

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended June 30, 2017

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_



Commission File Number	Exact Name of Registrant as Specified in its Charter, Principal Executive Office Address and Telephone Number	State of Incorporation	I.R.S. Employer Identification No.
001-06033	United Continental Holdings, Inc. 233 South Wacker Drive, Chicago, Illinois 60606 (872) 825-4000	Delaware	36-2675207
001-10323	United Airlines, Inc. 233 South Wacker Drive, Chicago, Illinois 60606 (872) 825-4000	Delaware	74-2099724

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.

United Continental Holdings, Inc. Yes  No   
United Airlines, Inc. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

United Continental Holdings, Inc. Yes  No   
United Airlines, Inc. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

United Continental Holdings, Inc. Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company   
United Airlines, Inc. Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

United Continental Holdings, Inc.   
United Airlines, Inc.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

United Continental Holdings, Inc. Yes  No   
United Airlines, Inc. Yes  No

The number of shares outstanding of each of the issuer's classes of common stock as of July 12, 2017 is shown below:

United Continental Holdings, Inc. 304,225,391 shares of common stock (\$0.01 par value)  
United Airlines, Inc. 1,000 (100% owned by United Continental Holdings, Inc.)  
There is no market for United Airlines, Inc. common stock.

**OMISSION OF CERTAIN INFORMATION**

This combined Quarterly Report on Form 10-Q is separately filed by United Continental Holdings, Inc. and United Airlines, Inc. United Airlines, Inc. meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format allowed under that General Instruction.

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United Airlines, Inc.  
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For the Quarter Ended June 30, 2017**

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## PART I. FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS.

**UNITED CONTINENTAL HOLDINGS, INC.**  
**STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)**  
(In millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Operating revenue:				
Passenger—Mainline	\$ 7,056	\$ 6,525	\$ 12,887	\$ 12,102
Passenger—Regional	1,566	1,578	2,909	2,991
Total passenger revenue	8,622	8,103	15,796	15,093
Cargo	254	208	474	402
Other operating revenue	1,124	1,085	2,150	2,096
Total operating revenue	10,000	9,396	18,420	17,591
Operating expense:				
Salaries and related costs	2,868	2,592	5,529	5,082
Aircraft fuel	1,669	1,437	3,229	2,655
Regional capacity purchase	549	551	1,085	1,073
Landing fees and other rent	541	541	1,085	1,066
Depreciation and amortization	536	491	1,054	970
Aircraft maintenance materials and outside repairs	472	448	926	850
Distribution expenses	362	339	669	642
Aircraft rent	152	175	331	353
Special charges (Note 10)	44	434	95	624
Other operating expenses	1,408	1,328	2,740	2,567
Total operating expenses	8,601	8,336	16,743	15,882
Operating income	1,399	1,060	1,677	1,709
Nonoperating income (expense):				
Interest expense	(158)	(157)	(308)	(316)
Interest capitalized	21	14	44	28
Interest income	13	9	24	17
Miscellaneous, net (Note 10)	(1)	5	(18)	(13)
Total nonoperating expense, net	(125)	(129)	(258)	(284)
Income before income taxes	1,274	931	1,419	1,425
Income tax expense	456	343	505	524
Net income	\$ 818	\$ 588	\$ 914	\$ 901
Earnings per share, basic	\$ 2.67	\$ 1.78	\$ 2.95	\$ 2.63
Earnings per share, diluted	\$ 2.66	\$ 1.78	\$ 2.94	\$ 2.63

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED CONTINENTAL HOLDINGS, INC.**  
**STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**  
**(In millions)**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net income	\$ 818	\$ 588	\$ 914	\$ 901
Other comprehensive income (loss), net change related to:				
Fuel derivative financial instruments, net of taxes	—	33	1	111
Employee benefit plans, net of taxes	4	10	(4)	(14)
Investments and other, net of taxes	(12)	—	(12)	—
Total other comprehensive income (loss), net	(8)	43	(15)	97
Total comprehensive income, net	<u>\$ 810</u>	<u>\$ 631</u>	<u>\$ 899</u>	<u>\$ 998</u>

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED CONTINENTAL HOLDINGS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In millions, except shares)

	(Unaudited) June 30, 2017	December 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,371	\$ 2,179
Short-term investments	2,278	2,249
Receivables, less allowance for doubtful accounts (2017 — \$11; 2016 — \$10)	1,499	1,176
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2017 — \$329; 2016 — \$295)	882	873
Prepaid expenses and other	1,218	832
Total current assets	8,248	7,309
Operating property and equipment:		
Owned—		
Flight equipment	28,397	25,873
Other property and equipment	6,103	5,652
Total owned property and equipment	34,500	31,525
Less — Accumulated depreciation and amortization	(10,894)	(9,975)
Total owned property and equipment, net	23,606	21,550
Purchase deposits for flight equipment	822	1,059
Capital leases—		
Flight equipment	1,124	1,319
Other property and equipment	343	331
Total capital leases	1,467	1,650
Less — Accumulated amortization	(878)	(941)
Total capital leases, net	589	709
Total operating property and equipment, net	25,017	23,318
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2017 — \$1,274; 2016 — \$1,234)	3,592	3,632
Deferred income taxes	127	655
Restricted cash	115	124
Other, net	685	579
Total other assets	9,042	9,513
<b>Total assets</b>	<b>\$ 42,307</b>	<b>\$ 40,140</b>

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**UNITED CONTINENTAL HOLDINGS, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(In millions, except shares)**

	<b>(Unaudited)</b>	
	<b>June 30, 2017</b>	<b>December 31, 2016</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Advance ticket sales	\$ 5,102	\$ 3,730
Accounts payable	2,225	2,139
Frequent flyer deferred revenue	2,069	2,135
Accrued salaries and benefits	1,812	2,307
Current maturities of long-term debt	1,436	849
Current maturities of capital leases	115	116
Other	837	1,010
Total current liabilities	<u>13,596</u>	<u>12,286</u>
Long-term debt	10,668	9,918
Long-term obligations under capital leases	944	822
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,799	2,748
Postretirement benefit liability	1,597	1,581
Pension liability	1,739	1,892
Advanced purchase of miles	214	430
Lease fair value adjustment, net	237	277
Other	1,659	1,527
Total other liabilities and deferred credits	<u>8,245</u>	<u>8,455</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock at par, \$0.01 par value; authorized 1,000,000,000 shares; outstanding 305,010,180 and 314,612,744 shares at June 30, 2017 and December 31, 2016, respectively	3	3
Additional capital invested	6,577	6,569
Retained earnings	4,354	3,427
Stock held in treasury, at cost	(1,236)	(511)
Accumulated other comprehensive loss	(844)	(829)
Total stockholders' equity	<u>8,854</u>	<u>8,659</u>
Total liabilities and stockholders' equity	<u>\$ 42,307</u>	<u>\$ 40,140</u>

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED CONTINENTAL HOLDINGS, INC.**  
**CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)**  
(In millions)

	<b>Six Months Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash Flows from Operating Activities:</b>		
Net cash provided by operating activities	\$ 2,108	\$ 3,746
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(1,780)	(1,654)
Purchases of short-term and other investments	(1,587)	(1,273)
Proceeds from sale of short-term and other investments	1,561	1,264
Proceeds from sale of property and equipment	5	19
Investment in and loans to affiliates	—	(8)
Other	123	(6)
Net cash used in investing activities	(1,678)	(1,658)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of long-term debt	1,139	75
Repurchases of common stock	(712)	(2,182)
Payments of long-term debt	(525)	(453)
Principal payments under capital leases	(59)	(66)
Other, net	(75)	(24)
Net cash used in financing activities	(232)	(2,650)
Net increase (decrease) in cash, cash equivalents and restricted cash	198	(562)
Cash, cash equivalents and restricted cash at beginning of the period	2,303	3,212
Cash, cash equivalents and restricted cash at end of the period (a)	<u>\$ 2,501</u>	<u>\$ 2,650</u>
<b>Investing and Financing Activities Not Affecting Cash:</b>		
Property and equipment acquired through the issuance of debt and capital leases	\$ 907	\$ 59
Airport construction financing	32	35
Operating lease conversions to capital lease	—	7

(a) The following table provides a reconciliation of cash, cash equivalents and restricted cash to amounts reported within the consolidated balance sheet:

<b>Reconciliation of cash, cash equivalents and restricted cash:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,371	\$ 2,483
Restricted cash included in Prepaid expenses and other	15	43
<b>Other assets:</b>		
Restricted cash	115	124
Total cash, cash equivalents and restricted cash	<u>\$ 2,501</u>	<u>\$ 2,650</u>

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED AIRLINES, INC.**  
**STATEMENTS OF CONSOLIDATED OPERATIONS (UNAUDITED)**  
(In millions)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>Operating revenue:</b>				
Passenger—Mainline	\$ 7,056	\$ 6,525	\$ 12,887	\$ 12,102
Passenger—Regional	1,566	1,578	2,909	2,991
Total passenger revenue	8,622	8,103	15,796	15,093
Cargo	254	208	474	402
Other operating revenue	1,124	1,085	2,150	2,096
Total operating revenue	10,000	9,396	18,420	17,591
<b>Operating expense:</b>				
Salaries and related costs	2,868	2,592	5,529	5,082
Aircraft fuel	1,669	1,437	3,229	2,655
Regional capacity purchase	549	551	1,085	1,073
Landing fees and other rent	541	541	1,085	1,066
Depreciation and amortization	536	491	1,054	970
Aircraft maintenance materials and outside repairs	472	448	926	850
Distribution expenses	362	339	669	642
Aircraft rent	152	175	331	353
Special charges (Note 10)	44	434	95	624
Other operating expenses	1,407	1,328	2,739	2,566
Total operating expense	8,600	8,336	16,742	15,881
Operating income	1,400	1,060	1,678	1,710
<b>Nonoperating income (expense):</b>				
Interest expense	(158)	(157)	(308)	(316)
Interest capitalized	21	14	44	28
Interest income	13	9	24	17
Miscellaneous, net (Note 10)	(2)	5	(18)	(13)
Total nonoperating expense, net	(126)	(129)	(258)	(284)
Income before income taxes	1,274	931	1,420	1,426
Income tax expense	456	343	505	524
Net income	\$ 818	\$ 588	\$ 915	\$ 902

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED AIRLINES, INC.**  
**STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (LOSS) (UNAUDITED)**  
**(In millions)**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net income	\$ 818	\$ 588	\$ 915	\$ 902
Other comprehensive income (loss), net change related to:				
Fuel derivative financial instruments, net of taxes	—	33	1	111
Employee benefit plans, net of taxes	4	10	(4)	(14)
Investments and other, net of taxes	(12)	—	(12)	—
Total other comprehensive income (loss), net	(8)	43	(15)	97
Total comprehensive income, net	<u>\$ 810</u>	<u>\$ 631</u>	<u>\$ 900</u>	<u>\$ 999</u>

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED AIRLINES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(In millions, except shares)**

	(Unaudited) June 30, 2017	December 31, 2016
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,365	\$ 2,173
Short-term investments	2,278	2,249
Receivables, less allowance for doubtful accounts (2017—\$11; 2016—\$10)	1,499	1,176
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2017—\$329; 2016—\$295)	882	873
Prepaid expenses and other	1,219	832
Total current assets	8,243	7,303
Operating property and equipment:		
Owned—		
Flight equipment	28,397	25,873
Other property and equipment	6,103	5,652
Total owned property and equipment	34,500	31,525
Less—Accumulated depreciation and amortization	(10,894)	(9,975)
Total owned property and equipment, net	23,606	21,550
Purchase deposits for flight equipment	822	1,059
Capital leases—		
Flight equipment	1,124	1,319
Other property and equipment	343	331
Total capital leases	1,467	1,650
Less—Accumulated amortization	(878)	(941)
Total capital leases, net	589	709
Total operating property and equipment, net	25,017	23,318
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2017—\$1,274; 2016—\$1,234)	3,592	3,632
Deferred income taxes	83	612
Restricted cash	115	124
Other, net	685	579
Total other assets	8,998	9,470
Total assets	\$ 42,258	\$ 40,091

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**UNITED AIRLINES, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**(In millions, except shares)**

	<b>(Unaudited)</b>	
	<b>June 30, 2017</b>	<b>December 31, 2016</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Advance ticket sales	\$ 5,102	\$ 3,730
Accounts payable	2,230	2,144
Frequent flyer deferred revenue	2,069	2,135
Accrued salaries and benefits	1,812	2,307
Current maturities of long-term debt	1,436	849
Current maturities of capital leases	115	116
Other	838	1,009
Total current liabilities	<u>13,602</u>	<u>12,290</u>
Long-term debt	10,668	9,918
Long-term obligations under capital leases	944	822
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,799	2,748
Postretirement benefit liability	1,597	1,581
Pension liability	1,739	1,892
Advanced purchase of miles	214	430
Lease fair value adjustment, net	237	277
Other	1,659	1,527
Total other liabilities and deferred credits	<u>8,245</u>	<u>8,455</u>
Commitments and contingencies		
Stockholder's equity:		
Common stock at par, \$0.01 par value; authorized 1,000 shares; issued and outstanding 1,000 shares at both June 30, 2017 and December 31, 2016	—	—
Additional capital invested	2,866	3,573
Retained earnings	6,866	5,937
Accumulated other comprehensive loss	(844)	(829)
Receivable from related parties	(89)	(75)
Total stockholder's equity	<u>8,799</u>	<u>8,606</u>
Total liabilities and stockholder's equity	<u>\$ 42,258</u>	<u>\$ 40,091</u>

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED AIRLINES, INC.**  
**CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)**  
(In millions)

	<b>Six Months Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash Flows from Operating Activities:</b>		
Net cash provided by operating activities	\$ 2,095	\$ 3,740
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(1,780)	(1,654)
Purchases of short-term investments and other investments	(1,587)	(1,273)
Proceeds from sale of short-term and other investments	1,561	1,264
Proceeds from sale of property and equipment	5	19
Investment in and loans to affiliates	—	(8)
Other	123	(6)
Net cash used in investing activities	(1,678)	(1,658)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from issuance of long-term debt	1,139	75
Dividend to UAL	(712)	(2,182)
Payments of long-term debt	(525)	(453)
Principal payments under capital leases	(59)	(66)
Other, net	(62)	(18)
Net cash used in financing activities	(219)	(2,644)
Net increase (decrease) in cash, cash equivalents and restricted cash	198	(562)
Cash, cash equivalents and restricted cash at beginning of the period	2,297	3,206
Cash, cash equivalents and restricted cash at end of the period (a)	<u>\$ 2,495</u>	<u>\$ 2,644</u>
<b>Investing and Financing Activities Not Affecting Cash:</b>		
Property and equipment acquired through the issuance of debt and capital leases	\$ 907	\$ 59
Airport construction financing	32	35
Operating lease conversions to capital lease	—	7

(a) The following table provides a reconciliation of cash, cash equivalents and restricted cash to amounts reported within the consolidated balance sheet:

<b>Reconciliation of cash, cash equivalents and restricted cash:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,365	\$ 2,477
Restricted cash included in Prepaid expenses and other	15	43
<b>Other assets:</b>		
Restricted cash	115	124
Total cash, cash equivalents and restricted cash	<u>\$ 2,495</u>	<u>\$ 2,644</u>

The accompanying Combined Notes to Condensed Consolidated Financial Statements are an integral part of these statements.

**UNITED CONTINENTAL HOLDINGS, INC. AND UNITED AIRLINES, INC.**  
**COMBINED NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

United Continental Holdings, Inc. (together with its consolidated subsidiaries, “UAL” or the “Company”) is a holding company and its principal, wholly-owned subsidiary is United Airlines, Inc. (together with its consolidated subsidiaries, “United”). This Quarterly Report on Form 10-Q is a combined report of UAL and United, including their respective consolidated financial statements. As UAL consolidates United for financial statement purposes, disclosures that relate to activities of United also apply to UAL, unless otherwise noted. United’s operating revenues and operating expenses comprise nearly 100% of UAL’s revenues and operating expenses. In addition, United comprises approximately the entire balance of UAL’s assets, liabilities and operating cash flows. When appropriate, UAL and United are named specifically for their individual contractual obligations and related disclosures and any significant differences between the operations and results of UAL and United are separately disclosed and explained. We sometimes use the words “we,” “our,” “us,” and the “Company” in this report for disclosures that relate to all of UAL and United.

The UAL and United unaudited condensed consolidated financial statements shown here have been prepared as required by the U.S. Securities and Exchange Commission (the “SEC”). Some information and footnote disclosures normally included in financial statements that comply with accounting principles generally accepted in the United States (“GAAP”) have been condensed or omitted as permitted by the SEC. The financial statements include all adjustments, including normal recurring adjustments and other adjustments, which are considered necessary for a fair presentation of the Company’s financial position and results of operations. The UAL and United financial statements should be read together with the information included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016. The Company’s quarterly financial data is subject to seasonal fluctuations and historically its second and third quarter financial results, which reflect higher travel demand, are better than its first and fourth quarter financial results.

**NOTE 1 - RECENTLY ISSUED ACCOUNTING STANDARDS**

The Financial Accounting Standards Board (“FASB”) amended the FASB Accounting Standards Codification and created a new Topic 606, *Revenue from Contracts with Customers*. This amendment prescribes that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendment supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance throughout the Industry Topics of the Accounting Standards Codification. The Company will use the full-retrospective approach in adopting this standard on January 1, 2018. We have reached conclusions on the applicability of the standard on accounting for contracts with customers. The standard impacts the classification of certain revenue streams and affects the timing of revenue recognition for others. The most significant impact is the classification of certain passenger ancillary fees from other operating revenue into passenger revenue on the statement of consolidated operations. These ancillary fees are directly related to passenger travel, such as airline change fees and baggage fees, and will no longer be considered distinct performance obligations separate from the passenger travel component. In addition, the ticket change fees which were previously recognized when received will be recognized when transportation is provided. While the classification of certain transactions within revenues and between revenues and operating expenses will change, the Company believes that the adoption of the standard will not have a material impact on its earnings.

In February 2016, the FASB amended the FASB Accounting Standards Codification and created a new Topic 842, *Leases* (“Topic 842”). The guidance requires lessees to recognize a right-of-use asset and a lease liability for all leases (with the exception of short-term leases) at the commencement date and recognize expenses on their income statements similar to the current Topic 840, *Leases*. It is effective for fiscal years and interim periods beginning after December 15, 2018, and early adoption is permitted. Lessees and lessors are required to adopt Topic 842 using a modified retrospective approach for all leases existing at or commencing after the date of initial application with an option to use certain practical expedients. The Company is evaluating the impact the adoption of this standard will have on its consolidated financial statements and believes this standard will have a significant impact on its consolidated balance sheets but is not expected to have a material impact on the Company’s results of operations or cash flows. The primary effect of adopting the new standard will be to record assets and obligations for current operating leases on the Company’s balance sheets.

In January 2016, the FASB issued Accounting Standards Update No. 2016-01, *Financial Instruments—Overall* (Subtopic 825-10) (“ASU 2016-01”). This standard makes several changes, including the elimination of the available-for-sale classification of equity investments, and requires equity investments with readily determinable fair values to be measured at fair value with changes in fair value recognized in net income. It is effective for interim and annual periods beginning after December 15, 2017. Based on its portfolio of investments as of June 30, 2017, the Company does not expect the adoption of ASU 2016-01 to have a material impact on its consolidated financial statements.

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In March 2017, the FASB issued Accounting Standards Update No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost* (“ASU 2017-07”). The update requires employers to present the service cost component of the net periodic benefit cost in the same income statement line item as other employee compensation costs arising from services rendered during the period. The other components of net benefit cost, including interest cost, expected return on plan assets, amortization of prior service cost/credit and actuarial gain/loss, and settlement and curtailment effects, are to be presented outside of any subtotal of operating income. Employers will have to disclose the line(s) used to present the other components of net periodic benefit cost, if the components are not presented separately in the income statement. ASU 2017-07 is effective for fiscal years and interim periods beginning after December 15, 2017, and early adoption is permitted. The Company does not expect the adoption of ASU 2017-07 to have a material impact on its consolidated financial statements.

### NOTE 2 - EARNINGS PER SHARE

The computations of UAL’s basic and diluted earnings per share are set forth below (in millions, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Earnings available to common stockholders	\$ 818	\$ 588	\$ 914	\$ 901
Basic weighted-average shares outstanding	306.9	330.5	310.3	342.4
Effect of employee stock awards	0.8	0.3	0.8	0.3
Diluted weighted-average shares outstanding	307.7	330.8	311.1	342.7
Earnings per share, basic	\$ 2.67	\$ 1.78	\$ 2.95	\$ 2.63
Earnings per share, diluted	\$ 2.66	\$ 1.78	\$ 2.94	\$ 2.63

The number of antidilutive securities excluded from the computation of diluted earnings per share amounts was not material.

In the three and six months ended June 30, 2017, UAL repurchased approximately 6 million and 10 million shares of UAL common stock in open market transactions, respectively, for \$0.4 billion and \$0.7 billion, respectively. As of June 30, 2017, the Company had approximately \$1.1 billion remaining to purchase shares under its existing share repurchase authority. UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws. UAL will repurchase shares of UAL common stock subject to prevailing market conditions, and may discontinue such repurchases at any time. See Part II, Item 2., “Unregistered Sales of Equity Securities and Use of Proceeds” of this report for additional information.

**NOTE 3 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)**

The tables below present the components of the Company's accumulated other comprehensive income (loss), net of tax ("AOCI") (in millions):

UAL	Deferred Taxes							Total
	Pension and Other Postretirement Liabilities	Fuel Derivative Contracts	Investments and Other	Pension and Other Postretirement Liabilities	Fuel Derivative Contracts	Investments and Other		
Balance at March 31, 2017	\$ (867)	\$ —	\$ 1	\$ 29	\$ —	\$ 1	\$ (836)	
Changes in value	(7)	—	(17)	2	—	6	(16)	
Amounts reclassified to earnings	14	—	—	(5)	—	(1)	8	
Net change	7	—	(17)	(3)	—	5	(8)	
Balance at June 30, 2017	\$ (860)	\$ —	\$ (16)	\$ 26	\$ —	\$ 6	\$ (844)	
Balance at December 31, 2016	\$ (854)	\$ (2)	\$ 1	\$ 24	\$ 1	\$ 1	\$ (829)	
Changes in value	(33)	—	(17)	12	—	6	(32)	
Amounts reclassified to earnings	27	2	—	(10)	(1)	(1)	17	
Net change	(6)	2	(17)	2	(1)	5	(15)	
Balance at June 30, 2017	\$ (860)	\$ —	\$ (16)	\$ 26	\$ —	\$ 6	\$ (844)	

UAL	Deferred Taxes							Total
	Pension and Other Postretirement Liabilities	Fuel Derivative Contracts	Investments and Other	Pension and Other Postretirement Liabilities	Fuel Derivative Contracts	Investments and Other		
Balance at March 31, 2016	\$ (401)	\$ (93)	\$ 3	\$ (140)	\$ (146)	\$ —	\$ (777)	
Changes in value	10	17	—	(4)	(6)	—	17	
Amounts reclassified to earnings	6	35	—	(2)	(13)	—	26	
Net change	16	52	—	(6)	(19)	—	43	
Balance at June 30, 2016	\$ (385)	\$ (41)	\$ 3	\$ (146)	\$ (165)	\$ —	\$ (734)	
Balance at December 31, 2015	\$ (363)	\$ (215)	\$ 3	\$ (154)	\$ (102)	\$ —	\$ (831)	
Changes in value	(33)	1	—	12	—	—	(20)	
Amounts reclassified to earnings	11	173	—	(4)	(63)	—	117	
Net change	(22)	174	—	8	(63)	—	97	
Balance at June 30, 2016	\$ (385)	\$ (41)	\$ 3	\$ (146)	\$ (165)	\$ —	\$ (734)	

Details about AOCI Components	Amount Reclassified from AOCI to Income				Affected Line Item in the Statements of Consolidated Operations
	Three Months Ended June 30,		Six Months Ended June 30,		
	2017	2016	2017	2016	
Pension and other postretirement liabilities					
Amortization of unrecognized losses and prior service cost (a)	\$ 14	\$ 6	\$ 27	\$ 11	Salaries and related costs
Fuel derivative contracts					
Reclassifications of losses into earnings	—	35	2	173	Aircraft fuel

(a) This AOCI component is included in the computation of net periodic pension and other postretirement costs (see Note 5 of this report for additional information).

**NOTE 4 - INCOME TAXES**

The Company's effective tax rate for the three and six months ended June 30, 2017 was 35.8% and 35.6%, respectively, and the effective tax rate for the three and six months ended June 30, 2016 was 36.9% and 36.8%, respectively. The effective tax rates represented a blend of federal, state and foreign taxes and included the impact of certain nondeductible items. The effective tax rate for the three and six months ended June 30, 2017 reflects the impact of a change in the mix of domestic and foreign earnings and the impact of discrete events including the recognition of excess tax benefits related to employee stock compensation as a result of the adoption of Accounting Standards Update No. 2016-09, Improvements to Employee Share-Based Payment Accounting ("ASU 2016-09"). ASU 2016-09 requires excess tax benefits and tax deficiencies, which arise due to differences between the measure of compensation expense and the amount deductible for tax purposes, to be recorded directly through earnings as a component of income tax expense.

**NOTE 5 - EMPLOYEE BENEFIT PLANS**

**Defined Benefit Pension and Other Postretirement Benefit Plans.** The Company's net periodic benefit cost includes the following components (in millions):

	Pension Benefits		Other Postretirement Benefits	
	Three Months Ended		Three Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Service cost	\$ 49	\$ 27	\$ 4	\$ 6
Interest cost	55	50	17	22
Expected return on plan assets	(61)	(54)	(1)	(1)
Amortization of unrecognized (gain) loss and prior service cost (credit)	32	20	(18)	(14)
Settlement loss	1	1	—	—
Total	\$ 76	\$ 44	\$ 2	\$ 13

  

	Pension Benefits		Other Postretirement Benefits	
	Six Months Ended		Six Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Service cost	\$ 98	\$ 55	\$ 6	\$ 10
Interest cost	110	101	34	44
Expected return on plan assets	(121)	(108)	(1)	(1)
Amortization of unrecognized (gain) loss and prior service cost (credit)	63	38	(36)	(27)
Settlement loss	2	2	—	—
Total	\$ 152	\$ 88	\$ 3	\$ 26

During the three and six months ended June 30, 2017, the Company contributed \$160 million and \$240 million, respectively, to its U.S. domestic tax-qualified defined benefit pension plans.

**Share-Based Compensation.** During the first six months of 2017, UAL's Board of Directors and stockholders approved the United Continental Holdings, Inc. 2017 Incentive Compensation Plan (the "2017 Plan"). The 2017 Plan is an incentive compensation plan that allows the Company to use different forms of long-term equity incentives to attract, retain, and reward officers and employees (including prospective officers and employees). The 2017 Plan replaced the United Continental Holdings, Inc. 2008 Incentive Compensation Plan (the "2008 Plan"). Any awards granted under the 2008 Plan prior to the approval of the 2017 Plan remain in effect pursuant to their terms. Awards may not be granted under the 2017 Plan after May 24, 2027. Under the 2017 Plan, the Company may grant: non-qualified stock options, incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986), stock appreciation rights, restricted shares, restricted share units ("RSUs"), performance compensation awards, performance units, cash incentive awards, other equity-based and equity-related awards, and dividends and dividend equivalents.

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In the six months ended June 30, 2017, UAL granted share-based compensation awards pursuant to both the 2008 Plan and the 2017 Plan. These share-based compensation awards include 1.5 million RSUs, consisting of 0.9 million time-vested RSUs and 0.6 million performance-based RSUs, and approximately 36 thousand stock options. The time-vested RSUs vest pro-rata, on February 28th of each year, over a three year period from the date of grant. These RSUs are generally equity awards settled in stock for domestic employees and liability awards settled in cash for international employees. The cash payments are based on the 20-day average closing price of UAL common stock immediately prior to the vesting date. The performance-based RSUs vest based on the Company's relative improvement in pre-tax margin for the three years ending December 31, 2019. If this performance condition is achieved, cash payments will be made after the end of the performance period based on the 20-day average closing price of UAL common stock immediately prior to the vesting date. The Company accounts for the performance-based RSUs as liability awards.

The table below presents information related to share-based compensation (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Share-based compensation expense	\$ 33	\$ 3	\$ 56	\$ 13
	<u>June 30, 2017</u>	<u>December 31, 2016</u>		
Unrecognized share-based compensation	\$ 123	\$ 65		

**Profit Sharing Plans.** Substantially all employees participate in profit sharing based on a percentage of pre-tax earnings, excluding special charges, profit sharing expense and share-based compensation. Profit sharing percentages range from 5% to 20% depending on the work group, and in some cases profit sharing percentages vary above and below certain pre-tax margin thresholds. Eligible U.S. co-workers in each participating work group receive a profit sharing payout using a formula based on the ratio of each qualified co-worker's annual eligible earnings to the eligible earnings of all qualified co-workers in all domestic work groups. Eligible non-U.S. co-workers receive profit sharing based on the calculation under the U.S. profit sharing plan for management and administrative employees. Profit sharing expense is recorded as a component of Salaries and related costs in the Company's statements of consolidated operations.

## NOTE 6 - FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The table below presents disclosures about the financial assets and liabilities measured at fair value on a recurring basis in UAL's financial statements (in millions):

	June 30, 2017				December 31, 2016			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 2,371	\$ 2,371	\$ —	\$ —	\$ 2,179	\$ 2,179	\$ —	\$ —
Short-term investments:								
Corporate debt	826	—	826	—	835	—	835	—
Asset-backed securities	898	—	898	—	792	—	792	—
Certificates of deposit placed through an account registry service ("CDARS")	151	—	151	—	246	—	246	—
U.S. government and agency notes	101	—	101	—	140	—	140	—
Other fixed-income securities	119	—	119	—	54	—	54	—
Other investments measured at NAV	183	—	—	—	182	—	—	—
Restricted cash	130	130	—	—	124	124	—	—
Long-term investments:								
Equity securities	88	88	—	—	—	—	—	—
Enhanced equipment trust certificates ("EETC")	22	—	—	22	23	—	—	23

**Available-for-sale investment maturities** - The short-term investments shown in the table above are classified as available-for-sale. As of June 30, 2017, asset-backed securities have remaining maturities of less than one year to approximately 17 years, corporate debt securities have remaining maturities of less than one year to approximately three years and CDARS have maturities of less than one year. U.S. government and other securities have maturities of less than one year to approximately three years. The EETC securities mature in 2019.

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**Restricted cash** - Restricted cash primarily includes collateral for letters of credit and collateral associated with workers' compensation obligations.

**Equity securities** - Equity securities represent United's investment in Azul Linhas Aereas Brasileiras S.A. ("Azul"), which was previously accounted for as a cost-method investment and is now accounted for as an available-for-sale investment. The fair value of Azul's shares became readily determinable in the second quarter of 2017 upon its initial public offering.

Investments presented in the table above have the same fair value as their carrying value. The table below presents the carrying values and estimated fair values of financial instruments not presented in the tables above (in millions):

	Fair Value of Debt by Fair Value Hierarchy Level									
	Carrying Amount	June 30, 2017				Carrying Amount	December 31, 2016			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Long-term debt	\$ 12,104	\$ 12,606	\$ —	\$ 9,178	\$ 3,428	\$ 10,767	\$ 11,055	\$ —	\$ 8,184	\$ 2,871

Fair value of the financial instruments included in the tables above was determined as follows:

Description	Fair Value Methodology
<i>Cash and cash equivalents</i>	The carrying amounts approximate fair value because of the short-term maturity of these assets.
<i>Short-term investments, Equity securities, EETC and Restricted cash</i>	Fair value is based on (a) the trading prices of the investment or similar instruments, (b) an income approach, which uses valuation techniques to convert future amounts into a single present amount based on current market expectations about those future amounts when observable trading prices are not available, or (c) broker quotes obtained by third-party valuation services.
<i>Long-term debt</i>	Fair values were based on either market prices or the discounted amount of future cash flows using our current incremental rate of borrowing for similar liabilities.
<i>Other investments measured at NAV</i>	In accordance with the relevant accounting standards, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. The investments measured using NAV are shares of mutual funds that invest in fixed-income instruments including bonds, debt securities, and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The Company can redeem its shares at any time at NAV subject to a three-day settlement period.

**NOTE 7 - HEDGING ACTIVITIES**

**Fuel Derivatives**

As of June 30, 2017, the Company did not have any fuel hedging contracts outstanding to hedge its fuel consumption. The last of the Company's fuel hedge derivatives designated for cash flow hedge accounting expired in December 2016. The Company's current strategy is to not enter into transactions to hedge its fuel consumption, although the Company regularly reviews its strategy based on market conditions and other factors.

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The following table presents the impact of derivative instruments and their location within the Company's unaudited statements of consolidated operations (in millions):

**Derivatives designated as cash flow hedges**

	Amount of Gain Recognized in AOCI on Derivatives (Effective Portion)		Loss Reclassified from AOCI into Fuel Expense	
	Three Months Ended June 30,		Three Months Ended June 30,	
	2017	2016	2017	2016
Fuel contracts	\$ —	\$ 17	\$ —	\$ (35)

	Amount of Gain Recognized in AOCI on Derivatives (Effective Portion)		Loss Reclassified from AOCI into Fuel Expense (a)	
	Six Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Fuel contracts	\$ —	\$ 1	\$ (2)	\$ (173)

(a) The 2017 loss reclassified from AOCI into fuel expense represents hedge losses on December 2016 settled trades, but for which the associated fuel purchased in December was not consumed until January 2017.

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**Commitments.** As of June 30, 2017, United had firm commitments and options to purchase aircraft from The Boeing Company ("Boeing"), Airbus S.A.S. ("Airbus"), and Embraer S.A. ("Embraer") presented in the table below:

Aircraft Type	Number of Firm Commitments (a)
Airbus A350	35
Boeing 737NG/737 MAX	165
Boeing 777-300ER	4
Boeing 787	19
Embraer E175	14

(a) United also has options and purchase rights for additional aircraft.

The aircraft listed in the table above are scheduled for delivery through 2027. To the extent the Company and the aircraft manufacturers with whom the Company has existing orders for new aircraft agree to modify the contracts governing those orders, the amount and timing of the Company's future capital commitments could change. For the remainder of 2017, United expects to take delivery of four Boeing 737NG aircraft, one Boeing 787-9 aircraft, and 14 Embraer E175 aircraft. Additionally, the Company also currently expects to take delivery of four used Airbus A319s for the remainder of 2017.

In June 2017, the Company announced it will take delivery of four additional Boeing 777-300ER aircraft in 2018. The Company also converted 100 of its current Boeing 737 MAX orders into Boeing 737 MAX 10 aircraft and expects to take delivery of the aircraft starting in late 2020. All these aircraft are reflected in the table above.

The table below summarizes United's commitments as of June 30, 2017, which primarily relate to the acquisition of aircraft and related spare engines, aircraft improvements and include other capital purchase commitments. Any new firm aircraft orders, including through the exercise of purchase options and purchase rights, will increase the total future capital commitments of the Company.

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	(in billions)
Last six months of 2017	\$ 2.1
2018	2.9
2019	3.6
2020	2.9
2021	2.3
After 2021	8.2
	<u>\$ 22.0</u>

As of June 30, 2017, United had \$278 million in financing available through a previously issued EETC transaction that it intends to use for the financing of certain aircraft delivered in the first half of 2017. Additionally United secured individual bank financing for eight Embraer E175 aircraft to be delivered in the second half of 2017. See Note 9 of this report for additional information on aircraft financing. The Company has also secured backstop financing commitments from certain of its aircraft manufacturers for a limited number of its future aircraft deliveries, subject to certain customary conditions. Financing may be necessary to satisfy the Company's capital commitments for its firm order aircraft and other related capital expenditures.

**Regional CPAs.** In February 2017, United entered into a five-year capacity purchase agreement ("CPA") with Air Wisconsin Airlines for regional service under the United Express brand commencing no later than February 2018. Air Wisconsin will operate no less than 50 and up to 65 CRJ 200s.

The table below summarizes the Company's future payments through the end of the terms of our CPAs, excluding variable pass-through costs such as fuel and landing fees, among others.

	(in billions)
Last six months of 2017	\$ 0.9
2018	2.0
2019	1.5
2020	1.2
2021	1.1
After 2021	4.2
	<u>\$ 10.9</u>

**Guarantees.** As of June 30, 2017, United is the guarantor of approximately \$1.9 billion in aggregate principal amount of tax-exempt special facilities revenue bonds and interest thereon. These bonds, issued by various airport municipalities, are payable solely from rentals paid under long-term agreements with the respective governing bodies. The leasing arrangements associated with \$1.4 billion of these obligations are accounted for as operating leases with the associated expense recorded on a straight-line basis resulting in ratable accrual of the lease obligation over the expected lease term. The leasing arrangements associated with approximately \$432 million of these obligations are accounted for as capital leases. All of these bonds are due between 2017 and 2038.

In the Company's financing transactions that include loans, the Company typically agrees to reimburse lenders for any reduced returns with respect to the loans due to any change in capital requirements and, in the case of loans in which the interest rate is based on the London Interbank Offered Rate ("LIBOR"), for certain other increased costs that the lenders incur in carrying these loans as a result of any change in law, subject, in most cases, to obligations of the lenders to take certain limited steps to mitigate the requirement for, or the amount of, such increased costs. At June 30, 2017, the Company had \$3.1 billion of floating rate debt and \$75 million of fixed rate debt, with remaining terms of up to 11 years, that are subject to these increased cost provisions. In several financing transactions involving loans or leases from non-U.S. entities, with remaining terms of up to 11 years and an aggregate balance of \$3.1 billion, the Company bears the risk of any change in tax laws that would subject loan or lease payments thereunder to non-U.S. entities to withholding taxes, subject to customary exclusions.

As of June 30, 2017, United is the guarantor of \$163 million of aircraft mortgage debt issued by one of United's regional carriers. The aircraft mortgage debt is subject to similar increased cost provisions as described above for the Company's debt and the Company would potentially be responsible for those costs under the guarantees.

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**Labor Negotiations.** As of June 30, 2017, United had approximately 90,600 active employees, of whom approximately 80% were represented by various U.S. labor organizations.

### **NOTE 9 - DEBT**

As of June 30, 2017, a substantial portion of the Company's assets, principally aircraft, route authorities, airport slots and loyalty program intangible assets, was pledged under various loan and other agreements. As of June 30, 2017, UAL and United were in compliance with their debt covenants.

**2017 Credit and Guaranty Agreement.** On March 29, 2017, United and UAL, as borrower and guarantor, respectively, entered into an Amended and Restated Credit and Guaranty Agreement (the "2017 Credit Agreement"). The 2017 Credit Agreement consists of a \$1.5 billion term loan due April 1, 2024, which (i) was used to retire the entire principal balance of the term loans under the credit and guaranty agreement, dated March 27, 2013 (as amended, the "2013 Credit Agreement"), and (ii) increased the term loan balance by approximately \$440 million, and a \$2.0 billion revolving credit facility available for drawing until April 1, 2022, which increased the available capacity under the revolving credit facility of the 2013 Credit Agreement. As of June 30, 2017, United had its entire capacity of \$2.0 billion available under the revolving credit facility. The obligations of United under the 2017 Credit Agreement are secured by liens on certain international route authorities, certain take-off and landing rights and related assets of United.

Borrowings under the 2017 Credit Agreement bear interest at a variable rate equal to LIBOR, subject to a 0% floor, plus a margin of 2.25% per annum, or another rate based on certain market interest rates, plus a margin of 1.25% per annum. The principal amount of the term loan must be repaid in consecutive quarterly installments of 0.25% of the original principal amount thereof, commencing on June 30, 2017, with any unpaid balance due on April 1, 2024. United may prepay all or a portion of the loan from time to time, at par plus accrued and unpaid interest. United pays a commitment fee equal to 0.75% per annum on the undrawn amount available under the revolving credit facility.

The 2017 Credit Agreement includes covenants that, among other things, require the Company to maintain at least \$2.0 billion of unrestricted liquidity and a minimum ratio of appraised value of collateral to the outstanding obligations under the Credit Agreement of 1.60 to 1.0. The 2017 Credit Agreement contains events of default customary for this type of financing, including a cross default and cross acceleration provision to certain other material indebtedness of the Company. Under the provisions of the 2017 Credit Agreement, UAL's ability to make investments and to pay dividends on, or repurchase, UAL's common stock is restricted.

