

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 March 31, 2016

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 or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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

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 April 11, 2016 is shown below:

United Continental Holdings, Inc.      336,823,228 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.

[Table of Contents](#)

**United Continental Holdings, Inc.  
United Airlines, Inc.  
Quarterly Report on Form 10-Q  
For the Quarter Ended March 31, 2016**

	<u>Page</u>	
<b><u>PART I. FINANCIAL INFORMATION</u></b>		
Item 1.	<a href="#">Financial Statements</a>	
	United Continental Holdings, Inc.:	
	<a href="#">Statements of Consolidated Operations</a>	3
	<a href="#">Statements of Consolidated Comprehensive Income (Loss)</a>	4
	<a href="#">Consolidated Balance Sheets</a>	5
	<a href="#">Condensed Statements of Consolidated Cash Flows</a>	7
	United Airlines, Inc.:	
	<a href="#">Statements of Consolidated Operations</a>	8
	<a href="#">Statements of Consolidated Comprehensive Income (Loss)</a>	9
	<a href="#">Consolidated Balance Sheets</a>	10
	<a href="#">Condensed Statements of Consolidated Cash Flows</a>	12
	<a href="#">Combined Notes to Condensed Consolidated Financial Statements (United Continental Holdings, Inc. and United Airlines, Inc.)</a>	13
Item 2.	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	26
Item 3.	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	35
Item 4.	<a href="#">Controls and Procedures</a>	36
<b><u>PART II. OTHER INFORMATION</u></b>		
Item 2.	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	37
Item 6.	<a href="#">Exhibits</a>	37
	<a href="#">Signatures</a>	38
	<a href="#">Exhibit Index</a>	39

## 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 March 31,	
	2016	2015
Operating revenue:		
Passenger—Mainline	\$ 5,577	\$ 5,938
Passenger—Regional	1,413	1,482
Total passenger revenue	6,990	7,420
Cargo	194	242
Other operating revenue	1,011	946
	8,195	8,608
Operating expense:		
Salaries and related costs	2,490	2,301
Aircraft fuel	1,218	1,864
Landing fees and other rent	525	543
Regional capacity purchase	522	570
Depreciation and amortization	479	429
Aircraft maintenance materials and outside repairs	402	397
Distribution expenses	303	312
Aircraft rent	178	201
Special charges (Note 10)	190	64
Other operating expenses	1,239	1,186
	7,546	7,867
Operating income	649	741
Nonoperating income (expense):		
Interest expense	(159)	(173)
Interest capitalized	14	12
Interest income	8	5
Miscellaneous, net (Note 10)	(18)	(74)
	(155)	(230)
Income before income taxes	494	511
Income tax expense	181	3
Net income	\$ 313	\$ 508
Earnings per share, basic	\$ 0.88	\$ 1.33
Earnings per share, diluted	\$ 0.88	\$ 1.32

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)**

	<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Net income	\$ 313	\$ 508
Other comprehensive income (loss), net change related to:		
Fuel derivative financial instruments	78	86
Employee benefit plans	(24)	2
Investments and other	—	14
	<u>54</u>	<u>102</u>
Total comprehensive income, net	<u>\$ 367</u>	<u>\$ 610</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) March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,795	\$ 3,006
Short-term investments	2,177	2,190
Receivables, less allowance for doubtful accounts (2016—\$11; 2015—\$18)	1,581	1,128
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2016—\$249; 2015—\$235)	759	738
Prepaid expenses and other	912	766
	<u>7,224</u>	<u>7,828</u>
Operating property and equipment:		
Owned—		
Flight equipment	24,348	23,728
Other property and equipment	4,715	4,542
	<u>29,063</u>	<u>28,270</u>
Less—Accumulated depreciation and amortization	(8,743)	(8,339)
	<u>20,320</u>	<u>19,931</u>
Purchase deposits for flight equipment	866	788
Capital leases—		
Flight equipment	1,497	1,527
Other property and equipment	331	332
	<u>1,828</u>	<u>1,859</u>
Less—Accumulated amortization	(1,008)	(998)
	<u>820</u>	<u>861</u>
	<u>22,006</u>	<u>21,580</u>
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2016—\$1,167; 2015—\$1,144)	4,112	4,136
Deferred income taxes	1,800	2,037
Restricted cash	162	204
Other, net	546	553
	<u>11,143</u>	<u>11,453</u>
	<u>\$ 40,373</u>	<u>\$ 40,861</u>

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

	<b>(Unaudited)</b>	
	<b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Advance ticket sales	\$ 4,958	\$ 3,753
Frequent flyer deferred revenue	2,098	2,117
Accounts payable	2,065	1,869
Accrued salaries and benefits	1,822	2,350
Current maturities of long-term debt	1,295	1,224
Current maturities of capital leases	114	135
Fuel derivative instruments	32	124
Other	996	842
	<u>13,380</u>	<u>12,414</u>
Long-term debt	9,472	9,673
Long-term obligations under capital leases	725	727
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,884	2,826
Postretirement benefit liability	1,879	1,882
Pension liability	1,469	1,488
Advanced purchase of miles	871	1,010
Lease fair value adjustment, net	336	359
Other	1,517	1,516
	<u>8,956</u>	<u>9,081</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock at par, \$0.01 par value; authorized 1,000,000,000 shares; outstanding 339,304,625 and 364,609,108 shares at March 31, 2016 and December 31, 2015, respectively	4	4
Additional capital invested	7,956	7,946
Retained earnings	3,770	3,457
Stock held in treasury, at cost	(3,113)	(1,610)
Accumulated other comprehensive loss	(777)	(831)
	<u>7,840</u>	<u>8,966</u>
	<u>\$ 40,373</u>	<u>\$ 40,861</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>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash Flows from Operating Activities:</b>		
Net cash provided by operating activities	\$ 1,199	\$ 1,825
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(816)	(210)
Purchases of short-term and other investments	(638)	(633)
Proceeds from sale of short-term and other investments	653	762
Investment in and loans to affiliates	(40)	—
Decrease in restricted cash	26	19
Proceeds from sale of property and equipment	17	17
Other	1	—
Net cash used in investing activities	(797)	(45)
<b>Cash Flows from Financing Activities:</b>		
Payments of long-term debt	(227)	(296)
Repurchases of common stock	(1,392)	(195)
Proceeds from issuance of long-term debt	42	100
Principal payments under capital leases	(34)	(24)
Other, net	(2)	(15)
Net cash used in financing activities	(1,613)	(430)
Net (decrease) increase in cash and cash equivalents	(1,211)	1,350
Cash and cash equivalents at beginning of the period	3,006	2,002
Cash and cash equivalents at end of the period	<u>\$ 1,795</u>	<u>\$ 3,352</u>
<b>Investing and Financing Activities Not Affecting Cash:</b>		
Property and equipment acquired through the issuance of debt	\$ 59	\$ 599
Airport construction financing	9	—
Operating lease conversions to capital lease	7	—
Exchanges of certain convertible notes for common stock	—	201

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)**

	<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Operating revenue:</b>		
Passenger—Mainline	\$ 5,577	\$ 5,938
Passenger—Regional	1,413	1,482
Total passenger revenue	6,990	7,420
Cargo	194	242
Other operating revenue	1,011	946
	<u>8,195</u>	<u>8,608</u>
<b>Operating expense:</b>		
Salaries and related costs	2,490	2,301
Aircraft fuel	1,218	1,864
Landing fees and other rent	525	543
Regional capacity purchase	522	570
Depreciation and amortization	479	429
Aircraft maintenance materials and outside repairs	402	397
Distribution expenses	303	312
Aircraft rent	178	201
Special charges (Note 10)	190	64
Other operating expenses	1,238	1,186
	<u>7,545</u>	<u>7,867</u>
<b>Operating income</b>	<b>650</b>	<b>741</b>
<b>Nonoperating income (expense):</b>		
Interest expense	(159)	(173)
Interest capitalized	14	12
Interest income	8	5
Miscellaneous, net (Note 10)	(18)	(74)
	<u>(155)</u>	<u>(230)</u>
<b>Income before income taxes</b>	<b>495</b>	<b>511</b>
<b>Income tax expense</b>	<b>181</b>	<b>2</b>
<b>Net income</b>	<b>\$ 314</b>	<b>\$ 509</b>

