurbished and installed on a production Aircraft.

2.3.2.5.3 Spare Engine Cradle

To accommodate the engine coming off the 1000-CVP Aircraft, Buyer will provide a suitable spare engine cradle.

2.3.2.6 Fueling

Boeing agrees to use Buyer's guidelines for fueling the 1000-CVP Aircraft. If, however, a condition exists that, in Boeing's sole opinion, jeopardizes the 1000-CVP Aircraft or the safety of individuals, Boeing reserves the right to limit such use, or revert to Boeing standard fueling procedures.

2.3.3 Numerous details of the roles and responsibilities ascribed to Boeing and Buyer during the 1000-CVP have been gathered in Boeing Document D044W003, "1000-Cycle 'Airline Type' Maintenance and Operating Procedures - Agreement". Revision A of this document, dated December 22, 1993, together with Buyer's approval of Appendix I, constitute the agreed Operating Procedures for the 1000-CVP. In the event of conflict between this Letter Agreement and Document D044W003, this Letter Agreement shall take precedence.

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SEPARATELY WITH THE SECURITIES AND EXCHANGE
COMMISSION PURSUANT TO A REQUEST FOR
CONFIDENTIAL TREATMENT

5. Realization of Additional Objectives During 1000-CVP

5.1 Primary Objective

Boeing and Buyer agree that the primary objectives of the 1000-CVP are to ensure the delivery of ETOPS capable and service-ready Model 777 aircraft to Buyer, and to demonstrate the reliability of PW4000-powered Model 777 aircraft in support of applications by Boeing for ETOPS Type Design Approval and Reliability Determination. Other objectives are secondary, and will be pursued during the 1000-CVP (including the EEVIP) solely under conditions which in Boeing's reasonable judgment meet the following criteria (the "1000-CVP Inclusion Criteria"): the pursuit of a secondary objective will not: (i) interfere with nor jeopardize such primary objectives of the 1000-CVP, nor (ii) lengthen the 1000-CVP nor (iii) otherwise significantly increase the cost of the 1000-CVP (including the EEVIP).

5.2 Boeing recognizes that if the Federal Aviation Administration imposes additional requirements on Buyer to obtain Operator Approval to conduct Extended Range Operations with the Aircraft, and such additional requirements are not the fault of Boeing, Buyer may desire to revise the 1000-CVP. Boeing will work with Buyer to satisfy such additional requirements during the 1000-CVP, subject to agreement of the Parties to modify, if necessary, the 1000-CVP Inclusion Criteria set forth above.

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5.3 Boeing recognizes that Buyer presently desires to gain cabin service experience during the EEVIP with some of the BFE cabin systems identified in paragraph 3.2.3 above. Boeing will work with Buyer to satisfy this secondary objective during the 1000-CVP, subject to the 1000-CVP Inclusion Criteria set forth above. To gain such experience Buyer desires that cabin crew personnel, and possibly other personnel, of Buyer participate in some EEVIP flights by simulating passenger service. However, Buyer recognizes that the airworthiness certification under which the CVP-Aircraft operates during the 1000-CVP and the insurance coverage in effect during the 1000-CVP may restrict the number of personnel permitted on 1000-CVP flights or otherwise limit the cabin service experience which can be obtained during the 1000-CVP, including the EEVIP.

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5.4 During the 1000-CVP Boeing and Buyer each may desire to conduct sales, marketing and public relations activity involving the 1000-CVP and the 1000-CVP Aircraft. Boeing and Buyer will work together to satisfy such secondary objectives during the 1000-CVP, subject to the 1000-CVP Inclusion Criteria set forth above.

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During sales, marketing and public relations activity involving the 1000-CVP and the 1000-CVP Aircraft, Boeing and Buyer agree to maintain the confidentiality of each other's information in accordance with paragraph 8.2 below.