**EETCs.** In September 2016 and June 2016, United created EETC pass-through trusts, each of which issued pass-through certificates. The proceeds of the issuance of the pass-through certificates are used to purchase equipment notes issued by United and secured by its aircraft. The Company records the debt obligation upon issuance of the equipment notes rather than upon the initial issuance of the pass-through certificates. The pass-through certificates represent fractional undivided interests in the respective pass-through trusts and are not obligations of United. The payment obligations under the equipment notes are those of United. Proceeds received from the sale of pass-through certificates are initially held by a depository in escrow for the benefit of the certificate holders until United issues equipment notes to the trust, which purchases such notes with a portion of the escrowed funds. These escrowed funds are not guaranteed by United and are not reported as debt on our consolidated balance sheet because the proceeds held by the depository are not United's assets. Certain details of the pass-through trusts with proceeds received from issuance of debt in 2017 are as follows (in millions, except stated interest rate):

<u>EETC Date</u>	<u>Class</u>	<u>Principal</u>	<u>Final expected distribution date</u>	<u>Stated interest rate</u>	<u>Total debt recorded as of June 30, 2017</u>	<u>Proceeds received from issuance of debt during 2017</u>	<u>Remaining proceeds from issuance of debt to be received in future periods</u>
September 2016	AA	\$ 637	October 2028	2.875%	\$ 445	\$ 364	\$ 192
September 2016	A	283	October 2028	3.10%	197	162	86
June 2016	AA	729	July 2028	3.10%	729	319	—
June 2016	A	324	July 2028	3.45%	324	142	—
		<u>\$ 1,973</u>			<u>\$ 1,695</u>	<u>\$ 987</u>	<u>\$ 278</u>

**Secured Notes Payable.** In the first six months of 2017, United borrowed approximately \$167 million aggregate principal amount from various financial institutions to finance the purchase of several aircraft delivered in 2017. The notes evidencing these borrowings, which are secured by the related aircraft, mature in 2027 and each has an interest rate comprised of LIBOR plus a specified margin.

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**5% Senior Notes due 2024.** In January 2017, United issued \$300 million aggregate principal amount of 5% Senior Notes due February 1, 2024 (the “5% Senior Notes due 2024”). These notes are fully and unconditionally guaranteed and recorded by United on its balance sheet as debt. The indenture for the 5% Senior Notes due 2024 requires UAL to offer to repurchase the notes for cash at a purchase price equal to 101% of the principal amount of notes repurchased plus accrued and unpaid interest if certain changes of control of UAL occur.

The table below presents the Company’s contractual principal payments (not including debt discount or debt issuance costs) at June 30, 2017 under then-outstanding long-term debt agreements (in millions):

Last six months of 2017	\$	333
2018		1,495
2019		1,082
2020		1,086
2021		1,071
After 2021		7,199
	<u>\$</u>	<u>12,266</u>

### NOTE 10 - SPECIAL CHARGES

For the three and six months ended June 30, special charges consisted of the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
<b>Operating:</b>				
Severance and benefit costs	\$ 41	\$ 6	\$ 78	\$ 14
Impairment of assets	—	412	—	412
Labor agreement costs	—	10	—	110
Cleveland airport lease restructuring	—	—	—	74
(Gains) losses on sale of assets and other special charges	3	6	17	14
Special charges	44	434	95	624
<b>Nonoperating:</b>				
Other (gain) loss	—	(9)	—	(1)
Special charges before income taxes	44	425	95	623
Income tax benefit related to special charges	(16)	(153)	(34)	(225)
Total special charges, net of tax	<u>\$ 28</u>	<u>\$ 272</u>	<u>\$ 61</u>	<u>\$ 398</u>

During the three and six months ended June 30, 2017, the Company recorded \$36 million (\$23 million net of taxes) and \$57 million (\$37 million net of taxes), respectively, of severance and benefit costs related to a voluntary early-out program for its technicians and related employees represented by the International Brotherhood of Teamsters. In the first quarter of 2017, approximately 1,000 technicians and related employees elected to voluntarily separate from the Company and will receive a severance payment, with a maximum value of \$100,000 per participant, based on years of service, with retirement dates through early 2019. Also, during the three and six months ended June 30, 2017, the Company recorded \$5 million (\$3 million net of taxes) and \$21 million (\$13 million net of taxes), respectively, of severance primarily related to its management reorganization initiative.

During the three and six months ended June 30, 2016, the Company recorded \$6 million (\$4 million net of taxes) and \$14 million (\$9 million net of taxes), respectively, of severance and benefit costs primarily related to a voluntary early-out program for its flight attendants.

In April 2016, the Federal Aviation Administration (“FAA”) announced that, effective October 30, 2016, it would designate Newark Liberty International Airport (“Newark”) as a Level 2 schedule-facilitated airport under the International Air Transport Association Worldwide Slot Guidelines. The designation was associated with an updated demand and capacity analysis of Newark by the FAA. In the second quarter of 2016, the Company determined that the FAA’s action impaired the entire value of its Newark slots because the slots are no longer the mechanism that governs take-off and landing rights. Accordingly, the Company recorded a \$412 million special charge (\$264 million net of taxes) to write off the intangible asset.

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In April 2016, the fleet service, passenger service, storekeeper and other employees represented by the International Association of Machinists and Aerospace Workers (the "IAM") ratified seven new contracts with the Company which extended the contracts through 2021. During three and six months ended June 30, 2016, the Company recorded \$10 million (\$6 million net of taxes) and \$110 million (\$70 million net of taxes), respectively, of special charges primarily for bonus payments in conjunction with the IAM agreements.

During the six months ended June 30, 2016, the City of Cleveland agreed to amend the Company's lease, which runs through 2029, associated with certain excess airport terminal space (principally Terminal D) and related facilities at Hopkins International Airport. The Company recorded an accrual for remaining payments under the lease for facilities that the Company no longer uses and will continue to incur costs under the lease without economic benefit to the Company. This liability was measured and recorded at its fair value when the Company ceased its right to use such facilities leased to it pursuant to the lease. The Company recorded a special charge of \$74 million (\$47 million net of taxes) related to the amended lease.

During the three and six months ended June 30, 2017, the Company recorded gains and losses on sale of assets and other special charges of \$3 million (\$2 million net of taxes) and \$17 million (\$11 million net of taxes), respectively.

During the three and six months ended June 30, 2016, the Company recorded gains and losses on sale of assets and other special charges of \$6 million (\$4 million net of taxes) and \$14 million (\$9 million net of taxes), respectively.

During the three months ended June 30, 2016, the Company recorded a \$9 million (\$6 million net of taxes) gain on the sale of an affiliate. Also during the six months ended June 30, 2016, the Company recorded \$8 million (\$5 million net of taxes) of losses due to exchange rate changes in Venezuela applicable to funds held in local currency. Both of these charges were recorded as part of Nonoperating income (expense): Miscellaneous, net.

### **Accrual**

The accrual balance for severance and benefits was \$27 million as of June 30, 2017, compared to \$30 million as of June 30, 2016. The severance-related accrual as of June 30, 2017 is expected to be mostly paid through early 2019. The accrual balance for future lease payments on permanently grounded aircraft was \$29 million as of June 30, 2017, compared to \$41 million as of June 30, 2016. The grounded aircraft related accrual as of June 30, 2017 is expected to be mostly paid through 2025. The following is a reconciliation of severance and permanently grounded aircraft accrual activity for the six months ended June 30:

	<b>Severance and Benefits</b>	<b>Permanently Grounded Aircraft</b>
Balance at December 31, 2016	\$ 14	\$ 41
Accrual	78	—
Payments	(65)	(12)
Balance at June 30, 2017	<u>\$ 27</u>	<u>\$ 29</u>

	<b>Severance and Benefits</b>	<b>Permanently Grounded Aircraft</b>
Balance at December 31, 2015	\$ 27	\$ 78
Accrual	14	(17)
Payments	(11)	(20)
Balance at June 30, 2016	<u>\$ 30</u>	<u>\$ 41</u>

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

### **Overview**

United Continental Holdings, Inc. (together with its consolidated subsidiaries, "UAL" or the "Company") is a holding company and its principal, wholly-owned subsidiary is United Airlines, Inc. (together with its consolidated subsidiaries, "United"). This Quarterly Report on Form 10-Q is a combined report of UAL and United including their respective consolidated financial statements. As UAL consolidates United for financial statement purposes, disclosures that relate to activities of United also apply to UAL, unless otherwise noted. United's operating revenues and operating expenses comprise nearly 100% of UAL's revenues and operating expenses.

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In addition, United comprises approximately the entire balance of UAL's assets, liabilities and operating cash flows. When appropriate, UAL and United are named specifically for their individual contractual obligations and related disclosures and any significant differences between the operations and results of UAL and United are separately disclosed and explained. We sometimes use the words "we," "our," "us," and the "Company" in this report for disclosures that relate to all of UAL and United.

The Company transports people and cargo through its mainline operations, which utilize jet aircraft with at least 118 seats, and regional operations, which utilize smaller aircraft that are operated under contract by United Express carriers. The Company serves virtually every major market around the world, either directly or through participation in Star Alliance®, the world's largest airline alliance. UAL, through United and its regional carriers, operates approximately 4,500 flights a day to 338 airports across five continents.

### **Second Quarter Financial Highlights**

- Second quarter 2017 net income was \$818 million, or \$2.66 diluted earnings per share, as compared to net income of \$588 million, or diluted earnings per share of \$1.78, in the second quarter of 2016.
- Passenger revenue increased 6.4% to \$8.6 billion during the second quarter of 2017 as compared to the second quarter of 2016.
- Second quarter 2017 aircraft fuel cost increased \$232 million, 16.1% year-over-year.
- Unrestricted liquidity at June 30, 2017 was \$6.6 billion, including \$2.0 billion of undrawn commitments under the Company's revolving credit facility.
- In the three months ended June 30, 2017, UAL repurchased approximately 6 million of its common stock in open market transactions for \$0.4 billion. As of June 30, 2017, the Company had \$1.1 billion remaining to purchase shares under its existing share repurchase authority.

### **Second Quarter Operational Highlights**

- Delivered the best airline operation among major competitors, including the best completion, on-time arrival and departure performance.
- Consolidated traffic increased 4.3% and consolidated capacity increased 4.2% during the second quarter of 2017 as compared to the second quarter of 2016. The Company's load factor for the second quarter of 2017 was 83.5%.
- The Company took delivery of six Boeing 777-300ER aircraft, ten Embraer E175 aircraft and one used Airbus A319 aircraft during the second quarter of 2017.

### **Outlook**

The Company expects full-year 2017 consolidated capacity to increase between 2.5% and 3.5% year-over-year. Domestic capacity is expected to increase between 3.5% and 4.5% year-over-year and international capacity is expected to increase between 1.0% and 2.0% year-over-year.

As outlined at our November 2016 Investor Day presentation, the Company expects to drive significant incremental value by 2020 relative to 2015. United anticipates capturing this value through a variety of initiatives including a re-fleeting and upgauge program, additional customer choice through segmentation, improvements to the revenue management systems, ongoing sensible cost management, realizing our full network potential through improved schedule quality and enhancements to the MileagePlus program. In addition, the Company will continue to focus on improving reliability while increasing the efficiency of the operation.

The price of jet fuel remains volatile. Based on projected fuel consumption in 2017, a one dollar change in the price of a barrel of crude oil would change the Company's annual fuel expense by approximately \$95 million.

## **RESULTS OF OPERATIONS**

The following discussion provides an analysis of results of operations and reasons for material changes therein for the three months ended June 30, 2017 as compared to the corresponding period in 2016.

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**Second Quarter 2017 Compared to Second Quarter 2016**

The Company recorded net income of \$818 million in the second quarter of 2017 as compared to net income of \$588 million in the second quarter of 2016. The Company considers a key measure of its performance to be operating income, which was \$1.4 billion for the second quarter of 2017, as compared to \$1.1 billion for the second quarter of 2016, a \$0.3 billion increase year-over-year. Significant components of the Company's operating results for the three months ended June 30 are as follows (in millions, except percentage changes):

	<b>2017</b>	<b>2016</b>	<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
Operating revenue	\$10,000	\$9,396	\$ 604	6.4
Operating expense	8,601	8,336	265	3.2
Operating income	1,399	1,060	339	32.0
Nonoperating expense	(125)	(129)	(4)	(3.1)
Income tax expense	456	343	113	32.9
Net income	<u>\$ 818</u>	<u>\$ 588</u>	<u>\$ 230</u>	39.1

Certain consolidated statistical information for the Company's operations for the three months ended June 30 is as follows:

	<b>2017</b>	<b>2016</b>	<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
Passengers (thousands) (a)	38,247	36,416	1,831	5.0
Revenue passenger miles ("RPMs") (millions) (b)	56,356	54,017	2,339	4.3
Available seat miles ("ASMs") (millions) (c)	67,467	64,725	2,742	4.2
Passenger load factor (d)	83.5%	83.5%	0.0 pts.	N/A
Passenger revenue per available seat mile ("PRASM") (cents)	12.78	12.52	0.26	2.1
Average yield per revenue passenger mile ("Yield") (cents) (e)	15.30	15.00	0.30	2.0
Cost per available seat mile ("CASM") (cents)	12.75	12.88	(0.13)	(1.0)
Average price per gallon of fuel, including fuel taxes	\$ 1.63	\$ 1.44	\$ 0.19	13.2
Fuel gallons consumed (millions)	1,023	995	28	2.8
Average full-time equivalent employees	86,000	83,200	2,800	3.4

(a) The number of revenue passengers measured by each flight segment flown.

(b) The number of scheduled miles flown by revenue passengers.

(c) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.

(d) Revenue passenger miles divided by available seat miles.

(e) The average passenger revenue received for each revenue passenger mile flown.

**Operating Revenue**

The table below shows year-over-year comparisons by type of operating revenue for the three months ended June 30 (in millions, except for percentage changes):

	<b>2017</b>	<b>2016</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Passenger—Mainline	\$ 7,056	\$6,525	\$ 531	8.1
Passenger—Regional	1,566	1,578	(12)	(0.8)
Total passenger revenue	8,622	8,103	519	6.4
Cargo	254	208	46	22.1
Other operating revenue	1,124	1,085	39	3.6
Total operating revenue	<u>\$10,000</u>	<u>\$9,396</u>	<u>\$ 604</u>	6.4

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The table below presents selected second quarter passenger revenue and operating data, broken out by geographic region, expressed as year-over-year changes:

	<u>Domestic</u>	<u>Atlantic</u>	<u>Pacific</u>	<u>Latin</u>	<u>Total Consolidated</u>	<u>Mainline</u>	<u>Regional</u>
Increase (decrease) from 2016:							
Passenger revenue (in millions)	\$ 399	\$ 26	\$ (10)	\$ 104	\$ 519	\$ 531	\$ (12)
Passenger revenue	8.1 %	1.7 %	(1.0)%	15.8 %	6.4 %	8.1 %	(0.8)%
Average fare per passenger	2.6 %	0.7 %	(1.2)%	7.8 %	1.3 %	(1.3)%	5.2 %
Yield	2.0 %	0.7 %	(2.0)%	8.9 %	2.0 %	2.3 %	5.6 %
PRASM	2.4 %	3.3 %	(5.5)%	7.8 %	2.1 %	2.7 %	3.2 %
Passengers	5.4 %	1.0 %	0.2 %	7.4 %	5.0 %	9.5 %	(5.7)%
RPMs (traffic)	6.0 %	1.0 %	1.1 %	6.4 %	4.3 %	5.7 %	(6.0)%
ASMs (capacity)	5.6 %	(1.5)%	4.8 %	7.5 %	4.2 %	5.3 %	(3.8)%
Passenger load factor (points)	0.3	1.9	(2.9)	(0.9)	—	0.3	(1.9)

Consolidated passenger revenue in the second quarter of 2017 increased \$519 million, or 6.4% as compared to the year-ago period primarily due to a 4.3% increase in traffic. Second quarter 2017 consolidated PRASM and consolidated yield increased 2.1% and 2.0%, respectively, compared to the second quarter of 2016. The Pacific region experienced a decline in PRASM in the second quarter of 2017 as compared to the year-ago period due to unfavorable supply and demand dynamics in China.

Cargo revenue increased \$46 million, or 22.1%, in the second quarter of 2017 as compared to the year-ago period primarily due to higher international freight volume and higher domestic and international mail volume.

### **Operating Expenses**

The table below includes data related to the Company's operating expenses for the three months ended June 30 (in millions, except for percentage changes):

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Salaries and related costs	\$2,868	\$2,592	\$ 276	10.6
Aircraft fuel	1,669	1,437	232	16.1
Regional capacity purchase	549	551	(2)	(0.4)
Landing fees and other rent	541	541	—	—
Depreciation and amortization	536	491	45	9.2
Aircraft maintenance materials and outside repairs	472	448	24	5.4
Distribution expenses	362	339	23	6.8
Aircraft rent	152	175	(23)	(13.1)
Special charges	44	434	(390)	NM
Other operating expenses	1,408	1,328	80	6.0
Total operating expenses	<u>\$8,601</u>	<u>\$8,336</u>	<u>\$ 265</u>	<u>3.2</u>

Salaries and related costs increased \$276 million, or 10.6%, in the second quarter of 2017 as compared to the year-ago period primarily due to higher pay rates and benefit expenses driven by collective bargaining agreements finalized in 2016, and a 3.4% increase in average full-time equivalent employees, partially offset by a decrease in profit sharing expense and other employee incentive programs expense.

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Aircraft fuel expense increased \$232 million, or 16.1%, year-over-year primarily due to a 13.2% increase in the average price per gallon of aircraft fuel in the second quarter of 2017 compared to the year-ago period. The table below presents the significant changes in aircraft fuel cost per gallon in the three month period ended June 30, 2017 as compared to the year-ago period:

	<u>(In millions)</u>			<u>Average price per gallon</u>		
	<u>2017</u>	<u>2016</u>	<u>% Change</u>	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Total aircraft fuel purchase cost excluding fuel hedge impacts	\$1,669	\$1,402	19.0	\$1.63	\$1.41	15.6
Hedge losses reported in fuel expense	—	35	NM	—	0.03	NM
Fuel expense	<u>\$1,669</u>	<u>\$1,437</u>	16.1	<u>\$1.63</u>	<u>\$1.44</u>	13.2
Total fuel consumption (gallons)	1,023	995	2.8			

Depreciation and amortization increased \$45 million, or 9.2%, in the second quarter of 2017 as compared to the year-ago period, primarily due to additions of new aircraft, aircraft improvements and increases in information technology assets.

Other operating expenses increased \$80 million, or 6.0%, in the second quarter of 2017 as compared to the year-ago period primarily due to increases in purchased services and technology initiatives, as well as increases in food and other amenities associated with the Company's customer experience initiatives.

Details of the Company's special charges include the following for the three months ended June 30 (in millions):

	<u>2017</u>	<u>2016</u>
Severance and benefit costs	\$ 41	\$ 6
Impairment of assets	—	412
Labor agreement costs	—	10
(Gains) losses on sale of assets and other special charges	3	6
Special charges	<u>\$ 44</u>	<u>\$ 434</u>

See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information.

*Nonoperating Income (Expense)*. The following table illustrates the year-over-year dollar and percentage changes in the Company's nonoperating income (expense) for the three months ended June 30 (in millions, except for percentage changes):

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Interest expense	\$(158)	\$(157)	\$ 1	0.6
Interest capitalized	21	14	7	50.0
Interest income	13	9	4	44.4
Miscellaneous, net	(1)	5	(6)	NM
Total	<u>\$(125)</u>	<u>\$(129)</u>	<u>\$ (4)</u>	<u>(3.1)</u>

*Income Taxes*. See Note 4 to the financial statements included in Part I, Item 1 of this report for information related to income taxes.

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**First Six Months 2017 Compared to First Six Months 2016**

The Company recorded net income of \$914 million in the first six months of 2017 as compared to net income of \$901 million in the first six months of 2016. The Company considers a key measure of its performance to be operating income, which remained flat year-over-year and was \$1.7 billion for both of the first six months of 2017 and 2016. Significant components of the Company's operating results for the six months ended June 30 are as follows (in millions, except percentage changes):

	2017	2016	Increase (Decrease)	% Increase (Decrease)
Operating revenue	\$ 18,420	\$ 17,591	\$ 829	4.7
Operating expense	16,743	15,882	861	5.4
Operating income	1,677	1,709	(32)	(1.9)
Nonoperating expense	(258)	(284)	(26)	(9.2)
Income tax expense	505	524	(19)	(3.6)
Net income	<u>\$ 914</u>	<u>\$ 901</u>	<u>\$ 13</u>	1.4

Certain consolidated statistical information for the Company's operations for the six months ended June 30 is as follows:

	2017	2016	Increase (Decrease)	% Increase (Decrease)
Passengers (thousands) (a)	71,352	68,503	2,849	4.2
RPMs (millions) (b)	103,967	100,599	3,368	3.3
ASMs (millions) (c)	127,275	122,998	4,277	3.5
Passenger load factor (d)	81.7%	81.8%	(0.1) pts.	N/A
PRASM (cents)	12.41	12.27	0.14	1.1
Yield (cents) (e)	15.19	15.00	0.19	1.3
CASM (cents)	13.15	12.91	0.24	1.9
Average price per gallon of fuel, including fuel taxes	\$ 1.67	\$ 1.41	\$ 0.26	18.4
Fuel gallons consumed (millions)	1,933	1,885	48	2.5
Average full-time equivalent employees	85,600	82,800	2,800	3.4

(a) The number of revenue passengers measured by each flight segment flown.

(b) The number of scheduled miles flown by revenue passengers.

(c) The number of seats available for passengers multiplied by the number of scheduled miles those seats are flown.

(d) Revenue passenger miles divided by available seat miles.

(e) The average passenger revenue received for each revenue passenger mile flown.

**Operating Revenue**

The table below shows year-over-year comparisons by type of operating revenue for the six months ended June 30 (in millions, except for percentage changes):

	2017	2016	Increase (Decrease)	% Change
Passenger—Mainline	\$12,887	\$12,102	\$ 785	6.5
Passenger—Regional	2,909	2,991	(82)	(2.7)
Total passenger revenue	15,796	15,093	703	4.7
Cargo	474	402	72	17.9
Other operating revenue	2,150	2,096	54	2.6
Total operating revenue	<u>\$18,420</u>	<u>\$17,591</u>	<u>\$ 829</u>	4.7

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The table below presents selected passenger revenue and operating data, broken out by geographic region, expressed as year-over-year changes for the six months ended June 30, 2017 compared to the six months ended June 30, 2016:

	<u>Domestic</u>	<u>Atlantic</u>	<u>Pacific</u>	<u>Latin</u>	<u>Total Consolidated</u>	<u>Mainline</u>	<u>Regional</u>
Increase (decrease) from 2016:							
Passenger revenue (in millions)	\$ 525	\$ 34	\$ 25	\$ 119	\$ 703	\$ 785	\$ (82)
Passenger revenue	5.7%	1.3 %	1.3 %	8.4%	4.7%	6.5 %	(2.7)%
Average fare per passenger	0.9%	2.0 %	1.0 %	4.3%	0.5%	(1.7)%	3.0 %
Yield	0.9%	1.9 %	(1.1)%	5.4%	1.3%	1.9 %	3.1 %
PRASM	1.2%	2.7 %	(4.6)%	5.2%	1.1%	1.9 %	1.7 %
Passengers	4.8%	(0.6)%	0.3 %	3.9%	4.2%	8.3 %	(5.6)%
RPMs (traffic)	4.9%	(0.5)%	2.4 %	2.8%	3.3%	4.6 %	(5.6)%
ASMs (capacity)	4.4%	(1.4)%	6.1 %	3.1%	3.5%	4.5 %	(4.4)%
Passenger load factor (points)	0.4	0.7	(2.9)	(0.2)	(0.1)	—	(1.1)

Consolidated passenger revenue in the first six months of 2017 increased \$703 million, or 4.7% as compared to the year-ago period primarily due to a 3.3% increase in traffic. Consolidated PRASM and consolidated yield for the first six months of 2017 increased 1.1% and 1.3%, respectively, as compared to the first six months of 2016. The Pacific region experienced a decline in PRASM in the first six months of 2017 as compared to the year-ago period due to unfavorable supply and demand dynamics in China.

Cargo revenue increased \$72 million, or 17.9%, in the first six months of 2017 as compared to the year-ago period primarily due to higher international freight volume and higher domestic and international mail volume.

### **Operating Expenses**

The table below includes data related to the Company's operating expenses for the six months ended June 30 (in millions, except for percentage changes):

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Salaries and related costs	\$ 5,529	\$ 5,082	\$ 447	8.8
Aircraft fuel	3,229	2,655	574	21.6
Regional capacity purchase	1,085	1,073	12	1.1
Landing fees and other rent	1,085	1,066	19	1.8
Depreciation and amortization	1,054	970	84	8.7
Aircraft maintenance materials and outside repairs	926	850	76	8.9
Distribution expenses	669	642	27	4.2
Aircraft rent	331	353	(22)	(6.2)
Special charges	95	624	(529)	NM
Other operating expenses	2,740	2,567	173	6.7
Total operating expenses	<u>\$16,743</u>	<u>\$15,882</u>	<u>\$ 861</u>	<u>5.4</u>

Salaries and related costs increased \$447 million, or 8.8%, in the first six months of 2017 as compared to the year-ago period primarily due to higher pay rates and benefit expenses driven by collective bargaining agreements finalized in 2016, and a 3.4% increase in average full-time equivalent employees, partially offset by a decrease in profit sharing expense and other employee incentive programs expense.

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Aircraft fuel expense increased \$574 million, or 21.6%, year-over-year primarily due to an 18.4% increase in the average price per gallon of aircraft fuel in the first six months of 2017 compared to the year-ago period. The table below presents the significant changes in aircraft fuel cost per gallon in the six months ended June 30, 2017 as compared to the year-ago period:

	<u>(In millions)</u>			<u>Average price per gallon</u>		
	<u>2017</u>	<u>2016</u>	<u>% Change</u>	<u>2017</u>	<u>2016</u>	<u>% Change</u>
Total aircraft fuel purchase cost excluding fuel hedge impacts	\$3,227	\$2,482	30.0	\$1.67	\$1.32	26.5
Hedge losses reported in fuel expense	2	173	NM	—	0.09	NM
Fuel expense	<u>\$3,229</u>	<u>\$2,655</u>	21.6	<u>\$1.67</u>	<u>\$1.41</u>	18.4
Total fuel consumption (gallons)	1,933	1,885	2.5			

Depreciation and amortization increased \$84 million, or 8.7%, in the first six months of 2017 as compared to the year-ago period, primarily due to additions of new aircraft, aircraft improvements, accelerated depreciation of assets related to certain fleet types and increases in information technology assets.

Aircraft maintenance materials and outside repairs increased \$76 million, or 8.9%, in the first six months of 2017 as compared to the year-ago period, primarily due to an increase in airframe and engine maintenance visits due to the cyclical timing of these events.

Other operating expenses increased \$173 million, or 6.7%, in the first six months of 2017 as compared to the year-ago period primarily due to increases in purchased services and technology initiatives, as well as increases in food and other amenities associated with the Company's customer experience initiatives.

Details of the Company's special charges include the following for the six months ended June 30 (in millions):

	<u>2017</u>	<u>2016</u>
Severance and benefit costs	\$78	\$ 14
Impairment of assets	—	412
Labor agreement costs	—	110
Cleveland airport lease restructuring	—	74
(Gains) losses on sale of assets and other special charges	17	14
Special charges	<u>\$95</u>	<u>\$624</u>

See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information.

*Nonoperating Income (Expense)*. The following table illustrates the year-over-year dollar and percentage changes in the Company's nonoperating income (expense) for the six months ended June 30 (in millions, except for percentage changes):

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Interest expense	\$(308)	\$(316)	\$ (8)	(2.5)
Interest capitalized	44	28	16	57.1
Interest income	24	17	7	41.2
Miscellaneous, net	(18)	(13)	5	38.5
Total	<u>\$(258)</u>	<u>\$(284)</u>	<u>\$ (26)</u>	<u>(9.2)</u>

*Income Taxes*. See Note 4 to the financial statements included in Part I, Item 1 of this report for information related to income taxes.

## LIQUIDITY AND CAPITAL RESOURCES

### *Current Liquidity*

As of June 30, 2017, the Company had \$4.6 billion in unrestricted cash, cash equivalents and short-term investments, as compared to \$4.4 billion at December 31, 2016. At June 30, 2017, the Company also had \$130 million of restricted cash and cash equivalents, which is primarily collateral for letters of credit and estimated future workers' compensation claims. As of June 30, 2017, the Company had its entire commitment capacity of \$2.0 billion under the revolving credit facility of the Company's Amended and Restated Credit and Guaranty Agreement, dated as of March 29, 2017 (the "2017 Credit Agreement") available for borrowings.

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As is the case with many of our principal competitors, we have a high proportion of debt compared to capital and a deficit in working capital. We have a significant amount of fixed obligations, including debt, aircraft leases and financings, leases of airport property and other facilities, and pension funding obligations. At June 30, 2017, the Company had approximately \$13.2 billion of debt and capital lease obligations, including \$1.6 billion that will become due in the next 12 months. In addition, we have substantial noncancelable commitments for capital expenditures, including the acquisition of certain new aircraft and related spare engines. As of June 30, 2017, our current liabilities exceeded our current assets by approximately \$5.3 billion. However, approximately \$7.2 billion of our current liabilities are related to our advance ticket sales and frequent flyer deferred revenue, both of which largely represent revenue to be recognized for travel in the near future and not actual cash outlays. The deficit in working capital does not have an adverse impact to our cash flows, liquidity or operations.

As of June 30, 2017, United had firm commitments and options to purchase aircraft from The Boeing Company (“Boeing”), Airbus S.A.S. (“Airbus”) and Embraer S.A. (“Embraer”) presented in the table below:

<b>Aircraft Type</b>	<b>Number of Firm Commitments (a)</b>
Airbus A350	35
Boeing 737NG/737 MAX	165
Boeing 777-300ER	4
Boeing 787	19
Embraer E175	14

(a) United also has options and purchase rights for additional aircraft.

The aircraft listed in the table above are scheduled for delivery through 2027. To the extent the Company and the aircraft manufacturers with whom the Company has existing orders for new aircraft agree to modify the contracts governing those orders, the amount and timing of the Company’s future capital commitments could change. For the remainder of 2017, United expects to take delivery of four Boeing 737NG aircraft, one Boeing 787-9 aircraft, and 14 Embraer E175 aircraft. Additionally, the Company also currently expects to take delivery of four used Airbus A319s for the remainder of 2017.

As of June 30, 2017, UAL and United have total capital commitments primarily related to the acquisition of aircraft and related spare engines, aircraft improvements and include other capital purchase commitments for approximately \$22.0 billion, of which approximately \$2.1 billion, \$2.9 billion, \$3.6 billion, \$2.9 billion, \$2.3 billion and \$8.2 billion are due in the last six months of 2017 and for the full year for 2018, 2019, 2020, 2021 and thereafter, respectively. Any new firm aircraft orders, including through the exercise of purchase options and purchase rights, will increase the total future capital commitments of the Company.

As of June 30, 2017, United had \$278 million in financing available through a previously issued EETC transaction that it intends to use for the financing of certain aircraft delivered in the first half of 2017. Additionally United secured individual bank financing for eight Embraer E175 aircraft to be delivered in the second half of 2017. See Note 9 to the financial statements included in Part I, Item 1 of this report for additional information on aircraft financing. The Company has also secured backstop financing commitments from certain of its aircraft manufacturers for a limited number of its future aircraft deliveries, subject to certain customary conditions. Financing may be necessary to satisfy the Company’s capital commitments for its firm order aircraft and other related capital expenditures.

As of June 30, 2017, a substantial portion of the Company’s assets, principally aircraft, route authorities, airport slots and loyalty program intangible assets, was pledged under various loan and other agreements. We must sustain our profitability and/or access the capital markets to meet our significant long-term debt and capital lease obligations and future commitments for capital expenditures, including the acquisition of aircraft and related spare engines.

**Credit Ratings.** As of the filing date of this report, UAL and United had the following corporate credit ratings:

	<u>S&amp;P</u>	<u>Moody’s</u>	<u>Fitch</u>
UAL	BB-	Ba2	BB
United	BB-	*	BB

\* The credit agency does not issue corporate credit ratings for subsidiary entities.

## [Table of Contents](#)

These credit ratings are below investment grade levels. Downgrades from these rating levels, among other things, could restrict the availability or increase the cost of future financing for the Company.

### **Sources and Uses of Cash**

**Operating Activities.** Cash flow provided by operations was \$2.1 billion for the six months ended June 30, 2017 compared to \$3.7 billion in the same period in 2016. Operating income for the first six months of 2017 remained flat at \$1.7 billion versus the year-ago period. Excluding the non-cash impairment of the Newark slots, operating income for the first six months of 2017 was approximately \$0.5 billion lower than the first six months of 2016. Additionally, there were approximately \$1.1 billion of changes in working capital items, which consist of \$0.3 billion decrease in advanced purchase of miles due to increased utilization of pre-purchased miles, \$0.3 billion decrease related to timing of payroll cycles and accounts payable, \$0.2 billion reduction in advance ticket sales, \$0.2 billion increase in prepayments for maintenance contracts, and \$0.1 billion increase in pension contributions.

**Investing Activities.** Capital expenditures were \$1.8 billion and \$1.7 billion in the six months ended June 30, 2017 and 2016, respectively. Capital expenditures for the six months ended June 30, 2017 were primarily attributable to the purchase of aircraft, facility and fleet-related costs.

**Financing Activities.** During the six months ended June 30, 2017, the Company made debt and capital lease payments of \$0.6 billion.

On March 29, 2017, United and UAL, as borrower and guarantor, respectively, entered into the 2017 Credit Agreement. The 2017 Credit Agreement consists of a \$1.5 billion term loan due April 1, 2024, which (i) was used to retire the entire principal balance of the term loans under the credit and guaranty agreement, dated March 27, 2013 (as amended, the “2013 Credit Agreement”), and (ii) increased the term loan balance by approximately \$440 million, and a \$2.0 billion revolving credit facility available for drawing until April 1, 2022, which increased the available capacity under the revolving credit facility of the 2013 Credit Agreement. As of June 30, 2017, United had its entire capacity of \$2.0 billion available under the revolving credit facility. The obligations of United under the 2017 Credit Agreement are secured by liens on certain international route authorities, certain take-off and landing rights and related assets of United. See Note 9 to the financial statements included in Part I, Item 1 of this report for additional information.

In the six months ended June 30, 2017, United received and recorded \$987 million of proceeds as debt from the two EETC pass-through trusts established in 2016. See Note 9 to the financial statements included in Part I, Item 1 of this report for additional information.

In the six months ended June 30, 2017, United borrowed approximately \$167 million aggregate principal amount from various financial institutions to finance the purchase of several aircraft delivered in 2017. The notes evidencing these borrowings, which are secured by the related aircraft, mature in 2027 and each has an interest rate comprised of LIBOR plus a specified margin.

In the six months ended June 30, 2017, United received and recorded \$300 million proceeds of the 5% Senior Notes due February 1, 2024.

**Share Repurchase Programs.** In the six months ended June 30, 2017, UAL repurchased approximately 10 million shares of UAL common stock in open market transactions for \$0.7 billion. As of June 30, 2017, the Company had approximately \$1.1 billion remaining to purchase shares under its existing share repurchase authority.

UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws. UAL will repurchase shares of UAL common stock subject to prevailing market conditions, and may discontinue such repurchases at any time. See Part II, Item 2, “Unregistered Sales of Equity Securities and Use of Proceeds” of this report for additional information.

**Commitments, Contingencies and Liquidity Matters.** As described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2016 (“2016 Annual Report”), the Company’s liquidity may be adversely impacted by a variety of factors, including, but not limited to, pension funding obligations, reserve requirements associated with credit card processing agreements, guarantees, commitments and contingencies.

See the 2016 Annual Report and Notes 5, 7, 8 and 9 to the financial statements contained in Part I, Item 1 of this report for additional information.

## **CRITICAL ACCOUNTING POLICIES**

See “Critical Accounting Policies” in Management’s Discussion and Analysis of Financial Condition and Results of Operations in the 2016 Annual Report and Note 1 to the financial statements contained in Part 1, Item 1 of this report for a discussion of the Company’s critical accounting policies.

## **FORWARD-LOOKING INFORMATION**

Certain statements throughout Management’s Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this report are forward-looking and thus reflect our current expectations and beliefs with respect to certain current and future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to our operations and business environment that may cause actual results to differ materially from any future results expressed or implied in such forward-looking statements. Words such as “expects,” “will,” “plans,” “anticipates,” “indicates,” “believes,” “forecast,” “guidance,” “outlook,” “goals” and similar expressions are intended to identify forward-looking statements.

Additionally, forward-looking statements include statements that do not relate solely to historical facts, such as statements which identify uncertainties or trends, discuss the possible future effects of current known trends or uncertainties, or which indicate that the future effects of known trends or uncertainties cannot be predicted, guaranteed or assured. All forward-looking statements in this report are based upon information available to us on the date of this report. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, changed circumstances or otherwise, except as required by applicable law.

Our actual results could differ materially from these forward-looking statements due to numerous factors including, without limitation, the following: our ability to comply with the terms of our various financing arrangements; the costs and availability of financing; our ability to maintain adequate liquidity; our ability to execute our operational plans and revenue-generating initiatives, including optimizing our revenue; our ability to control our costs, including realizing benefits from our resource optimization efforts, cost reduction initiatives and fleet replacement programs; costs associated with any modification or termination of our aircraft orders; our ability to utilize our net operating losses; our ability to attract and retain customers; potential reputational or other impact from adverse events in our operations; demand for transportation in the markets in which we operate; an outbreak of a disease that affects travel demand or travel behavior; demand for travel and the impact that global economic and political conditions have on customer travel patterns; excessive taxation and the inability to offset future taxable income; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aircraft fuel and energy refining capacity in relevant markets); economic and political instability and other risks of doing business globally; our ability to cost-effectively hedge against increases in the price of aircraft fuel if we decide to do so; any potential realized or unrealized gains or losses related to fuel or currency hedging programs; the effects of any hostilities, act of war or terrorist attack; the ability of other air carriers with whom we have alliances or partnerships to provide the services contemplated by the respective arrangements with such carriers; the effects of any technology failures or cybersecurity breaches; disruptions to our regional network; the costs and availability of aviation and other insurance; industry consolidation or changes in airline alliances; the success of our investments in airlines in other parts of the world; competitive pressures on pricing and on demand; our capacity decisions and the capacity decisions of our competitors; U.S. or foreign governmental legislation, regulation and other actions (including Open Skies agreements and environmental regulations); the impact of regulatory, investigative and legal proceedings and legal compliance risks; the impact of any management changes; labor costs; our ability to maintain satisfactory labor relations and the results of any collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; weather conditions; and other risks and uncertainties set forth under Part I, Item 1A., “Risk Factors” of our 2016 Annual Report, as well as other risks and uncertainties set forth from time to time in the reports we file with the U.S. Securities and Exchange Commission (the “SEC”).

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

There have been no material changes in market risk from the information provided in Part II, Item 7A. “Quantitative and Qualitative Disclosures About Market Risk” in our 2016 Annual Report.

**ITEM 4. CONTROLS AND PROCEDURES.**

***Evaluation of Disclosure Control and Procedures***

The Company maintains controls and procedures that are designed to ensure that information required to be disclosed in the reports filed or submitted to the SEC is recorded, processed, summarized and reported, within the time periods specified by the SEC's rules and forms, and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management, including the Chief Executive Officer and Chief Financial Officer, performed an evaluation to conclude with reasonable assurance that UAL's and United's disclosure controls and procedures were designed and operating effectively to report the information each company is required to disclose in the reports they file with the SEC on a timely basis. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer of UAL and United have concluded that as of June 30, 2017, disclosure controls and procedures of each of UAL and United were effective.

***Changes in Internal Control over Financial Reporting during the Quarter Ended June 30, 2017***

During the three months ended June 30, 2017, there were no changes in UAL's or United's internal control over financial reporting that materially affected, or are reasonably likely to materially affect, their internal control over financial reporting (as defined in rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934).

**PART II. OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

See Part I, Item 3., “Legal Proceedings” of the 2016 Annual Report for a description of legal proceedings.

**Item 1A. RISK FACTORS**

See Part I, Item 1A., “Risk Factors,” of the 2016 Annual Report for a detailed discussion of the risk factors affecting UAL and United.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

(a) None

(b) None

(c) The following table presents repurchases of UAL common stock made in the second quarter of fiscal year 2017:

Period	Total number of shares purchased (a)(b)	Average price paid per share (b)(c)	Total number of shares purchased as part of publicly announced plans or programs (a)	Approximate dollar value of shares that may yet be purchased under the plans or programs (in millions) (a)
April 2017	2,077,354	\$ 69.90	2,077,354	\$ 1,385
May 2017	1,987,425	76.76	1,987,425	1,233
June 2017	1,598,540	77.28	1,598,540	1,109
Total	<u>5,663,319</u>		<u>5,663,319</u>	

(a) In July 2016, UAL’s Board of Directors authorized a \$2 billion share repurchase program. As of June 30, 2017, the Company had approximately \$1.1 billion remaining to purchase shares under its share repurchase program. UAL may repurchase shares through the open market, privately negotiated transactions, block trades or accelerated share repurchase transactions from time to time in accordance with applicable securities laws.

(b) The table does not include shares withheld from employees to satisfy certain tax obligations due upon the vesting of restricted stock awards and restricted stock units. The United Continental Holdings, Inc. 2017 Incentive Compensation Plan, which replaced the United Continental Holdings, Inc. 2008 Incentive Compensation Plan on May 24, 2017, provides for the withholding of shares to satisfy tax obligations due upon the vesting of restricted stock. However, this plan does not specify a maximum number of shares that may be withheld for this purpose. A total of 1,099 shares were withheld under this plan in the second quarter of 2017 at an average share price of \$76.27. These shares of common stock withheld to satisfy tax withholding obligations may be deemed to be “issuer purchases” of shares that are required to be disclosed pursuant to this Item.