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)**

	<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Net income	\$ 314	\$ 509
Other comprehensive income (loss), net change related to:		
Fuel derivative financial instruments	78	86
Employee benefit plans	(24)	2
Investments and other	—	14
	<u>54</u>	<u>102</u>
Total comprehensive income, net	<u>\$ 368</u>	<u>\$ 611</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) March 31, 2016	December 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,789	\$ 3,000
Short-term investments	2,177	2,190
Receivables, less allowance for doubtful accounts (2016—\$11; 2015—\$18)	1,581	1,128
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2016—\$249; 2015—\$235)	759	738
Prepaid expenses and other	961	813
	<u>7,267</u>	<u>7,869</u>
Operating property and equipment:		
Owned—		
Flight equipment	24,348	23,728
Other property and equipment	4,715	4,542
	<u>29,063</u>	<u>28,270</u>
Less—Accumulated depreciation and amortization	(8,743)	(8,339)
	<u>20,320</u>	<u>19,931</u>
Purchase deposits for flight equipment	866	788
Capital leases—		
Flight equipment	1,497	1,527
Other property and equipment	331	332
	<u>1,828</u>	<u>1,859</u>
Less—Accumulated amortization	(1,008)	(998)
	<u>820</u>	<u>861</u>
	<u>22,006</u>	<u>21,580</u>
Other assets:		
Goodwill	4,523	4,523
Intangibles, less accumulated amortization (2016—\$1,167; 2015—\$1,144)	4,112	4,136
Deferred income taxes	1,759	1,995
Restricted cash	162	204
Other, net	544	554
	<u>11,100</u>	<u>11,412</u>
	<u>\$ 40,373</u>	<u>\$ 40,861</u>

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

	<b>(Unaudited)</b> <b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
Current liabilities:		
Advance ticket sales	\$ 4,958	\$ 3,753
Frequent flyer deferred revenue	2,098	2,117
Accounts payable	2,069	1,874
Accrued salaries and benefits	1,822	2,350
Current maturities of long-term debt	1,295	1,224
Current maturities of capital leases	114	135
Fuel derivative instruments	32	124
Other	996	840
	<u>13,384</u>	<u>12,417</u>
Long-term debt	9,472	9,673
Long-term obligations under capital leases	725	727
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	2,884	2,826
Postretirement benefit liability	1,879	1,882
Pension liability	1,469	1,488
Advanced purchase of miles	871	1,010
Lease fair value adjustment, net	336	359
Other	1,517	1,516
	<u>8,956</u>	<u>9,081</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 March 31, 2016 and December 31, 2015	—	—
Additional capital invested	4,648	6,138
Retained earnings	3,987	3,673
Accumulated other comprehensive loss	(777)	(831)
Receivable from related parties	(22)	(17)
	<u>7,836</u>	<u>8,963</u>
	<u>\$ 40,373</u>	<u>\$ 40,861</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>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Cash Flows from Operating Activities:</b>		
Net cash provided by operating activities	\$ 1,195	\$ 1,816
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	(816)	(210)
Purchases of short-term investments and other investments	(638)	(633)
Proceeds from sale of short-term and other investments	653	762
Investment in and loans to affiliates	(40)	—
Decrease in restricted cash	26	19
Proceeds from sale of property and equipment	17	17
Other	1	—
Net cash used in investing activities	(797)	(45)
<b>Cash Flows from Financing Activities:</b>		
Payments of long-term debt	(227)	(296)
Dividend to UAL	(1,392)	(195)
Proceeds from issuance of long-term debt	42	100
Principal payments under capital leases	(34)	(24)
Other, net	2	(6)
Net cash used in financing activities	(1,609)	(421)
Net (decrease) increase in cash and cash equivalents	(1,211)	1,350
Cash and cash equivalents at beginning of the period	3,000	1,996
Cash and cash equivalents at end of the period	\$ 1,789	\$ 3,346
<b>Investing and Financing Activities Not Affecting Cash:</b>		
Property and equipment acquired through the issuance of debt	\$ 59	\$ 599
Airport construction financing	9	—
Operating lease conversions to capital lease	7	—

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, 2015. 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 - SIGNIFICANT ACCOUNTING POLICIES**

*Recently Issued Accounting Standards.* In March 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* as part of its simplification initiative, which involves several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. The Company is evaluating the impact the adoption of this standard will have on its consolidated financial statements.

In February 2016, the FASB amended the FASB Accounting Standards Codification and created a new Topic 842, *Leases*. The final 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. The Company is evaluating the impact the adoption of this standard will have on its consolidated financial statements.

The 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, and is effective for annual and interim reporting periods beginning after December 15, 2017. Under the new standard, certain airline ancillary fees directly related to passenger revenue tickets, such as airline change fees and baggage fees, are likely to no longer be considered distinct performance obligations separate from the passenger travel component. In addition, the change fees which were previously recognized when received, will likely be recognized when transportation is provided. The Company is evaluating other possible impacts on its consolidated financial statements.

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## [Table of Contents](#)

The FASB issued Accounting Standards Update No. 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. Under the standard, investments for which fair value is measured at net asset value (“NAV”) per share (or its equivalent) using the practical expedient will no longer be categorized in the fair value hierarchy. The Company adopted this standard on January 1, 2016. As of March 31, 2016, the Company had approximately \$201 million of such investments as part of its Short-term investments balance sheet total. In addition, pension plan investments measured at NAV per share will no longer be categorized within the fair value hierarchy. As of March 31, 2016, the Company had approximately \$1.6 billion of such investments.

[Table of Contents](#)**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):

	<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Basic earnings per share:</b>		
Earnings available to common stockholders	\$ 313	\$ 508
Basic weighted-average shares outstanding	354	382
Earnings per share, basic	\$ 0.88	\$ 1.33
<b>Diluted earnings per share:</b>		
Earnings available to common stockholders including the effect of dilutive securities	\$ 313	\$ 508
<b>Diluted shares outstanding:</b>		
Basic weighted-average shares outstanding	354	382
Effect of convertible notes	—	1
Effect of employee stock awards	1	1
Diluted weighted-average shares outstanding	355	384
Earnings per share, diluted	\$ 0.88	\$ 1.32

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

In the three months ended March 31, 2016, UAL repurchased 27 million shares of UAL common stock in open market transactions for \$1.5 billion, of which \$0.1 billion settled in April 2016. As of March 31, 2016, the Company had \$948 million remaining to purchase shares under its share repurchase program (the "2015 Program"). The Company expects to complete its repurchases under the 2015 Program by September 30, 2016. 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.

[Table of Contents](#)

**NOTE 3 - ACCUMULATED OTHER COMPREHENSIVE LOSS**

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

UAL	Pension and Other			Deferred Taxes		Total
	Postretirement Liabilities	Derivative Contracts	Investments and Other	Pension and Other Postretirement Liabilities	Derivative Contracts	
Balance at December 31, 2015	\$ (363)	\$ (215)	\$ 3	\$ (154)	\$ (102)	\$ (831)
Changes in value	(43)	(16)	—	16	6	(37)
Amounts reclassified to earnings	5	138	—	(2)	(50)	91
Net change	(38)	122	—	14	(44)	54
Balance at March 31, 2016	\$ (401)	\$ (93)	\$ 3	\$ (140)	\$ (146)	\$ (777)
Balance at December 31, 2014	\$ (472)	\$ (499)	\$ 7	\$ (115)	\$ — (b)	\$ (1,079)
Changes in value (a)	(8)	(75)	15	—	—	(68)
Amounts reclassified to earnings (a)	10	161	(1)	—	—	170
Net change	2	86	14	—	—	102
Balance at March 31, 2015	\$ (470)	\$ (413)	\$ 21	\$ (115)	\$ —	\$ (977)

**Details about AOCI Components**

	Amount Reclassified from AOCI to Income		Affected Line Item in the Statements of Consolidated Operations
	Three Months Ended March 31,		
	2016	2015	
Derivatives designated as cash flow hedges			
Fuel contracts-reclassifications of losses into earnings	\$ 138	\$ 161	Aircraft fuel
Amortization of pension and post-retirement items			
Amortization of unrecognized losses and prior service cost (credit) (c)	5	10	Salaries and related costs
Investments and other			
Available-for-sale securities-reclassifications of gains into earnings	—	(1)	Miscellaneous, net

(a) Income tax expense for these items was offset by the Company's valuation allowance.

(b) Deferred tax balance was offset by the Company's valuation allowance.

(c) 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 months ended March 31, 2016 was 36.6%, which represented a blend of federal, state and foreign taxes and the impact of certain nondeductible items. The effective rate for the three months ended March 31, 2015 was 0.5% due primarily to the existing income tax valuation allowance against deferred income tax assets, primarily net operating losses. During 2015, after considering all positive and negative evidence, the Company concluded that its deferred income taxes would be more likely than not to be realized. The Company released substantially all of its valuation allowance in 2015.