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6. Contingencies

6.1 Aircraft Certification During 1000-CVP

The 1000-CVP, and particularly the EEVIP, as contemplated in the Plan assume that Boeing will succeed in making practicable arrangements for airworthiness certification of the 1000-CVP Aircraft during the 1000-CVP (including the EEVIP) and to otherwise comply with all applicable laws and regulations. ("Practicable arrangements" are defined as being within the context of our ongoing dialogue with the FAA, including the normal procedures for applying for, and obtaining, either an experimental or type certificate.) Boeing agrees to make reasonable and timely efforts to arrange for conduct of the 1000-CVP under an experimental airworthiness certificate or make other practicable arrangements for airworthiness certification of the 1000-CVP Aircraft and to otherwise comply with all applicable laws and regulations. In the event that Boeing can not make practicable arrangements, Boeing and Buyer shall mutually agree to revisions to the 1000-CVP (including the EEVIP) to facilitate practicable arrangements for airworthiness certification of the 1000-CVP Aircraft. If Boeing and Buyer can not agree on such revisions, or if regardless of such revisions, Boeing cannot make practicable

arrangements for airworthiness certification of the 1000-CVP Aircraft and otherwise comply with all applicable laws and regulations, Boeing may in its reasonable discretion, and only to the extent reasonably necessary, cancel part or all of the 1000-CVP.

6.2 Collective Bargaining Agreements

The 1000-CVP, and particularly the participation of Buyer's maintenance personnel in the 1000-CVP, as contemplated in the Plan, assume that Boeing will succeed in making practicable arrangements under its collective bargaining agreements to facilitate the 1000-CVP. In the event that Boeing can not make practicable arrangements, Boeing and Buyer will mutually agree to revisions to the 1000-CVP to conform to Boeing's collective bargaining agreements. If Boeing and Buyer can not agree on such revisions, or if regardless of such revisions, Boeing can not make practicable arrangements for the 1000-CVP under its collective bargaining agreements, Boeing may in its reasonable discretion restrict the participation of Buyer's maintenance personnel to the EEVIP, or, only to the extent reasonably necessary, cancel part or all of the 1000-CVP.

Should Buyer fail to make practicable arrangements with Buyer's collective bargaining groups, Buyer may request, and Boeing shall agree to, a revision to the 1000-CVP to the extent reasonably necessary, without in any way violating the provisions of Paragraph 5.1 herein.

7. Applicability of Purchase Agreement Provisions

Boeing and Buyer specifically agree that the 1000-CVP shall be flight test activity authorized under the Purchase Agreement, and that particular provisions of the Purchase Agreement are applicable to 1000-CVP occurrences, including, but not limited to, Paragraphs 7.1 through 7.5.

7.1 Excusable Delay

Boeing and Buyer reaffirm that any delay resulting from any of the causes specified in Article 6.1 of the Purchase Agreement which occurs during the 1000-CVP, and which otherwise would be an Excusable Delay, shall be an Excusable Delay; and that the termination provisions in Articles 6.2 through 6.6 shall apply to the 1000-CVP Aircraft.

7.2 Authorized Use of Aircraft

Boeing and Buyer reaffirm that the use of an Aircraft as the 1000-CVP Aircraft is authorized under Article 9.3 of the Purchase Agreement, subject to the provisions of Letter Agreement No. 6-1162-DLJ-955, including but not limited to paragraph 1 ("Test Aircraft Refurbishment") and paragraph 5 ("Accomplishment of "C" Check") thereof.

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8. Confidentiality

8.1 In accordance with Letter Agreement No. 6-1162-DLJ-832, the terms and conditions of this Letter Agreement are and will remain strictly confidential between Boeing and Buyer and will not under any circumstances be disclosed by either party to any third party (except, as reasonably necessary, to its respective employees and professional advisers, and to Boeing's insurers in connection with the insurance

described in paragraph 7.3 above and to the Federal Aviation Administration) without the prior written consent of the other party, such consent not to be unreasonably withheld.

8.2 Boeing and Buyer recognize that the Model 777 development program, the "Working Together" partnership, and the 1000-CVP are unique and unprecedented activities. Boeing and Buyer agree to work with each other in good faith to maintain the confidentiality of the other party's drawings, specifications, models and other information related to the 777 development (including development of 777 procedures, documentation and computer systems) which has not otherwise entered the public domain through authorized disclosure by the party with proprietary rights to such information.

8.2.1 The obligation of confidentiality set forth in 8.2 above shall not apply to information which:

(a) is independently known to Boeing or Buyer at the time of the transfer, as evidenced by Boeing or Buyer's written records; or

(b) becomes known to the receiving party prior to such use or disclosure without similar restrictions from an independent source having the right to convey it; or

(c) is independently developed by the receiving party.