(c) Average price paid per share is calculated on a settlement basis and excludes commission.

**ITEM 6. EXHIBITS.**

A list of exhibits included as part of this Form 10-Q is set forth in an Exhibit Index that immediately precedes the exhibits.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

United Continental Holdings, Inc.  
(Registrant)

Date: July 19, 2017

By: /s/ Andrew C. Levy

Andrew C. Levy  
Executive Vice President and Chief Financial Officer (principal financial officer)

Date: July 19, 2017

By: /s/ Chris Kenny

Chris Kenny  
Vice President and Controller  
(principal accounting officer)

United Airlines, Inc.  
(Registrant)

Date: July 19, 2017

By: /s/ Andrew C. Levy

Andrew C. Levy  
Executive Vice President and Chief Financial Officer  
(principal financial officer)

Date: July 19, 2017

By: /s/ Chris Kenny

Chris Kenny  
Vice President and Controller  
(principal accounting officer)

**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Registrant</u>	<u>Exhibit</u>
*10.1	UAL	United Continental Holdings, Inc. 2017 Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on May 30, 2017)
*10.2	UAL United	Second Amendment to Employment Agreement, dated April 21, 2017, by and among United Continental Holdings, Inc., United Airlines, Inc. and Oscar Munoz (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Commission on April 21, 2017)
^10.3	UAL United	Supplemental Agreement No. 8, including exhibits and side letters, to Purchase Agreement No. 03776, Dated June 7, 2017
^10.4	UAL United	Supplemental Agreement No. 9, including exhibits and side letters, to Purchase Agreement No. 03776, Dated June 15, 2017
^10.5	UAL United	Supplemental Agreement No. 8, including exhibits and side letters, to Purchase Agreement No. 03860, Dated June 15, 2017
10.6	UAL	Form of Restricted Stock Unit Award Notice pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan
10.7	UAL	Form of Stock Option Award Notice pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan
10.8	UAL	United Continental Holdings, Inc. Performance-Based RSU Program (adopted pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan)
10.9	UAL	Form of Performance-Based RSU Award Notice pursuant to the United Continental Holdings, Inc. Performance-Based RSU Program (Relative Pre-tax Margin awards)
12.1	UAL	United Continental Holdings, Inc. and Subsidiary Companies Computation of Ratio of Earnings to Fixed Charges
12.2	United	United Airlines, Inc. and Subsidiary Companies Computation of Ratio of Earnings to Fixed Charges
31.1	UAL	Certification of the Principal Executive Officer of United Continental Holdings, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.2	UAL	Certification of the Principal Financial Officer of United Continental Holdings, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.3	United	Certification of the Principal Executive Officer of United Airlines, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
31.4	United	Certification of the Principal Financial Officer of United Airlines, Inc. Pursuant to 15 U.S.C. 78m(a) or 78o(d) (Section 302 of the Sarbanes-Oxley Act of 2002)
32.1	UAL	Certification of the Chief Executive Officer and Chief Financial Officer of United Continental Holdings, Inc. Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
32.2	United	Certification of the Chief Executive Officer and Chief Financial Officer of United Airlines, Inc. Pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act of 2002)
101.1	UAL United	XBRL Instance Document
101.2	UAL United	XBRL Taxonomy Extension Schema Document
101.3	UAL United	XBRL Taxonomy Extension Calculation Linkbase Document
101.4	UAL United	XBRL Taxonomy Extension Definition Linkbase Document
101.5	UAL United	XBRL Taxonomy Extension Labels Linkbase Document
101.6	UAL United	XBRL Taxonomy Extension Presentation Linkbase Document

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\* Previously filed.

^ Confidential portion of this exhibit has been omitted and filed separately with the SEC pursuant to a request for confidential treatment.

CONFIDENTIAL MATERIAL APPEARING IN THIS DOCUMENT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN ACCORDANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 24B-2 PROMULGATED THEREUNDER. OMITTED INFORMATION HAS BEEN REPLACED WITH ASTERISKS.

Supplemental Agreement No. 8

to

Purchase Agreement No. 03776

between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 737-9 Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of June 7, 2017, by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement No. 3776 dated July 12, 2012, as amended and supplemented (**Purchase Agreement**), relating to the purchase and sale of Boeing model 737-9 aircraft (**Aircraft**). This Supplemental Agreement is an amendment to the Purchase Agreement;

WHEREAS, Boeing and Customer agree to \*\*\* 737-9 Aircraft as follows

	<u>Manufacturer Serial Number</u>	***	***
***	***	***	***

WHEREAS, Customer and Boeing have previously executed documents reflecting Customer Configuration Changes (as that term is defined in Letter Agreement UAL-PA-03776-LA-1207643 entitled “Open Matters” (**Open Matters Letter**)) effected through Customer’s acceptance of Customer Specific Option Selection Packages A through E for specified Boeing Model 737-9 aircraft (**Customer Configured Aircraft**).

WHEREAS, Customer and Boeing now desire to conform and further amend the Purchase Agreement to reflect the following:

- (i) all Customer Configuration Changes;
- (ii) revise Table 1 to reflect such Customer Configuration Changes; and
- (iii) replace existing Exhibit A-1 with a revised Exhibit A-1 reflecting the Customer Configuration Changes;

WHEREAS, Customer and Boeing agree to incorporate certain \*\*\* into the Purchase Agreement;

WHEREAS, Customer and Boeing agree to incorporate certain revisions to the Letter Agreement UAL-PA-3776-LA-1606848 entitled "\*\*\*\* Special MAX9 Aircraft" (\*\*\*\* **Letter Agreement**) including a \*\*\*\* (as that term is defined in the \*\*\*\* Letter Agreement) to a \*\*\*\*.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree to amend the Purchase Agreement as follows:

1. Table of Contents.

The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-8").

2. Tables.

Table 1 entitled "737-9 Aircraft Delivery, Description, Price and \*\*\*\*" is deleted in its entirety and replaced with the attached similarly titled "Table 1" (identified by "SA-8").

3. Exhibit.

Exhibit A-1 is replaced in its entirety with a revised Exhibit A-1 (identified by "SA-8") to incorporate the Customer Configuration Changes for each Customer Configured Aircraft.

4. Letter Agreements.

4.1. Letter Agreement UAL-PA-03776-LA-1207637 entitled "\*\*\*\* Matters" is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1207637R1 (identified by "SA-8").

4.2. Letter Agreement UAL-PA-03776-LA-1208157 entitled "\*\*\*\*" is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1208157R1 (identified by "SA-8") to \*\*\*\*.

4.3. Letter Agreement UAL-PA-03776-LA-1207650R1 entitled "Special Matters" is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1208157R1 (identified by "SA-8") to \*\*\*\* the Special 737 MAX \*\*\*\*.

4.4. The \*\*\*\* Letter Agreement is deleted in its entirety and replaced with Letter Agreement UAL-PA-3776-LA-1606848R1 (identified by "SA-8") to revise certain terms therein including the \*\*\*\*.

5. Miscellaneous.

Boeing and Customer agree that the applicable amount from Figure 1 is \*\*\*\* as the \*\*\*\* under this Supplemental Agreement No. 8. Such \*\*\*\* will be \*\*\*\* to Boeing upon execution of this Supplemental Agreement No. 8.

Figure 1

\*\*\*

\*\*\*

UAL-PA-03776

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

The Purchase Agreement will be deemed supplemented to the extent provided herein as of the date hereof and as so supplemented will continue in full force and effect.

*The rest of this page is left intentionally blank.*

EXECUTED IN DUPLICATE as of the day and year first written above.

**THE BOEING COMPANY**

**UNITED AIRLINES, INC.**

/s/ Irma L Krueger

/s/ Gerald Laderman

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Irma L Krueger

Gerald Laderman

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Attorney-in-Fact

\_\_\_\_\_  
Senior Vice President Finance,  
Procurement and Treasurer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**TABLE OF CONTENTS**

**ARTICLES**

**SA  
NUMBER**

Article 1.	Quantity, Model and Description
Article 2.	Delivery Schedule
Article 3.	Price
Article 4.	Payment
Article 5.	Additional Terms

**TABLE**

<b>1.</b>	<b>737-9 Aircraft Delivery, Description, Price and ***</b>	<b>SA-8</b>
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**EXHIBITS**

<b>A-1</b>	<b>737-9 &amp; *** 737-9 Aircraft Configuration</b>	<b>SA-8</b>
A-2	737-8 Aircraft Configuration	
A-3	737-7 Aircraft Configuration	
B.	Aircraft Delivery Requirements and Responsibilities	

**SUPPLEMENTAL EXHIBITS**

AE1.	Escalation Adjustment/Airframe and ***	
BFE1.	BFE Variables	SA-7
CS1.	Customer Support Variables	
EE1.	Engine Warranty and ***	
SLP1.	Service Life Policy Components	

**LETTER AGREEMENTS**

<b>UAL-PA-03776-LA-1207637R1</b>	<b>*** Matters</b>	<b>SA-8</b>
UAL-PA-03776-LA-1207638	***	
UAL-PA-03776-LA-1207640	Demonstration Flight Waiver	
UAL-PA-03776-LA-1207643	Open Matters	
UAL-PA-03776-LA-1207644R1	*** Aircraft	SA-7
	*** Aircraft—Attachment A	SA-6
UAL-PA-03776-LA-1207646	Promotional Support	

**TABLE OF CONTENTS, CONTINUED**

**LETTER AGREEMENTS, continued**

**SA  
NUMBER**

UAL-PA-03776-LA-1207647	Seller Purchased Equipment	
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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

UAL-PA-03776-LA-1207649	Spare Parts Initial Provisioning	
<b>UAL-PA-03776-LA-1207650R1</b>	<b>Special Matters</b>	<b>SA-8</b>
UAL-PA-03776-LA-1208055R1	***	SA-7
UAL-PA-03776-LA-1208122	***	
<b>UAL-PA-03776-LA-1208123</b>	<b>*** Matters</b>	
<b>UAL-PA-03776-LA-1208157</b>	***	SA-8
UAL-PA-03776-LA-1208234	Privileged and Confidential Matters	
<b>UAL-PA-03776-LA-1208596</b>	AGTA Matters	
UAL-PA-03776-LA-1208238	Assignment Matters	
UAL-PA-03776-LA-1208869	Delivery *** Matters	
UAL-PA-03784-LA-1207869	737 Production Adjustments	
<b>UAL-PA-3776-LA-1606848R1</b>	<b>*** Special MAX9 Aircraft</b>	<b>SA-8</b>

**SUPPLEMENTAL AGREEMENTS**

Supplemental Agreement No. 1
Supplemental Agreement No. 2
Supplemental Agreement No. 3
Supplemental Agreement No. 4
Supplemental Agreement No. 5
Supplemental Agreement No. 6
Supplemental Agreement No. 7
<b>Supplemental Agreement No. 8</b>

**DATED AS OF**

June 17, 2013
January 14, 2015
May 26, 2015
June 12, 2015
January 20, 2016
February 8, 2016
December 27, 2016
<b>June 7, 2017</b>

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**Table 1 To Purchase Agreement No. 03776  
737-9 Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW: 737-9</b>	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:***</b>	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	***
<b>Airframe Price:</b>	\$	<b>Engine Price Base Year/Escalation Formula:</b>	***
<b>Optional Features:</b>	\$	***	***
<b>Sub-Total of Airframe and Features:</b>	\$	<b>Airframe Escalation Data:</b>	
<b>Engine Price (Per Aircraft):</b>	\$	<b>Base Year Index (ECI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>	\$	<b>Base Year Index (CPI):</b>	***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>	\$	***	
<b>Seller Purchased Equipment (SPE) Estimate:</b>	\$	***	
<b>Deposit per Aircraft:</b>	\$	***	

<u># of Aircraft</u>	<u>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</u>	<u>Manufacturer Serial Number</u>	<u>Actual or Nominal Delivery Month*</u>	<u>Escalation Estimate *** Base Price Per A/P</u>	<u>*** Per Aircraft (Amts. Due/*** Prior to Delivery):</u>			
							<u>***</u>	<u>***</u>	<u>***</u>	<u>***</u>
***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
<b>Total:</b>		***								

\* Nominal delivery month, \*\*\* pursuant to Letter Agreement number UAL-PA-03776-LA-1207643.

**Note: Serial Numbers are provided as guidance only and are subject to change.**

\*\*\*

UAL-PA-03776 APR: 105435.TXT

Table 1 per SA-8, Page 1

**Boeing / United Airlines, Inc. Proprietary**

**AIRCRAFT CONFIGURATION**

**between**

**THE BOEING COMPANY**

**and**

**United Airlines, Inc.**

**Exhibit A to Purchase Agreement Number PA-03776**

UAL-PA-03776-EXA

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**AIRCRAFT CONFIGURATION**

**relating to**

**BOEING MODEL 737-9 AIRCRAFT**

The Detail Specification is Boeing document number \*\*\* (the designator is \*\*\* due to the Detail Specification being aligned by manufacturer serial number, e.g., for the \*\*\* aircraft, the Detail Specification is projected to be \*\*\* Rev \*\*\*, dated \*\*\*). Such Detail Specification will be comprised of Boeing configuration specification document number \*\*\*, Rev \*\*\*, dated \*\*\*, as amended to incorporate the optional features (**Options**) listed below, including the effects on Manufacturer's Empty Weight (**MEW**) and Operating Empty Weight (**OEW**). As soon as practicable, Boeing will furnish to Customer copies of the Detail Specification, which copies will reflect such Options. The Aircraft Basic Price reflects and includes all effects of such Options, except such Aircraft Basic Price does not include the price effects of any Buyer Furnished Equipment or In-Flight Entertainment.

UAL-PA-03776-EXA

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

Option Number  
\*\*\*

Title

\*\*\*  
MAX9  
Aircraft  
\*\*\* Price  
Per  
A/C  
\*\*\*

\*\*\*  
MAX9  
Aircraft  
\*\*\* Price  
Per  
A/C  
\*\*\*

OPTIONS: \*\*\*

TOTALS:

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

UAL-PA-03776-LA-1207637R1

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject:       \*\*\* Matters

Reference:     Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UCH-PA-03776-LA-1207646 dated July 12, 2012.

The Purchase Agreement incorporates the terms and conditions of AGTA/UAL between Boeing and Customer. This Letter Agreement modifies certain terms and conditions of the AGTA with respect to the Aircraft.

1.     \*\*\*.
2.     \*\*\* on \*\*\*.

\*\*\* will be \*\*\* on the \*\*\*. In the event that \*\*\* chooses to \*\*\* from a third party where such third party requires a \*\*\* in the \*\*\* as \*\*\* that this \*\*\* will not be available or provided to such third party without the prior written consent of \*\*\*, provided that \*\*\* agrees to use commercially reasonable efforts to assist \*\*\*.

3.     \*\*\* Rights.

3.1 Customer agrees that \*\*\*.

3.2 In the event Boeing \*\*\* Customer \*\*\* pursuant to Article 3.1, absent instruction from Boeing to the contrary, Customer shall, \*\*\* the Purchase Agreement as amended by this Letter Agreement. Customer will \*\*\*.

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\*\*\* Matters

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**



3.3 For all purposes of this paragraph 3, including without limitation, notice, \*\*\* or any other application, \*\*\*. Boeing expressly reserves all of its rights and remedies under any agreement and applicable law.

4. Confidentiality.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

5. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or, in part.

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/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207637R1

\*\*\* Matters

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

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ACCEPTED AND AGREED TO this

Date: June 7, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-03776-LA-1207637R1

\*\*\* Matters

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



UAL-PA-03776-LA-1207650R2

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: Special Matters – 737 MAX Aircraft

- References: 1) Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**); and
- 2) Letter Agreement UAL-PA-03776-1207638 entitled \*\*\*

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207650R1 dated December 27, 2016.

1. \*\*\*.
  - 1.1 \*\*\*. At the \*\*\* of each 737-9 Aircraft, Boeing \*\*\* to Customer \*\*\* in an \*\*\* the 737-9 \*\*\*.
  - 1.2 \*\*\*. At the \*\*\* of each 737-9 Aircraft, Boeing \*\*\* to Customer \*\*\* in an \*\*\* the 737-9 \*\*\*. Boeing represents that \*\*\* of this \*\*\* is consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.
  - 1.3 \*\*\*. Pursuant to the \*\*\*, Customer may \*\*\* of \*\*\*. At the time of \*\*\*, Boeing \*\*\* to Customer \*\*\*.
  - 1.4 \*\*\*. Pursuant to the \*\*\*, Customer may \*\*\* of \*\*\*. At the time of \*\*\*, Boeing \*\*\* Customer \*\*\* the \*\*\*.
  - 1.5 \*\*\* and \*\*\*.

The parties agree to the following \*\*\* which will \*\*\* Special MAX9 Aircraft (**Limited 737-9 Aircraft**).

1.5.1 At the time \*\*\* of each applicable \*\*\* 737-9 Aircraft, Boeing \*\*\* to Customer \*\*\* to be used solely for the \*\*\* of Boeing \*\*\* and \*\*\* and shall not be applied to \*\*\* or \*\*\*.

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Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**



1.5.2 Boeing and Customer will work together to assess and agree to determine whether and how \*\*\* established in Attachment 1 is \*\*\* provided in Attachment 2 to this Letter Agreement. Such assessment will incorporate the methodology and assumptions incorporated in development of Attachment 1 to this Letter Agreement including \*\*\* to the effective date of Supplemental Agreement No. 7 to the 787 Purchase Agreement No. 3860 and \*\*\* in Attachment 1 to this Letter Agreement.

2. \*\*\* of \*\*\*.

Unless otherwise noted, the \*\*\* stated in Paragraphs 1.1 through 1.5 \*\*\* are in \*\*\* year dollars and \*\*\* to the scheduled month of the respective Aircraft delivery pursuant to the \*\*\* formula set forth in the Purchase Agreement applicable to the Aircraft. The \*\*\* may, at the election of Customer, be \*\*\* Boeing \*\*\* and \*\*\* (but shall not be applied to advance payments).

3. \*\*\*.

Boeing agrees to make the 737 \*\*\* available for the 737-9 through Boeing's \*\*\*. In the event that Boeing \*\*\* the 737 \*\*\*, then \*\*\* will provide \*\*\* at delivery of each 737-9 equal to \*\*\* for \*\*\* in the \*\*\* in the \*\*\* with the 737 \*\*\* as set forth in Attachment 1 to this Letter Agreement \*\*\* (subject to the requirements in Attachment 3, unless otherwise mutually agreed) without the 737 \*\*\* of \*\*\* (737 \*\*\*) per 737-9 Aircraft). For the avoidance of doubt, \*\*\* to issue the 737 \*\*\* will \*\*\* when the 737 \*\*\* becomes, and remains, \*\*\* for the 737-9 aircraft not yet delivered to Customer.

4. 737 Supplier Management.

It is Boeing's 737 MAX design intent to \*\*\* with the \*\*\* while also achieving the 737 MAX \*\*\* (including, but not limited to, \*\*\*) that the market demands. If a \*\*\* leads to a \*\*\* to be available only through a \*\*\* for the \*\*\* where \*\*\* were available on the \*\*\*, or if an existing \*\*\*, then \*\*\* such affected \*\*\* will have the necessary agreements in place to provide \*\*\*. These \*\*\*, known as \*\*\*, will include (but not be limited to) \*\*\* that the terms of such \*\*\* are commercially reasonable.

5. Supplier Diversity.

Customer and Boeing agree to work towards a mutually agreeable solution for meeting diversity requirements in the supply base. Notwithstanding the foregoing sentence, Boeing agrees to (i) identify parts and equipment where Customer makes the procurement decision for potential opportunities; (ii) submit indirect reports until other options are vetted and approved; and (iii) continue to engage with Customer with regard to supplier diversity to ensure Boeing supports Customer's requirements.

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Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**



6. Delivery \*\*\*.

Customer and Boeing agree that both Customer and Boeing will have certain Aircraft \*\*\*. Such \*\*\* are provided to Customer and Boeing pursuant to Letter Agreement No. UAL-PA-03776-LA-1208869.

7. Assignment.

Unless otherwise noted herein, the \*\*\* described in this Letter Agreement are provided \*\*\* to Customer and in consideration of \*\*\*. Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, this Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing. \*\*\*.

8. Confidentiality.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

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Special Matters

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**BOEING / NITED AIRLINES PROPRIETARY**



ACCEPTED AND AGREED TO this

Date: \_\_\_\_\_ June 7, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement and  
Treasurer

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Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**

\*\*\*

**Current scenario:**

<u>Year</u>	<u>787-10</u>	<u>787-10</u>	<u>777-300</u>	<u>737 MAX and</u>	<u>*** and ****</u>	<u>Total Cashflow</u>		
***	***	***	***	***	***	***		
<b>Total</b>	***	***	***	***	***	***	Discount Rate	***%
<b>PV (***%)</b>	***	***	***	***	***	***	***	\$***

**Alternative scenario:**

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>		
<u>Year</u>	<u>787-10</u>	<u>787-10</u>	<u>777-300</u>	<u>Special 737-7</u>	<u>***+</u>	<u>Total Cashflow</u>		
***	***	***	***	*** and ***	***	***		
<b>Total</b>	***	***	***	***	***	***	Discount Rate	***%
<b>PV (***%)</b>	***	***	***	*** of Boeing ***:	***	***	***	\$***

+ - Note: Payment dates for the “Fixed \*\*\* and \*\*\*\*” amounts and other related payments to Customer will be subject to adjustment as mutually agreed by the parties to reflect  
 \*\*\* incorporated by the Supplemental Agreements executed on March 7 and this Supplemental Agreement 7. \*\*\* subsequent to March 7 should be reviewed for \*\*\* to be issued in columns (5) and (6).

\*\*\*

Current scenario:

<u>Year</u> ***	<u>787-10***</u> ***	<u>787-10***</u> ***	<u>777-300***</u> ***	<u>737 *** and ***</u> ***	<u>*** and ***</u> ***	<u>Total Cashflow</u> ***		
<b>Total</b>	***	***	***	***	***	***	Discount Rate	***%
<b>PV (***%)</b>	***	***	***	***	***	***	***	\$***

Alternative scenario: \*\*\* & 4th Quarter \*\*\* Forecast:

<u>Year</u> ***	<u>787-10 ***</u> ***	<u>787-10 ***</u> ***	<u>777-300***</u> ***	<u>737 MAX9 ***and ***</u> ***	<u>***</u> ***	<u>Total Cashflow</u> ***		
<b>Total</b>	***	***	***	***	***	***	Discount Rate	***%
<b>PV (***%)</b>	***	***	***	***	***	***	***	\$***

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Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**

\*\*\*

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Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**



UAL-PA-03776-LA-1208157R1

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: \*\*\*

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This Letter Agreement amends and supplements the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UCH-PA-03776-LA-1208157 dated July 12, 2012.

All terms used herein and in this Letter Agreement, and not defined herein, will have the same meaning as in the Purchase Agreement.

Subject to the terms, provisions, and conditions described herein, Boeing \*\*\* Aircraft, as of the effective date (Effective Date) of the \*\*\*.

1. Customer's \*\*\*.

Boeing \*\*\* Customer, at a charge as described in paragraph 3 below, \*\*\* an Aircraft \*\*\* for the respective model type. The Effective Date of such \*\*\* shall be the date that Boeing provides \*\*\*, unless otherwise mutually agreed to. \*\*\* for the applicable Aircraft \*\*\*. Boeing will use its best reasonable efforts to provide \*\*\* not later than \*\*\* after receipt of Customer's written request.

2. \*\*\*.

At the time of delivery of each Aircraft, \*\*\* after delivery of an Aircraft, \*\*\* as requested by Customer. Such \*\*\* shall be \*\*\*, identifying the Aircraft Manufacturer's Serial Number (MSN), the delivery date and the Effective Date of \*\*\*. The \*\*\* shall also indicate \*\*\*; the \*\*\*. Customer may \*\*\* subsequent to the Effective Date. If \*\*\*, then Customer \*\*\* as outlined in paragraph 3 below.

3. \*\*\*.

\*\*\* in accordance with either the \*\*\* set forth below, at Customer's option.

UAL-PA-03776-LA-1208157R1  
\*\*\*

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**



3.1 Calculation of Customer's Lease Payment for Affected Aircraft.

If Customer elects \*\*\*, then Customer shall \*\*\*

3.2 \*\*\*

3.3 \*\*\*

3.4 Customer's \*\*\*

3.5 \*\*\*

4. \*\*\*

5. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

UAL-PA-03776-LA-1208157R1

\*\*\*

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



Very truly yours,

THE BOEING COMPANY

By /s/ Irma L Krueger  
Its Attorney-in-Fact

ACCEPTED AND AGREED TO this

Date: June 7, 2017

**UNITED AIRLINES, INC.**

By /s/ Gerald Laderman  
Its Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-03776-LA-1208157R1

\*\*\*

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**Attachment A to Letter Agreement UAL-PA-03776-LA-1208157R1**

Date: \_\_\_\_\_

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Attention: \*\*\*

Reference: Letter Agreement UAL-PA-03776-LA-1208157R1E to Purchase Agreement 03776

\*\*\*

Very truly yours,

THE BOEING COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_

Attachment A to UAL-PA-03776-LA-1208157R1

\*\*\*

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**Attachment A: Reference Weight Data at Inception of the Program**

<u>737-9</u>	<u>MTOW</u>	<u>MLW</u>	<u>MZFW</u>
Purchased Weight	***	***	***
Certified Weight	***	***	***
Hinge or Midpoint Weight	***	***	***

  

<u>737-8</u>	<u>MTOW</u>	<u>MLW</u>	<u>MZFW</u>
Purchased Weight	***	***	***
Certified Weight	***	***	***
Hinge or Midpoint Weight	***	***	***

  

<u>737-7</u>	<u>MTOW</u>	<u>MLW</u>	<u>MZFW</u>
Purchased Weight	***	***	***
Certified Weight	***	***	***
Hinge or Midpoint Weight	***	***	***

Attachment A to UAL-PA-03776-LA-1208157R1  
\*\*\*

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

\*\*\*

Attachment B to UAL-PA-03776-LA-1208157R1

\*\*\*

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

UAL-PA-3776-LA-1606848R1

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: \*\*\* Special MAX9 Aircraft

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement have the same meaning as in the Purchase Agreement. References to the Purchase Agreement are to the Purchase Agreement as amended from time to time, including by way of this Letter Agreement and other letter agreements between Boeing and Customer. **This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1606848 dated December 27, 2016.**

1. \*\*\*

Customer has the right to \*\*\* the delivery of any of the \*\*\* Special MAX9 Aircraft from \*\*\* delivery month into \*\*\*, pursuant to the terms of this Letter Agreement (\*\*\*). For the avoidance of doubt, the aggregate maximum number of \*\*\* is \*\*\*.

2. Notice Requirement.

Customer will provide written notice (**\*\*\* Notice**) of its intent to \*\*\* purchase of any eligible Special MAX9 Aircraft no later than the Exercise Notice Due Date specified in Attachment 1 to this Letter Agreement. Each such \*\*\* Special MAX9 Aircraft, once confirmed with Boeing as specified in Section 4 herein, is referred to herein as an \*\*\* **Aircraft**.

3. \*\*\*.

The \*\*\* of Special MAX9 Aircraft which can be \*\*\* into \*\*\* is specified in Attachment 1 to this Letter Agreement.

UAL-PA-3776-LA-1606848R1

\*\*\*

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**BOEING PROPRIETARY**



4. Definitive Agreement.

If Customer agrees with the \*\*\* in the \*\*\* Confirmation, then the parties will sign a definitive agreement to incorporate the \*\*\* for each \*\*\* Aircraft (**Supplemental Agreement**) within \*\*\* of the \*\*\* Confirmation. The Supplemental Agreement will include the provisions of the Purchase Agreement as modified to reflect the provisions of this Letter Agreement. In the event the parties \*\*\* a Supplemental Agreement within \*\*\* following \*\*\* Confirmation, either party may \*\*\* of a Special MAX9 Aircraft by giving written notice to the other within \*\*\*. If Customer and Boeing \*\*\* Supplemental Agreement, then the delivery month of such Special MAX9 Aircraft is \*\*\* specified in the \*\*\* Confirmation.

5. BFE.

The BFE \*\*\* dates \*\*\* to support the scheduled delivery month of any applicable \*\*\* Aircraft.

6. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's \*\*\*.

7. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: Irma L Krueger

Its: Attorney-In-Fact

UAL-PA-3776-LA-1606848R1

\*\*\*

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LA Page 2

**BOEING PROPRIETARY**



ACCEPTED AND AGREED TO this

Date: June 7, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-3776-LA-1606848R1

\*\*\*

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**BOEING PROPRIETARY**

Attachment 1: \*\*\* Notice Due Date for \*\*\* Special MAX9 Aircraft

\*\*\*  
\*\*\*  
\*\*

Annual Limitation Specifics

\*\*\*  
\*\*\*

\*\*\* Delivery Month

\*\*\*  
\*\*\*

\*\*\* Due Date

\*\*\*  
\*\*\*

Attachment 1 to UAL-PA-3776-LA-1606848R1

\*\*\*

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Attachment 1, Page 1

BOEING PROPRIETARY

**CONFIDENTIAL MATERIAL APPEARING IN THIS DOCUMENT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN ACCORDANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 24B-2 PROMULGATED THEREUNDER. OMITTED INFORMATION HAS BEEN REPLACED WITH ASTERISKS.**

Supplemental Agreement No. 9

to

Purchase Agreement No. 03776

between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 737 MAX Aircraft

THIS SUPPLEMENTAL AGREEMENT, entered into as of June 15, 2017, by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement No. 3776 dated July 12, 2012, as amended and supplemented (**Purchase Agreement**), relating to the purchase and sale of Boeing model 737 MAX aircraft (**Aircraft**). This Supplemental Agreement is an amendment to the Purchase Agreement;

WHEREAS, Customer and Boeing agree to substitute the purchase of one hundred (100) Boeing Model 737-10 aircraft (737-10 Aircraft) for one hundred (100) specified 737-9 Aircraft;

WHEREAS, Customer and Boeing agree to incorporate certain additional Customer Aircraft \*\*\* into the Purchase Agreement;

WHEREAS, Customer and Boeing desire to further revise the Open Matters Letter to reflect its applicability to 737-10 Aircraft;

WHEREAS, Customer and Boeing desire to further revise the \*\*\* Letter to reflect its applicability to 737-10 Aircraft;

WHEREAS, Customer and Boeing desire to further revise the Special Matters Letter to reflect its applicability to 737-10 Aircraft;

WHEREAS, Customer and Boeing agree to incorporate \*\*\* for 737-9 Aircraft and 737-10 Aircraft scheduled for delivery prior to \*\*\*;

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

WHEREAS, Customer and Boeing agree to incorporate certain revisions to the Letter Agreement UAL-PA-3776-LA-1606848R1 entitled “\*\*\*\* Special MAX9 Aircraft” (\*\*\*) **Letter Agreement**) to revise applicability to the Special MAX Aircraft as that term is defined in Letter Agreement UAL-PA-03776-LA-1207650R2.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree to amend the Purchase Agreement as follows:

1. Table of Contents.

The “Table of Contents” is deleted in its entirety and replaced with the attached “Table of Contents” (identified by “SA-9”).

2. Tables.

2.1. Table 1 entitled “737-9 Aircraft Delivery, Description, Price and \*\*\*\*” is deleted in its entirety and replaced with the attached similarly titled “Table 1” (identified by “SA-9”).

2.2. Table 1.1 entitled “\*\*\*\* 737-9 Aircraft Delivery, Description, Price and \*\*\*\*” (identified by “SA-9”) is hereby added to the Purchase Agreement.

2.3. Table 1A entitled “737-10 Aircraft Delivery, Description, Price and \*\*\*\*” (identified by “SA-9”) is hereby added to the Purchase Agreement.

3. Exhibits, Supplemental Exhibits.

3.1. Exhibit A-4 (identified by “SA-9”) is hereby added to the Purchase Agreement to incorporate \*\*\*\* estimate for the 737-10 Aircraft.

3.2. Supplemental Exhibit AE2 (identified by “SA-9”) is hereby added to the Purchase Agreement to incorporate \*\*\*\*/Airframe and \*\*\*\* for the 737-10 Aircraft.

3.3. Supplemental Exhibit BFE2 (identified by “SA-9”) is hereby added to the Purchase Agreement to incorporate BFE variables data for the 737-10 Aircraft.

3.4. Supplemental Exhibit CS1 is deleted in its entirety and replaced with the attached similarly titled revised Supplemental Exhibit CS1 (identified by “SA-9”).

4. Letter Agreements.

4.1. Letter Agreement UAL-PA-03776-LA-1207638 entitled “\*\*\*\*” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1207638R1 (identified by “SA-9”).

4.2. Letter Agreement UAL-PA-03776-LA-1207643 entitled “Open Matters” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1207643R1 (identified by “SA-9”) to newly apply to the 737-10 Aircraft.

4.3. Letter Agreement UAL-PA-03776-LA-1207650R2 entitled "Special Matters" is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1207650R3 (identified by "SA-9") to revise \*\*\* and to incorporate the 737-10 Aircraft.

4.4. Letter Agreement UAL-PA-03776-LA-1208123 entitled "\*\*\*\*" is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1208123R1 entitled "\*\*\*\* Matters for 737-9 Aircraft" (identified by "SA-9") to incorporate the \*\*\*\* applicable to 737-9 Aircraft scheduled for delivery prior to \*\*\*.

4.5. Letter Agreement UAL-PA-03776-LA-1208157R1 entitled "\*\*\*\*" is deleted in its entirety and replaced with Letter Agreement UAL-PA-03776-LA-1208157R2 (identified by "SA-9") to incorporate \*\*\*.

4.6. Letter Agreement UAL-PA-3776-LA-1606848R1 entitled "\*\*\*\* Special MAX9 Aircraft" is deleted in its entirety and replaced with Letter Agreement UAL-PA-3776-LA-1606848R2 entitled "\*\*\*\* Special MAX Aircraft" (identified by "SA-9") to revise applicability to \*\*\* Aircraft \*\*\* Aircraft.

4.7. Letter Agreement UAL-PA-3776-LA-1703685 entitled "737-10 Aircraft \*\*\*\*" (identified by "SA-9") is hereby added to the Purchase Agreement.

4.8. Letter Agreement UAL-PA-3776-LA-1703743 entitled "2017 \*\*\*\*" (identified by "SA-9") is hereby added to the Purchase Agreement.

4.9. Letter Agreement UAL-PA-3776-LA-1703858 entitled "\*\*\*\* Program for the 737-10 Aircraft" (identified by "SA-9") is hereby added to the Purchase Agreement.

5. Miscellaneous.

5.1. The parties agree that

5.1.1. Boeing shall advise Customer, prior to contracting for any contemplated purchase of a 737-9 Aircraft and/or 737-10 Aircraft delivering on or after \*\*\*, on whether the \*\*\*\* can be extended by Boeing to such additional aircraft \*\*\*; and

5.1.2. With respect to a mission \*\*\* commitment for the \*\*\* Aircraft: the parties agree that the \*\*\* Aircraft will have \*\*\* Aircraft \*\*\*\*) mission \*\*\* commitment specified Section 2.1.5 of the Attachment to Letter Agreement UAL-PA-03784-LA-1601973R1 entitled "Aircraft \*\*\* – Firm \*\*\* Aircraft and \*\*\* Aircraft" when configured with a similar seat count, configuration options, and using the same mission conditions, e.g., \*\*\* mission with a \*\*\* payload. Such comparison will use specifically defined standard assumptions, conditions, \*\*\* rules and \*\*\*. The parties agree that this Section 5.1.2 commitment will be superseded once Boeing provides Customer with \*\*\* for the \*\*\* Aircraft.

5.2. Commencing with Supplemental Agreement No. 9, the parties intend that the term "Aircraft" is deemed to include 737-10 Aircraft.

5.3. If, however, Boeing or Customer determines that the deemed inclusion of "737-10 Aircraft" as an "Aircraft" should be further reflected in additional amendments to the Purchase Agreement, then Boeing and Customer will work together for a mutually agreeable solution.

The Purchase Agreement will be deemed supplemented to the extent provided herein as of the date hereof and as so supplemented will continue in full force and effect.

*The rest of this page is left intentionally blank.*

EXECUTED IN DUPLICATE as of the day and year first written above.

**THE BOEING COMPANY**

**UNITED AIRLINES, INC.**

/s/ Irma L Krueger

/s/ Gerald Laderman

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Irma L Krueger

Gerald Laderman

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Attorney-in-Fact

Senior Vice President Finance,  
Procurement and Treasurer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

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<b>UAL-PA-03776-LA-1208123R1</b>	<b>*** Matters for 737-9 Aircraft</b>	<b>SA-9</b>
<b>UAL-PA-03776-LA-1208157R2</b>	<b>*** Provisions</b>	<b>SA-9</b>
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<b>UAL-PA-03776-LA-1703685</b>	<b>737-10 Aircraft ***</b>	<b>SA-9</b>
<b>UAL-PA-03776-LA-1703743</b>	***	<b>SA-9</b>
<b>UAL-PA-03776-LA-1703858</b>	<b>*** Program for the 737-10 Aircraft</b>	<b>SA-9</b>
	<b>*** Commitment for the 737-8 *** Aircraft</b>	<b>§5.1.2 of SA-9</b>

<u>SUPPLEMENTAL AGREEMENTS</u>	<u>DATED AS OF</u>
Supplemental Agreement No. 1	June 17, 2013
Supplemental Agreement No. 2	January 14, 2015
Supplemental Agreement No. 3	May 26, 2015
Supplemental Agreement No. 4	June 12, 2015
Supplemental Agreement No. 5	January 20, 2016
Supplemental Agreement No. 6	February 8, 2016
Supplemental Agreement No. 7	December 27, 2016
Supplemental Agreement No. 8	June 7, 2017
<b>Supplemental Agreement No. 9</b>	<b>June 15, 2017</b>

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**Table 1A To Purchase Agreement No. 03776  
737-10 Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-10	***pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	***	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** **
<b>Airframe Price:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>	*** **
<b>Optional Features:</b>		\$***		
<b>Sub-Total of Airframe and Features:</b>		\$***	<b>Airframe Escalation Data:</b>	
<b>Engine Price (Per Aircraft):</b>		\$***	<b>Base Year Index (ECI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		\$***	<b>Base Year Index (CPI):</b>	***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$***		
<b>Seller Purchased Equipment (SPE) Estimate:</b>		\$***		
<b>Deposit per Aircraft:</b>		\$***		

<u># of Aircraft</u>	<u>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</u>	<u>Manufacturer Serial Number</u>	<u>Actual or Nominal Delivery Month*</u>	<u>Escalation Estimate *** Base Price Per A/P</u>	<u>*** Per Aircraft (Amts. Due/*** Prior to Delivery):</u>			
***	***	***	***	***	***	\$***	***	***	***	***
<b>Total:</b>		***					\$***	\$***	\$***	\$***

\* Nominal delivery month, \*\*\* pursuant to Letter Agreement number UAL-PA-03776-LA-1207643.

**Note: Serial Numbers are provided as guidance only and are subject to change.**

\*\*\*

**Table 1 To Purchase Agreement No. 03776  
737-9 Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-9	***pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	***	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** ***
<b>Airframe Price:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>	*** ***
<b>Optional Features:</b>		\$***		
<b>Sub-Total of Airframe and Features:</b>		\$***	<b>Airframe Escalation Data:</b>	
<b>Engine Price (Per Aircraft):</b>		\$***	<b>Base Year Index (ECI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		\$***	<b>Base Year Index (CPI):</b>	***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$***		
<b>Seller Purchased Equipment (SPE) Estimate:</b>		\$***		
<b>Deposit per Aircraft:</b>		\$***		

<u># of Aircraft</u>	<u>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</u>	<u>Manufacturer Serial Number</u>	<u>Actual or Nominal Delivery Month*</u>	<u>Escalation Estimate *** Base Price Per A/P</u>	<u>*** Per Aircraft (Amts. Due/*** Prior to Delivery):</u>			
							<u>***</u>	<u>***</u>	<u>***</u>	<u>***</u>
***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
<b>Total:</b>		***								

\* Nominal delivery month, \*\*\* pursuant to Letter Agreement number UAL-PA-03776-LA-1207643.