**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	
	March 31,		March 31,	
	2016	2015	2016	2015
Service cost	\$ 28	\$ 31	\$ 4	\$ 5
Interest cost	51	50	22	20
Expected return on plan assets	(54)	(49)	—	—
Amortization of unrecognized (gain) loss and prior service cost (credit)	18	22	(13)	(13)
Settlement loss	1	1	—	—
Total	\$ 44	\$ 55	\$ 13	\$ 12

During the three months ended March 31, 2016, the Company contributed \$80 million to its U.S. domestic tax-qualified defined benefit pension plans.

**Share-Based Compensation.** The Company generally grants incentive compensation awards, including long-term equity-based awards, during the first quarter of the calendar year. During the three months ended March 31, 2016, UAL granted share-based compensation awards pursuant to the United Continental Holdings, Inc. 2008 Incentive Compensation Plan. These share-based compensation awards include approximately 0.3 million shares of restricted stock and 0.8 million restricted stock units ("RSUs") that vest pro-rata over three years on the anniversary of the grant date. The time-vested RSUs are stock-settled for domestic employees and cash-settled based on the 20-day average closing price of UAL common stock immediately prior to the vesting date for international employees. The Company also granted 0.6 million performance-based RSUs that will vest based on the Company's return on invested capital and the Company's relative improvement in pre-tax margin for the three years ending December 31, 2018. If these performance conditions are 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 stock-settled RSUs as equity awards and the cash-settled RSUs as liability awards.

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

	Three Months Ended March 31,	
	2016	2015
Share-based compensation expense	\$ 10	\$ 17
	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Unrecognized share-based compensation	\$ 93	\$ 41

**Profit Sharing Plans.** Substantially all employees participate in profit sharing based on a percentage of pre-tax earnings, excluding special items, 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

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[Table of Contents](#)

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 the Company's financial statements (in millions):

	March 31, 2016				December 31, 2015			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 1,795	\$ 1,795	\$ —	\$ —	\$ 3,006	\$ 3,006	\$ —	\$ —
Short-term investments:								
Corporate debt	859	—	859	—	891	—	891	—
Asset-backed securities	725	—	725	—	710	—	710	—
Certificates of deposit placed through an account registry service ("CDARS")	250	—	250	—	281	—	281	—
U.S. government and agency notes	105	—	105	—	72	—	72	—
Auction rate securities	9	—	—	9	9	—	—	9
Other fixed-income securities	28	—	28	—	26	—	26	—
Other investments measured at NAV (a)	201	—	—	—	201	—	—	—
Enhanced equipment trust certificates ("EETC")	24	—	—	24	26	—	—	26
Fuel derivatives liability, net	32	—	32	—	124	—	124	—
Foreign currency derivatives liability, net	1	—	1	—	—	—	—	—
Restricted cash	180	180	—	—	206	206	—	—

Note: Amounts for UAL and United are substantially the same as of March 31, 2016 and December 31, 2015.

(a) 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 this table 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.

**Available-for-sale investment maturities** - The short-term investments shown in the table above are classified as available-for-sale. As of March 31, 2016, asset-backed securities have remaining maturities of less than one year to approximately 34 years, corporate debt securities have remaining maturities of less than one year to approximately six 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.

Derivative instruments and investments presented in the tables 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	March 31, 2016				Carrying Amount	December 31, 2015			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Long-term debt	\$ 10,767	\$ 11,180	\$ —	\$ 8,309	\$ 2,871	\$ 10,897	\$ 11,371	\$ —	\$ 8,646	\$ 2,725

## [Table of Contents](#)

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

<b>Description</b>	<b>Fair Value Methodology</b>
<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 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, (c) internally-developed models of the expected future cash flows related to the securities, or (d) broker quotes obtained by third-party valuation services.
<i>Fuel derivatives</i>	Derivative contracts are privately negotiated contracts and are not exchange traded. Fair value measurements are estimated with option pricing models that employ observable inputs. Inputs to the valuation models include contractual terms, market prices, yield curves, fuel price curves and measures of volatility, among others.
<i>Foreign currency derivatives</i>	Fair value is determined with a formula utilizing observable inputs. Significant inputs to the valuation models include contractual terms, risk-free interest rates and forward exchange rates.
<i>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.

### **NOTE 7 - HEDGING ACTIVITIES**

#### ***Fuel Derivatives***

The Company may hedge a portion of its future fuel requirements to protect against increases in the price of fuel. The Company may restructure hedges in response to market conditions prior to their original settlement dates which may result in changes in hedge coverage levels and the potential recognition of gains or losses on such hedge contracts. As of March 31, 2016, the Company had hedged approximately 12% of its projected fuel requirements (378 million gallons) for the remainder of 2016 with commonly used financial hedge instruments based on aircraft fuel or crude oil. As of March 31, 2016, the Company had fuel hedges expiring through December 2016.

As required, the Company assesses the effectiveness of each of its individual hedges on a quarterly basis. The Company also examines the effectiveness of its entire hedging program on a quarterly basis utilizing statistical analysis. This analysis involves utilizing regression and other statistical analyses that compare changes in the price of aircraft fuel to changes in the prices of the commodities used for hedging purposes.

Upon proper qualification, the Company accounts for certain fuel derivative instruments as cash flow hedges. All derivatives designated as hedges that meet certain requirements are granted hedge accounting treatment. The types of instruments the Company utilizes that qualify for hedge accounting treatment typically include swaps, call options, collars (which consist of a purchased call option and a sold put option), four-way collars (a collar with a higher strike sold call option and a lower strike purchased put option) and other combinations of options. Generally, utilizing hedge accounting, all periodic changes in the fair value of derivatives designated as hedges that are considered to be effective are recorded in AOCI until the underlying fuel is consumed and recorded in fuel expense. The Company is exposed to the risk that its hedges may not be effective in offsetting changes in the cost of fuel and that its hedges may not continue to qualify for hedge accounting. Hedge ineffectiveness results when the change in the fair value of the derivative instrument exceeds the change in the value of the Company's expected future cash outlay to purchase and consume fuel. To the extent that the periodic changes in the fair value of the derivatives are not effective, that ineffectiveness is classified as Nonoperating income (expense): Miscellaneous, net in the statements of consolidated operations.

The Company also uses certain combinations of derivative contracts that are economic hedges but do not qualify for hedge accounting under GAAP. Additionally, the Company may enter into contracts at different times and later combine those contracts into structures designated for hedge accounting. As with derivatives that qualify for hedge accounting, the economic hedges and individual contracts are part of the Company's program to mitigate the adverse financial impact of potential increases in the price of fuel. The Company records changes in the fair value of these various contracts that are not designated for hedge accounting to Nonoperating income (expense): Miscellaneous, net in the statements of consolidated operations.

## [Table of Contents](#)

If the Company settles a derivative prior to its contractual settlement date, then the cumulative gain or loss recognized in AOCI at the termination date remains in AOCI until the forecasted transaction occurs. In a situation where it becomes probable that a hedged forecasted transaction will not occur, any gains and/or losses that have been recorded to AOCI would be required to be immediately reclassified into earnings. All cash flows associated with purchasing and settling derivatives are classified as operating cash flows in the condensed statements of consolidated cash flows.

In addition to cash flow hedges, the Company from time to time enters into fair value hedges related to its aircraft fuel inventory using derivatives such as swaps and futures contracts based on aircraft fuel. Under fair value hedge accounting, the Company records changes in the fair value of both the hedging derivative and the hedged aircraft fuel inventory as fuel expense. The Company records ineffectiveness on fair value hedges as Nonoperating income (expense): Miscellaneous, net in the statements of consolidated operations. As of March 31, 2016, the Company did not have any fair value hedges in place.

The Company records each derivative instrument as a derivative asset or liability (on a gross basis) in its consolidated balance sheets, and, accordingly, records any related collateral on a gross basis. The table below presents the fair value amounts of fuel derivative assets and liabilities and the location of amounts recognized in the Company's financial statements.

The Company's derivatives were reported in its consolidated balance sheets as follows (in millions):

<u>Classification</u>	<u>Balance Sheet Location</u>	<u>March 31, 2016</u>	<u>December 31, 2015</u>
<b><u>Derivatives designated as cash flow hedges</u></b>			
<i>Liabilities:</i>			
Fuel contracts due within one year	Fuel derivative instruments	\$ 32	\$ 119
<b><u>Derivatives not designated for hedge accounting</u></b>			
<i>Liabilities:</i>			
Fuel contracts due within one year	Fuel derivative instruments	\$ —	\$ 5
<b><u>Total derivatives</u></b>			
Total liabilities		<u>\$ 32</u>	<u>\$ 124</u>

### ***Derivative Credit Risk and Fair Value***

The Company is exposed to credit losses in the event of non-performance by counterparties to its derivative instruments. While the Company records derivative instruments on a gross basis, the Company monitors its net derivative position with each counterparty to monitor credit risk. Based on the fair value of our fuel derivative instruments, our counterparties may require us to post collateral when the price of the underlying commodity decreases, and we may require our counterparties to provide us with collateral when the price of the underlying commodity increases. The Company did not hold or post collateral as of March 31, 2016. The Company had on deposit \$26 million of collateral with fuel derivative counterparties as of December 31, 2015. The collateral is recorded as Prepaid expenses and other on the Company's balance sheets.