8.2.2 Boeing Flight Test Data

During the CVP Buyer shall incidentally have access to Boeing flight test data recorded during the CVP operations, and Boeing shall have access to data recorded by Buyer's Aircraft Maintenance Information System ("AMIS"). Boeing deems all flight test data to be extremely sensitive and highly proprietary to Boeing. Buyer considers all information received by Boeing with respect to AMIS to be extremely sensitive and highly proprietary to Buyer. Accordingly, Buyer agrees to keep flight test data, obtained by Buyer from the 1000-CVP Aircraft's Quick Access Recorder (QAR), or AMIS, or otherwise during the CVP, and Boeing agrees to keep information received by Boeing with respect to AMIS in confidence, and disclose it only in accordance with the provisions of paragraph 8.1 above

The provisions set forth in this paragraph 8 relate only to confidential information made available as a result of the 1000 CVP and do not supercede the provisions of Part D Technical Data and Documents of Exhibit C to the Purchase Agreement.

8.2.3 Buyer's Interior Configuration

Buyer's Model 777 interior configuration and installations are commercial, confidential information that could be deemed of value to its competitors. Boeing will accordingly restrict access to the 1000-CVP Aircraft by third parties unless Buyer otherwise gives Boeing its permission.

8.2.4 The Plan

For avoidance of doubt, Boeing and Buyer agree that the Plan itself has been and will continue to be disclosed to other parties, including regulatory agencies and other prospective 777 operators, and that the actual performance of the 1000-CVP will be open to observation by such parties as may be mutually agreed by Boeing and Buyer.

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters treated above, please indicate your acceptance

and approval below.

Very truly yours,

THE BOEING COMPANY

By /s/ Joseph Mc Aleer

Its Attorney-in-Fact

ACCEPTED AND AGREED TO as of
the 9th day of December, 1994.

UNITED AIR LINES, INC.

By /s/ D. Hacker

Its Senior Vice President - Finance

UNITED AIRLINES

January 31, 1995

Via facsimile: 206-237-1706

Mr. R. C. Nelson
Regional Director, Aircraft Contracts
Boeing Commercial Airplane Group
P.O. Box 3707
Seattle, WA 98124-2207

- Re: (1) Letter Agreement 6-1162-TML-1205 to Purchase Agreement 1670 dated December 18, 1990 as amended and supplemented among The Boeing Company and United Air Lines, Inc. and United Worldwide Corporation
- (2) Boeing Proposal Letters 6-1162-MMF-045 & 6-1162-RCN-839 dated January 23, 1995

Gentlemen:

Reference is made to Letter Agreement No. 6-1162-TML-1205 (the "Letter Agreement") to Purchase Agreement No. 1670 dated December 18, 1990 (as previously amended and supplemented, including all previously executed letter agreements, the "Purchase Agreement") among The Boeing Company ("Boeing"), United Air Lines, Inc. ("United") and United Worldwide Corporation ("Worldwide") relating to the sale by Boeing and the purchase by United and Worldwide (collectively the "Buyer") of Model 747-400 aircraft; and reference is made to Boeing Proposal Letters 6-1162-MMF-045 and 6-1162-RCN-839 both dated January 23, 1995 (the "Proposal Letters").

This letter amendment (this "Letter Amendment"), when accepted by Buyer, will become part of the Letter Agreement and part of the Purchase Agreement, and will evidence our further agreement with respect to the matters set forth below. All terms used herein and in the Letter Agreement, and not defined herein, shall have the same meaning as in the Letter Agreement. If there is any inconsistency between the terms of this Letter Amendment and the Letter Agreement or the Purchase Agreement, the terms of this Letter Amendment will govern.

1. Pursuant to Section 5., Notification of the Letter Agreement, Buyer hereby notifies Boeing that Buyer will not [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] the one 747-400 [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Aircraft scheduled for delivery in February 1997.

2. In the event that Buyer executes a definitive agreement by April 14, 1995 for the purchase of two 747-400 and four 757-200 aircraft as generally described in the referenced Proposal Letters, Boeing will thereupon [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters addressed above, please indicate your acceptance and approval below.

UNITED AIR LINES, INC.