**Note: Serial Numbers are provided as guidance only and are subject to change.**

\*\*\*

**Table 1.1 To Purchase Agreement No. 03776**  
**\*\*\* 737-9 Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-								
<b>Engine Model/Thrust:</b>	9	*** pounds	<b>Detail Specification:</b>						***
<b>Airframe Price:</b>	***	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>						*** ***
<b>Optional Features:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>						*** ***
<b>Sub-Total of Airframe and Features:</b>		\$***	<b>Airframe Escalation Data:</b>						
<b>Engine Price (Per Aircraft):</b>		\$***	<b>Base Year Index (ECI):</b>						***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		\$***	<b>Base Year Index (CPI):</b>						***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$***							
<b>Seller Purchased Equipment (SPE) Estimate:</b>		\$***							
<b>Deposit per Aircraft:</b>		\$***							

<u># of Aircraft</u>	<u>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</u>	<u>Manufacturer Serial Number</u>	<u>Actual or Nominal Delivery Month*</u>	<u>Escalation Estimate *** Base Price Per A/P</u>	<u>*** Per Aircraft (Amts. Due/ *** Prior to Delivery):</u>			
							<u>***</u>	<u>***</u>	<u>***</u>	<u>***</u>
***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
	Total:	***								

\* Nominal delivery month, \*\*\* pursuant to Letter Agreement number UAL-PA-03776-LA-1207643.  
**Note: Serial Numbers are provided as guidance only and are subject to change.**  
 \*\*\*

**AIRCRAFT CONFIGURATION**

**between**

**THE BOEING COMPANY**

**and**

**United Airlines, Inc.**

**Exhibit A to Purchase Agreement Number PA-03776 for 737-9 Aircraft**

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**AIRCRAFT CONFIGURATION**

**relating to**

**BOEING MODEL 737-9 AIRCRAFT**

The Detail Specification is Boeing document number \*\*\* (the designator is \*\*\* due to the Detail Specification being aligned by manufacturer serial number, e.g., for the \*\*\* aircraft, the Detail Specification is projected to be \*\*\*, Rev \*\*\*, dated \*\*\*). Such Detail Specification will be comprised of Boeing configuration specification document number \*\*\*, Rev \*\*\*, dated \*\*\*, as amended to incorporate the optional features (**Options**) listed below, including the effects on Manufacturer's Empty Weight (**MEW**) and Operating Empty Weight (**OEW**). As soon as practicable, Boeing will furnish to Customer copies of the Detail Specification, which copies will reflect such Options. The Aircraft Basic Price reflects and includes all effects of such Options, except such Aircraft Basic Price does not include the price effects of any Buyer Furnished Equipment or In-Flight Entertainment.

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

Option Number ***	Title	*** 737-9 Aircraft *** Price Per A/C	*** 737-9 Aircraft *** Price Per A/C
----------------------	-------	--	--

OPTIONS: \*\*\*

TOTALS:

UAL-PA-03776-EXA

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**AIRCRAFT CONFIGURATION**

**between**

**THE BOEING COMPANY**

**and**

**United Airlines, Inc.**

**Exhibit A-4 to Purchase Agreement Number PA-03776**

**for 737-10 Aircraft**

UAL-PA-03776-EXA-4

737-10 Aircraft

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**Exhibit A-4**

**AIRCRAFT CONFIGURATION**

**relating to**

**BOEING MODEL 737-10 AIRCRAFT**

The Detail Specification is Boeing document number \*\*\*, Revision \*\*\* dated \*\*\*. The estimate for optional features was estimated using Customer's current 737-9 Aircraft configuration as seen in Attachment 1 to this Exhibit A-4. Such Attachment 1 estimate of optional features comprises Customer's Initial Configuration which is subject to change pursuant to the provisions of Letter Agreement UAL-PA-03776-LA-1207643R1 entitled "Open Matters".

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737-10 Aircraft

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

Option Number

\*\*\*

OPTIONS: \*\*\*

UAL-PA-03776-EXA-4

737-10 Aircraft

TOTALS:

\*\*\*

\*\*\*

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**AIRFRAME AND \*\*\***

**between**

**THE BOEING COMPANY**

**and**

**UNITED AIRLINES, INC.**

**Supplemental Exhibit AE2  
to Purchase Agreement Number 3776**

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**BOEING PROPRIETARY**

relating to

**BOEING MODEL 737-10 AIRCRAFT**

For the purposes of this AE2, the term Aircraft shall mean 737-10 Aircraft.

1. Formula.

Airframe and \*\*\* price adjustments (**Airframe Price Adjustment**) are used to \*\*\* to be \*\*\* in \*\*\* at the signing of this Purchase Agreement and to \*\*\* to be \*\*\* at \*\*\* for the \*\*\* of \*\*\*. The Airframe Price Adjustment will be \*\*\* at the \*\*\* of \*\*\* in accordance with the following formula:

\*\*\*

Where:

\*\*\* = \*\*\*.

\*\*\* = \*\*\* plus the \*\*\* of the \*\*\* (as set forth in Table \*\*\* of this Purchase Agreement).

\*\*\*

Where:

\*\*\* is the \*\*\* (as set forth in Table \*\*\* of this Purchase Agreement);

\*\*\* is a \*\*\* determined using the \*\*\*, calculated by establishing a \*\*\* arithmetic average \*\*\* (expressed as a decimal and rounded to the nearest tenth) using the \*\*\* for the \*\*\* of scheduled delivery of the applicable Aircraft. As the \*\*\* values are only released on a \*\*\* basis, the value released for the \*\*\* will be used for the \*\*\*; the \*\*\* released for the \*\*\* will be used for the \*\*\*; the \*\*\* released for the \*\*\* will be used for the \*\*\*; the \*\*\* released for the \*\*\* will be used for the \*\*\*.

\*\*\*

Where:

\*\*\* is the \*\*\* (as set forth in Table \*\*\* of this Purchase Agreement); and

\*\*\* is a \*\*\* determined using the \*\*\*, calculated as a \*\*\* arithmetic average of the released \*\*\* (expressed as a decimal and rounded to the nearest tenth) using the \*\*\* for the \*\*\* of scheduled delivery of the applicable Aircraft.

As an example, for an Aircraft scheduled to be delivered in the \*\*\*, the \*\*\* of the \*\*\* will be utilized in determining the value of \*\*\* and \*\*\*.

Note:

- (i) In determining the values of \*\*\* and \*\*\*, all calculations and resulting \*\*\* will be expressed as a decimal rounded to the nearest ten-thousandth.
- (ii) \*\*\* is the numeric ratio attributed to \*\*\* in the Airframe Price Adjustment formula.
- (iii) \*\*\* is the numeric ratio attributed to \*\*\* in the Airframe Price Adjustment formula.
- (iv) The \*\*\* are the actual average \*\*\* reported by \*\*\*. The actual average \*\*\* are calculated as a \*\*\* arithmetic average of the released \*\*\* values (expressed as a decimal and rounded to the nearest tenth) using the \*\*\* for the \*\*\* the airframe base year. The applicable base year and corresponding denominator is provided by Boeing in Table \*\*\* of this Purchase Agreement.
- (v) The final value of \*\*\* will be rounded to the nearest dollar.
- (vi) The \*\*\* if it will \*\*\* in the \*\*\*.

## 2. Values to be Utilized in the Event of Unavailability.

2.1 If the \*\*\* substantially revises the methodology used for the determination of the values to be used to determine the \*\*\* and \*\*\* values (in contrast to benchmark adjustments or other corrections of previously released values), or for any reason has not released values needed to determine the applicable \*\*\*, the parties will, prior to the \*\*\* of any such Aircraft, select a substitute from other \*\*\* or \*\*\*. Such substitute will result in the same adjustment, insofar as possible, as would have been calculated utilizing the original values adjusted for fluctuation during the applicable time period. However, if within \*\*\* after \*\*\* of the Aircraft, the \*\*\* should resume releasing values for the months needed to determine the \*\*\* will be used \*\*\* or \*\*\* in the \*\*\* for the \*\*\* that \*\*\* at the \*\*\* of \*\*\* of \*\*\*.

2.2 Notwithstanding Article 2.1 above, if prior to the scheduled delivery month of an Aircraft the \*\*\* changes the \*\*\* for determination of the \*\*\* and \*\*\* values as defined above, such \*\*\* will be \*\*\* in the \*\*\*.

2.3 In the event escalation provisions are made non-enforceable or otherwise rendered void by any agency of the United States Government, the parties agree, to the extent they may lawfully do so, to \*\*\* the \*\*\* of any \*\*\* to \*\*\* an \*\*\* for \*\*\* or \*\*\* with the \*\*\* of \*\*\* of this \*\*\* in \*\*\* and \*\*\* since \*\*\* to the price base year shown in \*\*\*.

2.4 If within \*\*\* of Aircraft \*\*\*, the published index values are revised due to an acknowledged error by the \*\*\*, the \*\*\* will be \*\*\* (this does not include those values noted as preliminary by the \*\*\*). A \*\*\* or \*\*\* will be issued \*\*\* for the period of original invoice to issuance of \*\*\* or \*\*\*.

Note:

- (i) The \*\*\* released by \*\*\* and available to Boeing \*\*\* prior to the first day of the scheduled \*\*\* of an Aircraft will be used to determine the \*\*\* and \*\*\* values for the applicable \*\*\* (including those noted as preliminary by the \*\*\*) to calculate the Airframe Price Adjustment for the Aircraft invoice at the \*\*\* of \*\*\*. The \*\*\* will be considered final and \*\*\* will be \*\*\* for any \*\*\* in \*\*\* subject always to \*\*\*.
- (ii) The maximum number of digits to the right of the decimal after rounding utilized in any part of the Airframe Price Adjustment equation will be four (4), where rounding of the fourth digit will be increased to the next highest digit when the 5th digit is equal to five (5) or greater.

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**BOEING PROPRIETARY**

**BUYER FURNISHED EQUIPMENT VARIABLES**

**between**

**THE BOEING COMPANY**

**and**

**UNITED AIRLINES, INC.**

**Supplemental Exhibit BFE2  
to Purchase Agreement Number 03776  
for 737-10 Aircraft**

UAL-PA-03776-Ex BFE2

**BOEING PROPRIETARY**

**BUYER FURNISHED EQUIPMENT VARIABLES**

**relating to**

**BOEING MODEL 737-10 AIRCRAFT**

This Supplemental Exhibit BFE2 contains supplier selection dates, on-dock dates and other requirements applicable to the Aircraft.

1. Supplier Selection.

Customer will:

Select and notify Boeing of the suppliers and part numbers of the following BFE items by the following dates:

\*\*\*

\*\*\*

---

\* For a new certification, supplier requires notification \*\*\* prior to \*\*\* on-dock date.

Customer will enter into initial agreements with the selected \*\*\* suppliers on or before \*\*\* after the above supplier selection dates to actively participate with Customer and Boeing in coordination actions including the Initial Technical Coordination Meeting (**ITCM**).

2. On-dock Dates and Other Information.

On or before \*\*\*, Boeing will provide to Customer the BFE Requirements electronically through My Boeing Fleet (**MBF** in My Boeing Configuration (**MBC**)). These requirements may be periodically revised, setting forth the items, quantities, on-dock dates and shipping instructions and other requirements relating to the in-sequence installation of BFE. For planning purposes, preliminary BFE on-dock dates are set forth in Attachment 1:

3. Additional Delivery Requirements—Import.

Customer will be the “**importer of record**” (as defined by the U.S. Customs and Border Protection) for all BFE imported into the United States, and as such, it has the responsibility to ensure all of Customer’s BFE shipments comply with U.S. Customs Service regulations. In the event Customer requests Boeing, in writing, to act as importer of record for Customer’s BFE, and Boeing agrees to such request, Customer is responsible for ensuring Boeing can comply with all U.S. Customs Import Regulations by making certain that, at the time of shipment, all BFE shipments comply with the requirements in the “International Shipment Routing Instructions”, including the Customs Trade Partnership Against Terrorism (**C-TPAT**), as set out on the Boeing website referenced below. Customer agrees to include the International Shipment Routing Instructions, including C-TPAT requirements, in each contract between Customer and BFE supplier.

UAL-PA-03776-Ex BFE2

**BOEING PROPRIETARY**

**BOEING PROPRIETARY**

ATTACHMENT 1 TO SUPPLEMENTAL EXHIBIT BFE2 TO PURCHASE AGREEMENT NO. 03776

Preliminary On Dock Date Data:

<u>Nominal Del</u> <u>Dates</u>	<u>Qty</u>	<u>***</u>									
***	***	***	***	***	***	***	***	***	***	***	***
<b>Total</b>	***										

Attachment 1 to Supplemental Exhibit BFE2  
UAL-PA-03776-Ex BFE2

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BOEING PROPRIETARY

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**CUSTOMER SUPPORT VARIABLES**

**between**

**THE BOEING COMPANY**

**and**

**UNITED AIRLINES, INC.**

**Supplemental Exhibit CS1  
to Purchase Agreement Number 03776**

UAL-PA-03776-Ex CS1

**BOEING PROPRIETARY**

**CUSTOMER SUPPORT VARIABLES**

**relating to**

**BOEING MODEL 737 MAX AIRCRAFT**

Customer and Boeing will conduct planning conferences approximately \*\*\* prior to delivery of the first Aircraft, or as mutually agreed, in order to develop and schedule a \*\*\* to be furnished by \*\*\*.

The Customer Support Program will be based upon and equivalent to the entitlements summarized below.

1. Maintenance Training.

1.1\*\*\*.

1.2\*\*\*.

1.3\*\*\*.

1.4\*\*\*.

1.5\*\*\*.

1.6 Training materials will be provided to each student. In addition, one (1) set of training materials as used in Boeing's training program, including interactive media (formerly computer based training courseware), instrument panel wall charts, DVD programs, and student reference guide, etc. will be provided for use in Customer's own training program.

2. Flight Training.

2.1 Boeing commitment to provide \*\*\* to acquaint \*\*\* with \*\*\* Customer's newly-purchased Aircraft and an aircraft of the same model currently operated by Customer has been and is being accomplished through Boeing's transfer and granting of unlimited use of the 737 MAX computer based trainer for Customer to train its flight crews subject to intellectual property restrictions.

2.2 Performance Engineer Training in Boeing's regularly scheduled courses. Course schedules are published twice a year.

2.3 Training materials will be provided to each student. In addition, one set of training materials as used in Boeing's training program, including interactive media (formally flight differences computer based training courseware), instrument panel wall charts, DVD Programs, flight attendant manuals, etc. will be provided for use in Customer's own training program.

3. Planning Assistance.

3.1 Maintenance Engineering. Notwithstanding anything in Exhibit B to the AGTA to the contrary, Boeing will provide the following Maintenance Engineering support:

UAL-PA-03776-Ex CS1

**BOEING PROPRIETARY**

3.1.1 Maintenance Planning Assistance. Upon request, Boeing will provide \*\*\* to assist with maintenance program development and to provide consulting related to maintenance planning. Consultation with Customer will be based on ground rules and requirements information provided in advance by Customer.

3.1.2 ETOPS Maintenance Planning Assistance. Upon request, Boeing will provide \*\*\* to assist with the development of their Extended Operations (ETOPS) maintenance program and to provide consultation related to ETOPS maintenance planning. Consultation with Customer will be based on ground rules and requirements information provided in advance by the Customer.

3.1.3 GSE/Shops/Tooling Consulting. Upon request, Boeing will provide consulting and data for ground support equipment, maintenance tooling and requirements for maintenance shops. Consultation with Customer will be based on ground rules and requirements information provided in advance by Customer.

3.1.4 Maintenance Engineering Evaluation. Upon request, Boeing will provide \*\*\* to evaluate Customer's maintenance and engineering organization for conformance with industry best practices. The result of which will be documented by Boeing in a maintenance engineering evaluation presentation. Customer will be provided with a copy of the maintenance engineering evaluation presentation. Consultation with Customer will be based on ground rules and requirements information provided in advance by Customer.

## 3.2 Spares.

3.2.1 Recommended Spares Parts List (RSPL). A \*\*\* RSPL will be provided to identify spare parts required for the Customer Support Program.

3.2.2 Provisioning Training. Provisioning training will be provided for Customer's personnel at Boeing's facilities where documentation and technical expertise are available. Training is focused on the initial provisioning process and \*\*\* in the Boeing RSPL.

3.2.3 Spares Provisioning Conference. A provisioning conference will be conducted at Boeing's facilities where documentation and technical expertise are available.

## 4. Technical Data and Documents.

### 4.1 Flight Operations.

- Airplane Flight Manual
- Airplane Rescue and Fire Fighting Information
- Dispatch Deviation Guide
- ETOPS Guide Vol. III
- FMC Supplementary Data Document
- Flight Crew Operations Manual and Quick Reference Handbook
- Flight Crew Training Manual
- Performance Engineer's Tool
- Jet Transport Performance Methods
- Operational Performance Software
- Weight and Balance Manual Chapter 1 Control and Loading

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**BOEING PROPRIETARY**

4.2 Maintenance.

Aircraft Maintenance Manual  
Component Maintenance Manual  
Fault Isolation Manual  
Fault Reporting Manual  
Fuel Measuring Stick Manual  
Illustrated Parts Catalog  
Nondestructive Test Manual  
Power Plant Buildup Manual  
Service Bulletins and Index  
Standard Overhaul Practices Manual Chapter 20  
Standard Wiring Practices Manual Chapter 20  
Structural Repair Manual  
System Schematic Manual  
Wiring Diagram Manual

4.3 Service Engineering.

Maintenance Tips  
Service Letters

4.4 Maintenance Programs Engineering.

Airline Maintenance Inspection Intervals  
ETOPS Configuration, Maintenance and Procedures  
ETOPS Guide Vol. I and II  
Maintenance Planning Data Document  
Maintenance Task Cards and Index

4.5 Facilities and Equipment Planning.

Airplane Recovery Document  
Engine Ground Handling Document  
GSE Tooling Drawings (Bill of Material, 2D Drawings and Drawing Notes)  
Illustrated Tool and Equipment Manual  
Maintenance Facility and Equipment Planning Document  
Special Tool and Ground Handling Equipment Drawing and Index

4.6 Airport Technology.

Airplane Characteristics for Airport Planning

4.7 Supplier Technical Data.

Overhaul Manual/Component Maintenance Manual Index  
Product Support Supplier Directory  
Supplier Assembly Drawings  
Supplier Component Maintenance Manuals

Supplier Ground Support Equipment List  
Supplier Product Support and Assurance Agreements Documents Vol. I and II  
Supplier Publications Index  
Supplier Service Bulletins  
Supplier Spare Part Price Catalog

4.8 Product Standard.

Product Standard Data System

4.9 Fleet Statistical Data and Report.

Fleet reliability views, charts, and reports

Boeing will provide \*\*\* for all technical data and documents identified in this section in accordance with Attachment 1 to this Supplemental Exhibit CS1.

5. Aircraft Information.

5.1 Aircraft Information is defined as that data provided by Customer to Boeing which falls into one of the following categories: (i) aircraft operational information (including, but not limited to, \*\*\*, number of aircraft, aircraft registries, landings, and \*\*\* for Boeing model aircraft); (ii) summary and detailed \*\*\* data; (iii) \*\*\* data; (iv) airplane message data, (v) scheduled maintenance data; (vi) service bulletin incorporation; and (vii) aircraft data generated or received by equipment installed on Customer's aircraft in analog or digital form including but not limited to information regarding the state, condition, performance, location, setting, or path of the aircraft and associated systems, sub-systems and components.

5.2 License Grant. To the extent Customer has or obtains rights to Aircraft Information, Customer grants to Boeing a perpetual, world-wide, non-exclusive license to use and disclose Aircraft Information and \*\*\* in Boeing data and information and products and services provided Customer identification information as originating from Customer is removed and the Aircraft Information is aggregated if disclosed to \*\*\* such that \*\*\* will be unable to identify the source of the Aircraft Information. Customer identification information may be retained as necessary for Boeing to provide products and services Customer has requested from Boeing or for Boeing to inform Customer of \*\*\* products and services. This grant is in addition to any other grants of rights in the agreements governing provision of such information to Boeing regardless of whether that information is identified as Aircraft Information in such agreement including any information submitted under the In Service Data Program (**ISDP**).

For purposes of this article, Boeing is defined as The Boeing Company and its wholly owned subsidiaries.

Customer will provide Aircraft Information to Boeing through an automated software feed necessary to support \*\*\*. Boeing will provide assistance to Customer under a separate agreement for \*\*\* to enable the automated software feed.

UAL-PA-03776-Ex CS1

**BOEING PROPRIETARY**

Flight Operations.

Airplane Flight Manual	***
Airplane Rescue and Fire Fighting Information	***
Dispatch Deviations Guide	***
ETOPS Guide Vol. III	***
FMC Supplementary Data Document	***
Flight Attendant Manual	***
Flight Crew Operations Manual and Quick Reference Handbook	***
Flight Crew Training Manual	***
Jet Transport Performance Methods	***
Performance Engineers Tool	***
Operational Performance Software	***
Weight and Balance Manual Chapter 1 Control and Loading	***

Maintenance.

Aircraft Maintenance Manual	***
Component Maintenance Manual	***
Fault Isolation Manual	***
Fault Reporting Manual	***
Fuel Measuring Stick Manual	***
Illustrated Parts Catalog	***
Nondestructive Test Manual	***
Powerplant Buildup Manual	***
Service Bulletins and Index	***
Standard Overhaul Practices Manual Chapter 20	***
Standard Wiring Practices Manual Chapter 20	***
Structural Repair Manual	***
System Schematic Manual	***
Wiring Diagram Manual	***

Service Engineering.

Maintenance Tips	***
Service Letters	***

Maintenance Programs Engineering.

Airline Maintenance Inspection Intervals	***
ETOPS Configuration, Maintenance and Procedures	***
ETOPS Guide Vol. I and II	***
Maintenance Planning Data Document	***
Maintenance Task Cards and Index	***

Facilities and Equipment Planning.

Airplane Recovery Document	***
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**Legend:**

\*\*\*



UAL-PA-03776-LA-1207638R1

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject:\*\*\*

Reference: Purchase Agreement No. PA-03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Airlines, Inc. (Customer) relating to Model 737 MAX aircraft (Aircraft)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207638 dated July 12, 2012.

Subject to the terms herein, Customer may \*\*\*

For this Letter Agreement, each such \*\*\* aircraft referred to in (i) and (ii) above shall be defined to be a \*\*\* Aircraft.

1. Customer's Written Notice.

Customer shall provide written notice of its intention \*\*\*,

- (i) no later than the first day of the month that is \*\*\*, provided that a \*\*\* Customer, or;
- (ii) no later than the first day of the month that is \*\*\*, if a \*\*\*.

2. 737-10 Aircraft Customer \*\*\*.

2.1 Customer \*\*\* for the \*\*\* 737-10 Aircraft under this Letter Agreement and Supplemental Agreement No. 9 are limited to \*\*\* 737-10 Aircraft.

2.2 Notwithstanding Section 2.1 above, Boeing has advised Customer that if \*\*\* specified in Letter Agreement 6-1162-ILK-LA-171027 entitled "Flight Operations Enhancements" \*\*\*, then Customer will have the \*\*\* of such \*\*\* 737-10 aircraft \*\*\* 737 MAX aircraft model \*\*\*.

3. \*\*\*.

4. Definitive Agreement.

\*\*\*.

5. \*\*\*.

UAL-PA-03776-LA-1207638R1  
\*\*\*



6. Assignment.

Except as provided in Letter Agreement No. UCH-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or in part.

7. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UCH-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207638R1

\*\*\*

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

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Page 2



ACCEPTED AND AGREED TO this

Date: June 15, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman  
Its: Senior Vice President Finance, Procurement and  
Treasurer

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\*\*\*

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**Attachment A To  
Letter Agreement UAL-PA-03776-LA-1207638R1  
737-8 \*\*\* Aircraft Description and Price**

<b>Airframe Model/MTOW:</b>	737-8	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	***	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** **
<b>Airframe Price:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>	*** **
<b>Optional Features:</b>		\$***		
<b>Sub-Total of Airframe and Features:</b>		----- \$***	<b><u>Airframe Escalation Data:</u></b>	
<b>Engine Price (Per Aircraft):</b>		\$***	<b>Base Year Index (ECI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		----- \$***	<b>Base Year Index (CPI):</b>	***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$***		
<b>Seller Purchased Equipment (SPE) Estimate:</b>		\$***		

**Attachment B To  
Letter Agreement UAL-PA-03776-LA-1207638R1  
737-7 \*\*\* Aircraft Description and Price**

<b>Airframe Model/MTOW:</b>	737-7	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	***	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** ***
<b>Airframe Price:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>	*** ***
<b>Optional Features:</b>		\$***		
<b>Sub-Total of Airframe and Features:</b>		----- \$***	<b><u>Airframe Escalation Data:</u></b>	
<b>Engine Price (Per Aircraft):</b>		\$***	<b>Base Year Index (ECI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		----- \$***	<b>Base Year Index (CPI):</b>	***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$***		
<b>Seller Purchased Equipment (SPE) Estimate:</b>		\$***		

**Attachment C To  
Letter Agreement UAL-PA-03776-LA-1207638R1  
737-10 \*\*\* Aircraft Description and Price**

<b>Airframe Model/MTOW:</b>	737-10	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	***	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** ***
<b>Airframe Price:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>	*** ***
<b>Optional Features:</b>		\$***		
<b>Sub-Total of Airframe and Features:</b>		\$***	<b><u>Airframe Escalation Data:</u></b>	
<b>Engine Price (Per Aircraft):</b>		\$***	<b>Base Year Index (ECI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		\$***	<b>Base Year Index (CPI):</b>	***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$***		
<b>Seller Purchased Equipment (SPE) Estimate:</b>		\$***		

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**Boeing / United Airlines, Inc. Proprietary**

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**Attachment D To  
Letter Agreement UAL-PA-03776-LA-1207638R1  
737-9 \*\*\* Aircraft Description and Price**

<b>Airframe Model/MTOW:</b>	737-9	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	CFMLEAP-1B28B1	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** ***
<b>Airframe Price:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>	*** ***
<b>Optional Features:</b>		\$***		
<b>Sub-Total of Airframe and Features:</b>		\$***	<b><u>Airframe Escalation Data:</u></b>	
<b>Engine Price (Per Aircraft):</b>		\$***	<b>Base Year Index (ECI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		\$***	<b>Base Year Index (CPI):</b>	***
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$***		
<b>Seller Purchased Equipment (SPE) Estimate:</b>		\$***		



The Boeing Company  
P.O. Box 3707  
Seattle, WA 98124 2207

UAL-PA-03776-LA-1207643R1

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: Open Matters 737-10 Aircraft

Reference: Purchase Agreement No. 03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Airlines, Inc. (Customer) relating to Model 737 MAX aircraft (Aircraft)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. **This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207643 dated July 12, 2012.**

Given the long period of time between Purchase Agreement signing and delivery of the first 737-10 Aircraft and the continued development of the 737 MAX program, certain elements have not yet been defined. In consideration, Boeing and Customer agree to work together as the Boeing Model 737-10 aircraft develops as follows:

1. Aircraft Delivery Schedule.

1.1 The scheduled delivery position of the 737-10 Aircraft, as of the date of this Letter Agreement is listed in Table 1A of the Purchase Agreement and provides the delivery schedule in \*\*\* delivery windows consisting of a nominal delivery month (**Nominal Delivery Month**) \*\*\*. No later than \*\*\* prior to Nominal Delivery Month of Customer's first 737-10 Aircraft in each calendar year, Boeing will provide written notice with a \*\*\* of the scheduled delivery month for each 737-10 Aircraft with a Nominal Delivery Month in such calendar year.

1.2 Customer and Boeing will consult on a frequent basis to keep each other informed as to Customer's fleet plans and Boeing's production plans in order to meet the requirements of both parties. Based on such reviews and discussions, Boeing will use commercially reasonable efforts to meet Customer's fleet needs when providing the notices required by Article 1.1. Such notices provided by Boeing will constitute an amendment to Table 1A of the Purchase Agreement. The amended Table 1A shall be the scheduled delivery positions for the purposes of applying all provisions of the Purchase Agreements, including without limitation the BFE on-dock dates, and the \*\*\* the \*\*\* for the 737-10 Aircraft.

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Open Matters

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

2. Aircraft Configuration.

2.1 The initial configuration of Customer's Model Aircraft has been defined by Boeing 737-7, 737-8, 737-8200, 737-9, 737-10 Airplane Description Document No. \*\*\* dated \*\*\* as described in Article 1 and Exhibit A-4 of the Purchase Agreement (**Initial Configuration**). Final configuration of the 737-10 Aircraft (**Final Configuration**) will be completed using the then-current Boeing configuration documentation in accordance with the following schedule:

2.1.1 No later than \*\*\* prior to the first 737-10 Aircraft's scheduled delivery, Boeing and Customer will discuss potential optional features.

2.1.2 Within \*\*\* after that meeting, Boeing will provide Customer with a proposal for those optional features that can be incorporated into the 737-10 Aircraft during production.

2.1.3 Customer will then have \*\*\* to accept or reject the optional features.

2.1.4 Within \*\*\* following Final Configuration, Boeing and Customer will execute a written amendment to the Purchase Agreement which will reflect the following:

2.1.4.1 Changes applicable to the basic Model 737-10 aircraft which are developed by Boeing between the date of signing of the Purchase Agreement and date of Final Configuration.

2.1.4.2 Incorporation into Exhibit A-4 of the Purchase Agreement, by written amendment, those optional features which have been agreed to by Customer and Boeing (**Customer Configuration Changes**);

2.1.4.3 Revisions to the Supplemental Exhibit BFE2 to reflect the selection dates and on-dock dates of BFE;

2.1.4.4 Changes to the Optional Features Prices, and Aircraft Basic Price to adjust for the difference, if any, between the prices estimated in Table 1A of the Purchase Agreement for optional features reflected in the Aircraft Basic Price and the actual prices of the optional features reflected in the Customer Configuration Changes. Such changes will not result in a \*\*\* to the \*\*\* provided in Table 1A.

3. Customer Support Variables.

3.1 Reserved.

3.2 Boeing has engaged in discussions with Customer in conjunction with providing the updated Supplemental Exhibit CS1 to offer to Customer additional uniquely tailored post delivery support services beyond the scope of the original Supplemental Exhibit CS1 that further enhances the maintainability and operational efficiency of the Aircraft.



4. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or, in part.

5. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207643R1

Open Matters

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



ACCEPTED AND AGREED TO this  
Date: June 15, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman  
Its: Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-03776-LA-1207643R1  
Open Matters

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

UAL-PA-03776-LA-1207650R3

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: Special Matters – 737 MAX Aircraft

References: 1) Purchase Agreement No. PA-03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Airlines, Inc. (Customer) relating to Model 737 MAX aircraft (Aircraft); and

2) Letter Agreement UAL-PA-03776-1207638 entitled “\*\*\*\*

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1207650R2 dated June 7, 2017.

1. \*\*\*\*.

1.1\*\*\*\*. At the \*\*\*\* of each 737-9 Aircraft, Boeing \*\*\*\* to Customer \*\*\*\* in an \*\*\*\* the 737-9 Aircraft \*\*\*\*.

1.2\*\*\*\*. At the \*\*\*\* of each 737-9 Aircraft, Boeing \*\*\*\* to Customer \*\*\*\* in an \*\*\*\*. Boeing represents that \*\*\*\* of this 737-9 \*\*\*\* is consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

1.3\*\*\*\*. Pursuant to the \*\*\*\*, Customer may \*\*\*\* of \*\*\*\*. At the time of \*\*\*\*, Boeing \*\*\*\* to Customer \*\*\*\*.

1.3.1\*\*\*\*. At the time \*\*\*\* of each \*\*\*\*, Boeing \*\*\*\* to Customer \*\*\*\*. Boeing represents that the inclusion of this \*\*\*\* is consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

1.4\*\*\*\*. Pursuant to the \*\*\*\*, Customer may \*\*\*\* of \*\*\*\*. At the time \*\*\*\*, Boeing \*\*\*\* Customer \*\*\*\* the \*\*\*\*.

1.4.1\*\*\*\*. At the time \*\*\*\* of each \*\*\*\*, Boeing \*\*\*\* to Customer \*\*\*\*. Boeing represents that the inclusion of this \*\*\*\* is consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

1.5\*\*\*\* Aircraft \*\*\*\* and \*\*\*\*.

The parties agree to the following \*\*\*\* which will \*\*\*\* Boeing Model 737-\*\*\*\* aircraft specified in Table 1 and \*\*\*\* Boeing Model 737-\*\*\*\* aircraft specified in Table 1A, at the effective date of this Letter Agreement and as may be \*\*\*\*. The \*\*\*\* aircraft comprise the \*\*\*\* **Aircraft**.

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Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**



1.5.1 At the time \*\*\* of each applicable \*\*\* 737 \*\*\* Aircraft, Boeing \*\*\* to Customer \*\*\* Aircraft that are model 737-9 aircraft; and \*\*\* to be used solely for the \*\*\* of Boeing \*\*\* and \*\*\* and shall not be applied to \*\*\* or \*\*\*.

1.5.2 Boeing and Customer will work together to assess and agree to determine whether and how \*\*\* established in Attachment 1 is \*\*\* provided in Attachment 2 to this Letter Agreement. Such assessment will incorporate the methodology and .assumptions incorporated in development of Attachment 1 to this Letter Agreement including \*\*\* to the effective date of Supplemental Agreement No. 7 to the 787 Purchase Agreement No. 3860 and \*\*\* in Attachment 1 to this Letter Agreement.

1.6 737-10 \*\*\*.

At the time \*\*\* of each 737-10 Aircraft, Boeing \*\*\* to Customer \*\*\* in an \*\*\* (737-10 \*\*\*).

1.7\*\*\*737 \*\*\*.

Should Customer \*\*\* of a 737-7 \*\*\* Aircraft or a 737-8 \*\*\* Aircraft from \*\*\*, Boeing \*\*\* to Customer \*\*\* 737-7 \*\*\* and 737-8 \*\*\* Aircraft \*\*\* specified below:

Aircraft Availability  
737-7 \*\*\* Aircraft  
737-8 \*\*\* Aircraft

	*** Amount of *** 737 ***
	***
	***

2.\*\*\*.

Unless otherwise noted, the \*\*\* stated in Paragraphs 1.1 through 1.7 (\*\*\*) are in (a) \*\*\* year dollars for the 737-9 Aircraft, the 737-7 \*\*\* Aircraft, the 737-8 Aircraft and (b) \*\*\* year dollars for 737-10 Aircraft. The \*\*\* will be \*\*\* to the scheduled month of the respective Aircraft delivery pursuant to the \*\*\* formula set forth in the Purchase Agreement applicable to the Aircraft. The \*\*\* may, at the election of Customer, be \*\*\* Boeing \*\*\* and \*\*\* (but shall \*\*\*).

3. Reserved.



4. 737 Supplier Management.

It is Boeing's 737 MAX design intent to maintain as much commonality with the 737NG while also achieving the 737 MAX performance requirements (including, but not limited to, fuel burn, range, payload, etc.) that the market demands. If a \*\*\* leads to a Supplier Product to be available \*\*\* for the 737 MAX where \*\*\* on the 737NG, or if an existing 737NG \*\*\*, then Boeing will ensure that \*\*\* the \*\*\* 737 MAX operators \*\*\*. These \*\*\* agreements, known as \*\*\*, will include (but not be limited to) enforceable provisions related to \*\*\* Boeing will utilize \*\*\* efforts to ensure that the terms of such support agreements are \*\*\*

5. Supplier Diversity.

Customer and Boeing agree to work towards a mutually agreeable solution for meeting diversity requirements in the supply base. Notwithstanding the foregoing sentence, Boeing agrees to (i) identify parts and equipment where Customer makes the procurement decision for potential opportunities; (ii) submit indirect reports until other options are vetted and approved; and (iii) continue to engage with Customer with regard to supplier diversity to ensure Boeing supports Customer's requirements.

6. Delivery \*\*\*.

Customer and Boeing agree that both Customer and Boeing will have certain Aircraft \*\*\*. Such \*\*\* are provided to Customer and Boeing pursuant to Letter Agreement No. UAL-PA-03776-LA-1208869.

7. Assignment.

Unless otherwise noted herein, the \*\*\* described in this Letter Agreement are provided \*\*\* to Customer and in consideration of \*\*\*. Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, this Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing. \*\*\*.



8. Confidentiality

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1207650R3  
Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**



ACCEPTED AND AGREED TO this

Date: June 15, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman  
Its: Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-03776-LA-1207650R3  
Special Matters

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**BOEING / UNITED AIRLINES PROPRIETARY**

\*\*\*

Current scenario:

<u>Year</u> ***	<u>787-10 ***</u> ***	<u>787-10 ***</u> ***	<u>777-300***</u> ***	<u>737 MAX *** and ***</u> ***	<u>Fixed and ****</u> ***	<u>Total Cashflow</u> ***		
Total	***	***	***	***	***	***	<u>Discount Rate</u>	<u>***%</u>
PV (***%)	***	***	***	***	***	***	***	<u>\$***</u>

Alternative scenario:

<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u> Special 737- 7 *** and ***	<u>Col. 6</u> ****+	<u>Col. 7</u> Total Cashflow		
<u>Year</u> ***	<u>787-10 ***</u> ***	<u>787-10 ***</u> ***	<u>777-300***</u> ***	***	***	***		
Total	***	***	***	***	***	***		
PV (***%)	***	***	***	***	***	***	<u>Discount Rate</u>	<u>***%</u>
				*** of Boeing ***:		***	***	<u>\$***</u>

+ - Note: Payment dates for the "Fixed \*\*\* and \*\*\*\*" amounts and other related payments to Customer will be subject to adjustment as mutually agreed by the parties to reflect \*\*\* incorporated by the Supplemental Agreements executed on March 7 and this Supplemental Agreement 7. \*\*\* subsequent to March 7 should be reviewed for \*\*\* to be issued in columns (5) and (6)

\*\*\*

Current scenario:

<u>Year</u>	<u>787-10***</u>	<u>787-10***</u>	<u>777-300***</u>	<u>737 *** and ***</u>	<u>*** and ***</u>	<u>Total Cashflow</u>		
***	***	***	***	***	***	***		
<b>Total</b>	***	***	***	***	***	***	<u>Discount Rate</u>	<u>***%</u>
<b>PV (***%)</b>	***	***	***	***	***	***	***	<u>\$***</u>

Alternative scenario: \*\*\* & 4th Quarter \*\*\* Forecast:

<u>Year</u>	<u>787-10 ***</u>	<u>787-10 ***</u>	<u>777-300***</u>	<u>*** and ***</u>	<u>***</u>	<u>Total Cashflow</u>		
***	***	***	***	***	***	***		
<b>Total</b>	***	***	***	***	***	***	<u>Discount Rate</u>	<u>***%</u>
<b>PV (***%)</b>	***	***	***	***	***	***	***	<u>\$***</u>

UAL-PA-03776-LA-1207650R3

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Special Matters

Attachment 2 to UAL-PA-03776-LA-1207650R3, Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**

UAL-PA-03776-LA-1208123R1

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: Performance Matters for 737-9 Aircraft

Reference: Purchase Agreement No. PA-03776 (Purchase Agreement) between The Boeing Company (Boeing) and United Airlines, Inc. (Customer) relating to Model 737-9 MAX aircraft (Aircraft)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. **This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1208123 dated July 12, 2012.**

1. \*\*\*

1.1 At the time of signing of the Purchase Agreement, the \*\*\* for the Aircraft is not fully defined and as such, Boeing will provide \*\*\* complete \*\*\* guarantees applicable to the Aircraft no later than \*\*\* of the Aircraft, as detailed in letter agreement UCH-PA-03776-LA-1207643.

1.2 \*\*\* Commitment. The Aircraft will have a \*\*\* aircraft (**\*\*\* Commitment**). This commitment is established by the \*\*\* for the Aircraft in Attachment A that has the same conditions, \*\*\* in UAL-PA-03784-LA-1207868 Such \*\*\* is based on the \*\*\* nautical mile mission in Section 2.6.5, standard assumptions, conditions, \*\*\* rules and \*\*\* defined in Attachment A.

1.3 Compliance with the \*\*\* Commitment. Evidence of compliance with the \*\*\* Commitment will be determined as described in the \*\*\*, and will be based on the \*\*\* and \*\*\* and \*\*\* pursuant to Article \*\*\* of the AGTA \*\*\*. Boeing will provide a compliance report using the \*\*\* (**\*\*\* Report**) to Customer at the time of delivery of \*\*\* Aircraft.

1.4 \*\*\*. In the event that the \*\*\* Report provided to Customer pursuant to paragraph 1.3 above shows actual \*\*\* for \*\*\* Aircraft is \*\*\* the \*\*\* Commitment, compliance with the \*\*\* Commitment will be confirmed for all Aircraft and \*\*\*, \*\*\*, in the event that \*\*\* for \*\*\* is \*\*\* the \*\*\* Commitment \*\*\* and \*\*\* are described in Attachment B to this Letter Agreement.

2. Assignment

UAL-PA-03776-LA-1208123R1  
\*\*\*

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**



Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's \*\*\*

3. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

UAL-PA-03776-LA-1208123R1

\*\*\*

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**



Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

ACCEPTED AND AGREED TO this

Date: June 15, 2017

**UNITED AIRLINES, INC.**

By /s/ Gerald Laderman

Its Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-03776-LA-1208123R1

\*\*\*

**BOEING/UNITED AIRLINES, INC. PROPRIETARY**

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**MODEL 737-9 PERFORMANCE GUARANTEES  
FOR UNITED AIRLINES, INC.**

<b>SECTION</b>	<b>CONTENTS</b>
<b>1</b>	<b>AIRCRAFT MODEL APPLICABILITY</b>
<b>2</b>	<b>FLIGHT PERFORMANCE</b>
<b>3</b>	<b>AIRCRAFT CONFIGURATION</b>
<b>4</b>	<b>GUARANTEE CONDITIONS</b>
<b>5</b>	<b>GUARANTEE COMPLIANCE</b>
<b>6</b>	<b>EXCLUSIVE GUARANTEES</b>

**1 AIRCRAFT MODEL APPLICABILITY**

The guarantees contained in this Attachment (the “\*\*\*\*”) are applicable to the \*\*\* with a maximum \*\*\* of \*\*\* pounds, a maximum \*\*\* of \*\*\* pounds, and a maximum \*\*\* of \*\*\* pounds, and equipped with Boeing furnished \*\*\* engines.