We have master trading agreements with all of our fuel hedging counterparties that allow us to net our fuel hedge derivative positions. We have elected not to net the fair value positions recorded on our consolidated balance sheets. The following table shows the potential net fair value positions (including fuel derivatives and related collateral) had we elected to offset. The table reflects offset at the counterparty level (in millions):

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
Fuel derivative instruments, net of collateral	\$ 32	\$ 98

## [Table of Contents](#)

The following tables present 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 Loss Recognized in AOCI on Derivatives (Effective Portion)		Loss Reclassified from AOCI into Fuel Expense		Amount of Loss Recognized in Nonoperating income (expense): Miscellaneous, net (Ineffective Portion)	
	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2016	2015	2016	2015	2016	2015
Fuel contracts	\$ (16)	\$ (75)	\$ (138)	\$ (161)	\$ —	\$ —

### Derivatives not designated for hedge accounting

#### Fuel contracts

	Three Months Ended March 31,	
	2016	2015
Amount of loss recognized in Nonoperating income (expense): Miscellaneous, net	\$ —	\$ (43)

### *Foreign Currency Derivatives*

The Company generates revenues and incurs expenses in numerous foreign currencies. Changes in foreign currency exchange rates impact the Company's results of operations through changes in the dollar value of foreign currency-denominated operating revenues and expenses. Some of the Company's more significant foreign currency exposures include the Canadian dollar, Chinese renminbi, European euro, British pound and Japanese yen. At times, the Company uses derivative financial instruments, such as options, collars and forward contracts, to hedge its exposure to foreign currency. At March 31, 2016, the Company had foreign currency derivative contracts in place to hedge both European euro denominated sales and Japanese yen denominated sales. The notional amount of the hedges equates to 22% of the Company's projected European euro denominated net cash inflows for the remainder of 2016; and 17% of the Company's projected Japanese yen denominated net cash inflows for the remainder of 2016. Net cash relates primarily to passenger ticket sales inflows, partially offset by expenses paid in local currencies. At March 31, 2016, the fair value of the Company's foreign currency derivatives was a liability of \$1 million.

### NOTE 8 - COMMITMENTS AND CONTINGENCIES

**Commitments.** As of March 31, 2016, United had firm commitments and options to purchase aircraft from The Boeing Company ("Boeing"), Embraer S.A. ("Embraer") and Airbus S.A.S. ("Airbus") presented in the table below:

Aircraft Type	Number of Firm Commitments (a)
Airbus A350-1000	35
Boeing 737NG/737 MAX 9	178
Boeing 777-300ER	14
Boeing 787-8/-9/-10	23
Embraer E175	9

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

The aircraft listed in the table above are scheduled for delivery through 2024. For the remainder of 2016, United expects to take delivery of 13 Boeing 737NG aircraft, one Boeing 777-300ER aircraft, two Boeing 787-9 aircraft and nine Embraer E175 aircraft. United expects to assign the nine Embraer E175 aircraft immediately prior to each aircraft's delivery by Embraer to a designated United Express operator.

## [Table of Contents](#)

As of March 31, 2016, United has 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.

The table below summarizes United's commitments as of March 31, 2016, which primarily relate to the acquisition of aircraft and related spare engines, aircraft improvements and include other commitments primarily to acquire information technology services and assets. 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.

	(in billions)	
Last nine months of 2016	\$	2.9
2017		3.9
2018		3.9
2019		3.2
2020		2.4
After 2020		6.9
	\$	23.2

In March 2016, the Company announced that it will retire its fleet of Boeing 747 aircraft from scheduled service by the end of 2018. The Company does not expect there to be a material impact to depreciation and amortization expense.

**Guarantees.** As of March 31, 2016, 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 \$316 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, 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 March 31, 2016, the Company had \$2.4 billion of floating rate debt and \$111 million of fixed rate debt, with remaining terms of up to 12 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 12 years and an aggregate balance of \$2.5 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.

**Labor Negotiations.** As of March 31, 2016, United had approximately 86,000 active employees, of whom approximately 80% were represented by various labor organizations.

In January 2016, United's pilots, represented by the Air Line Pilots Association, International, agreed to extend their contract through January 31, 2019. In March 2016, the Company's dispatchers, represented by the Professional Airline Flight Control Association, agreed to extend their current contract through 2021. In April 2016, the fleet service, passenger service, storekeeper and other employees represented by the Int'l Association of Machinists and Aerospace Workers ("IAM") ratified seven new contracts with the Company which extended the contracts through 2021. The Company continues to negotiate in mediation for a joint flight attendant collective bargaining agreement and a joint technician and related employees' collective bargaining agreement. See Note 10 of this report for additional information.

### **NOTE 9 - DEBT**

As of March 31, 2016, 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 March 31, 2016, UAL and United were in compliance with their debt covenants. As of March 31, 2016, United had its entire capacity of \$1.35 billion available under the revolving credit facility of the Company's 2013 Credit and Guaranty Agreement (the "Credit Agreement").

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## [Table of Contents](#)

**4.5% Convertible Notes due 2015.** At December 31, 2014, the remaining balance of these notes was \$202 million. In January 2015, the holders of substantially all of the remaining \$202 million principal amount of the 4.5% Convertible Notes due 2015 exercised their conversion option resulting in the issuance of 11 million shares of UAL common stock.

**6% Notes due 2026.** In the first quarter of 2015, UAL used cash to repurchase \$18 million par value 6% Notes due 2026 (the “2026 Notes”) in market transactions. On April 1, 2015, UAL used cash to redeem, at par, the remaining \$303 million balance of the 2026 Notes.

**6% Notes due 2028.** In the first quarter of 2015, UAL used cash to repurchase \$13 million par value 6% Notes due 2028 (the “2028 Notes”) in market transactions. On May 1, 2015, UAL used cash to redeem, at par, the remaining \$298 million balance of the 2028 Notes.

**EETCs.** In the first quarter of 2015, United issued \$0.7 billion of debt related to a 2014 EETC offering to finance new aircraft.



[Table of Contents](#)**NOTE 10 - SPECIAL CHARGES**

For the three months ended March 31, special charges consisted of the following (in millions):

	<b>Three Months Ended March 31,</b>	
	<b>2016</b>	<b>2015</b>
Operating:		
Labor agreement costs	\$ 100	\$ —
Cleveland airport lease restructuring	74	—
Severance and benefit costs	8	50
(Gains) losses on sale of assets and other special charges	8	14
Special charges	<u>190</u>	<u>64</u>
Nonoperating and income taxes:		
Loss on extinguishment of debt and other	8	6
Income tax benefit related to special charges	(72)	—
Total special charges, net of tax	<u>\$ 126</u>	<u>\$ 70</u>

The fleet service, passenger service, storekeeper and other employees represented by the IAM ratified seven new contracts with the Company which extended the contracts through 2021. The Company recorded a \$100 million (\$64 million net of taxes) special charge for bonus payments to be made in conjunction with the ratification of these contracts.

During the three months ended March 31, 2016, the City of Cleveland agreed to amend the lease, which runs through 2029, associated with certain excess airport terminal space (principally Terminal D) and related facilities at Hopkins International Airport (“Cleveland”). 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 reduced its flight operations at Cleveland in 2014 and had been evaluating its options for the excess space. The Company recorded a net charge of \$74 million (\$47 million net of taxes) related to the amended lease.

During the three months ended March 31, 2016 and 2015, the Company recorded \$8 million (\$5 million net of taxes) and \$50 million, respectively, of severance and benefit costs primarily related to a voluntary early-out program for its flight attendants. In 2014, more than 2,500 flight attendants 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 the end of 2016.

During the three months ended March 31, 2016, the Company recorded \$8 million of losses due to exchange rate changes in Venezuela applicable to funds held in local currency.

During the three months ended March 31, 2015, the Company recorded \$18 million of integration-related charges, \$5 million of other charges, and approximately \$9 million of gains on the sale of assets.

During the three months ended March 31, 2015, the Company recorded \$6 million of losses as part of Nonoperating income (expense): Miscellaneous, net due to the write-off of the debt discount related to the redemption of the 2026 Notes and 2028 Notes.