/s/ D. Hacker

Douglas A. Hacker
Senior Vice President - Finance

ACCEPTED AND AGREED TO
AS OF THE DATE SHOWN ABOVE:

THE BOEING COMPANY

By: /s/ R.C. Nelson

Its: Attorney-in-Fact

UNITED AIRLINES

January 31, 1995

Via facsimile: 206-237-1706

Mr. R. C. Nelson
Regional Director, Aircraft Contracts
Boeing Commercial Airplane Group
P.O. Box 3707
Seattle, WA 98124-2207

- Re: (1) Letter Agreement 6-1162-DLJ-891R1 to Purchase Agreement
No. 1670 dated December 18, 1990 as amended and supplemented
among The Boeing Company and United Air Lines, Inc.
and United Worldwide Corporation
- (2) Boeing Letter Fix/Pollock dated September 23, 1994
- (3) Boeing Proposal Letters 6-1162-MMF-045 & 6-1162-RCN-
839 dated January 23, 1995

Gentlemen:

Reference is made to Letter Agreement No. 6-1162-DLJ-891R1 (the "Letter Agreement") to Purchase Agreement No. 1670 dated December 18, 1990 (as previously amended and supplemented, including all previously executed letter agreements, the "Purchase Agreement") among The Boeing Company ("Boeing"), United Air Lines, Inc. ("United") and United Worldwide Corporation ("Worldwide") relating to the sale by Boeing and the purchase by United and Worldwide (collectively the "Buyer") of Model 747-400 aircraft; and reference is made to Boeing Letter Fix/Pollock dated September 23, 1994 and to Boeing Proposal Letters 6-1162-MMF-045 and 6-1162-RCN-839 both dated January 23, 1995 (the "Proposal Letters").

This letter amendment (this "Letter Amendment"), when accepted by Buyer, will become part of the Letter Agreement and part of the Purchase Agreement, and will evidence our further agreement with respect to the matters set forth below. All terms used herein and in the Letter Agreement, and not defined herein, shall have the same meaning as in the Letter Agreement. If there is any inconsistency between the terms of this Letter Amendment and the Letter Agreement or the Purchase Agreement, the terms of this Letter Amendment will govern.

1. Pursuant to paragraph 11. Certain [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Rights of the Letter Agreement, and pursuant to the deferred notice dates provided in the reference (2) Letter, Buyer hereby notifies Boeing that Buyer will not [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] the purchase of the three model 747-422 Aircraft scheduled for delivery in April, May and June 1997.

2. In the event that United executes a definitive agreement by April 14, 1995 for the purchase of two 747-400 and four 757-200 aircraft as generally described-in the referenced Proposal Letters, Boeing will thereupon [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT]

If the foregoing correctly sets forth your understanding of our

agreement with respect to the matters addressed above, please indicate your acceptance and approval below.

UNITED AIR LINES, INC.

/s/ D. Hacker

Douglas A. Hacker
Senior Vice President - Finance

ACCEPTED AND AGREED TO
AS OF THE DATE SHOWN ABOVE:

THE BOEING COMPANY

By: /s/ R.C. Nelson

Its: Attorney-in-Fact

UNITED AIRLINES

February 28, 1995

Via facsimile: 206-237-1706

Mr. R. C. Nelson
Regional Director, Aircraft Contracts
Boeing Commercial Airplane Group
P.O. Box 3707
Seattle, WA 98124-2207

- Re: (1) Letter Agreement 6-1162-DLJ-891R1 to Purchase Agreement No. 1670 dated December 18, 1990 as amended and supplemented among The Boeing Company and United Air Lines, Inc. and United Worldwide Corporation
- (2) Boeing Proposal Letters 6-1162-MMF-045 & 6-1162-RCN-839 dated January 23, 1995

Gentlemen:

Reference is made to Letter Agreement No. 6-1162-DLJ-891R1 (the "Letter Agreement") to Purchase Agreement No. 1670 dated December 18, 1990 (as previously amended and supplemented, including all previously executed letter agreements, the "Purchase Agreement") among The Boeing Company ("Boeing") and United Air Lines, Inc. ("United") relating to the sale by Boeing and the purchase by United (the "Buyer") of Model 747-400 aircraft; and reference is made to Boeing Proposal Letters 6-1162-MMF-045 and 6-1162-RCN-839 both dated January 23, 1995 (the "Proposal Letters").

This letter amendment (this "Letter Amendment"), when accepted by Buyer, will become part of the Letter Agreement and part of the Purchase Agreement, and will evidence our further agreement with respect to the matters set forth below. All terms used herein and in the Letter Agreement, and not defined herein, shall have the same meaning as in the Letter Agreement. If there is any inconsistency between the terms of this Letter Amendment and the Letter Agreement or the Purchase Agreement, the terms of this Letter Amendment will govern.