**2 FLIGHT PERFORMANCE**

**2.1 Takeoff**

**2.1.1** The FAA approved takeoff field length at a gross weight at the start of the ground roll of \*\*\* pounds, at a temperature of \*\*\*, at a sea level altitude, with an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord, and using maximum \*\*\*, shall not be more than the following guarantee value:

NOMINAL:	***	Feet
TOLERANCE:	***	Feet
GUARANTEE:	***	Feet

**2.1.2** The FAA approved \*\*\* at the start of ground roll, at a temperature of \*\*\*, at an altitude of \*\*\* feet, from a \*\*\* foot runway, with an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord, and using maximum \*\*\*, shall not be less than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

**2.2 Landing**

**2.2.1** The FAA approved landing field length at a gross weight of \*\*\* pounds and at a sea level altitude, shall not be more than the following guarantee value:

NOMINAL:	***	Feet
TOLERANCE:	***	Feet
GUARANTEE:	***	Feet

**2.2.2** The FAA approved landing field length at a gross weight of \*\*\* pounds and at an altitude of \*\*\* feet, shall not be more than the following guarantee value:

NOMINAL:	***	Feet
TOLERANCE:	***	Feet
GUARANTEE:	***	Feet

**2.3 Speed**

The level flight speed at a gross weight of \*\*\* pounds, on an \*\*\* day, at an altitude of \*\*\* feet and using not more than maximum cruise thrust, shall not be less than the following guarantee value:

NOMINAL:	***	KTAS
TOLERANCE:	***	KTAS
GUARANTEE:	***	KTAS

**2.4 Altitude Capability—All Engines Operating**

The altitude capability at a gross weight of \*\*\* pounds, on an \*\*\* day, at \*\*\* Mach number, and satisfying the conditions defined below, shall not be less than the following guarantee value:

NOMINAL:	***	Feet
TOLERANCE:	***	Feet
GUARANTEE:	***	Feet

Conditions:

- 1) The Aircraft shall be capable of maintaining level cruising flight using not more than maximum cruise thrust.
- 2) The Aircraft shall be capable of maintaining a rate of climb of \*\*\* feet per minute using not more than maximum climb thrust.
- 3) The Aircraft shall be capable of at least a \*\*\* maneuver load factor at buffet onset.

**2.5 Enroute One-Engine-Inoperative Altitude**

The FAA approved enroute one-engine-inoperative altitude at which the available gross climb gradient equals \*\*\* percent at a gross weight of \*\*\* pounds on an \*\*\* day using not more than maximum continuous thrust, shall not be less than the following guarantee value:

NOMINAL:	***	Feet
TOLERANCE:	***	Feet
GUARANTEE:	***	Feet

**2.6 Mission**

**2.6.1 Mission Payload**

The payload for a stage length of \*\*\* nautical miles in still air (equivalent to a distance of \*\*\* nautical miles with a \*\*\* knot headwind, representative of a \*\*\* to \*\*\* route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

\*\*\*

\*\*\*.

Takeoff:

The airport altitude is \*\*\* feet.

The \*\*\* is \*\*\* the airport conditions.

For information purposes, the takeoff conditions are defined as follows:

The airport temperature is \*\*\*.

The runway length is \*\*\* feet.

The clearway is \*\*\* feet.

The following obstacle definition is based on a straight out departure where obstacle height and distance are specified with reference to the liftoff end of the runway:

	Distance	Height
1.	***feet	*** feet
2.	***feet	*** feet
3.	***feet	*** feet
4.	***feet	*** feet
5.	***feet	*** feet
6.	***feet	*** feet

Takeoff performance is based on the certified alternate forward center of gravity limit.

Maximum takeoff thrust is used for the takeoff.

The \*\*\* shall conform to FAA Regulations.

Climbout Maneuver:

Following the takeoff to \*\*\* feet, the Aircraft accelerates to \*\*\* KCAS while climbing to \*\*\* feet above the departure airport altitude and retracting flaps and landing gear.

- Climb:** The Aircraft climbs from \*\*\* feet above the departure airport altitude to \*\*\* feet altitude at \*\*\* KCAS.  
The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.  
The climb continues at the recommended climb speed for minimum \*\*\* until \*\*\* Mach number is reached.  
The climb continues at \*\*\* Mach number to the initial cruise altitude.  
The temperature is standard day during climb.  
Maximum climb thrust is used during climb.
- Cruise:** The Aircraft cruises at \*\*\* Mach number.  
The initial cruise altitude is \*\*\* feet.  
A step climb or multiple step climbs of \*\*\* feet altitude may be used when beneficial to minimize fuel burn.  
The temperature is standard day during cruise.  
The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.
- Descent:** The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.  
Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.  
The temperature is standard day during descent.
- Approach and Landing Maneuver:** The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.  
The destination airport altitude is \*\*\* feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a standard day temperature and a contingency fuel allowance equivalent to \*\*\* minutes of continued cruise starting at the end of the mission cruise and at \*\*\* Mach number.

### 2.6.2 Mission Payload

The payload for a stage length of \*\*\* nautical miles in still air (equivalent to a distance of \*\*\* nautical miles with a \*\*\* knot headwind, representative of a \*\*\* to \*\*\* route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

#### Conditions and operating rules:

\*\*\*: \*\*\*

Takeoff: The airport altitude is \*\*\* feet.

The \*\*\* is \*\*\* by the airport conditions.

Maximum takeoff thrust is used for the takeoff.

The \*\*\* shall conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to \*\*\* feet, the Aircraft accelerates to \*\*\* KCAS while climbing to \*\*\* feet above the departure airport altitude and retracting flaps and landing gear.

Climb: The Aircraft climbs from \*\*\* feet above the departure airport altitude to \*\*\* feet altitude at \*\*\* KCAS.

The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.

The climb continues at the recommended climb speed for minimum \*\*\* until \*\*\* Mach number is reached.

- The climb continues at \*\*\* Mach number to the initial cruise altitude.
- The temperature is \*\*\* during climb.
- Maximum climb thrust is used during climb.
- Cruise: The Aircraft cruises at \*\*\* Mach number.
- The initial cruise altitude is \*\*\* feet.
- A step climb or multiple step climbs of \*\*\* feet altitude may be used when beneficial to minimize fuel burn.
- The temperature is \*\*\* during cruise.
- The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.
- Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.
- Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.
- The temperature is \*\*\* during descent.
- Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.
- The destination airport altitude is \*\*\* feet.
- Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:
- \*\*\*
- For information purposes, the reserve fuel is based on a standard day temperature and a contingency fuel allowance equivalent to \*\*\* minutes of continued cruise starting at the end of the mission cruise and at \*\*\* Mach number.

### 2.6.3 Mission Payload

The payload for a stage length of \*\*\* nautical miles in still air (equivalent to a distance of \*\*\* nautical miles with a \*\*\* knot tailwind, representative of a

\*\*\* to \*\*\* route) using the conditions and operating rules defined below, shall not be less than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

\*\*\*            \*\*\*

Takeoff:        The airport altitude is \*\*\* feet.  
                  The airport temperature is \*\*\*.  
                  The runway length is \*\*\* feet.  
                  The runway slope is \*\*\* percent \*\*\*.  
                  Takeoff performance is based on the certified alternate forward center of gravity limit.  
                  Maximum takeoff thrust is used for the takeoff.  
                  The \*\*\* shall conform to FAA Regulations.

Climbout  
Maneuver:      Following the takeoff to \*\*\* feet, the Aircraft accelerates to \*\*\* KCAS while climbing to \*\*\* feet above the departure airport  
                  altitude and retracting flaps and landing gear.

Climb:         The Aircraft climbs from \*\*\* feet above the departure airport altitude to \*\*\* feet altitude at \*\*\* KCAS.  
                  The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.  
                  The climb continues at the recommended climb speed for minimum \*\*\* until \*\*\* Mach number is reached.  
                  The climb continues at \*\*\* Mach number to the initial cruise altitude.  
                  The temperature is \*\*\* during climb.  
                  Maximum climb thrust is used during climb.

Cruise:        The Aircraft cruises at \*\*\* Mach number.  
                  The initial cruise altitude is \*\*\* feet.  
                  A step climb or multiple step climbs of \*\*\* feet altitude may be used when beneficial to minimize fuel burn.  
                  The temperature is \*\*\* during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.

Throughout the descent, the cabin pressure will be controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.

The temperature is \*\*\* during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.

The destination airport altitude is \*\*\* feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a standard day temperature and a contingency fuel allowance equivalent to \*\*\* minutes of continued cruise starting at the end of the mission cruise and at \*\*\* Mach number.

#### 2.6.4 Mission \*\*\*

The \*\*\* for a stage length of \*\*\* nautical miles in still air with a \*\*\* pound payload using the conditions and operating rules defined below, shall not be more than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for climb, cruise, and descent.

- \*\*\* The \*\*\* is defined as the sum of \*\*\* for taxi-out, takeoff and climbout maneuver, climb, cruise, descent, approach and landing maneuver, and taxi-in.
- Takeoff: The airport altitude is \*\*\*.  
The \*\*\* is \*\*\* the airport conditions.  
Maximum takeoff thrust is used for the takeoff.  
The \*\*\* shall conform to FAA Regulations.
- Climbout  
Maneuver: Following the takeoff to \*\*\* feet, the Aircraft accelerates to \*\*\* KCAS while climbing to \*\*\* feet above the departure airport altitude and retracting flaps and landing gear.
- Climb: The Aircraft climbs from \*\*\* feet above the departure airport altitude to \*\*\* feet altitude at \*\*\* KCAS.  
The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.  
The climb continues at the recommended climb speed for minimum block fuel until \*\*\* Mach number is reached.  
The climb continues at \*\*\* Mach number to the initial cruise altitude.  
The temperature is standard day during climb.  
Maximum climb thrust is used during climb.
- Cruise: The Aircraft cruises at \*\*\* Mach number.  
The initial cruise altitude is \*\*\* feet.  
A step climb or multiple step climbs of \*\*\* feet altitude may be used when beneficial to minimize fuel burn.  
The temperature is standard day during cruise.  
The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.  
Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.  
The temperature is standard day during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.

The destination is a \*\*\* airport.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a standard day temperature and a contingency fuel allowance equivalent to \*\*\* minutes of continued cruise starting at the end of the mission cruise and at \*\*\* Mach number.

**2.6.5 Mission \*\*\***

The \*\*\* for a stage length of \*\*\* nautical miles in still air with a \*\*\* pound payload using the conditions and operating rules defined below, shall not be more than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

\*\*\*;

\*\*\*

\*\*\*: The \*\*\* is defined as the sum of \*\*\* for taxi-out, takeoff and climbout maneuver, climb, cruise, descent, approach and landing maneuver, and taxi-in.

Takeoff: The airport altitude is \*\*\*.  
The \*\*\* is \*\*\* the airport conditions.  
Maximum takeoff thrust is used for the takeoff.  
The \*\*\* shall conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to \*\*\* feet, the Aircraft accelerates to \*\*\* KCAS while climbing to \*\*\* feet above the departure airport altitude and retracting flaps and landing gear.

Climb: The Aircraft climbs from \*\*\* feet above the departure airport altitude to \*\*\* feet altitude at \*\*\* KCAS.  
The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.  
The climb continues at the recommended climb speed for minimum block fuel until \*\*\* Mach number is reached.  
The climb continues at \*\*\* Mach number to the initial cruise altitude.  
The temperature is standard day during climb.  
Maximum climb thrust is used during climb.

Cruise: The Aircraft cruises at \*\*\* Mach number.  
The initial cruise altitude is \*\*\* feet.  
A step climb or multiple step climbs of \*\*\* feet altitude may be used when beneficial to minimize fuel burn.  
The temperature is standard day during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.

Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at \*\*\*.

The temperature is standard day during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.

The destination is a \*\*\* airport.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a standard day temperature and a contingency fuel allowance equivalent to \*\*\* minutes of continued cruise starting at the end of the mission cruise and at \*\*\* Mach number.

**2.6.6 Mission \*\*\***

The \*\*\* for a stage length of \*\*\* nautical miles in still air (equivalent to a distance of \*\*\* nautical miles with a \*\*\* knot headwind, representative of a \*\*\* to \*\*\* route) with a \*\*\* pound payload using the conditions and operating rules defined below, shall not be more than the following guarantee value:

NOMINAL:	***	Pounds
TOLERANCE:	***	Pounds
GUARANTEE:	***	Pounds

Conditions and operating rules:

\*\*\*

\*\*\*

\*\*\*:

The \*\*\* is defined as the sum of \*\*\* for taxi-out, takeoff and climbout maneuver, climb, cruise, descent, approach and landing maneuver, and taxi-in.

Takeoff:

The airport altitude is \*\*\* feet.

The \*\*\* is \*\*\* the airport conditions.

Maximum takeoff thrust is used for the takeoff.

The \*\*\* shall conform to FAA Regulations.

Climbout  
Maneuver:

Following the takeoff to \*\*\* feet, the Aircraft accelerates to \*\*\* KCAS while climbing to \*\*\* feet above the departure airport altitude and retracting flaps and landing gear.

Climb:

The Aircraft climbs from \*\*\* feet above the departure airport altitude to \*\*\* feet altitude at \*\*\* KCAS.

The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.

The climb continues at the recommended climb speed for minimum \*\*\* until \*\*\* Mach number is reached.

The climb continues at \*\*\* Mach number to the initial cruise altitude.

The temperature is standard day during climb.

Maximum climb thrust is used during climb.

Cruise:

The Aircraft cruises at \*\*\* Mach number.

The initial cruise altitude is \*\*\* feet.

A step climb or multiple step climbs of \*\*\* feet altitude may be used when beneficial to minimize fuel burn.

The temperature is standard day during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.

Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.

The temperature is standard day during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending landing gear and flaps, then descends and lands.

The destination airport altitude is \*\*\* feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following shall be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a standard day temperature and a contingency fuel allowance equivalent to \*\*\* minutes of continued cruise starting at the end of the mission cruise and at \*\*\* Mach number.

## 2.6.7 Operational Empty Weight Basis

The Operational Empty Weight (OEW) derived in Paragraph 2.6.8 is the basis for the mission guarantees of Paragraphs 2.6.1, 2.6.2, 2.6.3, 2.6.4, 2.6.5, and 2.6.6.



**2.6.9 Standard and Operational Items Allowance**

	Quantity	Pounds	Pounds	***
<b>Standard Items Allowance</b>				<b>***</b>
Unusable Fuel			***	
Oil			***	
Oxygen Equipment			***	
Miscellaneous Equipment			***	
Galley Structure & Fixed Inserts			***	
<b>Operational Items Allowance</b>				<b>***</b>
Crew and Crew Baggage			***	
Flight Crew & Flight Bag	***	***		
Flight Attendant and Kit	***	***		
Crew Baggage	***	***		
Catering Allowance & Removable Inserts			***	
First Class	***	***		
Business Class	***	***		
Economy Class	***	***		
Passenger Service Equipment	***		***	
Potable Water —60 USG			***	
Waste Tank Disinfectant			***	
Emergency Equipment			***	
Escape Slides—Forward & Aft	***	***		
Life Vests—Crew and Passengers ***			***	
Life Rafts	***	***		
Auto Radio Beacon (ELT)	***	***		
<b>Total Standard and Operational Items Allowance</b>				<b>***</b>

**3 AIRCRAFT CONFIGURATION**

- 3.1** The guarantees contained in this Attachment are based on the Aircraft configuration as defined in \*\*\*, dated \*\*\*, plus any changes mutually agreed upon or otherwise allowed by the Purchase Agreement to be incorporated into the Customer's Detail Specification (herein referred to as the Detail Specification). Appropriate adjustment shall be made for changes in such Detail Specification approved by the Customer and Boeing or otherwise allowed by the Purchase Agreement which cause changes to the flight performance and/or weight and balance of the Aircraft. Such adjustment shall be accounted for by Boeing in its evidence of compliance with the guarantees.
- 3.2** The guarantee payloads of Paragraphs 2.6.1, 2.6.2, and 2.6.3 and the specified payloads of Paragraphs 2.6.4, 2.6.5, and 2.6.6 \*\*\* guarantees will be adjusted by Boeing for the effect of the following on OEW in its evidence of compliance with the guarantees:
- (1) Changes to the Detail Specification or any other changes mutually agreed upon between the Customer and Boeing or otherwise allowed by the Purchase Agreement.
  - (2) The difference between the component weight allowances given in Appendix E of the Detail Specification and the actual weights.

**4 GUARANTEE CONDITIONS**

- 4.1** All guaranteed performance data are based on the International Standard Atmosphere (ISA) and specified variations therefrom; altitudes are pressure altitudes.
- 4.2** For the purposes of these 737-9 guarantees the Federal Aviation Administration (FAA) regulations referred to in this Attachment are, unless otherwise specified, the \*\*\* Certification Basis regulations specified in the Type Certificate Data Sheet A16WE, Revision 41, dated July 31, 2007.
- 4.3** In the event a change is made to any law, governmental regulation or requirement, or in the interpretation of any such law, governmental regulation or requirement that affects the certification basis for the Aircraft as described in Paragraph 4.2, and as a result thereof, a change is made to the configuration and/or the performance of the Aircraft in order to obtain certification, the guarantees set forth in this Attachment shall be appropriately modified to reflect any such change.
- 4.4** The takeoff and landing guarantees, and the takeoff portion of the mission guarantees are based on hard surface, level and dry runways with no wind or obstacles, no clearway or stopway, \*\*\* mph tires, with \*\*\* brakes and anti-skid operative, and with the Aircraft center of gravity at the most

forward limit unless otherwise specified. The takeoff performance is based on no engine bleed for air conditioning or thermal anti-icing and \*\*\*. Unbalanced field length calculations and the improved climb performance procedure will be used for takeoff as required. The landing performance is based on the use of automatic spoilers.

- 4.5 The enroute one-engine-inoperative altitude guarantee is based on engine bleed for air conditioning with one pack operating. No engine bleed for thermal anti-icing is provided unless otherwise specified. \*\*\*
- 4.6 The speed, altitude capability, and cruise range guarantees, and the climb, cruise and descent portions of the mission guarantees include allowances for normal power extraction and engine bleed for normal operation of the air conditioning system. The digital bleed is set for the Customer interior in Paragraph 2.6.8. No bleed or power extraction for thermal anti-icing is provided unless otherwise specified. \*\*\*.
- 4.7 The speed, altitude capability, and cruise range guarantees, and the climb, cruise and descent portions of the mission guarantees are based on an Aircraft center of gravity location, as determined by Boeing, not to be aft of \*\*\* percent of the mean aerodynamic chord.
- 4.8 Performance, where applicable, is based on a fuel Lower Heating Value (LHV) of \*\*\* BTU per pound and a fuel density of \*\*\* pounds per U.S. gallon.

## 5 **GUARANTEE COMPLIANCE**

- 5.1 Compliance with the guarantees of Section 2 shall be based on the conditions specified in those sections, the Aircraft configuration of Section 3 and the guarantee conditions of Section 4.
- 5.2 Compliance with the takeoff, landing, and enroute one-engine-inoperative altitude guarantees, the buffet onset portion of the altitude capability guarantee, and the takeoff portion of the mission guarantee shall be based on the FAA approved Airplane Flight Manual for the Model 737-9.
- 5.3 Compliance with the takeoff guarantees and the takeoff portion of the mission guarantees shall be shown using an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord.
- 5.4 Compliance with the speed, altitude capability, and cruise range guarantees, and the climb, cruise and descent portions of the mission guarantees shall be established by calculations based on flight test data obtained from an aircraft in a configuration similar to that defined by the Detail Specification.

- 5.5 The OEW used for compliance with the mission guarantees shall be the actual MEW plus the Standard and Operational Items Allowance in Appendix E of the Detail Specification.
- 5.6 The data derived from tests shall be adjusted as required by conventional methods of correction, interpolation or extrapolation in accordance with established engineering practices to show compliance with these guarantees.
- 5.7 Compliance shall be based on the performance of the airframe and engines in combination, and shall not be contingent on the engine meeting its manufacturer's performance specification.

**6 EXCLUSIVE GUARANTEES**

The only performance guarantees applicable to the Aircraft are those set forth in this Attachment.

**\*\*\* COMMITMENT  
FOR UNITED AIRLINES, INC. (UAL) MODEL 737-9 MAX**

The Attachment A to this Letter Agreement contains the \*\*\* relative to the \*\*\* Commitment in this Letter Agreement. Boeing offers the following items in the event that the \*\*\* report furnished to Customer for the Aircraft pursuant to the Demonstration Procedure shows \*\*\* Commitment \*\*\*.

1. Rights and Obligations in the Event of a \*\*\*.

1.1 Aircraft Delivery. In the event of a \*\*\* for any Aircraft, at the time Boeing tenders that Aircraft for delivery, \*\*\* set forth in paragraph 1.2 or paragraph 2. Customer \*\*\* delivery of such Aircraft \*\*\*.

1.2 Post Delivery \*\*\* or \*\*\* the \*\*\*. In the event of a \*\*\* for any Aircraft, the following terms and conditions will apply:

1.2.1\*\*\*, or cause to be \*\*\* by \*\*\* parts and/or \*\*\* parts \*\*\* which, \*\*\* such Aircraft, would reduce or eliminate the Compliance Deviation.

1.2.2 If \*\*\* , or to cause to be \*\*\* such Aircraft, then Customer and Boeing will \*\*\* upon the details of \*\*\* program. \*\*\* will be provided at \*\*\* to \*\*\*.

1.2.3 If Customer elects to \*\*\* such Aircraft, \*\*\* within \*\*\* days after the delivery \*\*\* if \*\*\* can be \*\*\* during \*\*\*. \*\*\* which cannot be \*\*\* during \*\*\* will be \*\*\* within a mutually agreed period of time. \*\*\* will be \*\*\* in accordance with Boeing and engine manufacturer instructions.

1.2.4\*\*\* of \*\*\* and \*\*\* to \*\*\* at the \*\*\* in effect at the \*\*\* of \*\*\* between \*\*\* and \*\*\* or \*\*\* and \*\*\* , as applicable. \*\*\* related to engines will apply also to spare engines \*\*\*. Boeing \*\*\* will give Customer reasonable advance written notice of the estimated \*\*\* at Customer's maintenance base for any such \*\*\*. \*\*\* for \*\*\* this Letter Agreement and be \*\*\* to \*\*\* and \*\*\* using established \*\*\* and other terms identified in the \*\*\* contemplated in paragraph \*\*\* herein.

2.\*\*\*.

If Boeing has \*\*\* , or caused to be provided \*\*\* which \*\*\* the \*\*\* , then Boeing will \*\*\* described in this paragraph 2. Subject to mutual agreement, Boeing and Customer may elect to \*\*\* the efforts under paragraph 1 herein in lieu of \*\*\* described in this paragraph 2.

2.1\*\*\*. Boeing will \*\*\* , in the \*\*\* of \*\*\* in \*\*\* for each \*\*\* the \*\*\* in \*\*\*. The \*\*\* will be \*\*\* for \*\*\* of the \*\*\* that are \*\*\*. If the compliance document

demonstrates a \*\*\* the \*\*\*, then Customer and Boeing will work together in good faith to reach \*\*\* to adequately address such \*\*\* for any Aircraft. If \*\*\* is unable to provide a \*\*\* to adequately address the \*\*\* within a reasonable timeframe and does not \*\*\* {within a reasonable timeframe} that it will provide \*\*\*, then \*\*\* will have the \*\*\* to \*\*\* any such \*\*\* and, if the \*\*\* the \*\*\* of the \*\*\* to \*\*\*, the \*\*\* to \*\*\* the \*\*\*.

2.2\*\*\*. \*\*\* to Customer pursuant to this section 2 will be \*\*\* by Boeing and/or the \*\*\* at the time of Aircraft delivery. No \*\*\* will be \*\*\* pursuant to this section 2 for any Aircraft not \*\*\* Customer. Each \*\*\* will be \*\*\* of delivery of the Aircraft for which \*\*\*.

2.3\*\*\* Adjustments. The \*\*\* of \*\*\* attributable to any \*\*\* will be determined by Boeing analysis based on data certified to be correct by Boeing. The \*\*\* of such \*\*\* will be deemed to be the \*\*\* of \*\*\* as calculated using reasonable \*\*\* based on the data furnished pursuant to Article \*\*\* of the AGTA. If \*\*\* are \*\*\* in an Aircraft as set forth in paragraph 1.2 above, payments of \*\*\* will be \*\*\* by an \*\*\* with the \*\*\* in the \*\*\* after such \*\*\* are \*\*\*. If Customer elects not to \*\*\* in any applicable Aircraft as set forth in paragraph 1.2 above, \*\*\* of the \*\*\* will be \*\*\* by an \*\*\* with the \*\*\* in the \*\*\* which would have been \*\*\* had such \*\*\* been \*\*\*.

3.\*\*\*.

Boeing and Customer agree it is not the intent of the parties to provide benefits hereunder that \*\*\* to be provided (a) by Boeing under the Purchase Agreement, or any other agreement between Boeing and Customer, or (b) by \*\*\* under any agreement between \*\*\* and Customer, due to the Aircraft \*\*\* any \*\*\* similar to the \*\*\* Commitment or any \*\*\* that otherwise impacts \*\*\*. Boeing may \*\*\* its \*\*\* to \*\*\* the \*\*\* or to be \*\*\* to \*\*\* by \*\*\* or \*\*\* pursuant to such other \*\*\* or \*\*\*.

4.\*\*\*.

Customer agrees that the \*\*\* contained in paragraphs 1 and 2 herein are \*\*\* for purposes of \*\*\* with respect to the \*\*\* Commitment of Customer's Aircraft and are \*\*\* and \*\*\* Customer may have, \*\*\*, in connection therewith and shall \*\*\* and \*\*\* and \*\*\* of any and all of Boeing's \*\*\* and \*\*\* to Customer in connection therewith. Customer \*\*\* Boeing and \*\*\* and \*\*\* all \*\*\* and \*\*\* and \*\*\* or otherwise, \*\*\* relating to \*\*\* such \*\*\* Commitment.



UAL-PA-03776-LA-1208157R2

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject:\*\*\*

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This Letter Agreement amends and supplements the Purchase Agreement. This Letter Agreement supersedes and replaces in its entirety Letter Agreement UCH-PA-03776-LA-1208157R1 dated June 7, 2017.

All terms used herein and in this Letter Agreement, and not defined herein, will have the same meaning as in the Purchase Agreement.

Subject to the terms, provisions, and conditions described herein, Boeing \*\*\* Aircraft, as of the effective date (Effective Date) of the \*\*\*.

1. Customer's \*\*\*.

Boeing \*\*\* Customer, at a charge as described in paragraph 3 below, \*\*\* an Aircraft \*\*\* for the respective model type. The Effective Date of such \*\*\* shall be the date that Boeing provides \*\*\*, unless otherwise mutually agreed to. \*\*\* for the applicable Aircraft \*\*\*. Boeing will use its best reasonable efforts to provide \*\*\* not later than \*\*\* after receipt of Customer's written request.

2. \*\*\*.

At the time of delivery of each Aircraft, \*\*\* after delivery of an Aircraft, \*\*\* as requested by Customer. Such \*\*\* shall be \*\*\*, identifying the Aircraft Manufacturer's Serial Number (MSN), the delivery date and the Effective Date of \*\*\*. The \*\*\* shall also indicate \*\*\*; the \*\*\*; and the \*\*\*. Customer may \*\*\* subsequent to the Effective Date. If \*\*\*, then Customer \*\*\* as outlined in paragraph 3 below.

3. \*\*\*.

\*\*\* in accordance with either the \*\*\* set forth below, at Customer's option.

UAL-PA-03776-LA-1208157R2  
\*\*\*

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



3.1 Calculation of Customer's Lease Payment for Affected Aircraft.

If Customer elects \*\*\*, then Customer shall \*\*\*

3.2 \*\*\*

3.3 \*\*\*

3.4 Customer's \*\*\*

3.5 \*\*\*

4.\*\*\*

5. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

UAL-PA-03776-LA-1208157R2

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**



Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger  
Its: Attorney-in-Fact

ACCEPTED AND AGREED TO this

Date: June 15, 2017

UNITED AIRLINES, INC.

By /s/ Gerald Laderman  
Its Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-03776-LA-1208157R2  
\*\*\*

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**

Attachment A to Letter Agreement UAL-PA-03776-LA-1208157R2

Date:

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Attention: \*\*\*

Reference: Letter Agreement UAL-PA-03776-LA-1208157R2 to Purchase Agreement 03776

\*\*\*

Very truly yours,

THE BOEING COMPANY

By: \_\_\_\_\_

Its: \_\_\_\_\_

Attachment A: Reference Weight Data at Inception of the Program

<u>737-10</u>	<u>MTOW</u>	<u>MLW</u>	<u>MZFW</u>
Purchased Weight	***	***	***
Certified Weight	***	***	***
Hinge or Midpoint Weight	***	***	***

  

<u>737-9</u>	<u>MTOW</u>	<u>MLW</u>	<u>MZFW</u>
Purchased Weight	***	***	***
Certified Weight	***	***	***
Hinge or Midpoint Weight	***	***	***

Attachment A to UAL-PA-03776-LA-1208157R2

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**

737-8

Purchased Weight  
Certified Weight  
Hinge or Midpoint Weight

MTOW

\*\*\*  
\*\*\*  
\*\*\*

MLW

\*\*\*  
\*\*\*  
\*\*\*

MZFW

\*\*\*  
\*\*\*  
\*\*\*

737-7

Purchased Weight  
Certified Weight  
Hinge or Midpoint Weight

MTOW

\*\*\*  
\*\*\*  
\*\*\*

MLW

\*\*\*  
\*\*\*  
\*\*\*

MZFW

\*\*\*  
\*\*\*  
\*\*\*

Attachment A to UAL-PA-03776-LA-1208157R2

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BOEING/UNITED AIRLINES, INC. PROPRIETARY

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Attachment B to UAL-PA-03776-LA-1208157R2

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**

UAL-PA-3776-LA-1606848R2

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: \*\*\* Special MAX Aircraft

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement have the same meaning as in the Purchase Agreement. References to the Purchase Agreement are to the Purchase Agreement as amended from time to time, including by way of this Letter Agreement and other letter agreements between Boeing and Customer. **This Letter Agreement supersedes and replaces in its entirety Letter Agreement UAL-PA-03776-LA-1606848R1 dated June 7, 2017.**

1.\*\*\*

Customer has the right to \*\*\* the delivery of up to \*\*\* of the Special MAX Aircraft (as that term is defined in Letter Agreement UAL-PA-03776-LA-1207650R2 entitled "Special Matters – 737 MAX Aircraft") from \*\*\* delivery month into \*\*\*, pursuant to the terms of this Letter Agreement (\*\*\*). For the avoidance of doubt, the aggregate maximum number of \*\*\* is \*\*\*.

2. Notice Requirement.

Customer will provide written notice (\*\*\*) **Notice** of its intent to \*\*\* purchase of any eligible Special MAX Aircraft no later than the Exercise Notice Due Date specified in Attachment 1 to this Letter Agreement. Each such \*\*\* Special MAX Aircraft, once confirmed with Boeing as specified in Section 4 herein, is referred to herein as an \*\*\* **Aircraft**.

3.\*\*\*.

The \*\*\* of Special MAX Aircraft which can be \*\*\* into \*\*\* is specified in Attachment 1 to this Letter Agreement.

UAL-PA-3776-LA-1606848R2

\*\*\*

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**BOEING PROPRIETARY**



4. Definitive Agreement.

If Customer agrees with the \*\*\* in the \*\*\* Confirmation, then the parties will sign a definitive agreement to incorporate the \*\*\* for each \*\*\* Aircraft (**Supplemental Agreement**) within \*\*\* of the \*\*\* Confirmation. The Supplemental Agreement will include the provisions of the Purchase Agreement as modified to reflect the provisions of this Letter Agreement. In the event the parties \*\*\* a Supplemental Agreement within \*\*\* following \*\*\* Confirmation, either party may \*\*\* of a Special MAX Aircraft by giving written notice to the other within \*\*\*. If Customer and Boeing \*\*\* Supplemental Agreement, then the delivery month of such Special MAX Aircraft is \*\*\* specified in the \*\*\* Confirmation.

5. BFE.

The BFE \*\*\* dates \*\*\* to support the scheduled delivery month of any applicable \*\*\* Aircraft.

6. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's \*\*\*

7. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: \_\_\_\_\_  
Its: Attorney-In-Fact

UAL-PA-3776-LA-1606848R2  
\*\*\*

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LA Page 2

**BOEING PROPRIETARY**



ACCEPTED AND AGREED TO this

Date: June 15, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-3776-LA-1606848R2

\*\*\*

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**BOEING PROPRIETARY**

**Attachment 1: \*\*\* Notice Due Date for \*\*\* Special MAX Aircraft**

\*\*\*

\*\*\*

\*\*\*

Annual Limitation Specifics

\*\*\*

\*\*\*

\*\*\* Delivery Month

\*\*\*

\*\*\*

\*\*\* Due Date

\*\*\*

\*\*\*

Attachment 1 to UAL-PA-3776-LA-1606848R2

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Attachment 1, Page 1

**BOEING PROPRIETARY**



UAL-PA-3776-LA-1703685

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: 737-10 Aircraft \*\*\*

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

Boeing agrees to provide Customer with the \*\*\* guarantees in the Attachments. These guarantees are exclusive and expire upon delivery of the relevant Aircraft to Customer.

1. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's \*\*\*.

2. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-In-Fact

UAL-PA-3776-LA-1703685  
737-10 Aircraft \*\*\*

**SA-9**  
LA Page 1

**BOEING PROPRIETARY**



ACCEPTED AND AGREED TO this

Date: June 15, 2017

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman

Its: Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-3776-LA-1703685  
737-10 Aircraft \*\*\*

**SA-9**  
LA Page 2

**BOEING PROPRIETARY**

**MODEL 737-10 PERFORMANCE GUARANTEES  
FOR UNITED AIRLINES, INC.**

<u>SECTION</u>	<u>CONTENTS</u>
1	AIRCRAFT MODEL APPLICABILITY
2	FLIGHT PERFORMANCE
3	AIRCRAFT CONFIGURATION
4	GUARANTEE CONDITIONS
5	GUARANTEE COMPLIANCE
6	EXCLUSIVE GUARANTEES

Attachment to UAL- PA- 3776-LA-1703685  
737-10 Aircraft \*\*\*

**SA-9,**  
Attachment, Page 1

**BOEING PROPRIETARY**

1 AIRCRAFT MODEL APPLICABILITY

The guarantees contained in this Attachment (the “\*\*\*\*”) are applicable to the \*\*\* with a maximum \*\*\* of \*\*\* pounds, a maximum \*\*\* of \*\*\* pounds, and a maximum \*\*\* of \*\*\* pounds, and equipped with Boeing furnished \*\*\* engines.

2 FLIGHT PERFORMANCE

2.1 Takeoff

2.1.1 The FAA-approved takeoff field length at a gross weight at the start of the ground roll of \*\*\* pounds, at a temperature of \*\*\*, at a sea level altitude, with an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord, and using maximum \*\*\*, will not be more than the following guarantee value:

NOMINAL:	***	feet
TOLERANCE:	***	feet
GUARANTEE:	***	feet

2.1.2 The FAA-approved \*\*\* at the start of ground roll, at a temperature of \*\*\*, at an altitude of \*\*\*, from a \*\*\* foot runway, with an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord, and using maximum \*\*\*, will not be less than the following guarantee value:

NOMINAL:	***	pounds
TOLERANCE:	***	pounds
GUARANTEE:	***	pounds

2.1.3 The FAA-approved takeoff gross weight at the start of ground roll, at a temperature of \*\*\*, at an altitude of \*\*\* feet, from a \*\*\* foot runway, with an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord, and using maximum \*\*\*, will not be less than the following guarantee value:

NOMINAL:	***	pounds
TOLERANCE:	***	pounds
GUARANTEE:	***	pounds

2.2 Landing

2.2.1 The FAA-approved landing field length at a gross weight of \*\*\* pounds and at a sea level altitude, will not be more than the following guarantee value:

NOMINAL:	***	feet
TOLERANCE:	***	feet
GUARANTEE:	***	feet

2.2.2 The FAA-approved landing field length at a gross weight of \*\*\* pounds and at an altitude of \*\*\* feet, will not be more than the following guarantee value:

NOMINAL:	***	feet
TOLERANCE:	***	feet
GUARANTEE:	***	feet

2.3 Enroute One-Engine-Inoperative Altitude

The FAA-approved enroute one-engine-inoperative altitude at which the available gross climb gradient equals \*\*\* percent at a gross weight of \*\*\* pounds on an \*\*\* day using not more than maximum continuous thrust, will not be less than the following guarantee value:

NOMINAL:	***	feet
TOLERANCE:	***	feet
GUARANTEE:	***	feet

2.4 Altitude Capability—All Engines Operating

The altitude capability at a gross weight of \*\*\* pounds, on an \*\*\* day, at \*\*\* Mach number, and satisfying the conditions defined below, will not be less than the following guarantee value:

NOMINAL:	***	feet
TOLERANCE:	***	feet
GUARANTEE:	***	feet

Conditions:

- 1) The Aircraft will be capable of maintaining level cruising flight using not more than maximum cruise thrust.
- 2) The Aircraft will be capable of maintaining a rate of climb of \*\*\* feet per minute using not more than maximum climb thrust.
- 3) The Aircraft will have at least \*\*\* margin to initial buffet.

2.5 Mission

2.5.1 Mission Payload

The payload for a stage length of \*\*\* nautical miles in still air (representative of a \*\*\* to \*\*\* route \*\*\*) using the conditions and operating rules defined below, will not be less than the following guarantee value:

NOMINAL:	***	pounds
TOLERANCE:	***	pounds
GUARANTEE:	***	pounds

Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for the climbout maneuver, climb, cruise, and descent.

Takeoff: The airport altitude is \*\*\* feet.

The airport temperature is \*\*\*.

The runway length is \*\*\*.

The runway slope is \*\*\* percent \*\*\*.

The following obstacle definition is based on a straight out departure where obstacle height and distance are specified with reference to the liftoff end of the runway:

	Height	Distance
***	***	***

Takeoff performance is based on an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord.

Maximum \*\*\* is used for the takeoff.

The \*\*\* will conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to \*\*\* feet, the Aircraft retracts landing gear, climbs to \*\*\* feet above the departure airport altitude and accelerates to the recommended speed while retracting flaps.

Climb: The Aircraft climbs from the initial climb altitude to \*\*\* feet altitude at the recommended speed.

The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.

The climb continues at the recommended climb speed for minimum \*\*\* to the final climb altitude.

The temperature is \*\*\* during climb.

Maximum climb thrust is used during climb.

Cruise: The Aircraft cruises at \*\*\* Mach number.

The Aircraft cruises at \*\*\* ICAO RVSM cruise altitudes.

The temperature is \*\*\* during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude. Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at \*\*\*. The temperature is \*\*\* during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending flaps and landing gear, then descends and lands.

The destination airport altitude is \*\*\* feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following will be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a hold equivalent to \*\*\* minutes at \*\*\* feet above sea level on a standard day at the Maximum Landing Weight.

### 2.5.2 Mission Payload

The payload for a stage length of \*\*\* nautical miles in still air (representative of a \*\*\* to \*\*\* route \*\*\*) using the conditions and operating rules defined below, will not be less than the following guarantee value:

NOMINAL:	***	pounds
TOLERANCE:	***	pounds
GUARANTEE:	***	pounds

The above payload may require special attention to payload distribution and operational procedures.

Conditions and operating rules:

\*\*\* \*\*.

Takeoff: The airport altitude is \*\*\* feet.

The airport temperature is \*\*\*.

The runway length is \*\*\* feet.

The clearway is \*\*\* feet.

The following obstacle definition is based on a straight out departure where obstacle height and distance are specified with reference to the liftoff end of the runway:

	Height	Distance
***	***	***

Takeoff performance is based on an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord.

Maximum \*\*\* is used for the takeoff.

The \*\*\* will conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to \*\*\* feet, the Aircraft retracts landing gear, climbs to \*\*\* feet above the departure airport altitude and accelerates to the recommended speed while retracting flaps.

Climb: The Aircraft climbs from the initial climb altitude to \*\*\* feet altitude at the recommended speed.

The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.

The climb continues at the recommended climb speed for minimum \*\*\* to the final climb altitude.

The temperature is \*\*\* during climb.

Maximum climb thrust is used during climb.

Cruise: The Aircraft cruises at \*\*\* Mach number.

The Aircraft cruises at \*\*\* ICAO RVSM cruise altitudes.

The temperature is \*\*\* during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.

Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.

The temperature is \*\*\* during descent.

Approach  
and Landing  
Maneuver:

The Aircraft decelerates to the final approach speed while extending flaps and landing gear, then descends and lands.