In April 2016, the Federal Aviation Administration (“FAA”) announced that it will designate Newark Liberty International Airport (“Newark”) as a Level 2 schedule-facilitated airport under the International Air Transport Association Worldwide Slot Guidelines effective October 30, 2016. Newark is currently designated as a Level 3 slot-controlled airport. The Company is evaluating the impact, if any, of the change in designation on its \$412 million intangible asset related to its Newark slots. Further, the Newark slots serve as part of the collateral for the term loans under the Credit Agreement and under the security agreements related to the Second Amended and Restated Co-Branded Card Marketing Services Agreement with Chase Bank USA, N.A. The Company is evaluating the impact of the FAA’s action on the Newark slot collateral for the term loans and to the extent necessary, the Company will substitute other collateral.

## [Table of Contents](#)

### **Accruals**

The accrual balance for severance and benefits was \$29 million as of March 31, 2016, compared to \$96 million as of March 31, 2015. The severance-related accrual as of March 31, 2016 is expected to be mostly paid through 2016. The following is a reconciliation of severance accrual activity for the period:

	<b>Severance and Benefits</b>
Balance at December 31, 2015	\$ 27
Accrual	8
Payments	(6)
Balance at March 31, 2016	<u>\$ 29</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. 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 an average of 5,000 flights a day to 336 airports across six continents.

### **First Quarter Financial Highlights**

- First quarter 2016 net income was \$313 million, or \$0.88 diluted earnings per share. First quarter 2016 Non-GAAP net income was \$435 million, or \$1.23 diluted earnings per share, which excludes \$126 million of special charges and reflects \$4 million of "Hedge Program Adjustments." See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information regarding special charges.
- Passenger revenue decreased 5.8% to \$7.0 billion during the first quarter of 2016 as compared to the first quarter of 2015.
- First quarter 2016 aircraft fuel cost, including the impact of fuel hedges designated for hedge accounting, decreased 34.7% year-over-year.
- Unrestricted liquidity at March 31, 2016 was \$5.3 billion, including \$1.35 billion of undrawn commitments under its revolving credit facility.
- UAL repurchased 27 million shares of UAL common stock in open market transactions for \$1.5 billion, of which \$0.1 billion settled in April 2016. As of March 31, 2016, the Company had \$948 million remaining to purchase shares under its share repurchase program (the "2015 Program"). The Company expects to complete its repurchases under the 2015 Program by September 30, 2016. 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.

### **First Quarter Operational Highlights**

- United reported a consolidated on-time arrival rate (domestic and international) of 66.5%, up more than 12 points from the same quarter last year.
- Consolidated traffic increased 0.3% and consolidated capacity increased 1.8% during the first quarter of 2016 as compared to the first quarter of 2015. The Company's load factor for the first quarter of 2016 was 79.9%.
- The Company took delivery of two Boeing 737-900ER aircraft, three Boeing 787-9 aircraft and one used Airbus A319 aircraft during the first quarter of 2016.

### **Outlook**

The Company expects full-year 2016 consolidated capacity to increase between 1.0% and 2.0% year-over-year. The Company expects full year 2016 cost per available seat mile ("CASM") excluding profit sharing, third-party business expense, fuel and special charges to be up between 2.0% and 3.0% year-over-year. Second quarter 2016 pre-tax margin is expected to be between 13.0% and 15.0%, excluding special charges. We are unable to project CASM or pre-tax margin on a GAAP basis, as defined below, as the nature and amount of special charges are not determinable at this time.

In the first quarter of 2016, United reached contract extensions with its pilots and dispatchers, and in April 2016, United also reached amended collective bargaining agreements with its Int'l Association of Machinists and Aerospace Workers ("IAM") represented employees and continues to negotiate in mediation for a joint flight attendant collective bargaining agreement and a joint technician and related employees' collective bargaining agreement. The cost associated with the ratification of the pilots' agreement added an additional approximate 1.5 points of non-fuel unit costs in the first-quarter and full-year 2016. There is no material impact to non-fuel unit costs in 2016 associated with the ratification of the dispatchers' or IAM's respective agreements. The Company cannot predict the outcome of negotiations with its unionized employee groups, although significant increases in the pay and benefits resulting from new collective bargaining agreements would have a material financial impact on the Company.

Since the summer of 2014, the price of jet fuel declined and remains volatile. Based on projected fuel consumption in 2016, a one dollar change in the price of a barrel of crude oil would change the Company's annual fuel expense by approximately \$93 million. To protect against increases in the prices of aircraft fuel, the Company may hedge a portion of its future fuel requirements.

### **RESULTS OF OPERATIONS**

The following discussion provides an analysis of results of operations and reasons for material changes therein for the three months ended March 31, 2016 as compared to the corresponding period in 2015. See "Reconciliation of GAAP to Non-GAAP Financial Measures" at the end of this item for additional information related to accounting principles generally accepted in the United States ("GAAP") and Non-GAAP financial measures used in this report.

[Table of Contents](#)

**First Quarter 2016 Compared to First Quarter 2015**

The Company recorded net income of \$313 million in the first quarter of 2016 as compared to net income of \$508 million in the first quarter of 2015. First quarter 2016 net income reflects \$181 million of income tax expense primarily due to the release of the income tax valuation allowance in the third quarter of 2015. Excluding special charges and with Hedge Program Adjustments, the Company had net income of \$435 million in the first quarter of 2016 as compared to net income of \$582 million in the first quarter of 2015. The Company considers a key measure of its performance to be operating income, which was \$649 million for the first quarter of 2016, as compared to \$741 million for the first quarter of 2015, a \$92 million decrease year-over-year. Significant components of the Company's operating results for the three months ended March 31 are as follows (in millions, except percentage changes):

	<b>2016</b>	<b>2015</b>	<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
Operating revenue	\$8,195	\$8,608	\$ (413)	(4.8)
Operating expense	7,546	7,867	(321)	(4.1)
Operating income	649	741	(92)	(12.4)
Nonoperating expense	(155)	(230)	(75)	(32.6)
Income tax expense	181	3	178	NM
Net income	<u>\$ 313</u>	<u>\$ 508</u>	<u>\$ (195)</u>	(38.4)

NM - Not meaningful

Certain consolidated statistical information for the Company's operations for the three months ended March 31 is as follows:

	<b>2016</b>	<b>2015</b>	<b>Increase (Decrease)</b>	<b>% Increase (Decrease)</b>
Passengers (thousands) (a)	32,087	31,522	565	1.8
Revenue passenger miles ("RPMs") (millions) (b)	46,582	46,444	138	0.3
Available seat miles ("ASMs") (millions) (c)	58,273	57,269	1,004	1.8
Passenger load factor (d)	79.9 %	81.1 %	(1.2)	N/A
Passenger revenue per available seat mile ("PRASM") (cents)	12.00	12.96	(0.96)	(7.4)
Average yield per revenue passenger mile ("Yield") (cents) (e)	15.01	15.98	(0.97)	(6.1)
CASM (cents)	12.95	13.74	(0.79)	(5.7)
Average price per gallon of fuel, including fuel taxes	\$ 1.37	\$ 2.08	\$ (0.71)	(34.1)
Fuel gallons consumed (millions)	890	896	(6)	(0.7)
Average full-time equivalent employees	82,500	81,700	800	1.0

(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 March 31 (in millions, except for percentage changes):

	<b>2016</b>	<b>2015</b>	<b>Increase (Decrease)</b>	<b>% Change</b>
Passenger—Mainline	\$5,577	\$5,938	\$ (361)	(6.1)
Passenger—Regional	1,413	1,482	(69)	(4.7)
Total passenger revenue	6,990	7,420	(430)	(5.8)
Cargo	194	242	(48)	(19.8)
Other operating revenue	1,011	946	65	6.9
	<u>\$8,195</u>	<u>\$8,608</u>	<u>\$ (413)</u>	(4.8)

## [Table of Contents](#)

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

	<u>Domestic</u>	<u>Pacific</u>	<u>Atlantic</u>	<u>Latin</u>	<u>Total Mainline</u>	<u>Regional</u>	<u>Consolidated</u>
Increase (decrease) from 2015:							
Passenger revenue (in millions)	\$ (83)	\$ (107)	\$ (141)	\$ (30)	\$ (361)	\$ (69)	\$ (430)
Passenger revenue	(2.8)%	(10.1)%	(11.9)%	(4.0)%	(6.1)%	(4.7)%	(5.8)%
Average fare per passenger	(7.0)%	(7.9)%	(4.0)%	(15.9)%	(9.9)%	(1.4)%	(7.5)%
Yield	(4.3)%	(7.8)%	(4.1)%	(15.1)%	(6.5)%	(3.7)%	(6.1)%
PRASM	(5.5)%	(9.4)%	(8.9)%	(14.5)%	(8.0)%	(4.1)%	(7.4)%
Passengers	4.5 %	(2.4)%	(8.2)%	14.2 %	4.2 %	(3.3)%	1.8 %
RPMs (traffic)	1.6 %	(2.5)%	(8.2)%	13.0 %	0.5 %	(1.0)%	0.3 %
ASMs (capacity)	2.8 %	(0.8)%	(3.3)%	12.3 %	2.1 %	(0.5)%	1.8 %
Passenger load factor (points)	(1.0)	(1.4)	(3.7)	0.5	(1.2)	(0.4)	(1.2)

Consolidated passenger revenue in the first quarter of 2016 decreased 5.8% as compared to the year-ago period due to a decrease in consolidated yield of 6.1% year-over-year. Yields were impacted by a competitive domestic fare environment, unfavorable foreign currency results due to the strengthening of the U.S. dollar, international surcharge declines and a larger than anticipated decrease in close-in business travel during the weeks surrounding the Easter holiday and spring break. The decline in yields was partially offset by a 0.3% and 1.8% year-over-year increase in traffic and capacity, respectively.