1. Pursuant to paragraph 11., Certain [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] Rights of the Letter Agreement, Buyer hereby notifies Boeing that Buyer will not [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT] the purchase of the one (1) model 747-422 Aircraft scheduled for delivery in September 1997.

2. In the event that United executes a definitive agreement by April 14, 1995 for the purchase of two 747-400 and four 757-200 aircraft as generally described in the referenced Proposal Letters, Boeing will thereupon [*CONFIDENTIAL MATERIAL OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT].

If the foregoing correctly sets forth your understanding of our agreement with respect to the matters addressed above, please indicate your acceptance and approval below.

UNITED AIR LINES, INC.

/s/ D. Hacker

Douglas A. Hacker
Senior Vice President - Finance

ACCEPTED AND AGREED TO
AS OF THE DATE SHOWN ABOVE:

THE BOEING COMPANY

By: /s/ R.C. Nelson

Its: Attorney-in-Fact

FIRST AMENDMENT
OF
UAL CORPORATION
EMPLOYEE STOCK OWNERSHIP PLAN
(Effective as of July 12, 1994)

By virtue and in exercise of the amending power reserved to UAL Corporation (the "Company") under section 13.1(a) of the UAL Corporation Employee Stock Ownership Plan (Effective as of July 12, 1994) (the "Plan"), which amending power thereunder is subject to the approval of the Air Line Pilots Association, International ("ALPA") and the International Association of Machinists and Aerospace Workers (the "IAM"), the Company hereby amends the Plan, as follows, effective July 12, 1994:

1. Section 1(g), defining "ALPA Employee Group" is amended to read as follows effective July 12, 1994:

"(g) 'ALPA Employee Group' means (i) Eligible Employees who are in classifications represented by ALPA under the Railway Labor Act who are listed on the Pilots' System Seniority List or the Second Officer Eligibility Seniority List, and (ii) notwithstanding the fact that they are not in classifications represented by ALPA under the Railway Labor Act, Eligible Employees in the classification of Student Flight Officer who, upon completion of the necessary training, expect to become listed on the Pilots' System Seniority List or Second Officer Eligibility Seniority List."

2. Section 1 (p), defining "Compensation," is amended by inserting the following after the first sentence thereof:

"Except as set forth herein, a Participant's Compensation shall be credited to the Participant for the Plan Year in which the Participant received payment of such Compensation, even if the services to which the Compensation relates were performed in a prior Plan Year.

(i) With respect to those members of the ALPA Employee Group who are paid in the month following the month in which their services are performed, Compensation has the meaning set forth in the preceding two sentences, with the following modifications: (x) with respect to the 1994 Plan Year, "Compensation" means Compensation paid during the period beginning August 1, 1994 and ending with the payment of the second regular paycheck of January, 1995 as such Compensation relates to services performed during the period beginning on July 13, 1994 and ending on December 31, 1994; (y) with respect to Plan Years 1995 through 1999, "Compensation" means Compensation paid during the period beginning on the day after the payment of the second regular paycheck during such Plan Year and ending with the payment of the second regular paycheck of the next Plan Year as such Compensation relates to services performed during the Plan Year; and (z) with respect to the Plan Year 2000, "Compensation" means Compensation paid during the period beginning with the day after the payment of the second regular paycheck in such year and ending with the payment of the second regular paycheck in May, 2000 as such Compensation relates to services performed during the period beginning on January 1, 2000, and ending on April 12, 2000.

(ii) With respect to the members of the Management and Salaried Group and with respect to those members of the ALPA Employee Group who are not paid in the month following the month in which their services are performed, Compensation for a particular Plan Year shall include Compensation paid in the first and second paychecks received in the next Plan Year to the extent such Compensation relates to services performed in the earlier Plan Year. For purposes of the foregoing, the Company shall determine the extent to which Compensation from the first and second paychecks received in a Plan Year relate to

services performed in a particular Plan Year according to the Company's month-end time recording documents which are timely received (according to Company policies and procedures), and if such month-end time recording documents are not timely received, according to the reasonable assumptions adopted by the Company. Notwithstanding the previous two sentences, only Compensation from the first paycheck received in the next Plan Year shall count as Compensation for the earlier Plan Year if the base pay taken into account in such first paycheck solely relates to services performed in the Plan Year in which such paycheck was received.

(iii) Notwithstanding anything to the contrary herein, no payment shall be counted as Compensation in more than one Plan Year."