The destination airport altitude is \*\*\* feet.

Fixed  
Allowances:

For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following will be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a hold equivalent to \*\*\* minutes at \*\*\* feet above sea level on a standard day at the Maximum Landing Weight.

### 2.5.3 Mission Payload

The payload for a stage length of \*\*\* nautical miles in still air (representative of a \*\*\* to \*\*\* route \*\*\*) using the conditions and operating rules defined below, will not be less than the following guarantee value:

NOMINAL:	***	pounds
TOLERANCE:	***	pounds
GUARANTEE:	***	pounds

Conditions and operating rules:

\*\*\*      \*\*\*

Takeoff: The airport altitude is \*\*\* feet.

The airport temperature is \*\*\*.

The runway length is \*\*\* feet.

The runway slope is \*\*\* percent \*\*\*.

Takeoff performance is based on an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord.

Maximum \*\*\* is used for the takeoff.

The \*\*\* will conform to FAA Regulations.

Climbout Maneuver: Following the takeoff to \*\*\* feet, the Aircraft retracts landing gear, climbs to \*\*\* feet above the departure airport altitude and accelerates to the recommended speed while retracting flaps.

Climb: The Aircraft climbs from the initial climb altitude to \*\*\* feet altitude at the recommended speed.

The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.

The climb continues at the recommended climb speed for minimum \*\*\* to the final climb altitude.

The temperature is \*\*\* during climb.

Maximum climb thrust is used during climb.

Cruise: The Aircraft cruises at \*\*\* Mach number.

The Aircraft cruises at \*\*\* ICAO RVSM cruise altitudes.

The temperature is \*\*\* during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.

Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.

The temperature is \*\*\* during descent.

Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending flaps and landing gear, then descends and lands.

The destination airport altitude is \*\*\* feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following will be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a hold equivalent to \*\*\* minutes at \*\*\* feet above sea level on a standard day at the Maximum Landing Weight.

#### 2.5.4 Mission Payload

The payload for a stage length of \*\*\* nautical miles in still air (representative of a \*\*\* to \*\*\* route) using the conditions and operating rules defined below, will not be less than the following guarantee value:

NOMINAL:	***	pounds
TOLERANCE:	***	pounds
GUARANTEE:	***	pounds

#### Conditions and operating rules:

Stage Length: The stage length is defined as the sum of the distances for the climbout maneuver, climb, cruise, and descent.

Takeoff: The airport altitude is \*\*\* feet.

The airport temperature is \*\*\*.

The runway length is \*\*\* feet.

The headwind is \*\*\* knots.

The runway slope is \*\*\* percent \*\*\*.

The following obstacle definition is based on a straight out departure where obstacle height and distance are specified with reference to the liftoff end of the runway:

	Height	Distance
***	***	***

Takeoff performance is based on an alternate forward center of gravity limit of \*\*\* percent of the mean aerodynamic chord.

Maximum \*\*\* is used for the takeoff.

The \*\*\* will conform to FAA Regulations.

Climbout  
Maneuver: Following the takeoff to \*\*\* feet, the Aircraft retracts landing gear, climbs to \*\*\* feet above the departure airport altitude and accelerates to the recommended speed while retracting flaps.

Climb: The Aircraft climbs from the initial climb altitude to \*\*\* feet altitude at the recommended speed.  
The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum \*\*\*.  
The climb continues at the recommended climb speed for minimum \*\*\* to the final climb altitude.  
The temperature is \*\*\* during climb.  
Maximum climb thrust is used during climb.

Cruise: The Aircraft cruises at \*\*\* Mach number.  
The Aircraft cruises at \*\*\* ICAO RVSM cruise altitudes.  
The temperature is \*\*\* during cruise.

The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.

Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.  
Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.  
The temperature is \*\*\* during descent.

Approach  
and Landing  
Maneuver: The Aircraft decelerates to the final approach speed while extending flaps and landing gear, then descends and lands.

The destination airport altitude is \*\*\* feet.

Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following will be used as fixed quantities and allowances:

\*\*\*

For information purposes, the reserve fuel is based on a hold equivalent to \*\*\* minutes at \*\*\* feet above sea level on a standard day at the Maximum Landing Weight.

#### 2.5.5 Mission Block Fuel

The \*\*\* for a stage length of \*\*\* nautical miles in still air with a \*\*\* pound payload using the conditions and operating rules defined below, will not be more than the following guarantee value:

NOMINAL:	***	pounds
TOLERANCE:	***	pounds
GUARANTEE:	***	pounds

#### Conditions and operating rules:

\*\*\*

\*\*\*

\*\*\*

The \*\*\* is defined as the sum of \*\*\* for taxi-out, takeoff and climbout maneuver, climb, cruise, descent, approach and landing maneuver, and taxi-in.

Takeoff:

The airport altitude is \*\*\*.

The \*\*\* is \*\*\* the airport conditions.

Climbout  
Maneuver:

Following the takeoff to \*\*\* feet, the Aircraft retracts landing gear, climbs to \*\*\* feet above the departure airport altitude and accelerates to the recommended speed while retracting flaps.

Climb:

The Aircraft climbs from the initial climb altitude to \*\*\* feet altitude at the recommended speed.

The Aircraft then accelerates at a rate of climb of \*\*\* feet per minute to the recommended climb speed for minimum block fuel.

The climb continues at the recommended climb speed for minimum \*\*\* to the final climb altitude.

The temperature is standard day during climb.

- Maximum climb thrust is used during climb.
- Cruise: The Aircraft cruises at \*\*\* Mach number.  
The Aircraft cruises at \*\*\* ICAO RVSM cruise altitudes.  
The temperature is standard day during cruise.  
The cruise thrust is not to exceed maximum cruise thrust except during a step climb when maximum climb thrust may be used.
- Descent: The Aircraft descends from the final cruise altitude at \*\*\* KCAS to an altitude of \*\*\* feet above the destination airport altitude.  
Throughout the descent, the cabin pressure is controlled to a maximum rate of descent equivalent to \*\*\* feet per minute at sea level.  
The temperature is standard day during descent.
- Approach and Landing Maneuver: The Aircraft decelerates to the final approach speed while extending flaps and landing gear, then descends and lands.  
The destination is a \*\*\* airport.
- Fixed Allowances: For the purpose of this guarantee and for the purpose of establishing compliance with this guarantee, the following will be used as fixed quantities and allowances:  
\*\*\*  
For information purposes, the reserve fuel is based on a hold equivalent to \*\*\* minutes at \*\*\* feet above sea level on a standard day at the Maximum Landing Weight.

#### 2.5.6 Operational Empty Weight Basis

The Operational Empty Weight (OEW) derived in paragraph 2.5.7 is the basis for the mission guarantees of paragraphs 2.5.1 through 2.5.5.

2.5.7 737-10 Weight Summary—United Airlines

Standard Model Specification Manufacturer’s Empty Weight (MEW)

Pounds  
 \*\*\*

Configuration Specification \*\*\*

\*\*\* Tourist Class Passengers

\*\*\*

\*\*\* lb (\*\*\*) kg Maximum Taxi Weight

\*\*\*

United Airlines MEW

\*\*\*

Standard and Operational Items Allowance  
 (Paragraph 2.5.8)

\*\*\*

United Airlines OEW

\*\*\*

	<u>Quantity</u>	<u>Pounds</u>	<u>Pounds</u>
* Seat Weight Included:			***
***	***	***	

2.5.8 Standard and Operational Items Allowance

	<u>Quantity</u>	<u>Pounds</u>	<u>Pounds</u>	<u>***</u>
<b>Standard Items Allowance</b>				***
Unusable Fuel			***	
Oil			***	
Oxygen Equipment			***	
Miscellaneous Equipment			***	
Galley Structure & Fixed Inserts			***	
<b>Operational Items Allowance</b>				***
Crew and Crew Baggage			***	
Flight Crew	***	***		
Cabin Crew	***	***		
Crew	***	***		
Baggage				

Catering Allowance & Removable Inserts			***
First Class	***	***	
Premium	***	***	
Economy Class			
Economy	***	***	
Class			
Passenger	***		***
Service Equipment			
Potable Water—60 USG			***
Waste Tank Disinfectant			***
Emergency Equipment (Including Overwater Equipment)			***
<b>Total Standard and Operational Items Allowance</b>			***

3 AIRCRAFT CONFIGURATION

- 3.1 The guarantees contained in this Attachment are based on the Aircraft configuration as defined in \*\*\*, dated \*\*\*, plus any changes mutually agreed upon or otherwise allowed by the Purchase Agreement to be incorporated into the Customer's Detail Specification (herein referred to as the Detail Specification). Appropriate adjustment will be made for changes in such Detail Specification approved by the Customer and Boeing or otherwise allowed by the Purchase Agreement which cause changes to the flight performance and/or weight and balance of the Aircraft. Such adjustment will be accounted for by Boeing in its evidence of compliance with the guarantees.
- 3.2 The guarantee payloads of paragraphs 2.5.1, 2.5.2, 2.5.3, and 2.5.4, and the specified payload in the \*\*\* guarantee of paragraph 2.5.5 will be adjusted by Boeing for the effect of the following on OEW in its evidence of compliance with the guarantees:
- (1) Changes to the Detail Specification or any other changes mutually agreed upon between the Customer and Boeing or otherwise allowed by the Purchase Agreement.
  - (2) The difference between the component weight allowances given in Appendix E of the Detail Specification and the actual weights.

4 GUARANTEE CONDITIONS

- 4.1 All guaranteed performance data are based on the International Standard Atmosphere (ISA) and specified variations therefrom; altitudes are pressure altitudes.
- 4.2 For the purposes of these 737-10 guarantees the Federal Aviation Administration (FAA) regulations referred to in this Attachment are, unless otherwise specified, 14 CFR Part 25 effective February 1, 1965, including Amendments 25-1 through 25-141 with the exceptions permitted by 14CFR21.101.

- 4.3 In the event a change is made to any law, governmental regulation or requirement, or in the interpretation of any such law, governmental regulation or requirement that affects the certification basis for the Aircraft as described in Paragraph 4.2, and as a result thereof, a change is made to the configuration and/or the performance of the Aircraft in order to obtain certification, the guarantees set forth in this Attachment will be appropriately modified to reflect any such change.
- 4.4 The takeoff and landing guarantees, and the takeoff portion of the mission guarantees are based on hard surface, level and dry runways with no wind or obstacles, no clearway or stopway, \*\*\* mph tires, with \*\*\* brakes, anti-skid operative, alternate go-around flap procedure (option to select Flaps 5 when performing a return to land check), and with the Aircraft center of gravity at the most forward limit unless otherwise specified. If the guarantee condition specifies an alternate forward center of gravity, the performance will reflect the more aft center of gravity of the alternate forward center of gravity specified in the guarantee condition or the forward center of gravity limit. The takeoff performance is based on no engine bleed for air conditioning or thermal anti-icing and \*\*\*. The Power Management Control (PMC) is turned on. Unbalanced field length calculations and the improved climb performance procedure will be used for takeoff as required. The landing performance is based on the use of automatic spoilers.
- 4.5 The enroute one-engine-inoperative altitude guarantee is based on engine bleed for air conditioning with one pack operating. No engine bleed for thermal anti-icing is provided unless otherwise specified. \*\*\*.
- 4.6 The altitude capability guarantee and the climb, cruise and descent portions of the mission guarantees includes allowances for normal power extraction and engine bleed for normal operation of the air conditioning system. The digital bleed is set for the Customer interior in Paragraph 2.5.7. No bleed or power extraction for thermal anti-icing is provided unless otherwise specified. \*\*\*.
- 4.7 The altitude capability guarantee and the climb, cruise and descent portions of the mission guarantees is based on an Aircraft center of gravity location, as determined by Boeing, not to be aft of \*\*\* percent of the mean aerodynamic chord.
- 4.8 Performance, where applicable, is based on a fuel Lower Heating Value (LHV) of \*\*\* BTU per pound and a fuel density of \*\*\* pounds per U.S. gallon.

## 5 GUARANTEE COMPLIANCE

- 5.1 Compliance with the guarantees of Section 2 will be based on the conditions specified in those sections, the Aircraft configuration of Section 3 and the guarantee conditions of Section 4.
- 5.2 Compliance with the following guarantees or portions of such guarantees will be based on the FAA-approved Airplane Flight Manual for the Model 737-10 aircraft:
- Takeoff
  - Landing
  - Enroute One-Engine-Inoperative Altitude
  - The initial buffet portion of All Engines Operating Altitude Capability
  - The takeoff portion of the mission conditions

- 5.3 Compliance with the takeoff guarantee and the takeoff portion of the mission guarantee will not be contingent upon acceptance of a Change Request, Master Change or Change Order to allow operation at an alternate forward center of gravity limit or selection of the alternate go-around flap procedure (Flaps 5).
- 5.4 Compliance with the altitude capability guarantee and with the climb, cruise and descent portions of the mission guarantees will be established by calculations based on flight test data obtained from an aircraft in a configuration similar to that defined by the Detail Specification.
- 5.5 Compliance with the mission \*\*\* guarantee may exceed the design weights in the FAA-approved Airplane Flight Manual for convenience of calculating \*\*\* for the specified payload. Such exceedance is not to be construed as authorization to operate the aircraft above the weights in the FAA-approved Airplane Flight Manual.
- 5.6 The OEW used for compliance with the mission guarantees will be the actual MEW plus the Standard and Operational Items Allowance in Appendix E of the Detail Specification.
- 5.7 The data derived from tests will be adjusted as required by conventional methods of correction, interpolation or extrapolation in accordance with established engineering practices to show compliance with these guarantees.
- 5.8 Compliance will be based on the performance of the airframe and engines in combination, and will not be contingent on the engine meeting its manufacturer's performance specification.

6 EXCLUSIVE GUARANTEES

The only performance guarantees applicable to the Aircraft are those set forth in this Attachment.

**BOEING PROPRIETARY**



UAL-PA-03776-LA-1703743

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: 2017 \*\*\*

- References:
- 1) Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (Customer) relating to Model 737 MAX aircraft (**Aircraft**); and
  - 2) Purchase Agreement No. PA-04308 (**777 Purchase Agreement**) between The Boeing Company and United Airlines, Inc. relating to Model 777-300 aircraft (**777 Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

1. 2017 \*\*\*.

In recognition of Customer's conversion of one hundred (100) firm 737-9 Aircraft into one hundred firm 737-10 Aircraft pursuant to the Purchase Agreement and Customer's \*\*\* 777-300ER Aircraft pursuant to the 777 Purchase Agreement, Boeing will \*\*\* to Customer in \*\*\* to Customer upon \*\*\* of Supplemental Agreement No. 9 to the Purchase Agreement. \*\*\* will be provided \*\*\* (**Operational \*\*\***) that will \*\*\* to Customer \*\*\*. \*\*\* to \*\*\* on \*\*\*.

2. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement and \*\*\*.

3. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: June 15, 2017

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance,  
Procurement and Treasurer

UAL-PA-03776-LA-1703858

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject:\*\*\* Program for the 737-10 Aircraft

Reference: Purchase Agreement No. PA-03776 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Continental Holdings, Inc. (**Customer**) relating to Model 737 MAX aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement. For the purposes of this Letter Agreement, the term 737-10 Aircraft shall also include any 737-10 aircraft added to the Purchase Agreement subsequent to the date of this SA-9.

1. Definitions.

**737-10 \*\*\* Notice** means the written communication provided by Boeing to Customer in accordance with the requirements of Article 4.1, below.

**737-10 Program Aircraft** means each 737-10 Aircraft specified in Table 1A of the Purchase Agreement as of the date of this Letter Agreement.

2. Applicability.

Notwithstanding any other provision of the Purchase Agreement to the contrary, the parties agree that the \*\*\* for the Airframe Price and \*\*\* Features Prices for each 737-10 Program Aircraft shall be determined in accordance with \*\*\*

3. \*\*\* Forecast.

Boeing will release an \*\*\* forecast in \*\*\* of each year based on Boeing's then current standard \*\*\*. Only one \*\*\* forecast shall be used to conduct the \*\*\* analysis performed in accordance with Article 4.1, below, for a given 737-10 Program Aircraft. The \*\*\* forecast applicable to a given 737-10 Program Aircraft is set forth in Attachment A.

4. \*\*\*.

4.1 If the \*\*\* forecast, as set forth in Article 3, above, \*\*\*, as set forth in Attachment B, \*\*\* any 737-10 Program Aircraft that is \*\*\* such \*\*\* forecast, as set forth in Attachment A, then Boeing shall issue a 737-10 \*\*\* Notice to the Customer by the date set forth in Attachment A. Such 737-10 \*\*\* Notice shall, \*\*\*, either:

4.1.1\*\*\* for such affected 737-10 Program Aircraft \*\*\* as set forth in Attachment B; or

UAL-PA-03776-LA-1703858  
\*\*\* Program

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Page 1

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



4.1.2 provide Customer with the \*\*\* as set forth in Attachment B and the actual \*\*\* factor determined in accordance with \*\*\*; or

4.1.3 provide Customer with \*\*\* as set forth in Attachment B, with Boeing and Customer \*\*\* as set forth in Attachment B \*\*\*.

4.1.4 In the event that Boeing \*\*\* the 737-10 \*\*\* Notice as detailed in Article 4.1.2 or Article 4.1.3 and Customer \*\*\*, then Customer \*\*\* the Purchase Agreement with respect to such affected 737-10 Program Aircraft.

4.2 If Boeing provides Customer the \*\*\* described in Article 4.1.2 or Article 4.1.3 above, then Customer shall notify Boeing \*\*\* contained in Articles 4.1.2, 4.1.3, or 4.1.4 above within \*\*\* of its receipt of the 737-10 \*\*\* Notice from Boeing. In the event Customer \*\*\* in accordance with Article 4.1.4 above, then Boeing \*\*\* Customer, \*\*\* for the \*\*\* 737-10 Program Aircraft.

4.2.1 Within \*\*\* of Boeing's receipt of \*\*\* notice for any such \*\*\* 737-10 Program Aircraft under Article 4.2 above, Boeing \*\*\* written notice to Customer \*\*\* related to such \*\*\* 737-10 Program Aircraft \*\*\*, by Customer.

4.2.2 Should Customer \*\*\* any notice to Boeing in accordance with Article 4.2 above, then the \*\*\* for such 737-10 Program Aircraft shall be \*\*\* in accordance with Article 4.1.2.

4.3 In the event that the \*\*\* of a 737-10 Program Aircraft that is subject to either Article 4.1.1, Article 4.1.2 or Article 4.1.3 above, \*\*\* applicable to such 737-10 Program Aircraft will be determined pursuant to Article 5 below.

5. \*\*\*.

5.1 If the \*\*\* forecast, as set forth in Article 3, \*\*\* any 737-10 Program Aircraft \*\*\* as set forth in Attachment B and \*\*\* as set forth in Attachment B, \*\*\* for such 737-10 Program Aircraft \*\*\* as set forth in Attachment B \*\*\* as set forth in Attachment B \*\*\*.

5.2 In the event the \*\*\* at \*\*\* of a 737-10 Program Aircraft subject to Article 5.1 above, \*\*\* applicable to such 737-10 Program Aircraft will be determined pursuant to Article 6 below.

6. \*\*\*.

If the \*\*\* forecast, as set forth in Article 3, above, \*\*\*, as set forth in Attachment B, \*\*\* any 737-10 Program Aircraft \*\*\* such \*\*\* forecast, as set forth in Attachment A, then such \*\*\* applicable to such 737-10 Program Aircraft \*\*\*:

6.1 If the \*\*\* of a 737-10 Program Aircraft, \*\*\* as set forth in Attachment B for such 737-10 Program Aircraft, then the \*\*\* for such 737-10 Program Aircraft.

6.2 \*\*\* of a 737-10 Program Aircraft, \*\*\* as set forth in Attachment B for such 737-10 Program Aircraft, then the \*\*\* for such 737-10 Program Aircraft \*\*\* as set forth in Attachment B.



7. Applicability to \*\*\*.

The \*\*\*, identified in the Purchase Agreement as subject to \*\*\* pursuant to Supplemental Exhibit AE2, and which pertains to the 737-10 Program Aircraft shall be \*\*\* established in this Letter Agreement for such 737-10 Program Aircraft \*\*\* provisions of the Purchase Agreement \*\*\*.

8. Assignment.

Except as provided in Letter Agreement No. UAL-PA-03776-LA-1208238, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the Aircraft and cannot be assigned in whole or, in part.

9. Confidential Treatment.

Customer and Boeing understand that certain commercial and financial information contained in this Letter Agreement are considered by Boeing and Customer as confidential and are subject to the terms and conditions set forth in Letter Agreement No. UAL-PA-03776-LA-1208234.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03776-LA-1703858

\*\*\* Program

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



ACCEPTED AND AGREED TO this

Date: June 15, 2017

**UNITED AIRLINES, INC.**

By /s/ Gerald Laderman  
Its Senior Vice President Finance, Procurement and  
Treasurer

UAL-PA-03776-LA-1703858  
\*\*\* Program

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



ATTACHMENT A  
\*\*\* Forecast & 737-10 Escalation Notice Date

\*\*\*

Forecast

\*\*\*

Applicable to 737-10 Program  
Aircraft Delivering in Time Period

\*\*\*

737-10 \*\*\*

Notice Date

\*\*\*

UAL-PA-03776-LA-1703858

\*\*\* Program

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BOEING/UNITED AIRLINES, INC. PROPRIETARY



**ATTACHMENT B**  
**\*\*\* Factors—\*\*\***

\*\*\*  
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\*\*\*

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\*\*\* Program

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**

CONFIDENTIAL MATERIAL APPEARING IN THIS DOCUMENT HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION IN ACCORDANCE WITH THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 24B-2 PROMULGATED THEREUNDER. OMITTED INFORMATION HAS BEEN REPLACED WITH ASTERISKS.

Supplemental Agreement No. 8

to

Purchase Agreement No. 3860

between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 787 Aircraft

THIS SUPPLEMENTAL AGREEMENT No. 8 (SA-8), entered into as of June 15, 2017, by and between THE BOEING COMPANY (Boeing) and UNITED AIRLINES, INC. (Customer);

WHEREAS, the parties hereto entered into Purchase Agreement No. 3860 dated September 27, 2012, as amended and supplemented (Purchase Agreement), relating to the purchase and sale of Boeing model 787 aircraft (Aircraft). This Supplemental Agreement is an amendment to the Purchase Agreement;

WHEREAS, Boeing and Customer agree to modify language in the Special Matters Letter;

WHEREAS, Boeing and Customer agree to \*\*\* of \*\*\* model 787-\*\*\* aircraft.

	<u>Manufacturer Serial Number</u>	<u>Original Delivery Month Prior to SA-8</u>	<u>New Delivery Month Commencing With SA- 8</u>
***	***	***	***

WHEREAS, Boeing and Customer agree to incorporate a reciprocal confidentiality agreement for elements relating to the Purchase Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree to amend the Purchase Agreement as follows:

1. Table of Contents.

The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-8").

2. Tables.

Table 1 entitled “787-\*\*\* Aircraft with GENX-1B\*\*\* Engines Delivery, Description, Price and \*\*\*” is deleted in its entirety and replaced with the attached similarly titled “Table 1” (identified by “SA-8”).

3. Letter Agreements.

3.1. Letter Agreement UAL-PA-03860-LA-1209413R1 entitled “*Special Matters*” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03860-LA-1209413R2 (identified by “SA-8”).

3.2. Letter Agreement UAL-PA-03860-LA-1703319\_ entitled “Privileged and Confidential Matters” (identified by “SA-8”) is hereby incorporated into the Purchase Agreement.

The Purchase Agreement will be deemed to be supplemented to the extent herein provided as of the date hereof and as so supplemented will continue in full force and effect.

*The rest of this page is left intentionally blank.*

UAL-PA-3860

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

EXECUTED IN DUPLICATE as of the day and year first written above.

**THE BOEING COMPANY**

/s/ Irma L Krueger

Signature

Irma L Krueger

Printed Name

Attorney-in-Fact

Title

**UNITED AIRLINES, INC.**

/s/ Gerald Laderman

Signature

Gerald Laderman

Printed Name

Senior Vice President Finance,  
Procurement and Treasurer

Title

UAL-PA-3860

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**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

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**SUPPLEMENTAL AGREEMENTS**

**DATED AS OF**

Supplemental Agreement No. 1	June 17, 2013
Supplemental Agreement No. 2	December 16, 2013
Supplemental Agreement No. 3	July 22, 2014
Supplemental Agreement No. 4	January 14, 2015
Supplemental Agreement No. 5	May 12, 2015
Supplemental Agreement No. 6	December 31, 2015
Supplemental Agreement No. 7	March 7, 2016
<b>Supplemental Agreement No. 8</b>	<b>June 15, 2017</b>

P.A. 3860

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**BOEING/UNITED AIRLINES, INC. PROPRIETARY**

**Table 1 to Purchase Agreement No. 3860**  
**787-10 Aircraft with GENX-1B\*\*\* Engines Delivery, Description, Price and \*\*\* (787-10/GE/\*\*\*)**

<b>Airframe Model/MTOW:</b>	787-10	***pounds #	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	GENX-1B***1	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** ***
<b>Airframe Price:</b>		\$ ***	<b>Engine Price Base Year/Escalation Formula:</b>	*** ***
<b>Optional Features:</b>		\$ ***	<b>Airframe Escalation Data:</b>	
<b>Sub-Total of Airframe and Features:</b>		\$ ***	<b>Base Year Index (ECI):</b>	***
<b>Engine Price (Per Aircraft) :</b>		\$ ***1	<b>Base Year Index (CPI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		\$ ***	<b>Engine Escalation Data:</b>	
<b>Buyer Furnished Equipment (BFE) Estimate:</b>		\$ ***	<b>Base Year Index (ECI):</b>	***
<b>In-Flight Entertainment (IFE) Estimate:</b>		\$ ***	<b>Base Year Index (CPI):</b>	***

<u># of Aircraft</u>	<u>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</u>	<u>Escalation Factor (Engine)</u>	<u>See footnote for escalation forecast being used</u>	<u>Serial Number +</u>	<u>Escalation Estimate *** Base Price Per A/P</u>	<u>*** Per Aircraft (Amts. Due/*** Prior to Delivery):</u>			
***	***	***	***	***	***	***	\$***	***	***	***	***
	<b>Total:</b>	***						\$***	\$***	\$***	\$***

1 Engine model, thrust and pricing are subject to GE agreement with Customer, i.e., to deliver GENx-1B\*\*\*.

\* \*\*\* Escalation Factors \*\*\*

\*\* \*\*\* Escalation Factors \*\*\*

# Purchased \*\*\* pounds. Aircraft are eligible for the provisions of Letter Agreement UAL-PA-03860- LA-1301375R1 entitled "Provisions Relating to Customer's \*\*\* for 787-10 Aircraft"

+ Serial Numbers Identified are for informational purposes only and subject to change



UAL-PA-03860-LA-1209413R2

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: Special Matters

Reference: Purchase Agreement No. 3860 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. relating to Model 787 aircraft \*\*\*

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used and not defined in this Letter Agreement have the same meaning as in the Purchase Agreement. This Letter Agreement replaces and supersedes Letter UAL-PA-03860-LA-1209413R1 dated June 17, 2013

1. \*\*\*.

1.1. 787-8 \*\*\*.

In consideration of Customer's purchase of 787-8 Aircraft, Boeing \*\*\* at the time of delivery of each 787-8 Aircraft and 787-8 \*\*\* Aircraft, a \*\*\* to Customer in \*\*\*. The \*\*\* is subject to the \*\*\* as \*\*\* at the time of delivery. \*\*\* may \*\*\* to \*\*\* at the time of delivery for such Aircraft, or for the \*\*\* of Boeing \*\*\* and \*\*\*, but \*\*\* on Aircraft.

1.2. 787-9 \*\*\*.

In consideration of Customer's purchase of 787-9 Aircraft, Boeing \*\*\* at the time of delivery of each 787-9 Aircraft and 787-9 \*\*\* Aircraft, a \*\*\*. The \*\*\* is subject to the \*\*\* as \*\*\* at the time of delivery. \*\*\* may \*\*\* to \*\*\* at the time of delivery for such Aircraft, or for the \*\*\* of Boeing \*\*\* and \*\*\*, but \*\*\* on Aircraft.

1.3. 787-10 \*\*\*.

In consideration of Customer's purchase of 787-10 Aircraft, Boeing \*\*\* at the time of delivery of each 787-10 Aircraft and 787-10 \*\*\* Aircraft, a \*\*\*. The \*\*\* is subject to the \*\*\* as \*\*\* at the time of delivery. \*\*\* may \*\*\* to \*\*\* at the time of delivery for such Aircraft, or for the \*\*\* of Boeing \*\*\* and \*\*\*, but \*\*\*.

2. Model 787 \*\*\*.

Boeing hereby affirms that the offer contained herein \*\*\*. Furthermore, \*\*\* for the 787 aircraft \*\*\* 787 \*\*\*, Boeing will \*\*\*to the terms and conditions of the Purchase Agreement to \*\*\*.

UAL-PA-03860-LA-1209413R2  
Special Matters

Page 1

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



2.1. 787-8 \*\*\*.

Boeing \*\*\* at the time of delivery of each 787-8 Aircraft and 787-8 \*\*\* Aircraft \*\*\* to Customer in \*\*\*. The \*\*\* is \*\*\* as \*\*\* at the time of delivery. \*\*\* may \*\*\* to \*\*\* at the time of delivery for such Aircraft, or for the \*\*\* of Boeing \*\*\* and \*\*\*, but \*\*\*.

2.2. 787-9 \*\*\*.

Boeing \*\*\* at the time of delivery of each 787-9 Aircraft and 787-9 \*\*\* Aircraft \*\*\* to Customer in \*\*\*. The \*\*\* is \*\*\* as \*\*\* at the time of delivery. \*\*\* may \*\*\* to \*\*\* at the time of delivery for such Aircraft, or for the \*\*\* of Boeing \*\*\* and \*\*\*, but \*\*\* on Aircraft.

3. \*\*\*.

Notwithstanding the \*\*\* of the Purchase Agreement, Customer \*\*\*, for Aircraft \*\*\*, and for \*\*\* Aircraft that Customer \*\*\*.

***	***
***	***
Total	***

4. \*\*\*.

4.1. Interest Rate for Firm Aircraft. \*\*\* agrees to \*\*\* on \*\*\* for all firm and \*\*\* Aircraft which are \*\*\* pursuant to Paragraph 3 of this Letter Agreement \*\*\*

4.2. Delivery \*\*\* Impact on \*\*\* Calculations. If the delivery of any Aircraft is \*\*\* due to \*\*\*, then interest on \*\*\* in respect of such Aircraft will not \*\*\* during the time period from \*\*\*. Payment of \*\*\* that has \*\*\* prior to the start of the \*\*\* but remains unpaid will be paid on the normal quarterly \*\*\* payment schedule set forth in Paragraph 4.1 of this Letter Agreement or on the delivery date of the Aircraft, whichever comes first.

4.3. Boeing Invoice. Boeing shall submit to Customer, not less than \*\*\* prior to the end of each quarter, an invoice for \*\*\* during each such quarter. Customer's payment is due and payable to Boeing on the first business day of the following month. Boeing's invoice will show \*\*\* during the quarter for each Aircraft for which \*\*\* have been \*\*\*. The invoice will also include \*\*\* on \*\*\* with respect to other aircraft in other purchase agreements between Customer and Boeing.

4.4. \*\*\* for the Launch Aircraft. With respect to (i) the \*\*\* 787-10 Aircraft listed in Table 1 to the Purchase Agreement as of the effective date of Supplemental Agreement No. 1 to the Purchase Agreement; (ii) \*\*\* 787-10 \*\*\* Aircraft and (iii) the \*\*\* Aircraft scheduled to deliver in \*\*\* if they are \*\*\* Aircraft (collectively and each a **Launch Aircraft**), the parties agree that payment of the Article 4.1 interest obligation will be \*\*\* of each Launch Aircraft (**Launch Aircraft \*\*\* Obligation**). At time of delivery of each Launch Aircraft, Boeing \*\*\* to \*\*\* the Launch Aircraft \*\*\* Obligation.



4.5. Certain \*\*\*. Notwithstanding the \*\*\* Schedule contained in Table 1 of the Purchase Agreement or the terms set forth in Section 3 herein, Customer may \*\*\* for any Aircraft on order as of the date of signing the applicable Purchase Agreement, and for any \*\*\* Aircraft in accordance with the terms of Section 3 herein; provided, however, that Customer shall retain the right to either (a) \*\*\* set forth in Section 3 herein, and to the extent that Customer \*\*\* then Customer's \*\*\* Boeing \*\*\* shall be \*\*\* or (b) \*\*\* from time to time by up to \*\*\* provided that (1) Boeing \*\*\* to such \*\*\* and (2) \*\*\*.

5. Option Aircraft \*\*\*.

5.1. Notwithstanding the amount specified in the Attachment to Option Aircraft Letter Agreement UAL-PA-03860-LA-1209265R1 (**Option Aircraft Letter**) as the Attachment and/or the Option Aircraft Letter is subsequently revised, amended or supplemented, Boeing \*\*\*.

5.2. Notwithstanding paragraph 5.1 above, Boeing and Customer agree that for the \*\*\*787-\*\*\* Aircraft added as part of Supplemental Agreement No. 1, the \*\*\* Deposit shall be \*\*\* Aircraft. Such \*\*\* Deposit has already been received by Boeing for \*\*\* 787-10 \*\*\* Aircraft. The \*\*\* Deposit for the \*\*\* Aircraft is due upon signing of Supplemental Agreement No 1 to the Purchase Agreement.

6. \*\*\*.

Boeing agrees \*\*\* at the time of delivery of each Aircraft a \*\*\* in \*\*\*. This \*\*\* or for Boeing \*\*\* and \*\*\*.

7. Aircraft Invoices.

Upon Customer request, at the time of Aircraft delivery Boeing agrees to provide a separate invoice addressed to the owner/trustee of such Aircraft specifying the dollar amount to be received at the time of delivery. The dollar amount on the invoice shall be provided by Customer.

8. Assignment of \*\*\*.

Customer may not assign the \*\*\* described in this Letter Agreement without Boeing's prior written consent \*\*\*.



9. Confidential Treatment.

Boeing and Customer understand that certain information contained in this Letter Agreement, including any attachments hereto, is considered by both parties to be confidential. Boeing and Customer agree that each party will treat this Letter Agreement and the information contained herein as confidential and will not, without the other party's prior written consent, disclose this Letter Agreement or any information contained herein to any other person or entity except as may be required by applicable law or governmental regulations.

[The rest of the page is intentionally blank. Signature page follows.]

Very truly yours,

THE BOEING COMPANY

By /s/ Irma L Krueger

Its Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: June 15, 2017

UNITED AIRLINES, INC.

By /s/ Gerald Laderman

Its Senior Vice President Finance,  
Procurement and Treasurer

UAL-PA-03860-LA-1209413R2  
Special Matters



UAL-PA-03860-LA-1703319

United Airlines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: Privileged and Confidential Matters

Reference: Purchase Agreement No. PA-3860 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 787 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement.

Boeing and Customer agree that certain commercial and financial information contained in or transmitted pursuant to the Purchase Agreement and the Aircraft General Terms Agreement (**AGTA**) (together the "Purchase Agreement") between Boeing and Customer and all letter agreements made a part of the Purchase Agreement, including exhibits or attachments thereto are considered by Boeing and Customer as privileged and confidential and the parties agree that the information contained therein or transmitted pursuant to (**Information**) represents confidential business information. Except as specified below, each of Boeing and Customer is prohibited from disclosing the Information to any person, entity, or government agency. Each party shall protect the confidentiality of such Information in the manner similar to how a party protects its own Information of a similar nature, but with no less than a reasonable standard of care. This provision shall not restrict a party from taking any steps necessary to protect and safeguard its interests relating to the Information, including obtaining a protective order or other injunctive relief, where appropriate.

- (a) *Employees.* A party may disclose the Information to its own employees who (i) have a need to know the Information for purposes of assisting said party in the evaluation or administration of the Purchase Agreement or such party's business operations and (ii) have been instructed to not disclose the Information except as provided by this Letter Agreement.
- (b) *Professional Advisors.* A party may disclose the Information to its auditors, insurers, financial advisors, \*\*\* and attorneys ("Professional Advisors") who have a need to know the Information in connection with providing services to said party only when said party has first obtained

UAL-PA-03860-LA-1703319  
Privileged and Confidential Matters

LA Page 1

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**



from the Professional Advisor a written obligation of confidentiality and restricted use that is no less restrictive than the terms of this Letter Agreement. Each party shall be fully responsible to the other party for the Professional Advisors' compliance with such obligations.

- (c) *Regulatory Requirements.* A party may disclose in a regulatory or other government filing that part of the Information which is required by applicable law or regulation to be disclosed in such regulatory or other governmental filings, including filings with the Securities and Exchange Commission ("**SEC**"), but only in accordance with the following requirements:
- (i) The disclosing party shall advise the other party in writing of such disclosure requirement prior to making such disclosure to enable the other party to take those steps it deems necessary to protect the Information; and
  - (ii) The disclosing party shall, as requested by the other party, seek redaction and/or confidential treatment for the Information or parts thereof from the SEC or other applicable regulators.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-In-Fact

ACCEPTED AND AGREED TO this

Date: June 15, 2017

United Airlines, Inc.

By: /s/ Gerald Laderman

Its: Senior Vice President Finance,  
Procurement and Treasurer

UAL-PA-03860-LA-1703319  
Privileged and Confidential Matters

LA Page 2

**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

**RESTRICTED STOCK UNIT AWARD NOTICE  
to [NAME]**

**Pursuant to the United Continental Holdings, Inc.  
2017 Incentive Compensation Plan**

This Restricted Stock Unit Award Notice (this "Award Notice"), dated as of [GRANT DATE] (the "Grant Date"), sets forth the terms and conditions of an award (the "Award") of [UNITS GRANTED] restricted stock units (the "RSUs") that is subject to the terms and conditions specified herein and that is granted to [NAME] ("you") by United Continental Holdings, Inc., a Delaware corporation (the "Company"), under the United Continental Holdings, Inc. 2017 Incentive Compensation Plan, as amended (the "Plan").

This Award is subject to certain restrictions on transfer, risks of forfeiture, restrictive covenants (including confidentiality and non-competition obligations), and other terms and conditions specified herein and in the Plan. **[You must accept this Award, in accordance with the processes of the third party administrator of the Plan, within \_\_\_\_\_ ( ) calendar days of the Grant Date or it is subject to cancellation on the \_\_th calendar day following the Grant Date.]**

**SECTION 1. The Plan.** This Award is made pursuant to the Plan, all the terms of which are hereby incorporated into this Award Notice. In the event of any conflict between the terms of the Plan and the terms of this Award Notice, the terms of the Plan shall govern.

**SECTION 2. Definitions.** Capitalized terms used in this Award Notice that are not defined in this Award Notice have the meanings as used or defined in the Plan. As used in this Award Notice, the following terms have the meanings set forth below:

"Cause" shall have the meaning set forth in any employment agreement or severance plan of the Company applicable to you and as in effect on the date hereof.

"Involuntary Termination" shall mean any Termination of Employment by the Company which is not (i) by the Company due to Cause, (ii) due to your resignation, including due to Retirement, or (iii) a result of your death or Disability. If you provide notice of resignation, in no event shall your Termination of Employment be considered an Involuntary Termination by the Company, even if the effective date of termination is accelerated by the Company.

"Retirement" shall mean your Termination of Employment upon having achieved age 50 with 20 years of service with the Company and its Affiliates, age 55 with ten years of service with the Company and its Affiliates, or age 65.

**SECTION 3. Vesting and Settlement.** (a) Vesting. Your RSUs shall vest according to the schedule set forth in Section 3(a)(i) below, provided that you must be actively employed by the Company or an Affiliate on the relevant Vesting Date, except as set forth in Section 3(a)(ii) and (iii) below or as otherwise determined by the Committee in its sole discretion; provided further that, in the event of your Termination of Employment by reason of death or by the Company due to Disability, you shall immediately become entitled to vesting of all outstanding RSUs (and such RSUs shall be settled within 60 days of such Termination of Employment).

(i) Subject to the terms and conditions of this Award Notice and to the provisions of the Plan, your RSUs shall vest and no longer be subject to any restriction in accordance with the following schedule: **[vesting increments to be determined at date of grant]** of the RSUs subject to the Award on the Grant Date shall vest on **[vesting dates to be determined at date of grant]**. In the event that this vesting schedule results in a fractional share, the fractional share will be rounded down on the first Vesting Date and carried forward to the final Vesting Date.

(ii) In the event of your Termination of Employment during the two-year period following a Change of Control, if such Termination of Employment constitutes either (A) an Involuntary Termination or (B) if applicable to you, a termination by you for “good reason” under the terms of any employment agreement or Company severance plan applicable to you and as in effect on the date hereof, then all outstanding RSUs shall immediately vest upon such Termination of Employment and you shall be entitled to settlement of all then outstanding RSUs within 60 days of your Termination of Employment. Notwithstanding the foregoing, your rights with respect to such RSUs shall be forfeited in accordance with Section 4 unless on or before the 60th day following your Termination of Employment, you have executed and delivered to the Company a valid waiver and release of all claims against the Company and its Subsidiaries and Affiliates, and you have not revoked such waiver and release of claims in accordance with its terms.