Cargo revenue decreased \$48 million, or 19.8%, in the first quarter of 2016 as compared to the year-ago period due to lower yields, partially offset by higher freight and mail volumes year-over-year. Yields were negatively impacted as air freighter competitors increased capacity in response to lower fuel prices. Another contributing factor to the year-over-year decrease was a U.S. West Coast port labor dispute that helped increase air freight results in the first quarter of 2015. The labor dispute was resolved during the first quarter of 2015.

Other operating revenue in the first quarter of 2016 increased \$65 million, or 6.9%, as compared to the year-ago period primarily due to the impact of the Second Amended and Restated Co-Branded Card Marketing Services Agreement with Chase Bank USA, N.A., which became effective in the third quarter of 2015.

### **Operating Expenses**

The table below includes data related to the Company's operating expenses for the three months ended March 31 (in millions, except for percentage changes):

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Salaries and related costs	\$2,490	\$2,301	\$ 189	8.2
Aircraft fuel	1,218	1,864	(646)	(34.7)
Landing fees and other rent	525	543	(18)	(3.3)
Regional capacity purchase	522	570	(48)	(8.4)
Depreciation and amortization	479	429	50	11.7
Aircraft maintenance materials and outside repairs	402	397	5	1.3
Distribution expenses	303	312	(9)	(2.9)
Aircraft rent	178	201	(23)	(11.4)
Special charges	190	64	126	NM
Other operating expenses	1,239	1,186	53	4.5
	<u>\$7,546</u>	<u>\$7,867</u>	<u>\$ (321)</u>	<u>(4.1)</u>

Salaries and related costs increased \$189 million, or 8.2%, in the first quarter of 2016 as compared to the year-ago period primarily due to higher pay rates and benefit expenses driven by the extension of the current collective bargaining agreement with the pilots, an increase in profit sharing primarily due to increased profitability and a 1.0% increase in average full-time equivalent employees.

## [Table of Contents](#)

Aircraft fuel expense decreased \$646 million, or 34.7%, year-over-year primarily due to a 34.1% decrease in the average price per gallon of aircraft fuel in the first quarter of 2016 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 March 31, 2016 as compared to the year-ago period:

	<u>(In millions)</u>			<u>Average price per gallon</u>		
	<u>2016</u>	<u>2015</u>	<u>% Change</u>	<u>2016</u>	<u>2015</u>	<u>% Change</u>
Total aircraft fuel purchase cost excluding fuel hedge impacts	\$1,080	\$1,703	(36.6)	\$ 1.21	\$ 1.90	(36.3)
Hedge losses reported in fuel expense	(138)	(161)	NM	(0.16)	(0.18)	NM
Fuel expense as reported	1,218	1,864	(34.7)	1.37	2.08	(34.1)
Cash paid on settled hedges that did not qualify for hedge accounting	(5)	(39)	NM	—	(0.04)	NM
Fuel expense including all gains (losses) from settled hedges	<u>\$1,223</u>	<u>\$1,903</u>	(35.7)	<u>\$ 1.37</u>	<u>\$ 2.12</u>	(35.4)
Total fuel consumption (gallons)	890	896	(0.7)			

Regional capacity purchase decreased \$48 million or 8.4% in the first quarter of 2016 as compared to the year-ago period primarily due to a decrease in regional capacity, a decrease in one-time start-up and exit costs and timing of pass-through maintenance costs, partially offset by contractual rate increases.

Depreciation and amortization increased \$50 million, or 11.7%, in the first quarter of 2016 as compared to the year-ago period primarily due to additions in new aircraft, aircraft improvements and conversions of operating leases to capital leases.

Aircraft rent decreased \$23 million, or 11.4%, in the first quarter of 2016 as compared to the year-ago period primarily due to the purchase or capital lease conversion of several operating leased aircraft, lower lease renewal rates for certain aircraft and lease expirations.

Details of the Company's special charges include the following for the three months ended March 31 (in millions):

	<u>2016</u>	<u>2015</u>
Labor agreement costs	\$100	\$ —
Cleveland airport lease restructuring	74	—
Severance and benefit costs	8	50
(Gains) losses on sale of assets and other special charges	8	14
Special charges	<u>\$190</u>	<u>\$ 64</u>

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

Other operating expenses increased \$53 million, or 4.5%, in the first quarter of 2016 as compared to the year-ago period primarily due to food and technology costs associated with the Company's enhanced customer experience initiatives, increases in ground handling costs due to higher rates at certain stations, and rate-driven increases in personnel-related expenses.

## [Table of Contents](#)

*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 March 31 (in millions, except for percentage changes):

	<u>2016</u>	<u>2015</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Interest expense	<u>\$ (159)</u>	<u>\$ (173)</u>	<u>\$ (14)</u>	<u>(8.1)</u>
Interest capitalized	<u>14</u>	<u>12</u>	<u>2</u>	<u>16.7</u>
Interest income	<u>8</u>	<u>5</u>	<u>3</u>	<u>60.0</u>
Miscellaneous, net	<u>(18)</u>	<u>(74)</u>	<u>(56)</u>	<u>(75.7)</u>
Total	<u><u>\$ (155)</u></u>	<u><u>\$ (230)</u></u>	<u><u>\$ (75)</u></u>	<u><u>(32.6)</u></u>

In the first quarter of 2016, Miscellaneous, net did not include any gains or losses from derivatives not qualifying for hedge accounting as compared to losses of \$43 million in the year-ago period. Foreign currency losses were approximately \$15 million and \$26 million in the first quarters of 2016 and 2015, respectively. The 2016 foreign currency loss includes \$8 million of losses due to exchange rate changes in Venezuela applicable to funds held in local currency. See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information.

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

## **LIQUIDITY AND CAPITAL RESOURCES**

### ***Current Liquidity***

As of March 31, 2016, the Company had \$4.0 billion in unrestricted cash, cash equivalents and short-term investments, as compared to \$5.2 billion at December 31, 2015. At March 31, 2016, the Company also had \$180 million of restricted cash and cash equivalents, which is primarily collateral for performance bonds, letters of credit, estimated future workers' compensation claims and credit card processing agreements. As of March 31, 2016, the Company had its entire commitment capacity of \$1.35 billion under the revolving credit facility of the Company's 2013 Credit and Guaranty Agreement (the "Credit Agreement") available for letters of credit or borrowings.

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 March 31, 2016, the Company had approximately \$11.6 billion of debt and capital lease obligations, including \$1.4 billion that will become due in the next 12 months. In addition, we have substantial noncancelable commitments for capital expenditures, including the acquisition of new aircraft and related spare engines. As of March 31, 2016, our current liabilities exceeded our current assets by approximately \$6.2 billion. However, approximately \$7.1 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.

The Company will continue to evaluate opportunities to prepay its debt, including open market repurchases, to reduce its indebtedness and related interest.

## Table of Contents

As of March 31, 2016, United had firm commitments and options to purchase aircraft from The Boeing Company (“Boeing”), Embraer S.A. (“Embraer”) and Airbus S.A.S. (“Airbus”) presented in the table below:

Aircraft Type	Number of Firm Commitments (a)
Airbus A350-1000	35
Boeing 737NG/737 MAX 9	178
Boeing 777-300ER	14
Boeing 787-8/-9/-10	23
Embraer E175	9

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

The aircraft listed in the table above are scheduled for delivery through 2024. For the remainder of 2016, United expects to take delivery of 13 Boeing 737NG aircraft, one Boeing 777-300ER aircraft, two Boeing 787-9 aircraft and nine Embraer E175 aircraft. United expects to assign the nine Embraer E175 aircraft immediately prior to each aircraft’s delivery by Embraer to a designated United Express operator.