3. Section 1(gg) is amended by adding the following to the end thereof:

"An Eligible Employee who is represented by the IAM shall be a member of the Management and Salaried Group (i) from the Effective Date through October 29, 1994, for each period in which such Eligible Employee's temporary reclassification as a salaried, managerial or non-union employee is evidenced by Form UG-100 placed in the personnel record of the Eligible Employee by the Employer, including an actual change in the job code, but excluding any period during which a temporary reclassification occurs on a limited basis and is only evidenced by a payroll certification; and (ii) effective October 30, 1994, for each hour or fraction thereof during which such Eligible Employee is temporarily reclassified as a salaried, managerial or non-union employee."

4. Section 1(yy) (i) is amended to read as follows effective July 12, 1994:

"the product of (A) the number of hours for which the Participant earns compensation during the Plan Year (up to and including the last day of each Plan Year), but only to the extent such hours are reflected on the compensation paid during the Plan Year or on the first and second paychecks received by the Participant in the Plan Year following the Plan Year in which the compensation was earned, multiplied by (B) the difference between the "book rate of pay" as in effect immediately prior to the Effective Date and the "actual rate of pay" as in effect on the Effective Date for services performed during a Plan Year; plus"

5. Section 1(yy) (iii) is amended to read as follows effective July 12, 1994:

"the actual rate of pay (including the applicable overtime rates) for each hour, or fraction thereof, of lunch (or other meal) multiplied by the sum of (a) the number of days during which at least 3.5 hours are worked during a Plan Year, plus (b) the number of overtime shifts of at least two (2) hours worked during a Plan Year, plus (c) the number of overtime shifts of at least eight (8) hours which immediately precede or follow a regular full shift. Notwithstanding the foregoing, for any day worked prior to October 16, 1994, in lieu of the foregoing, the actual rate of pay shall be multiplied by one half hour for each day worked during the Plan Year."

6. Section 1(yy) of the Plan shall be amended by adding the following three paragraphs to the end thereof:

"If any hours of a Participant for compensation earned in a particular Plan Year are excluded from the calculation of the Wage Investment for that Plan Year pursuant to Section 1(yy) (i) (A) because compensation for such hours was not reflected in pay received during the Plan Year or the first or second paycheck of the following Plan Year, then such hours shall be counted towards the calculation of the Participant's Wage Investment in the Plan Year for which the Participant received payment for such hours. For purposes of the calculation of the Wage Investment for a particular Plan Year, the Company shall determine the extent to which compensation was earned in a particular Plan Year according to the Company's month-end time recording documents which

are timely received (according to Company policies and procedures), and if such month-end time recording documents are not timely received, according to the reasonable assumptions adopted by the Company.

"In clarification of the foregoing provisions of Section 1(yy) (i) (A), the Wage Investment for a member of the IAM Employee Group shall exclude (i) from the Effective Date through October 29, 1994, each period in which the temporary reclassification as a salaried, managerial or non-union employee of a member of the IAM Employee Group is evidenced by Form UG-100 placed in the personnel record of such member by the Employer, including an actual change in the job code, but excluding any periods during which a temporary reclassification occurs on a limited basis and is only evidenced by a payroll certification, and (ii) effective October 30, 1994, each hour or fraction thereof when such member is reclassified and is treated, for payroll and other purposes, as a salaried, managerial or non-union employee.

"Notwithstanding the foregoing provisions of this Section 1(yy), only hours reflecting compensation received on the first paycheck received in the next Plan Year shall count towards calculation of the Wage Investment for an earlier Plan Year if the base pay taken into account in such first paycheck solely relates to services performed in the Plan Year in which such paycheck was received. Notwithstanding anything to the contrary herein, no hours shall be counted towards calculation of a Participant's Wage Investment in more than one Plan Year."

7. Section 7.4(b), concerning deferred distributions, is amended by replacing the phrase "any date" with the phrase "the last day of any month."

IN WITNESS WHEREOF, the Company has caused this First Amendment to be executed on December 28, 1994.

UAL CORPORATION

By: /s/ Stuart I. Oran

Stuart I. Oran
Executive Vice President -
Corporate Affairs and
General Counsel

Approved by:

AIR LINE PILOTS ASSOCIATION,
INTERNATIONAL

INTERNATIONAL ASSOCIATION OF
MACHINISTS AND AEROSPACE WORKERS

/s/ Harlow B. Osteboe

/s/ Kenneth W. Thiede