(iii) In the event of your Termination of Employment by reason of Retirement, your then outstanding RSUs shall vest (and be settled within 60 days of your Termination of Employment) on a pro-rata basis effective as of the date of such Termination of Employment as follows:

- A. If such Retirement occurs on or before the first Vesting Date, the number of RSUs scheduled to vest on such Vesting Date pursuant to Section 3(a)(i) shall be multiplied by a fraction, the numerator of which is the number of days during the period beginning on the Grant Date and ending on the date of your Retirement and the denominator of which is 365, up to a maximum fraction equivalent to 100%. All remaining unvested RSUs shall be forfeited.
- B. If such Retirement occurs after the first Vesting Date but on or before the second Vesting Date, the number of RSUs scheduled to vest on the second Vesting Date pursuant to Section 3(a)(i) shall be multiplied by a fraction, the numerator of which is the number of days during the period beginning on the day following the first Vesting Date and ending on the date of your Retirement and the denominator of which is 365. All remaining unvested RSUs shall be forfeited.
- C. If such Retirement occurs after the second Vesting Date, but on or before the final Vesting Date pursuant to Section 3(a)(i), the number of RSUs scheduled to vest on the **[final Vesting Date][to be completed based on the number of Vesting Dates determined at Grant Date]** pursuant to Section 3(a)(i) shall be multiplied by a fraction, the numerator of which is the number of days during the period beginning on the day following the second Vesting Date and ending on the date of your Retirement and the denominator of which is 365.

(b) **Settlement of RSUs.** The RSUs granted to you pursuant to this Award will be settled in Shares. The Company shall deliver to you, within 15 days after the Vesting Date on which the RSUs become vested, one Share for each RSU that becomes vested in accordance with the terms of this Award Notice; provided that if you are eligible for Retirement, such delivery date shall not be later than March 15<sup>th</sup> of the year following the year in which you are eligible for pro-rata vesting in accordance with this Award Notice. Upon settlement, a number of RSUs equal to the number of Shares represented thereby shall be extinguished and such number of RSUs will no longer be considered to be held by you for any purpose.

**SECTION 4. Forfeiture of RSUs.** Unless the Committee determines otherwise, and except as otherwise provided in Section 3 of this Award Notice, if the Vesting Date with respect to any RSUs awarded to you pursuant to this Award Notice has not occurred prior to the date of your Termination of Employment, your rights with respect to such RSUs shall immediately terminate upon your Termination of Employment, and you will be entitled to no further payments or benefits with respect thereto.

**SECTION 5. Voting Rights; Dividend Equivalents.** You do not have any of the rights of a stockholder with respect to the RSUs granted to you pursuant to this Award. Further, you do not have the right to vote or to receive any dividends or any dividend equivalents relating to such dividends declared or paid on the Shares with respect to the RSUs granted to you pursuant to this Award.

**SECTION 6. Non-Transferability of RSUs.** Unless otherwise provided by the Committee in its discretion and notwithstanding clause (ii) of Section 10(a) of the Plan, prior to the date that they become vested, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered by you, otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company, provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

**SECTION 7. Data Privacy.** You hereby explicitly consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Notice by and among, as applicable, the Company, its Affiliates and its Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan. You understand that the Company (and/or your local employer, if applicable) holds certain personal information about you, which information may include, but is not limited to, your name, home address and telephone number, date of birth, email address, family size, marital status, sex, beneficiary information, emergency contacts, passport/visa information, age, language skills, drivers license information, nationality, resume, wage history, employment references, social insurance number or other identification number, salary, job title, employment or severance contract details, current wage and benefit information, personal bank account number, tax related information, plan or benefit enrollment forms and elections, option or benefit statements, any shares of stock or directorships in the Company, details of all shares (if any) granted, canceled, purchased, vested, unvested or outstanding for purpose of managing and administering the Plan ("Data"). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any proceeds acquired. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Human Resources. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact Human Resources.

**SECTION 8. Restrictive Covenants.** You acknowledge that the Company is engaged in a highly competitive business and that the preservation of its Proprietary or Confidential Information (as defined in Section 8(a) below) to which you have been exposed or acquired, and will continue to be exposed to and acquire, is critical to the Company's continued business success. You also acknowledge that the Company's relationships with its business partners (which shall mean companies with whom the Company has corporate volume agreements or other high volume business, preferred vendors/suppliers, and travel distribution channel providers, hereinafter "Business Partners"), are extremely valuable and that, by virtue of your employment with the Company, you have had or may have contact with such Business Partners on behalf of and for the benefit of the Company. As a result, your engaging in or working for or with any business which is directly or indirectly competitive with the Company's business, given your knowledge of the Company's Proprietary or Confidential Information, would cause the Company great and irreparable harm if not done in strict compliance with the provisions of this Section 8. You, therefore, acknowledge and agree that in exchange for the Award and/or access to the Company's Proprietary or Confidential Information you will be bound by, and comply in all respects with, the provisions of this Section 8.

(a) **Confidentiality.** You shall at all times hold in strict confidence any Proprietary or Confidential Information related to the Company or any of its Affiliates, except that you may disclose such information as required by law, court order, regulation, or similar order or as otherwise provided in Section 8(i) below. For purposes of this Award Notice, the term "Proprietary or Confidential Information" shall mean all non-public information relating to the Company or any of its Affiliates (including but not limited to all marketing, alliance, social media, advertising, and sales plans and strategies; pricing information; financial, advertising, and product development plans and strategies; compensation and incentive programs for employees; alliance agreements, plans, and processes; plans, strategies, and agreements related to the sale of assets; third party provider agreements, relationships, and strategies; business methods and processes used by the Company and its employees; all personally identifiable information regarding Company employees, contractors, and applicants; lists of actual or potential Business Partners; and all other business plans, trade secrets, or financial information of strategic importance to the Company or its Affiliates) that is not generally known in the airline industry, that was learned, discovered, developed, conceived, originated, or prepared during your employment with Company, and the competitive use or disclosure of which would be harmful to the business prospects, financial status, or reputation of the Company or its Affiliates at the time of any disclosure by you.

The relationship between you and the Company and its Affiliates is and shall continue to be one in which the Company and its Affiliates repose special trust and confidence in you, and one in which you have and shall have a fiduciary relationship to the Company and its Affiliates. As a result, the Company and its Affiliates shall, in the course of your duties to the Company, entrust you with, and disclose to you, Proprietary or Confidential Information. You recognize that Proprietary or Confidential Information has been developed or acquired, or will be developed or acquired, by the Company and its Affiliates at great expense, is proprietary to the Company and its Affiliates, and is and shall remain the property of the Company and its Affiliates. You acknowledge the confidentiality of Proprietary or Confidential Information and further acknowledge that you could not competently perform your duties and responsibilities in your position with the Company and/or its Affiliates without access to such information. You acknowledge that any use of Proprietary or Confidential Information by persons not in the employ of the Company and its Affiliates would provide such persons with an unfair competitive advantage which they would not have without the knowledge and/or use of the Proprietary or Confidential Information and that this would cause the Company and its Affiliates irreparable harm. You further acknowledge that because of this unfair competitive advantage, and the Company's and its Affiliates' legitimate business interests, which include their need to protect their goodwill and the Proprietary or Confidential Information, you have agreed to the post-employment restrictions set forth in this Section 8. Nothing in this Section 8(a) is intended, or shall be construed, to limit the protection of any applicable law or policy of the Company or its Affiliates that relates to the protection of trade secrets or confidential or proprietary information.

(b) Non-Solicitation of Employees. During your employment and for the one-year period following termination of your employment for any reason (the "Coverage Period"), you hereby agree not to, directly or indirectly, solicit, hire, seek to hire, or assist any other person or entity (on your own behalf or on behalf of such other person or entity) in soliciting or hiring any person who is at that time an employee, consultant, independent contractor, representative, or other agent of the Company or any of its Affiliates to perform services for any entity (other than the Company or its Affiliates), or attempt to induce or encourage any such employee to leave the employ of the Company or its Affiliates.

(c) Notice of Intent to Resign. In the event you wish to voluntarily terminate your employment, you agree to provide the Company with four (4) weeks advance written notice (the "Notice Period") of your intent to do so, and, if you intend or contemplate alternative employment, you also agree to provide the Company with accurate information concerning such alternative employment in sufficient detail to allow the Company to meaningfully exercise its rights under this Section 8. After receipt of such notice, the Company, in its sole, absolute and unreviewable discretion, may (i) require you to continue working during the Notice Period, (ii) relieve you of some or all of your work responsibilities during the Notice Period, or (iii) shorten the Notice Period and make your voluntary termination of employment effective immediately.

(d) Non-Competition.

(i) In return for, among other things, this Award and the Company's promise to provide the Proprietary or Confidential Information described herein, you agree that during your employment and the Coverage Period, you shall not compete with the Company by providing work, services or any other form of assistance (whether or not for compensation) in any capacity, whether as an employee, consultant, partner, or otherwise, to any Competitor (as defined below) that (1) are the same or similar to the services you provided to the Company or (2) creates the reasonable risk that you will (willfully, inadvertently or inevitably) use or disclose Proprietary or Confidential Information. "Competitor" means any airline or air carrier that operates or does business in any State, territory, or protectorate of the United States in which the Company or an Affiliate does business and/or in any foreign country in which the Company or an Affiliate has an office, station, or branch or conducts business through its worldwide route structure, as of the date of your termination of employment with the Company or any of its Affiliates. You acknowledge that the Company and its Affiliates compete in a world-wide air transportation market that includes passenger transportation and services, air cargo services, repair and maintenance of aircraft and staffing services for third parties, logistics management and consulting, private jet operations and fuel deployment and management, and that the Company's business plan is international in scope. You agree that, because the Company's business is global in scope, this restriction is reasonable. You further acknowledge and agree that the restrictions imposed in this paragraph will not prevent you from earning a livelihood.

(ii) Notwithstanding the foregoing, should you consider working for or with any actually, arguably, or potentially competing business following the termination of your employment with the Company or any of its Affiliates and during the Coverage Period, then you agree to provide the Company with two (2) weeks advance written notice of your intent to do so, and also to provide the Company with accurate information concerning the nature of your anticipated job responsibilities in sufficient detail to allow the Company to meaningfully exercise its rights under this paragraph. After receipt of such notice, the Company may then agree, in its sole, absolute, and unreviewable discretion, to waive, modify, or condition its rights under this Section 8. In particular, the Company may agree to modify Section 8(d)(i) if the Company concludes that (1) the work you will be performing for a Competitor is different from the work you were performing during your employment with the Company or any of its Affiliates; and/or (2) there is no reasonable risk that you will (willfully, inadvertently or inevitably) use or disclose Proprietary or Confidential Information.

(iii) Further, notwithstanding the foregoing, you will not be subject to the non-competition obligations of Section 8(d) if the termination of your employment with the Company constitutes an Involuntary Termination or, if applicable to you, termination by you for “good reason” under the terms of any applicable employment agreement or other agreement or Company plan.

(e) Non-Solicitation of Business Partners. You acknowledge that, by virtue of your employment by the Company or its Affiliates, you have gained or will gain knowledge of the identity, characteristics, and preferences of the Company’s Business Partners, among other Proprietary or Confidential Information, and that you would inevitably have to draw on such information if you were to solicit or service the Company’s Business Partners on behalf of a Competitor. Accordingly, during your employment and the Coverage Period, you agree not to, directly or indirectly, solicit the business of or perform any services of the type you performed or sell any products of the type you sold during your employment with the Company for or to actual or prospective Business Partners of the Company (i) as to which you performed services, sold products or as to which employees or persons under your supervision or authority performed such services, or had direct contact, or (ii) as to which you had access to Proprietary or Confidential Information during the course of your employment by the Company, or in any manner encourage or induce any such actual or prospective Business Partner to cease doing business with or in any way interfere with the relationship between the Company and its Affiliates and such actual or prospective Business Partner. You further agree that during your employment and the Covered Period, you will not encourage or assist any Competitor to solicit or service any actual or prospective Business Partners or otherwise seek to encourage or induce any Business Partners to cease doing business with, or reduce the extent of its business dealings with the Company.

(f) Non-Interference. During your employment and the Coverage Period, you agree that you shall not, directly or indirectly, induce or encourage any Business Partner or other third party, including any provider of goods or services to the Company, to terminate or diminish its business relationship with the Company; nor will you take any other action that could, directly or indirectly, be detrimental to the Company’s relationships with its Business Partners and providers of goods or services or other business affiliates or that could otherwise interfere with the Company’s business.

(g) Non-Disparagement. You agree during and following employment not to make, or cause to be made, any statement, observation, or opinion, or communicate any information (whether oral or written, directly or indirectly) that (i) accuses or implies that the Company or its Affiliates engaged in any wrongful, unlawful or improper conduct, whether relating to your employment (or the termination thereof), the business or operations of the Company or its Affiliates, or otherwise; or (ii) disparages, impugns, or in any way reflects adversely upon the business or reputation of the Company or its subsidiaries or affiliates. Nothing herein will be deemed to preclude you from providing truthful testimony or information pursuant to subpoena, court order, or similar legal process, instituting and pursuing legal action, or engaging in other legally protected speech or other activities as set forth in Section 8(i) below.

(h) Breach. You acknowledge that the restrictions contained in this Award Notice are fair, reasonable, and necessary for the protection of the legitimate business interests of the Company, that the Company will suffer irreparable harm in the event of any actual or threatened breach by you, and that it is difficult to measure in money the damages which will accrue to the Company by reason of a failure by you to perform any of your obligations under this Section 8. Accordingly, if the Company or any of its subsidiaries or affiliates institutes any action or proceeding to enforce their rights under this Section 8, to the extent permitted by applicable law, you hereby waive the claim or defense that the Company or its Affiliates has an adequate remedy at law, you shall not claim that any such remedy at law exists, and you consent to the entry of a restraining order, preliminary injunction, or other preliminary, provisional, or permanent court order to enforce this Award Notice, and expressly waives any security that might otherwise be required in connection with such relief. You also agree that any request for such

relief by the Company shall be in addition and without prejudice to any claim for monetary damages and/or other relief which the Company might elect to assert. In the event you violate any provision of this Section 8, the Company shall be entitled to recover all costs and expenses of enforcement, including reasonable attorneys' fees, and the time periods set forth above shall be extended for the period of time you remain in violation of the provisions.

(i) Protected Rights. You understand that nothing contained in this Award Notice limits your ability to report possible violations of law or regulation to, or file a charge or complaint with, the Securities and Exchange Commission, the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Department of Justice, the Congress, any Inspector General, or any other federal, state or local governmental agency or commission ("Government Agencies"). You further understand that this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit your ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure.

(j) Blue Pencil. In the event any of the prohibitions or restrictions set forth in this Section 8 is found by a court or arbitrator of competent jurisdiction to be unreasonable or otherwise unenforceable, it is the purpose and intent of the parties that any such prohibitions or restrictions be deemed modified or limited so that, as modified or limited, such prohibitions or restrictions may be enforced to the fullest extent possible.

#### SECTION 9. Tax Withholding and Consents.

(a) Tax Withholding. The delivery of Shares pursuant to Section 3(b) of this Award Notice is conditioned on satisfaction of any applicable withholding taxes in accordance with Section 10(d) of the Plan. The Company will withhold from the number of Shares otherwise deliverable to you pursuant to Section 3(b) a number of Shares (or, to the extent applicable, such other securities) having a Fair Market Value equal to such withholding liability; provided that you may elect alternatively to satisfy your tax withholding obligation, in whole or in part, by any of the following means: (i) a cash payment to the Company or (ii) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole Shares having an aggregate Fair Market Value equal to such withholding liability. Notwithstanding the foregoing, the Company shall be authorized to take such actions as the Company may deem necessary (including, without limitation, in accordance with applicable law, withholding amounts from any compensation or other amounts owing from the Company to you) to satisfy all obligations for the payment of such taxes. Subject to the terms of the Plan and as a condition of the Award, you acknowledge that, regardless of any action taken by the Company, or if different, your employer, the ultimate liability for all applicable Federal, state, local or foreign income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), is and remains your responsibility and may exceed the amount actually withheld by the Company, or if different, your employer. You further acknowledge that the Company and/or your employer (1) make no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including but not limited to, the grant, vesting or settlement of the Award; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Consents. Your rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including, without limitation, your consenting to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

SECTION 10. Successors and Assigns of the Company. The terms and conditions of this Award Notice shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 11. Committee Discretion. Pursuant to Section 3(e) of the Plan, the Committee may delegate to one or more senior officers of the Company the authority to make grants of Awards and all necessary and appropriate decisions and determinations with respect thereto. The Committee, and any officer to whom the Committee has delegated authority pursuant to the Plan, shall have full and plenary discretion with respect to any actions to be taken or determinations to be made pursuant to the Plan and this Award Notice, and any such determinations shall be final, binding and conclusive. Any references in this Award Notice to the Committee shall be deemed to include any officer to whom the Committee has delegated authority pursuant to the Plan.

SECTION 12. Amendment of this Award Notice. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Notice prospectively or retroactively; provided, however, that, except as set forth in Section 10(e) of the Plan relating to Section 409A of the Code, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely impair your rights under this Award Notice shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Notice and the RSUs shall be subject to the provisions of Section 7(c) of the Plan relating to the adjustment of Awards upon the occurrence of certain unusual, infrequently occurring or nonrecurring events).

SECTION 13. Priority of Interpretation. To the extent permitted by the Plan, in the event of any conflict between the terms of this Award Notice and the terms of any plan, program, agreement or arrangement of the Company or any of its Subsidiaries applicable to you, the terms of such plan, program, agreement or arrangement shall govern; provided that the restrictions in Section 8 of this Award Notice shall apply in addition to, and shall not supersede or preclude or be superseded or precluded by, any similar restrictions in any other plan, program, agreement or arrangement applicable to you.

SECTION 14. Miscellaneous.

(a) Continuation of Employment; Not a Contract of Employment; No Acquired Rights. This Award Notice shall not confer upon you any right to continuation of employment by the Company, its Affiliates, and/or its Subsidiaries, nor shall this Award Notice interfere in any way with the Company's, its Affiliates', and/or its Subsidiaries' right to terminate your employment at any time, except to the extent expressly provided otherwise in a written agreement between you and the Company, an Affiliate or Subsidiary or as prohibited by law.

(b) Not a Part of Salary. In accepting the grant of an Award under the Plan, you acknowledge that: (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, suspended or terminated by the Company at any time, as provided in the Plan and this Award Notice; (ii) the grant of the RSUs is voluntary and occasional and does not create any contractual

or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past; (iii) all decisions with respect to future grants, if any, will be at the sole discretion of the Company; (iv) your participation in the Plan is voluntary; (v) the RSUs and any Shares received upon vesting of the RSUs is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (vi) the grant of RSUs is provided for future services to the Company and its Affiliates and is not under any circumstances to be considered compensation for past services; (vii) in the event that you are an employee of the Company, Affiliate or Subsidiary, the grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the grant will not be interpreted to form an employment contract with the Affiliate or Subsidiary that is your employer; (viii) the future value of the Shares is unknown and cannot be predicted with certainty; (ix) no claim or entitlement to compensation or damages arises from forfeiture or termination of the RSUs or diminution in value of the RSUs and you irrevocably release the Company, its Affiliates and its Subsidiaries from any such claim that may arise; and (x) in the event of the termination of your employment, your right to receive RSUs and vest in RSUs and/or receive Shares under the Plan, if any, will terminate in accordance with the terms of the Plan and this Award Notice and will not be extended by any notice period mandated under local law; furthermore, your right to vest in the RSUs after such termination of employment, if any, will be measured by the date of termination of your active employment and will not be extended by any notice period mandated under local law.

(c) Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the RSUs or other awards granted to you under the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party-designated by the Company.

(d) Foreign Indemnity. You agree to indemnify the Company for your portion of any social insurance obligations or taxes arising under any foreign law with respect to the grant or settlement of this Award.

(e) Not a Public Offering in Non-U.S. Jurisdictions. If you are resident or employed outside of the United States, neither the grant of the RSUs under the Plan nor the issuance of Shares upon vesting of the RSUs is intended to be a public offering of securities in your country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filings to the local securities authorities in jurisdictions outside of the United States unless otherwise required under local law.

(f) English Language. If you are resident and/or employed outside of the United States, you acknowledge and agree that it is your express intent that the Award Notice, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs, be drawn up in English. If you have received the Award Notice, the Plan or any other documents related to the RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

(g) Section 409A. This Award is intended to comply with the requirements of Section 409A of the Code, and shall be interpreted and construed consistently with such intent. The payments to you pursuant to this Award Notice are also intended to be exempt from Section 409A of the Code to the maximum extent possible as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4) ), and for such purposes, each payment under this Award Agreement shall be considered a separate payment. In the event the terms of this Award Notice would subject you to taxes or penalties under Section 409A of the Code (“409A Penalties”), the Company and you shall cooperate diligently to

amend the terms of this Award Notice to avoid such 409A Penalties, to the extent possible; provided that in no event shall the Company be responsible for any 409A Penalties that arise in connection with any amounts payable under this Award Notice. To the extent any amounts under this Award Notice are payable by reference to your termination of employment, such term shall be deemed to refer to your "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Award Notice, to the extent any payments hereunder constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, then (A) each such payment which is conditioned upon your execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (B) if you are a specified employee (within the meaning of Section 409A of the Code) as of the date of your separation from service, each such payment that is payable upon your separation from service and would have been paid prior to the six-month anniversary of your separation from service, shall be delayed until the earlier to occur of (i) the first business day following the six-month anniversary of the separation from service and (ii) the date of your death.

(h) Compliance with Local Law. If you are resident or employed outside of the United States, as a condition to the grant of RSUs, you agree to repatriate all payments attributable to the cash acquired under the Plan, if any, in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and the Company's Affiliates and Subsidiaries, as may be required to allow the Company and the Company's Affiliates and Subsidiaries to comply with local laws, rules and regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

(i) Requirements of Law. The grant of RSUs under the Plan, and the issuance of Shares upon the vesting of the RSUs shall be subject to, and conditioned upon, satisfaction of all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(j) Governing Law. All questions concerning the construction, validity and interpretation of this Award Notice and the Plan shall be governed and construed according to the laws of the State of Delaware, without regard to the application of the conflicts of laws provisions thereof. Any disputes regarding this Award or the Plan shall be brought only in the state or federal courts of the State of Delaware.

(k) Additional Requirements. The Company reserves the right to impose other requirements on the RSUs, and your participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

(l) Additional Information. If you have any questions regarding this Award Notice, please contact [CONTACT INFORMATION], or your HR Partner. If you wish to obtain a copy of the Plan or a list of names and addresses of any potential recipients of the Data please contact [CONTACT INFORMATION].

**STOCK OPTION AWARD NOTICE**  
to [NAME]

**Pursuant to the United Continental Holdings, Inc.  
2017 Incentive Compensation Plan**

This Stock Option Award Notice (this "Award Notice"), dated as of [GRANT DATE] (the "Grant Date"), sets forth the terms and conditions of an award (the "Award") to purchase [NUMBER GRANTED] shares of common stock, par value \$0.01 per share ("Shares"), of United Continental Holdings, Inc., a Delaware corporation (the "Company"), at a price per Share of [\$ \_\_\_\_\_] (the "Exercise Price"), that is subject to the terms and conditions specified herein (the "Option") and that is granted to [NAME] ("you") by the Company under the United Continental Holdings, Inc. 2017 Incentive Compensation Plan (the "Plan"). The Option is not intended to qualify as an "incentive stock option" (within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended).

SECTION 1. Award Subject to the Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated into this Award Notice. In the event of any conflict between the terms of the Plan and the terms of this Award Notice, the terms of the Plan shall govern.

SECTION 2. Definitions. Capitalized terms used in this Award Notice that are not defined in this Award Notice have the meanings as used or defined in the Plan. As used in this Award Notice, the following terms have the meanings set forth below:

"Cause" shall have the meaning set forth in any employment agreement or severance plan of the Company applicable to you and as in effect on the date hereof.

"Involuntary Termination" shall mean any Termination of Employment by the Company which is not (i) by the Company due to Cause, (ii) due to your resignation, including due to Retirement, or (iii) a result of your death or Disability. If you provide notice of resignation, in no event shall your Termination of Employment be considered an Involuntary Termination by the Company, even if the effective date of termination is accelerated by the Company.

"Retirement" shall mean your Termination of Employment upon having achieved age 50 with 20 years of service with the Company and its Affiliates, age 55 with ten years of service with the Company and its Affiliates, or age 65.

"Vesting Date" means the date on which your rights with respect to all or a portion of the Option may become fully vested and exercisable, as provided in Section 3(a) of this Award Notice.

SECTION 3. Vesting and Exercise. (a) Vesting. On each Vesting Date set forth below, your rights with respect to the number of Shares subject to the portion of the Option that corresponds to such Vesting Date, as specified in the chart below, shall become vested and such Option may be exercised with respect to such Shares, provided that you must be actively employed by the Company or an Affiliate on the relevant Vesting Date, except as otherwise determined by the Committee in its sole discretion; provided further that, in the event of your Termination of Employment (i) by reason of death or Disability or (ii) during the two-year period

following a Change of Control if such Termination of Employment constitutes either (A) an Involuntary Termination or (B) if applicable to you, a termination by you for “good reason” under the terms of any employment agreement or Company severance plan applicable to you and as in effect on the date hereof (a “Change of Control Termination of Employment”), then the Option shall immediately become fully vested and immediately exercisable.

Vesting Date	Percentage of Option that Vests	Number of Shares Subject to Option that Vest
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) Exercise of Option. The Option, to the extent vested, may be exercised, in whole or in part (but for the purchase of whole Shares only), by delivery to the administrator of the Company’s equity compensation programs of (i) a written or electronic notice, complying with the applicable procedures established by the Committee or the Company, stating the number of Shares with respect to which the Option is thereby exercised and (ii) full payment of the aggregate Exercise Price for the Shares with respect to which the Option is thereby exercised, in accordance with Section 3(c) of this Award Notice. The notice shall be signed by you or any other person then entitled to exercise the Option. The Company may also establish procedures for you to provide notice of exercise through a third party administrator. Upon exercise and full payment of the Exercise Price for Shares with respect to which the Option is thereby exercised, the Company shall deliver to you or your legal representative Shares with respect to the portion of the Option that you have exercised and paid.

(c) Payment. No Shares shall be delivered pursuant to the exercise of the Option until payment in full of the aggregate Exercise Price is received by the Company, and you have paid to the Company (or the Company has withheld in accordance with Section 6 of this Award Notice) an amount equal to any Federal, state, local or foreign income and employment taxes required to be withheld. The payment of the aggregate Exercise Price may be made, as elected by you, either (i) in cash, (ii) by delivery to the Company (either actual delivery or by attestation procedures established by the Company) of Shares having an aggregate Fair Market Value, determined as of the date of exercise, equal to the aggregate Exercise Price payable pursuant to the Option by reason of such exercise, (iii) by authorizing the Company to withhold whole Shares which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, (iv) except as may be prohibited by applicable law, in cash by a broker-dealer acceptable to the Company to whom you have submitted an irrevocable notice of exercise or (v) by a combination of (i), (ii) and (iii).

(d) Expiration of Option. Notwithstanding any provision of the Plan or this Award Notice and subject to Section 3(e) below, unless the Committee determines otherwise, in the case of the unexercised portion of the Option that has become vested prior to your Termination of Employment, such unexercised portion of the Option shall expire (i) immediately upon your Termination of Employment for Cause, (ii) **[INSERT EXPIRATION DATE PERIOD]** following your Change of Control Termination of Employment, (iii) **[INSERT EXPIRATION DATE PERIOD]** following your Termination of Employment due to Retirement, (iv) **[INSERT EXPIRATION DATE PERIOD]** following your Termination of Employment due to death or Disability or (v) **[INSERT EXPIRATION DATE PERIOD]** following your Termination of Employment for any other reason; provided that the Option shall automatically expire on the **[INSERT FINAL EXPIRATION DATE PERIOD]** anniversary of the date of this Award Notice (the "Option Term"). For the avoidance of doubt, if the expiration date specified in the immediately preceding sentence is not a business day, then the Option shall expire on the last business day immediately preceding such expiration date.

(e) Automatic Exercise of Option. If the Option is outstanding on the last business day of the Option Term (the "Automatic Exercise Date") and the Fair Market Value per Share exceeds the Exercise Price by at least \$0.50 cents per Share, the Option shall be automatically and without further action by you (or in the event of your death, your personal representative or estate), be exercised on the Automatic Exercise Date. Payment of the aggregate Exercise Price and related taxes shall be made by the Company withholding whole Shares which would otherwise be delivered to you upon exercise of the Option having an aggregate Fair Market Value, determined as of the date of exercise and Tax Date (as applicable), equal to the aggregate Exercise Price and the applicable withholding taxes.

SECTION 4. Forfeiture of Option. Unless the Committee determines otherwise, and except as otherwise provided in Section 3(a) of this Award Notice, if any portion of the Option has not become vested and exercisable prior to your Termination of Employment, your rights with respect to such portion of the Option shall immediately terminate upon your Termination of Employment, and you will be entitled to no further payments or benefits with respect thereto.

SECTION 5. Non-Transferability of Option. Unless otherwise provided by the Committee in its discretion and notwithstanding clause (ii) of Section 10(a) of the Plan, during your lifetime the Option shall be exercisable only by you, or, if permissible under applicable law, by your legal guardian or representative, and the Option (or any rights and obligations thereunder) may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by you otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company, provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

SECTION 6. Withholding. The delivery of Shares pursuant to Section 3(b) of this Award Notice is conditioned on satisfaction of any applicable withholding taxes in accordance. You may elect to satisfy your obligations to advance the applicable withholding taxes by any of the following means: (i) a cash payment to the Company; (ii) delivery to the Company (either actual delivery or by attestation procedures established by the Company) of previously owned whole Shares having an aggregate Fair Market Value, determined as of the date on which such withholding obligation arises (the "Tax Date"), equal to the applicable withholding taxes; (iii) authorizing the Company to withhold whole Shares which would otherwise be delivered to you upon exercise of the Option having an aggregate Fair Market Value, determined as of the Tax Date, equal to the applicable withholding taxes; (iv) except as may be prohibited by applicable law, a cash payment by a broker-dealer acceptable to the Company to whom you have

submitted an irrevocable notice of exercise or (v) any combination of (i), (ii) and (iii). Any fraction of a Share which would be required to satisfy any such obligation shall be disregarded and the remaining amount due shall be paid in cash by you. No Share or certificate representing a Share shall be issued or delivered until the applicable withholding taxes have been satisfied in full.

SECTION 7. Consents. Your rights in respect of the Option are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including, without limitation, your consenting to the Company's supplying to any third-party record keeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

SECTION 8. Legends. The Company may affix to certificates for Shares issued pursuant to this Award Notice any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any legended Shares.

SECTION 9. Successors and Assigns of the Company. The terms and conditions of this Award Notice shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 10. Committee Discretion. The Committee shall have full and plenary discretion with respect to any actions to be taken or determinations to be made pursuant to the Plan and this Award Notice, and its determinations shall be final, binding and conclusive.

SECTION 11. Amendment of this Award Notice. The provisions of this Award Notice may be amended or waived only by the written agreement of the Company and you.

**UNITED CONTINENTAL HOLDINGS, INC.**  
**PERFORMANCE-BASED RSU PROGRAM**  
**(adopted pursuant to the 2017 Incentive Compensation Plan)**

**I. PURPOSE OF PROGRAM**

**1.1 Purpose.** This United Continental Holdings, Inc. Performance-Based RSU Program (the “Program”) has been adopted by the Compensation Committee of the Board of Directors of United Continental Holdings, Inc., a Delaware corporation (the “Company”), to implement in part the “RSU” and “Performance Compensation Award” provisions of the United Continental Holdings, Inc. 2017 Incentive Compensation Plan (as amended from time to time, the “ICP”), and is intended to provide a method for attracting, motivating, and retaining key employees to assist in the development and growth of the Company and its Subsidiaries. The Program and Awards hereunder shall be subject to the terms of the ICP, including the limitation on the maximum amount of compensation that may be paid pursuant to Section 4(a) of the ICP with respect to awards that are settled in cash based on the fair market value of shares of common stock of the Company.

**II. DEFINITIONS AND CONSTRUCTION**

**2.1 Definitions.** Where the following words and phrases are used in the Program, they shall have the respective meanings set forth below, unless the context clearly indicates to the contrary:

(a) “Administrator” means the Committee or the Chief Executive Officer of the Company (if the Chief Executive Officer is a director of the Company), subject to the provisions of Section 3.1.

(b) “Award” means, with respect to each Participant for a Performance Period, such Participant’s opportunity to earn a Payment Amount for such Performance Period upon the satisfaction of the terms and conditions of the Program. Awards hereunder constitute RSU and Performance Compensation Awards under the ICP.

(c) “Award Notice” means a written or electronic notice issued by the Company to a Participant evidencing such Participant’s receipt of an Award with respect to a Performance Period.

(d) “Board” means the Board of Directors of the Company.

(e) “Change of Control” means a “Change of Control” as defined in the ICP as in effect on the date of grant of the applicable Award.

(f) “Change of Control Level” means, with respect to a Performance Period, the percentage established by the Committee to be the Change of Control Level of the applicable Performance Measure with respect to such Performance Period pursuant to Section 3.1.

(g) “Code” means the Internal Revenue Code of 1986, as amended.

(h) “Committee” means the Compensation Committee of the Board, or a subcommittee thereof, or such other committee of the Board as may be designated by the Board to administer the Program, in each case, comprised solely of two or more outside directors (within the meaning of the term “outside directors” as used in section 162(m) of the Code).

(i) “Company” means United Continental Holdings, Inc., a Delaware corporation.

(j) “Company Stock” means the common stock, par value \$0.01 per share, of the Company.

(k) “Disability” or “Disabled” means, with respect to a Participant, that such Participant has incurred a “Disability” within the meaning assigned to such term in the ICP.

(l) “Eligible Employee” means any individual who is an officer of the Company or a Subsidiary.

(m) “Entry Level” means, with respect to a Performance Period, the percentage established by the Committee to be the Entry Level of the applicable Performance Measure with respect to such Performance Period pursuant to Section 3.1.

(n) “Entry Level RSU Percentage” means, with respect to each Participant who receives an Award for a Performance Period, the percentage established by the Administrator as the Entry Level RSU Percentage for such Participant with respect to such Award pursuant to Section 3.1.

(o) “Fair Market Value” means, as of any specified date, the simple average of the closing sales prices of Company Stock on the principal securities market on which the Company Stock is then traded over the 20 most recent consecutive Trading Days ending on the last Trading Day preceding the specified date, adjusted appropriately by the Committee for any stock splits, stock dividends, reverse stock splits, special dividends or other similar matters occurring during or with respect to any relevant measurement period.

(p) “ICP” means the United Continental Holdings, Inc. 2017 Incentive Compensation Plan, as amended from time to time.

(q) “Maximum Payment Amount” means, with respect to each RSU, a dollar amount determined by the Committee in its sole discretion; provided, however, that the Committee may, in its sole discretion, determine whether or not to establish a Maximum Payment Amount with respect to any particular RSU. The Maximum Payment Amount, if any, with respect to an outstanding RSU shall be subject to appropriate adjustment by the Committee for any stock splits, stock dividends, reverse stock splits, special dividends or other similar matters relating to Company Stock occurring after the date of grant of such Award.

(r) “Participant” means an Eligible Employee who has received an Award under the Program with respect to a Performance Period pursuant to Section 4.1.

(s) "Payment Amount" means, with respect to each Participant and each Performance Period for which the Performance Goal is satisfied, an amount equal to (i) the number of RSUs subject to such Participant's Award for such Performance Period, multiplied by (ii) such Participant's Vested Percentage for such Performance Period, multiplied by (iii) the Fair Market Value as of the Payment Computation Date for such Performance Period. Notwithstanding the foregoing, a Payment Amount may be prorated as provided in the Program.

(t) "Payment Computation Date" means, with respect to each Participant and each Performance Period, the last day of such Performance Period; provided however, that in no event shall the Payment Computation Date be later than the date upon which a Change of Control occurs.

(u) "Performance Period" means each three-year period commencing on the first day of a calendar year, as determined by the Committee. Notwithstanding the foregoing, no new Performance Period shall commence on or after the date upon which a Change of Control occurs, unless otherwise determined by the Committee. Notwithstanding the foregoing, the Committee may establish an additional sub-performance period under an Award which may coincide with or be of shorter duration than the Performance Period applicable to such Award and require that any vesting under the Award shall be contingent on the achievement of an additional Performance Measure during such additional sub-performance period.

(v) "Performance Goal" means, with respect to a Performance Period, the minimum level of the Performance Measure as established by the Committee that must be achieved for such Performance Period in order for a Participant to receive a Payment Amount for such Performance Period. Achievement of the Performance Goal for a Performance Period means that the Performance Measure with respect to such Performance Period equals or exceeds, as applicable, the Entry Level of such Performance Measure as established by the Committee for such Performance Period.

(w) "Performance Measure" means the measure or measures that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period; provided, however, to the extent necessary for an Award to qualify as a "Performance Compensation Award" under the Plan, the measures shall be based on the Performance Criteria set forth in Section 6(e)(iv) of the Plan.

(x) "Program" means this United Continental Holdings, Inc. Performance-Based RSU Program, as amended from time to time.

(y) "Qualifying Event" means, with respect to a Participant, the termination of such Participant's employment with the Company under circumstances which would permit such Participant to receive a cash severance payment pursuant to an employment agreement between such Participant and the Company or a Subsidiary or, if no such employment agreement exists, then pursuant to the severance plan, if any, of the Company or a Subsidiary covering such Participant as of the date of grant of the Award; provided, however, that a Qualifying Event shall not include any such termination that results from such Participant's voluntary separation from service which is not treated as an "involuntary separation from service" pursuant to Treasury regulation section 1.409A-1(n)(2).

(z) “Retirement,” “Retires” or “Retired” means the Participant’s termination of employment from the Company and its Subsidiaries upon having achieved age 50 with 20 years of service with the Company and its Subsidiaries, age 55 with ten years of service with the Company and its Subsidiaries, or age 65.

(aa) “Section 16” means Section 16 of the Securities Exchange Act of 1934, as amended (including any successor section to the same or similar effect).

(bb) “Stretch Level” means, with respect to a Performance Period, the percentage established by the Committee to be the Stretch Level of the applicable Performance Measure with respect to such Performance Period pursuant to Section 3.1.

(cc) “Stretch Level RSU Percentage” means, with respect to each Participant who receives an Award for a Performance Period, the percentage established by the Administrator as the Stretch Level RSU Percentage for such Participant with respect to such Award pursuant to Section 3.1.

(dd) “Subsidiary” for purposes of participation in the Program means any entity in which the Company, directly or indirectly, possesses fifty percent (50%) or more of the total combined voting power of all classes of its stock.

(ee) “Target Level” means, with respect to a Performance Period, the percentage established by the Committee to be the Target Level of the applicable Performance Measure with respect to such Performance Period pursuant to Section 3.1.

(ff) “Target Level RSU Percentage” means, with respect to each Participant who receives an Award for a Performance Period, the percentage established by the Administrator as the Target Level RSU Percentage for such Participant with respect to such Award pursuant to Section 3.1.

(gg) “Trading Day” means a day during which trading in securities generally occurs on the principal securities market in which Company Stock is traded.

(hh) “Vested Percentage” means, with respect to each Participant for a Performance Period: (i) if the Performance Goal for such Performance Period is not satisfied, then zero percent (0%); and (ii) if the Performance Goal for such Performance Period is satisfied, then the percentage determined in accordance with the following table (the Administrator may provide for varying percentages (including through straight line interpolation) between levels):

<b>Level of Performance Achieved</b>	<b>Percentage</b>
Entry Level of the specified Performance Measure	Participant’s Entry Level RSU Percentage
Target Level of the specified Performance Measure	Participant’s Target Level RSU Percentage
Stretch Level of the specified Performance Measure (or higher)	Participant’s Stretch Level RSU Percentage

**2.2 Number, Gender, Headings, and Periods of Time.** Wherever appropriate herein, words used in the singular shall be considered to include the plural, and words used in the plural shall be considered to include the singular. The masculine gender, where appearing in the Program, shall be deemed to include the feminine gender. The headings of Articles, Sections, and Paragraphs herein are included solely for convenience. If there is any conflict between such headings and the text of the Program, the text shall control. All references to Articles, Sections, and Paragraphs are to the Program unless otherwise indicated. Any reference in the Program to a period or number of days, weeks, months, or years shall mean, respectively, calendar days, calendar weeks, calendar months, or calendar years unless expressly provided otherwise.