As of March 31, 2016, United has 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 March 31, 2016, UAL and United have total capital commitments primarily related to the acquisition of aircraft and related spare engines, aircraft improvements and acquisition of information technology services and assets of approximately \$23.2 billion, of which approximately \$2.9 billion, \$3.9 billion, \$3.9 billion, \$3.2 billion, \$2.4 billion and \$6.9 billion are due in the last nine months of 2016 and for the full year for 2017, 2018, 2019, 2020 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 March 31, 2016, 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:

	S&P	Moody’s	Fitch
UAL	BB-	Ba3	BB-
United	BB-	*	BB-

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

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 for the three months ended March 31, 2016 was \$1.2 billion compared to \$1.8 billion in the same period in 2015. The decrease is primarily attributable to differences in working capital changes in the first quarter of 2016 versus the prior year. The following were significant working capital items in 2016: Cash flows decreased as the company paid approximately \$0.7 billion in profit sharing to qualified employees in 2016 (as compared to approximately \$0.2 billion in 2015). Further, credit card receivables increased by approximately \$0.2 billion as a result of a temporary cash transfer issue with a credit card company, which was resolved in April 2016. Frequent flyer deferred revenue and advanced purchase of miles decreased by approximately \$0.1 billion due to increased utilization of pre-purchased miles. These decreases from working capital items were partially offset by \$0.1 billion in lower pension obligation funding.

**Investing Activities.** Capital expenditures were \$0.8 billion and \$0.2 billion in the three months ended March 31, 2016 and 2015, respectively. Capital expenditures for the three months ended March 31, 2016 were primarily attributable to the purchase of aircraft, facility and fleet-related costs. In addition to capital expenditures during the three months ended March 31, 2016, we acquired one aircraft through the issuance of debt.



## [Table of Contents](#)

**Financing Activities.** During the three months ended March 31, 2016, the Company made debt and capital lease payments of \$261 million.

In January 2015, the holders of substantially all of the remaining \$202 million principal amount of United's 4.5% Convertible Notes due 2015 exercised their conversion option resulting in the issuance of 11 million shares of UAL common stock.

In the first quarter of 2015, UAL used cash to repurchase \$18 million par value 6% Notes due 2026 (the "2026 Notes") in market transactions. On April 1, 2015, UAL used cash to redeem, at par, the remaining \$303 million balance of the 2026 Notes.

In the first quarter of 2015, UAL used cash to repurchase \$13 million par value 6% Notes due 2028 (the "2028 Notes") in market transactions. On May 1, 2015, UAL used cash to redeem, at par, the remaining \$298 million balance of the 2028 Notes.

In the first quarter of 2015, United issued \$0.7 billion of debt related to a 2014 enhanced equipment trust certificates offering to finance new aircraft.

As of March 31, 2016, United had its entire capacity of \$1.35 billion available under the revolving credit facility of the Company's Credit Agreement. See Note 11 in the Annual Report on Form 10-K for the year ended December 31, 2015 (the "2015 Annual Report") for additional information on the terms of the Credit Agreement.

The obligations of United under the Credit Agreement are secured by liens on certain international route authorities between certain specified cities, certain take-off and landing rights and related assets of United. Certain covenants in the Credit Agreement and in the Company's indentures are summarized in Note 11 of the 2015 Annual Report. The Company was in compliance with all of these covenants as of March 31, 2016.

**Share Repurchase Program.** In the three months ended March 31, 2016, UAL repurchased 27 million shares of UAL common stock in open market transactions for \$1.5 billion, of which \$0.1 billion settled in April 2016. As of March 31, 2016, the Company had \$948 million remaining to purchase shares under the 2015 Program. The Company expects to complete its repurchases under the 2015 Program by September 30, 2016. 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 2015 Annual Report, the Company's liquidity may be adversely impacted by a variety of factors, including, but not limited to, obligations associated with fuel hedge settlements and related collateral requirements, pension funding obligations, reserve requirements associated with credit card processing agreements, guarantees, commitments and contingencies. See the 2015 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.

**Other.** In April 2016, the Federal Aviation Administration ("FAA") announced that it will designate Newark Liberty International Airport ("Newark") as a Level 2 schedule-facilitated airport under the International Air Transport Association Worldwide Slot Guidelines effective October 30, 2016. Newark is currently designated as a Level 3 slot-controlled airport. The Company is evaluating the impact, if any, of the change in designation on its \$412 million intangible asset related to its Newark slots. Further, the Newark slots serve as part of the collateral for the term loans under the Credit Agreement and under the Second Amended and Restated Co-Branded Card Marketing Services Agreement with Chase Bank USA, N.A. The Company is evaluating the impact of the FAA's action on the Newark slot collateral for the term loans and to the extent necessary, the Company will substitute other collateral.

## **RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES**

The Company evaluates its financial performance utilizing various GAAP and Non-GAAP financial measures, including CASM and Non-GAAP net income (net income excluding special charges and reflecting Hedge Program Adjustments). CASM is a common metric used in the airline industry to measure an airline's cost structure and efficiency. The Non-GAAP financial measures in this report are presented because they provide management and investors the ability to measure and monitor the

## [Table of Contents](#)

Company's performance on a consistent basis. The Company believes that adjusting for special charges is useful to investors because they are nonrecurring charges not indicative of UAL's ongoing performance. In addition, the Company believes that reflecting Hedge Program Adjustments is useful because the adjustments allow investors to better understand the cash impact of settled fuel derivative contracts in a given period. Reconciliations of net income and diluted earnings per share to the Non-GAAP financial measures of net income and diluted earnings per share, excluding special charges and reflecting Hedge Program Adjustments, for the three months ended March 31 are as follows in the tables below (in millions, except per share amounts):

	Three Months Ended March 31,			
	Net Income 2016	Diluted Earnings per Share 2016	Net Income 2015	Diluted Earnings per Share 2015
Net income—GAAP	\$ 313	\$ 0.88	\$ 508	\$ 1.32
Special charges, net of tax (a)	126	0.36	70	0.18
Mark-to-market losses from fuel derivative contracts settling in future periods	—	—	36	0.10
Prior period losses on fuel derivative contracts settled in the current period	(4)	(0.01)	(32)	(0.08)
Net income excluding special charges, net and reflecting Hedge Program Adjustments—Non-GAAP	\$ 435	\$ 1.23	\$ 582	\$ 1.52

(a) See Note 10 to the financial statements included in Part I, Item 1 of this report for additional information related to special charges, net.

### CRITICAL ACCOUNTING POLICIES

See "Critical Accounting Policies" in Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2015 Annual 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 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; its ability to maintain adequate liquidity; our ability to execute our operational plans and revenue-generating initiatives, including optimizing its revenue; our ability to control our costs, including realizing benefits from our resource optimization efforts, cost reduction initiatives and fleet replacement programs; our ability to utilize our net operating losses; our ability to attract and retain customers; 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 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

## [Table of Contents](#)

aircraft fuel and energy refining capacity in relevant markets); economic and political instability and other risks of doing business globally; its ability to cost-effectively hedge against increases in the price of aircraft fuel; 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; disruptions to our regional network; the costs and availability of aviation and other insurance; industry consolidation or changes in airline alliances; competitive pressures on pricing and on demand; its 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 the 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 UAL's Annual Report on Form 10-K, 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 2015 Annual Report except as follows:

**Aircraft Fuel.** As of March 31, 2016, the Company had hedged approximately 12% of its projected fuel requirements (378 million gallons) for the remainder of 2016 with commonly used financial hedge instruments based on aircraft fuel or crude oil. As of March 31, 2016, the Company had fuel hedges expiring through December 2016.

At March 31, 2016, fuel derivatives were in a net liability position of \$32 million. See Note 7 to the financial statements included in Part I, Item 1 of this report for additional information related to fuel hedges.

The fuel derivative portfolio is comprised of many individual derivative contracts (primarily option contracts) on multiple underlying commodities and entered into at various points in time, resulting in a wide range of strike prices with several hedge counterparties. The table below provides a view of the economic impact of the fuel derivative portfolio on the Company's fuel costs given significant moves (up to +/-30%) in market fuel prices from March 31, 2016 (in millions).

<u>Change in market fuel prices (a)</u>	<u>Period from April 1, 2016 to December 31, 2016</u>		
	<u>(Increase) decrease to unhedged fuel cost (b)</u>	<u>Fuel derivative gain (c)</u>	<u>Net (increase) decrease to fuel cost</u>
30%	\$ (1,060)	\$ 47	\$ (1,013)
20%	(707)	44	(663)
10%	(353)	15	(338)
(10)%	353	—	353
(20)%	707	—	707
(30)%	1,060	—	1,060

(a) Projected using equal shifts in spot and forward prices for aircraft fuel and crude oil underlying hedge contracts at March 31, 2016 levels.