### **III. ADMINISTRATION**

**3.1 Administration by the Administrator.** The Program shall be administered by the Administrator, so that (i) Awards made to, and the administration (or interpretation of any provision) of the Program as it relates to, any person who is subject to Section 16, shall be made or effected by the Committee, and (ii) Awards made to, and the administration (or interpretation of any provision) of the Program as it relates to, any person who is not subject to Section 16, shall be made or effected by the Committee or the Chief Executive Officer of the Company (or, if the Chief Executive Officer is not a director of the Company, the Committee), unless the Program specifies that the Committee shall take specific action (in which case such action may only be taken by the Committee) or the Committee (as to any Award described in this clause (ii) or the administration or interpretation of any specific provision of the Program) specifies that it shall serve as Administrator. Notwithstanding the foregoing, the Committee may from time to time in its discretion put any conditions and restrictions on the powers that may be exercised by the Chief Executive Officer of the Company in his or her capacity as Administrator. The action of a majority of the members of the Committee shall be the act of the Committee.

Within 90 days after the first day of each Performance Period or, if applicable, a sub-performance period (or such earlier date if required for a performance goal to be considered pre-established under section 162(m) of the Code, to the extent applicable):

(i) the Committee shall establish in writing for purposes of the Program [the applicable Entry Level, Change of Control Level, Target Level and Stretch Level for the Performance Measure(s) as selected by the Committee for each such Performance Period, provided, that, in each case, the Stretch Level shall be equal to or higher than the Target Level, which in turn shall be equal to or higher than the Entry Level; and

(ii) the Administrator shall establish in writing the Entry Level RSU Percentage, Target Level RSU Percentage and Stretch Level RSU Percentage for each Participant with respect to such Performance Period and with respect to each Performance Measure, as applicable (provided, however, that the Administrator may select a Participant to participate and establish the percentages under this clause (ii) after such 90-day period), and each of the items established under this clause (ii) may, but are not required to, be established by officer level; and

(iii) the Committee shall establish in writing the Maximum Payment Amount, if any, applicable to each RSU subject to an Award for such Performance Period.

The targets and other amounts established by the Administrator pursuant to the preceding sentence shall in each case be subject to adjustment as determined by the Administrator in its discretion as a result of changes in accounting principles and other significant extraordinary items or events; provided that in respect of any Award intended to qualify as performance-based compensation within the meaning of section 162(m) of the Code, such adjustments may only be made if and to the extent permitted by section 162(m) of the Code.

**3.2 Powers of the Administrator.** The Administrator shall supervise the administration and enforcement of the Program according to the terms and provisions hereof and shall have the sole discretionary authority and all of the powers necessary to accomplish these purposes. The Administrator (which shall be limited solely to the Committee to the extent provided in the Program) shall have all of the powers specified for it under the Program, including, without limitation, the power, right, or authority: (a) to designate an Eligible Employee as a Participant with respect to a Performance Period at any time prior to the last day of such period, (b) from time to time to establish rules and procedures for the administration of the Program, which are not inconsistent with the provisions of the Program or the ICP, and any such rules and procedures shall be effective as if included in the Program, (c) to construe in its discretion all terms, provisions, conditions and limitations of the Program and any Award Notice, and to determine the number of RSUs subject to an Award to a Participant (which determination with respect to any person who is subject to Section 16 shall be made only by the Committee), (d) to correct any defect or to supply any omission or to reconcile any inconsistency that may appear in the Program or in any Award Notice in such manner and to such extent as the Administrator shall deem appropriate, (e) to determine the Entry Level, Target Level, Stretch Level, and Change of Control Level of each Performance Measure as selected by the Committee; and the Entry Level RSU Percentages, Target Level RSU Percentages and Stretch Level RSU Percentages with respect to each relevant Performance Period, (f) to determine the Maximum Payment Amount, if any, for each RSU, (g) to make determinations as to whether the Performance Goals for the various Performance Periods were satisfied, (h) to certify in writing, prior to the payment of any amount under the Program with respect to a Performance Period, whether the Performance Goals relating to such Performance Period and any other material terms of the Program have in fact been satisfied, (i) to exercise its discretion to reduce or eliminate certain Payment Amounts pursuant to Section 5.2(b), and (j) to make all other determinations necessary or advisable for the administration of the Program.

**3.3 Administrator Decisions Conclusive; Standard of Care.** The Administrator shall, in its sole discretion exercised in good faith (which, for purposes of this Section 3.3, shall mean the application of reasonable business judgment), make all decisions and determinations and take all actions necessary in connection with the administration of the Program. All such decisions, determinations, and actions by the Administrator shall be final, binding, and conclusive upon all persons. However, in the event of any conflict in any such determination as

between the Committee and the Chief Executive Officer of the Company, each acting in its or his capacity as Administrator of the Program, the determination of the Committee shall be conclusive. The Administrator shall not be liable for any action or determination taken or made in good faith or upon reliance in good faith on the records of the Company or information presented to the Administrator by the Company's officers, employees, or other persons (including the Company's outside auditors) as to matters the Administrator reasonably believes are within such other person's professional or expert competence. If a Participant disagrees with any decision, determination, or action made or taken by the Administrator, then the dispute will be limited to whether the Administrator has satisfied its duty to make such decision or determination or take such action in good faith. No liability whatsoever shall attach to or be incurred by any past, present or future stockholders, officers, directors or employees, as such, of the Company or any of its Subsidiaries, under or by reason of the Program or the administration thereof, and each Participant, in consideration of receiving benefits and participating hereunder, expressly waives and releases any and all claims relating to any such liability.

#### **IV. PARTICIPATION AND AWARD NOTICES**

**4.1 Participation.** Each individual who is an Eligible Employee on the first day of a Performance Period or who becomes an Eligible Employee after the first day of a Performance Period shall become a Participant and receive an Award with respect to such Performance Period only if such individual is selected by the Administrator in its sole discretion for participation in the Program with respect to such Performance Period prior to the last day of such Performance Period. Unless otherwise determined by the Administrator, Payment Amounts with respect to an Award for an individual who becomes a Participant with respect to such Award after the first day of the related Performance Period shall be pro-rated based on a fraction, the numerator of which is (except as otherwise provided in Article V) the number of days during the period beginning on the date of such Participant's commencement of participation in the Program for such Performance Period and ending on the last day of such Performance Period, and the denominator of which is the total number of days in such Performance Period.

**4.2 Award Notices.** The Company shall provide an Award Notice to each Eligible Employee who becomes a Participant with respect to a Performance Period within 90 days after such Eligible Employee becomes such a Participant. The Administrator shall determine in each case the number of RSUs subject to the Award as of the date of grant of the Award. Each Award Notice shall specify (a) the Performance Period to which the Award relates, (b) the applicable Entry Level, Target Level, Stretch Level and Change of Control Level applicable to each Performance Measure as has been selected by the Committee with respect to such Award, (c) the number of RSUs subject to the Award as of the date of grant of the Award, (d) the applicable Vested Percentages set forth in Section 2.1(hh) with respect to the Participant, and (e) the Maximum Payment Amount, if any, applicable to the Award.

#### **V. AWARD PAYMENTS**

**5.1 Determinations and Certification by the Committee.** As soon as administratively feasible after the end of each Performance Period, the Committee shall determine whether a Performance Goal has been achieved for such Performance Period and, if so, the level of such achievement. The Committee's determination as to whether the applicable

Performance Goal for a Performance Period has been satisfied shall be certified by the Committee in writing (including by electronic mail transmission) prior to the settlement of Awards with respect to such Performance Period. For purposes of the preceding sentence, approved minutes of the Committee meeting in which the certification is made shall be treated as a written certification. Notwithstanding the foregoing, each written certification by the Committee (including a certification by electronic email transmission) under this Section 5.1 shall be made by a date which will permit the Company to comply with the time of payment requirements of Sections 5.2 and 5.3 (after giving effect to the provisions of Section 5.7). Subject to Section 5.2(b), the Committee shall not exercise its discretion under Section 6(e)(vi)(D) of the ICP to reduce or eliminate the amount of a payment otherwise due under the Program.

## **5.2 Eligibility for Payment of Awards.**

(a) In General. Subject to Section 5.2(b) and the delayed payment restrictions of Section 5.6, upon the Committee's written certification in accordance with Section 5.1 that the applicable Performance Goal for a Performance Period has been satisfied, each Participant who has received an Award with respect to such Performance Period, who has remained continuously employed by the Company from the date he or she received such Award until the last day of such Performance Period and who has not surrendered such Award to the Company shall be entitled to the Payment Amount applicable to such Participant's Award for such Performance Period. Except as provided in Section 5.3 and Section 5.4, if a Participant's employment with the Company terminates for any reason whatsoever prior to the last day of a Performance Period, then such Participant shall not be entitled to receive any payment under the Program with respect to his or her Award for such Performance Period, unless otherwise determined by the Administrator. Payment of the amount to which a Participant becomes entitled pursuant to this Section 5.2 shall be made by the Company no later than March 15 of the year following the end of the applicable Performance Period.

(b) Negative Discretion. Notwithstanding the provisions of Section 5.2(a) and, except as provided in the last sentence of this paragraph, notwithstanding the provisions of Section 5.3(b), (i) the Committee shall have the right to reduce or eliminate any Payment Amount with respect to a Performance Period that is otherwise payable pursuant to such Sections if the Committee determines in its discretion that such reduction or elimination is appropriate and in the best interest of the Company based on the Company's unrestricted cash, cash equivalents and short term investments and cash readily accessible under the Company's unused lines of credit as of the end of such Performance Period; provided, however, that any such reduction or elimination shall apply in a uniform and nondiscriminatory manner to all Participants who are, but for the application of this paragraph, entitled to receive a Payment Amount under such Sections with respect to such Performance Period and (ii) the Committee shall have the right to reduce any Payment Amount with respect to a Performance Period that is otherwise payable if such reduction is made in accordance with and to implement the 162(m)-design of the Program. The Committee shall not have the right to reduce or eliminate any Payment Amount that is payable pursuant to Section 5.3(a), Section 5.4 or, following a Change of Control, Section 5.3(b).

(c) **Maximum Payment Amount Limitation.** Notwithstanding the preceding provisions of this Section 5.2 or the provisions of Sections 5.3 and 5.4, in no event shall the payments under the Program to a Participant with respect to an RSU subject to an Award exceed an amount equal to the Maximum Payment Amount, if any, applicable to such RSU. To the extent that any payment provided under the Program with respect to an RSU (determined without regard to the limitation described in the preceding sentence) would exceed the limitation described in the preceding sentence, then such excess shall not be paid under the Program and the holder of such RSU shall have no rights or entitlements to any such excess amount.

### **5.3 Death, Disability or Retirement During a Performance Period.**

(a) **Death or Disability.** If, during a Performance Period with respect to which a Participant has received an Award, such Participant dies or becomes Disabled, then as to such Participant only (i) the Performance Goal for each Performance Period that began prior to the date of such Participant's death or Disability and which has not ended as of such date shall be deemed to have been satisfied (determined based upon achievement of the Target Level of performance as applicable to such Award), and (ii) the provisions of Sections 5.1 and 5.2 shall cease to apply with respect to such Performance Period. With respect to each Performance Period that began prior to the date of such Participant's death or Disability and which has not ended as of such date with respect to which the Target Levels of performance have been deemed satisfied in the manner described in clause (i) of the preceding sentence, such Participant (or, in the case of death, such Participant's estate) shall (A) receive a payment from the Company, as soon as administratively practicable after the date of such Participant's death or Disability (but in no event later than March 15 of the calendar year following the calendar year in which occurred the Participant's death or Disability), equal to the relevant Payment Amount applicable to such Participant's Award for such Performance Period (determined as if the Payment Computation Date occurred on the date such Participant died or became Disabled) multiplied by a fraction, the numerator of which is the number of days during the period beginning on the first day of such Performance Period and ending on the date such Participant died or became Disabled, and the denominator of which is the number of days in the entire Performance Period, and (B) not be entitled to any additional payment under the Program with respect to such Performance Period.

(b) **Retirement.** If a Participant Retires during a Performance Period, then such Participant shall (i) obtain a Vested Percentage with respect to each related Award based on the actual level of performance achieved (or, if Section 5.4(a) applies to any corresponding Award held by a Participant who has not terminated employment, then based on the deemed achievement of the Change of Control Level established with respect to the applicable Performance Measure as established by the Committee with respect to such Award), and (ii) subject to Section 5.2(b), receive a Payment Amount with respect to each such Award if and at the same time as payments are made to other Participants who have received corresponding Awards and who have not terminated employment (or, if earlier, no later than March 15 of the calendar year following the calendar year in which a Change of Control occurs), subject, however, to proration based on a fraction, the numerator of which is the number of days during the period beginning on the first day of the Performance Period and ending on the date such Participant Retired, and the denominator of which is the number of days in the entire related Performance Period.

(c) Change of Control. The preceding provisions of this Section 5.3 shall not be applicable to a Participant who dies, becomes Disabled or Retires on or after the date upon which a Change of Control occurs.

#### **5.4 Change of Control During a Performance Period.**

(a) Upon the occurrence of a Change of Control, with respect to each Participant who is employed by the Company on the day immediately preceding the date of such Change of Control, (i) the Performance Goal for each Performance Period that began prior to the date of such Change of Control and which has not ended as of such date shall be deemed to have been achieved at the Change of Control Level established with respect to the applicable Performance Measure as established by the Committee with respect to such Award for such Performance Period and (ii) the provisions of Sections 5.1 and 5.2 shall cease to apply.

(b) With respect to a Performance Period described in Section 5.4(a), on or before the Applicable Payment Date (as defined below) following the end of each calendar year in such Performance Period ending on or after the date of such Change of Control, each Retirement Eligible Participant (as defined below) with respect to such calendar year who has received an Award with respect to such Performance Period shall receive a payment from the Company equal to (i) the Payment Amount applicable to such Participant's Award for such Performance Period multiplied by a fraction, the numerator of which is the number of days during the period beginning on the first day of the Performance Period and ending on the last day of such calendar year, and the denominator of which is the number of days in the entire Performance Period, minus (ii) the aggregate payments, if any, made to such Participant pursuant to this paragraph with respect to prior calendar years. For purposes of the preceding sentence, (A) the "Applicable Payment Date" with respect to a calendar year shall mean March 15 of the year following the end of such calendar year, and (B) a Participant shall be considered a "Retirement Eligible Participant" with respect to a calendar year if such Participant was eligible to Retire during such year and did not suffer a Qualifying Event, die, become Disabled or Retire during such year.

(c) If a Change of Control occurs and on the date thereof or thereafter during a Performance Period described in Section 5.4(a) a Participant who has received an Award with respect to such Performance Period suffers a Qualifying Event or dies, becomes Disabled, or Retires, then, with respect to such Performance Period, such Participant (or, in the case of death, such Participant's estate) shall (i) no later than March 15 of the year following the occurrence of the Qualifying Event, death, Disability or Retirement, receive a payment from the Company equal to (A) the Payment Amount applicable to such Participant's Award for such Performance Period multiplied by a fraction, the numerator of which is the number of days during the period beginning on the first day of the Performance Period and ending on the date such Participant died, became Disabled, Retired or suffered the Qualifying Event, and the denominator of which is the number of days in the entire Performance Period, minus (B) the aggregate payments, if any, made or payable to such Participant pursuant to Section 5.4(b) with respect to calendar years that ended prior to the date of such Participant's Qualifying Event, death, Disability or Retirement, and (ii) not be entitled to any additional payment under the Program with respect to such Performance Period (other than any unpaid amount owed to such Participant pursuant to Section 5.4(b) with respect to a calendar year that ended prior to the date of such Participant's Qualifying Event, death, Disability or Retirement).

(d) With respect to a Participant who received an Award with respect to a Performance Period described in Section 5.4(a), who did not die, become Disabled, Retire or suffer a Qualifying Event during such Performance Period and who remained continuously employed by the Company from the date he or she received such Award until the last day of such Performance Period, such Participant shall receive a payment from the Company on or before March 15 of the year following the last day of such Performance Period in an amount equal to (i) the Payment Amount applicable to such Participant's Award for such Performance Period, minus (ii) the aggregate payments, if any, made or payable to such Participant pursuant to Section 5.4(b) with respect to such Award.

**5.5 Form of Payment of Awards.** The Committee shall specify in the Award Notice whether the Award shall be settled in cash or shares of Common Stock.

**5.6 Delayed Payment Restriction.** With respect to a Participant who is identified as a specified employee (within the meaning of section 409A(a)(2)(B)(i) of the Code and as determined by the Company in accordance with any of the methods permitted under the regulations issued under section 409A of the Code) and who is to receive a payment hereunder (which payment is not a "short-term deferral" for purposes of section 409A of the Code) on account of such Participant's separation from service (within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance thereunder, but excluding a separation from service by reason of death), the payment to such Participant shall not be made prior to the earlier of (a) the date that is six months after the Participant's termination of employment or (b) the date of death of the Participant. In such event, any payment to which the Participant would have otherwise been entitled during the first six months following the Participant's termination of employment (or, if earlier, prior to the Participant's date of death) shall be accumulated and paid in the form of a single lump sum payment to the Participant on the date that is six months after the Participant's termination of employment or to the Participant's estate on the date of the Participant's death, as applicable.

**5.7 Time of Payment Obligations.** Any obligation hereunder to make a payment on a specified date shall be deemed to have been satisfied in the event that such payment is made within five business days after such specified date; provided, however, that, with respect to a payment that is intended to qualify as a "short-term deferral" under section 409A of the Code, in no event shall such payment be made later than the date required in order for such payment to so qualify. Each payment under an Award granted under this Program shall be considered a separate payment for purposes of section 409A of the Code.

## **VI. TERMINATION AND AMENDMENT OF PROGRAM**

**6.1 Termination and Amendment.** Subject to the terms of this Section 6.1, the Committee may amend the Program at any time and from time to time, and the Committee may at any time terminate the Program (in its entirety or as it applies to one or more specified Subsidiaries) with respect to Performance Periods that have not commenced as of the date of such Committee action; provided, however, that, (a) except as provided in the following sentence, the Program may not be amended in a manner that would materially impair the rights of any Participant with respect to any outstanding Award without the consent of such Participant, and (b) to the extent required by section 409A of the Code, the Program may not be amended or

terminated in a manner that would give rise to an impermissible acceleration of the time or form of a payment of a benefit under the Program pursuant to section 409A(a)(3) of the Code and any regulations or guidance issued thereunder. Notwithstanding anything in the Program or an Award Notice to the contrary, if the Committee determines that the terms of the Program and/or any Award Notice do not, in whole or in part, satisfy the requirements of section 409A of the Code (or the requirements for an exemption to the application of section 409A of the Code), then the Committee, in its sole discretion, may unilaterally modify the Program and any such Award Notice in such manner as it deems appropriate to comply with such section and any regulations or guidance issued thereunder (or to qualify for an exemption to the application of such section). No Participant's participation herein may be terminated in contemplation of or in connection with a Change of Control. The Program may not be amended or terminated in contemplation of or in connection with a Change of Control unless adequate and effective provision for the making of all payments otherwise payable pursuant to Section 5.4 (as in effect on the date of the grant of the affected Award) with respect to such Change of Control shall be made in connection with any such amendment or termination. The Committee shall remain in existence after the termination of the Program for the period determined necessary by the Committee to facilitate the termination of the Program and the payment of any outstanding Awards hereunder, and all provisions of the Program that are necessary, in the opinion of the Committee, for equitable operation of the Program during such period shall remain in force.

## **VII. MISCELLANEOUS PROVISIONS**

**7.1 No Effect on Employment Relationship.** Except as expressly provided otherwise herein, for all purposes of the Program, a Participant shall be considered to be in the employment of the Company as long as he or she has not incurred a separation from service with the Company and its affiliates within the meaning of section 409A(a)(2)(A)(i) of the Code and applicable administrative guidance issued thereunder; provided, however, that whether such a separation from service has occurred shall be determined based upon a reasonably anticipated permanent reduction in the level of bona fide services to be performed to no more than 20% of the average level of bona fide services provided in the immediately preceding 36 months. Nothing in the adoption of the Program, the grant of Awards, or the payment of amounts under the Program shall confer on any person the right to continued employment by the Company or any Subsidiary or affect in any way the right of the Company (or a Subsidiary, if applicable) to terminate such employment at any time. Unless otherwise provided in a written employment agreement, the employment of each Participant shall be on an at-will basis, and the employment relationship may be terminated at any time by either the Participant or the Participant's employer for any reason whatsoever, with or without cause. Any question as to whether and when there has been a termination of a Participant's employment for purposes of the Program, and the reason for such termination, shall be determined solely by and in the discretion of the Administrator, and its determination shall be final, binding, and conclusive on all parties.

**7.2 Prohibition Against Assignment or Encumbrance.** No Award or other right, title, interest, or benefit hereunder shall ever be assignable or transferable, or liable for, or charged with any of the torts or obligations of a Participant or any person claiming under a Participant, or be subject to seizure by any creditor of a Participant or any person claiming under a Participant. No Participant or any person claiming under a Participant shall have the power to anticipate or dispose of any Award or other right, title, interest, or benefit hereunder in any

manner until the same shall have actually been distributed free and clear of the terms of the Program. Payments with respect to an Award shall be payable only to the Participant (or (a) in the event of a Disability that renders such Participant incapable of conducting his or her own affairs, any payment due under the Program to such Participant shall be made to his or her duly appointed legal representative and (b) in the event of the death of a Participant, any payment due under the Program to such Participant shall be made to his or her estate). Notwithstanding the preceding provisions of this Section, the Administrator shall comply with the terms of any qualified domestic relations order providing for the transfer or assignment of all or any portion of a Participant's interest under the Program. The provisions of the Program shall be binding on all successors and permitted assigns of a Participant, including without limitation the estate of such Participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the Participant's creditors.

**7.3 Unfunded, Unsecured Program.** The Program shall constitute an unfunded, unsecured obligation of the Company to make payments of incentive compensation to certain individuals from its general assets in accordance with the Program. Each Award granted under the Program merely constitutes a mechanism for measuring such incentive compensation and does not constitute a property right or interest in the Company, any Subsidiary, or any of their assets. Neither the establishment of the Program, the granting of Awards, nor any other action taken in connection with the Program shall be deemed to create an escrow or trust fund of any kind.

**7.4 No Rights of Participant.** No Participant shall have any security or other interest in any assets or stock of the Company or any Subsidiary as a result of participation in the Program (except after payment thereof to the Participant). Participants and all persons claiming under Participants shall rely solely on the unsecured promise of the Company set forth herein, and nothing in the Program, an Award or an Award Notice shall be construed to give a Participant or anyone claiming under a Participant any right, title, interest, or claim in or to any specific asset, fund, entity, reserve, account, or property of any kind whatsoever owned by the Company or any Subsidiary or in which the Company or any Subsidiary may have an interest now or in the future; but each Participant shall have the right to enforce any claim hereunder in the same manner as a general creditor. Neither the establishment of the Program nor participation hereunder shall create any right in any Participant to make any decision, or provide input with respect to any decision, relating to the business of the Company or any Subsidiary.

**7.5 Clawback.** Notwithstanding any provision in the Program to the contrary, the payments and benefits provided under the Program shall be subject to a clawback to the extent necessary to comply with applicable law including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act or any Securities and Exchange Commission rule.

**7.6 Tax Withholding.** The Company and the Subsidiaries shall deduct and withhold, or cause to be withheld, from a Participant's payment made under the Program, or from any other payment to such Participant, an amount necessary to satisfy any and all tax withholding obligations arising under applicable local, state, federal, or foreign laws associated with such payment. The Company and the Subsidiaries may take any other action as may in their opinion be necessary to satisfy all obligations for the payment and withholding of such taxes.

**7.7 No Effect on Other Compensation Arrangements.** Nothing contained in the Program or any Participant's Award or Award Notice shall prevent the Company or any Subsidiary from adopting or continuing in effect other or additional compensation arrangements affecting any Participant. Nothing in the Program shall be construed to affect the provisions of any other compensation plan or program maintained by the Company or any Subsidiary.

**7.8 Subsidiaries.** The Company may require any Subsidiary employing a Participant to assume and guarantee the Company's obligations hereunder to such Participant, either at all times or solely in the event that such Subsidiary ceases to be a Subsidiary.

**7.9 Governing Law.** The Program shall be construed in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

**EXHIBIT A**  
**to**  
**United Continental Holdings, Inc.**  
**Performance-Based RSU Program**

**Relative Pre-Tax Margin Performance**

1. **Purpose.** The purpose of this Exhibit A to the United Continental Holdings, Inc. Performance Based RSU Program (the “Program”) is to set forth supplemental definitions and terms applicable to Awards granted under the Program that measure performance based on the Company’s relative Pre-Tax Margin as compared to an Industry Group. Capitalized terms not defined in this Exhibit shall have the respective meanings specified in the Program or the Plan.

2. **Certain Definitions.** For purposes of the Program and this Exhibit A, the following capitalized terms shall have the respective meanings set forth below.

(a) “**Industry Group**” means, with respect to each Performance Period, the companies determined in accordance with the provisions of Section 3 of this Exhibit A for such Performance Period.

(b) “**Industry Pre-tax Margin**” with respect to a Performance Period means, as established by the Committee within 90 days after the commencement of the Performance Period (but in no event after the date required for a Performance Goal to be considered pre-established under section 162(m) of the Code, to the extent applicable), *either*:

- (A) the percentage determined by dividing (i) the cumulative Pre-tax Income of all companies in the Industry Group for such Performance Period by (ii) all such companies’ cumulative revenues (determined on a consolidated basis based on the regularly prepared and publicly available statements of operations of the companies prepared in accordance with applicable accounting rules) over such Performance Period; or
- (B) (i) the percentage determined under clause (A) above, *minus* (ii) the percentage determined by dividing (a) the cumulative Pre-tax Income of all companies in the Industry Group for the calendar year immediately preceding the first day of such Performance Period by (b) all such companies’ cumulative revenues (determined on a consolidated basis based on the regularly prepared and publicly available statements of operations of the companies prepared in accordance with applicable accounting rules) over such calendar year (with the calculation in this clause (B) representing the Industry Group average Pre-tax Margin change over the Performance Period).

If the fiscal year of a company in the Industry Group is not the calendar year, then such company’s cumulative revenues for a Performance Period shall be determined based upon the fiscal quarters of such company that coincide with the fiscal quarters contained in such Performance Period.

(c) “Pre-tax Income” means, with respect to the Company and each company in the Industry Group and each Performance Period, the aggregate consolidated net income adjusted to exclude reported income taxes of the Company or such company for such Performance Period. Pre-tax Income shall be determined based on the regularly prepared and publicly available statements of operations of the Company and each company in the Industry Group prepared in accordance with applicable accounting rules; provided, however, that Pre-tax Income shall be adjusted to exclude (i) write-offs of assets (including aircraft and associated parts), (ii) one-time gains or losses from the disposal of assets, and (iii) any other item of gain, income, loss, or expense determined to be special, extraordinary or unusual in nature or infrequent in occurrence, in each case under clauses (i), (ii) and (iii) as determined by the Committee in accordance with applicable accounting rules. If the fiscal year of a company in the Industry Group is not the calendar year, then such company’s Pre-tax Income for a Performance Period shall be determined based upon the fiscal quarters of such company that coincide with the fiscal quarters in such Performance Period.

(d) “Pre-tax Margin” with respect to the Company and with respect to a Performance Period means, as established by the Committee within 90 days after the commencement of the Performance Period (but in no event after the date required for a Performance Goal to be considered pre-established under section 162(m) of the Code, to the extent applicable), *either*:

(A) the cumulative Pre-tax Income for the Company for such Performance Period *divided by* the Company’s cumulative revenues (determined on a consolidated basis based on the regularly prepared and publicly available statements of operations of the Company prepared in accordance with applicable accounting rules) over such Performance Period; provided, however, that, such cumulative revenues shall be adjusted to exclude any item determined to be special, extraordinary or unusual in nature or infrequent in occurrence as determined by the Committee in accordance with applicable accounting rules; or

(B) (i) the percentage determined under clause (A) above, *minus* (ii) the percentage determined by dividing (a) the cumulative Pre-tax Income of the Company for the calendar year immediately preceding the commencement of such Performance Period by (b) the Company’s cumulative revenues (determined as provided in clause (A) above) over such calendar year (with the calculation in this clause (B) representing the Company’s average Pre-tax Margin change over the Performance Period).

### **3. Industry Group.**

(a) Initial Designation. The Industry Group shall consist of Alaska Air Group, Inc., American Airlines Group, Inc., Delta Air Lines, Inc., Southwest Airlines Co., and JetBlue Airways Corporation; provided, however, that (A) within 90 days after the commencement of each Performance Period (but in no event after the date required for a Performance Goal to be considered pre-established under section 162(m) of the Code, to the extent applicable), the Committee may in its discretion add any air carrier to, or remove any such company from, the Industry Group for such Performance Period and (B) the Industry Group for each Performance Period shall be subject to adjustment as provided in Section 3(b).

(b) Adjustments to the Industry Group During a Performance Period. Except as provided in clause (A) of the proviso to Section 3(a) above, no company shall be added to, or removed from, the Industry Group for a Performance Period during such period; provided, however, that a company shall be removed from the Industry Group for a Performance Period if (A) during such period, (i) such company ceases to maintain publicly available statements of operations prepared in accordance with applicable accounting rules, (ii) such company is not the surviving entity in any merger, consolidation, or other non-bankruptcy reorganization (or survives only as a subsidiary of an entity other than a previously wholly owned subsidiary of such company), unless such company separately maintains for the Performance Period publicly available statements of operations prepared in accordance with applicable accounting rules, (iii) such company sells, leases, or exchanges all or substantially all of its assets to any other person or entity (other than a previously wholly owned subsidiary of such company), or (iv) such company is dissolved and liquidated, or (B) more than 20% of such company's revenues (determined on a consolidated basis based on the regularly prepared and publicly available statements of operations of such company prepared in accordance with applicable accounting rules) for any fiscal year of such company that ends during such Performance Period are attributable to the operation of businesses other than such company's airline business.

**PERFORMANCE-BASED RSU AWARD NOTICE**  
to [Name]

**Pursuant to the United Continental Holdings, Inc.**  
**Performance-Based RSU Program**

**Relative Pre-tax Margin**  
**(Cash-Settled)**

**Performance Period January 1, 20[ ] to December 31, 20[ ]**

1. **The Program.** This document constitutes your formal Award Notice with respect to an Award of RSUs as a Participant under the United Continental Holdings, Inc. Performance-Based RSU Program (as amended from time to time, the “Program”) adopted under the United Continental Holdings, Inc. 2017 Incentive Compensation Plan (as amended from time to time, the “ICP”). This Award Notice evidences your receipt of an award of RSUs under the Program with respect to the performance period commencing on January 1, 20[ ] and ending on December 31, 20[ ] (the “Performance Period”) and with respect to Performance Goals based on the Company’s achievement of relative pre-tax margin performance. This Award is subject to the terms of the Program and the ICP. The effective date of your commencement in the Program with respect to this Award is [ ].

2. **Number of RSUs; Performance Measure and Performance Goals.** The Committee has established certain Performance Goals for RSUs under the Program. The Committee has established the following terms and Performance Goals with respect to your Award:

(a) **RSUs.** The number of RSUs subject to this Award as of the effective date of grant is \_\_\_\_\_ (stretch level).

(b) **Performance Measure and Performance Goal.** Achievement of the Performance Goal for the Performance Period means that the Pre-tax Margin achieved by the Company with respect to the Performance Period equals or exceeds the Entry Level for the Performance Period. The Entry Level, Target Level, and Stretch Level are as follows:

- i. Entry Level Pre-tax Margin generally means [(A)] the percentage determined by dividing the cumulative Pre-tax Income of all companies in the Industry Group (currently [ ]) for the Performance Period by all such companies’ cumulative revenues over such period [(B) minus the percentage determined by dividing the cumulative Pre-tax Income of the Industry Group for calendar year [ ] by the cumulative revenues of the Industry Group for such year (as more specifically defined in the Program, the “Industry Pre-Tax Margin”) [[plus][minus] [ ] Basis Points)]<sup>1</sup>;
- ii. Target Level Pre-tax Margin is equal to Industry Pre-tax Margin plus [ ] Basis Points; and
- iii. Stretch Level Pre-tax Margin is equal to Industry Pre-tax Margin plus [ ] Basis Points.

<sup>1</sup> Insert clause (B) if the Committee establishes the Pre-tax Margin goals for the Performance Period with reference to relative change versus the Industry Group.

If a Change of Control occurs during the Performance Period, then the Company's Pre-tax Margin for the Performance Period will be deemed to equal Target Level Pre-tax Margin.

(c) [**Overall Performance Goal.** Notwithstanding any other provision of the Program or this Award (except in the case of a Change of Control), in order for the restrictions on the RSUs to lapse, the Company must achieve as a Performance Goal not less than [**\$ \_\_\_\_\_ of [ \_\_\_\_\_ ] during the period beginning \_\_\_\_\_ and ending \_\_\_\_\_, as determined by the Committee based on the Company's [ \_\_\_\_\_ ] financial statements.**].]<sup>2</sup>

3. Payout upon Achievement of Goal.

(a) **Payment Amount.** If the Pre-tax Margin for the Performance Period equals or exceeds the Entry Level Pre-tax Margin for the Performance Period and you have remained continuously employed by the Company or a Subsidiary through the end of the Performance Period, then the Payment Amount with respect to this Award will be an amount equal to (i) the number of RSUs subject to your Award for the Performance Period, multiplied by (ii) your Vested Percentage for the Performance Period, multiplied by (iii) the Fair Market Value of the Company Stock as of the Payment Computation Date for the Performance Period (which is generally the last day of the Performance Period, subject to limited exceptions). [Notwithstanding the foregoing, in no event will the payment under the Program with respect to an RSU subject to this Award exceed an amount equal to \$\_\_\_\_(the "Maximum Payment Amount"), which amount is subject to adjustment as provided in the Program.]<sup>3</sup>

(b) **Vested Percentage.** Your Vested Percentage with respect to the Performance Period will be determined in accordance with the following table (straight line interpolation will be used between levels):

<u>Level of Pre-tax Margin Achieved</u>	<u>Vested Percentage</u>
Entry	__% (Entry Level RSU Percentage)
Target	__% (Target Level RSU Percentage)
Stretch (or higher)	__% (Stretch Level RSU Percentage)

4. Continuous Employment Required. Receipt of a Payment Amount is conditioned on your continuous employment with the Company or its Subsidiaries through the last day of the Performance Period (with limited exceptions, as described in the Program).

5. Pro-Rated Payment. Your Payment Amount may be prorated as provided in the Program under certain circumstances.

6. Negative Discretion. In general, and subject to limited exceptions (as described in the Program), the Committee will have the right to reduce or eliminate the Payment Amount that would otherwise be payable for the Performance Period in accordance with Section 3(b) of this

<sup>2</sup> [This provision to be included if the Committee establishes an additional performance goal for the Award.]

<sup>3</sup> [The Maximum Payment Amount will be included if established by the Committee in accordance with the terms of the Program at the time the Award is granted.]

Award Notice if the Committee determines in its discretion that such reduction or elimination is appropriate and in the best interest of the Company based on the Company's unrestricted cash, cash equivalents, and short term investments and cash readily accessible under the Company's unused lines of credit as of the end of the Performance Period; provided, however, that any such reduction or elimination shall apply in a uniform and nondiscriminatory manner to all Participants who are otherwise entitled to receive a Payment Amount with respect to the Performance Period.

7. Program and ICP Control. Capitalized terms used in this Award Notice are defined in the Program. The Program and the ICP are hereby incorporated into this Award Notice by reference. All statements in this Award Notice are qualified in their entirety by reference to the Program and the ICP. If you have any questions, please contact \_\_\_\_\_, or if you wish to obtain a copy of the Program or the ICP, please contact \_\_\_\_\_.

**United Continental Holdings, Inc. and Subsidiary Companies**  
**Computation of Ratio of Earnings to Fixed Charges**

(In millions, except ratios)	Six Months Ended June 30,	2017	2016	2015	2014	2013	2012
Earnings (losses):							
Earnings (loss) before income taxes		\$ 1,419	\$ 3,819	\$ 4,219	\$ 1,128	\$ 539	\$ (724)
Add (deduct):							
Fixed charges, from below		684	1,370	1,428	1,648	1,629	1,526
Amortization of capitalized interest		4	11	12	12	11	9
Distributed earnings of affiliates		—	1	1	1	—	—
Interest capitalized		(44)	(72)	(49)	(52)	(49)	(37)
Equity (earnings) loss in affiliates		3	—	(2)	(1)	(1)	(4)
Earnings as adjusted		<u>\$ 2,066</u>	<u>\$ 5,129</u>	<u>\$ 5,609</u>	<u>\$ 2,736</u>	<u>\$ 2,129</u>	<u>\$ 770</u>
Fixed charges:							
Interest expense		\$ 308	\$ 614	\$ 669	\$ 735	\$ 783	\$ 835
Portion of rent expense representative of the interest factor (a)		376	756	759	913	846	691
Fixed charges		<u>\$ 684</u>	<u>\$ 1,370</u>	<u>\$ 1,428</u>	<u>\$ 1,648</u>	<u>\$ 1,629</u>	<u>\$ 1,526</u>
Ratio of earnings to fixed charges		<u>3.02</u>	<u>3.74</u>	<u>3.93</u>	<u>1.66</u>	<u>1.31</u>	<u>(b)</u>

(a) Imputed interest applied to rent expense.

(b) Earnings were inadequate to cover fixed charges by \$756 million in 2012.

**United Airlines, Inc. and Subsidiary Companies**  
**Computation of Ratio of Earnings to Fixed Charges**

<b>(In millions, except ratios)</b>	<b>Six Months Ended June 30, 2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Earnings (losses):						
Earnings (loss) before income taxes	\$1,420	\$3,822	\$4,221	\$1,110	\$ 637	\$ (657)
Add (deduct):						
Fixed charges, from below	684	1,370	1,429	1,655	1,627	1,514
Amortization of capitalized interest	4	11	12	12	11	9
Distributed earnings of affiliates	—	1	1	1	—	—
Interest capitalized	(44)	(72)	(49)	(52)	(49)	(37)
Equity (earnings) loss in affiliates	3	—	(2)	(1)	(1)	(4)
Earnings as adjusted	<u>\$2,067</u>	<u>\$5,132</u>	<u>\$5,612</u>	<u>\$2,725</u>	<u>\$2,225</u>	<u>\$ 825</u>
Fixed charges:						
Interest expense	\$ 308	\$ 614	\$ 670	\$ 742	\$ 781	\$ 823
Portion of rent expense representative of the interest factor (a)	376	756	759	913	846	691
Fixed charges	<u>\$ 684</u>	<u>\$1,370</u>	<u>\$1,429</u>	<u>\$1,655</u>	<u>\$1,627</u>	<u>\$1,514</u>
Ratio of earnings to fixed charges	<u>3.02</u>	<u>3.75</u>	<u>3.93</u>	<u>1.65</u>	<u>1.37</u>	<u>(b)</u>

(a) Imputed interest applied to rent expense.

(b) Earnings were inadequate to cover fixed charges by \$689 million in 2012.

Certification of the Principal Executive Officer  
Pursuant to 15 U.S.C. 78m(a) or 78o(d)  
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Oscar Munoz, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2017 of United Continental Holdings, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Oscar Munoz

Oscar Munoz  
Chief Executive Officer

Date: July 19, 2017

Certification of the Principal Financial Officer  
Pursuant to 15 U.S.C. 78m(a) or 78o(d)  
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Andrew C. Levy, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2017 of United Continental Holdings, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Andrew C. Levy

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Andrew C. Levy  
Executive Vice President and Chief Financial Officer

Date: July 19, 2017

Certification of the Principal Executive Officer  
Pursuant to 15 U.S.C. 78m(a) or 78o(d)  
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Oscar Munoz, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2017 of United Airlines, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Oscar Munoz

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Oscar Munoz  
Chief Executive Officer

Date: July 19, 2017

Certification of the Principal Financial Officer  
Pursuant to 15 U.S.C. 78m(a) or 78o(d)  
(Section 302 of the Sarbanes-Oxley Act of 2002)

I, Andrew C. Levy, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended June 30, 2017 of United Airlines, Inc. (the "Company");
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
- (4) The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
- (5) The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

/s/ Andrew C. Levy

Andrew C. Levy

Executive Vice President and Chief Financial Officer

Date: July 19, 2017

Certification of United Continental Holdings, Inc.  
Pursuant to 18 U.S.C. 1350  
(Section 906 of the Sarbanes-Oxley Act of 2002)

Each undersigned officer certifies that to the best of his knowledge based on a review of the quarterly report on Form 10-Q for the period ended June 30, 2017 of United Continental Holdings, Inc. (the "Report"):

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of United Continental Holdings, Inc.

Date: July 19, 2017

/s/ Oscar Munoz

Oscar Munoz  
Chief Executive Officer

/s/ Andrew C. Levy

Andrew C. Levy  
Executive Vice President and Chief Financial Officer

Certification of United Airlines, Inc.  
Pursuant to 18 U.S.C. 1350  
(Section 906 of the Sarbanes-Oxley Act of 2002)

Each undersigned officer certifies that to the best of his knowledge based on a review of the quarterly report on Form 10-Q for the period ended June 30, 2017 of United Airlines, Inc. (the "Report"):

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of United Airlines, Inc.

Date: July 19, 2017

/s/ Oscar Munoz

Oscar Munoz  
Chief Executive Officer

/s/ Andrew C. Levy

Andrew C. Levy  
Executive Vice President and Chief Financial Officer