(b) Projections based on an average forward price of \$1.16 per gallon, excluding taxes and other delivery costs and estimated consumption of 3.0 billion gallons for the nine months ending December 31, 2016.

(c) Change in projected cash gain/(loss) on existing fuel derivatives as of March 31, 2016. Includes all fuel derivatives whether or not the fuel derivatives are designated for hedge accounting. Within these price ranges, the Company would neither receive nor post collateral.

**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 acting Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The Company's management, including the Chief Executive Officer and acting 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 acting Chief Financial Officer of UAL and United have concluded that as of March 31, 2016, disclosure controls and procedures of each of UAL and United were effective.

***Changes in Internal Control over Financial Reporting during the Quarter Ended March 31, 2016***

During the three months ended March 31, 2016, 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 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 first quarter of fiscal year 2016:

Period	Total number of shares purchased (a)	Average price paid per share (b)	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)
January 1, 2016 through January 31, 2016	3,312,112	\$ 48.28	3,312,112	\$ 2,288
February 1, 2016 through February 29, 2016	9,316,774	51.17	9,316,774	1,812
March 1, 2016 through March 31, 2016	14,753,555	58.52	14,753,555	948
Total	<u>27,382,441</u>		<u>27,382,441</u>	

(a) On July 21, 2015, UAL's Board of Directors authorized a new \$3 billion 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. In the three months ended March 31, 2016, UAL repurchased 27 million shares of UAL common stock in open market transactions for \$1.5 billion, of which \$0.1 billion settled in April 2016. As of March 31, 2016, the Company had \$948 million remaining to purchase shares under the 2015 Program. The Company expects to complete its repurchases under the 2015 Program by September 30, 2016. UAL will repurchase shares of UAL common stock subject to prevailing market conditions, and may discontinue such repurchases at any time.

The table does not include shares withheld from employees to satisfy certain tax obligations due upon the vesting of restricted stock. The United Continental Holdings, Inc. 2008 Incentive Compensation Plan 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 60,275 shares were withheld under this plan in the first quarter of 2016 at an average share price of \$55.35.

(b) 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: April 21, 2016

By: /s/ Gerald Laderman

Gerald Laderman  
Senior Vice President Finance and acting Chief Financial  
Officer  
(principal financial officer)

Date: April 21, 2016

By: /s/ Chris Kenny

Chris Kenny  
Vice President and Controller  
(principal accounting officer)

United Airlines, Inc.  
(Registrant)

Date: April 21, 2016

By: /s/ Gerald Laderman

Gerald Laderman  
Senior Vice President Finance and acting Chief Financial  
Officer  
(principal financial officer)

Date: April 21, 2016

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>
3.1	UAL	Amended and Restated Bylaws of United Continental Holdings, Inc., adopted on February 18, 2016
^10.1	UAL United	Supplemental Agreement No. 5 to Purchase Agreement No. 03776, dated January 20, 2016, between The Boeing Company and United Airlines, Inc.
^10.2	UAL United	Supplemental Agreement No. 9 to Purchase Agreement No. 03784, dated January 20, 2016, between The Boeing Company and United Airlines, Inc.
^10.3	UAL United	Supplemental Agreement No. 6 to Purchase Agreement No. 03776, dated February 8, 2016, between The Boeing Company and United Airlines, Inc.
^10.4	UAL United	Supplemental Agreement No. 10 to Purchase Agreement No. 03784, dated February 8, 2016, between The Boeing Company and United Airlines, Inc.
^10.5	UAL United	Supplemental Agreement No. 7 to Purchase Agreement No. 3860, dated March 7, 2016, between The Boeing Company and United Airlines, Inc.
^10.6	UAL United	Supplemental Agreement No. 11 to Purchase Agreement Number No. 03784, dated March 7, 2016, between The Boeing Company and United Airlines, Inc.
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

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

**AMENDED AND RESTATED BYLAWS  
OF UNITED CONTINENTAL HOLDINGS, INC.**

**ARTICLE 1**

**Definitions**

As used in these Restated Bylaws, unless the context otherwise requires, the following terms shall have the following meanings:

1.1 “*Assistant Secretary*” means an Assistant Secretary of the Corporation.

1.2 “*Assistant Treasurer*” means an Assistant Treasurer of the Corporation.

1.3 “*Board*” means the Board of Directors of the Corporation.

1.4 “*Chairman*” means the Chairman of the Board.

1.5 “*Change in Ownership*” means any sale, disposition, transfer or issuance or series of sales, dispositions, transfers and/or issuances of shares of the capital stock by the Corporation or any holders thereof which results in any person or group of persons (as the term “group” is used under the Securities Exchange Act of 1934, as amended), other than the holders of Common Stock, owning capital stock of the Corporation possessing the voting power (under ordinary circumstances and without regard to cumulative voting rights) to elect a majority of the Board.

1.6 “*Chief Executive Officer*” means the Chief Executive Officer of the Corporation.

1.7 “*Common Stock*” means the Common Stock, par value \$0.01 per share, of the Corporation.

1.8 “*Corporation*” means United Continental Holdings, Inc.

1.9 “*DGCL*” means the General Corporation Law of the State of Delaware, as amended from time to time.

1.10 “*Director*” means a member of the Board.

1.11 “*Entire Board*” means all Directors who would be in office if there were no vacancies.

1.12 “*Entire Committee*” means, with respect to any committee, all members of such committee who would serve on such committee if there were no vacancies.

1.13 “*Fundamental Change*” means the occurrence of any of the following: (a) any sale, transfer or disposition of more than 50% of the property or assets of the Corporation and its subsidiaries on a consolidated basis (measured either by book value in accordance with generally accepted accounting principles consistently applied or by fair market value determined in the



reasonable good faith judgment of the Board) in any transaction or series of transactions (other than sales in the ordinary course of business) and (b) any merger or consolidation to which the Corporation is a party, except for (x) a merger which is effected solely to change the state of incorporation of the Corporation or (y) a merger in which the Corporation is the surviving person and, after giving effect to such merger, the holders of the capital stock of the Corporation as of the date immediately prior to the merger or consolidation shall continue to own the outstanding capital stock of the Corporation possessing the voting power (under ordinary circumstances) to elect a majority of the Board.

1.14 “*General Counsel*” means the General Counsel of the Corporation.

1.15 “*Preferred Stock*” means the Preferred Stock, without par value, of the Corporation.

1.16 “*President*” means the President of the Corporation.

1.17 “*Restated Certificate*” means the Restated Certificate of Incorporation of the Corporation, as amended from time to time.

1.18 “*Restated Bylaws*” means the Amended and Restated Bylaws of the Corporation, as amended from time to time.

1.19 “*Secretary*” means the Secretary of the Corporation.

1.20 “*Stockholders*” means the stockholders of the Corporation.

1.21 “*Treasurer*” means the Treasurer of the Corporation.

1.22 “*Union Directors*” means those directors of the Corporation elected by the holders of Class Pilot MEC Junior Preferred Stock and the Class IAM Junior Preferred Stock pursuant to Article Fourth, Parts II and III of the Restated Certificate.

1.23 “*Vice Chairman*” means a Vice Chairman of the Corporation.

1.24 “*Vice President*” means a Vice President of the Corporation.

## **ARTICLE 2**

### **Stockholders’ Meetings**

2.1 *Annual Meeting*. A meeting of Stockholders shall be held annually for the election of Directors and the transaction of other business at an hour and date as shall be determined by the Board and designated in the notice of meeting.

## 2.2 Special Meetings.

(a) A special meeting of the Stockholders may be called by (i) both the Chief Executive Officer and the Chairman or (ii) the Board, and at an hour and date as shall be determined by them.

(b) Subject to this Section 2.2 and other applicable provisions of these Restated Bylaws, a special meeting of Stockholders shall be called by the Secretary upon the written request (each such request, a “*Special Meeting Request*” and such meeting, a “*Stockholder Requested Special Meeting*”) of one or more Stockholders of record of the Corporation that together have continuously held, for their own account or on behalf of others, beneficial ownership of at least a twenty-five percent (25%) aggregate “net long position” of the outstanding Common Stock (the “*Requisite Percentage*”) for at least one year prior to the date such request is delivered to the Corporation (such period, the “*One-Year Period*”). For purposes of determining the Requisite Percentage, “net long position” shall be determined with respect to each requesting holder in accordance with the definition thereof set forth in Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the “*Exchange Act*”); *provided that* (x) for purposes of such definition, (A) “the date that a tender offer is first publicly announced or otherwise made known by the bidder to the holders of the security to be acquired” shall be the date of the relevant Special Meeting Request, (B) the “highest tender offer price or stated amount of the consideration offered for the subject security” shall refer to the closing sales price of Common Stock on the New York Stock Exchange (or any successor thereto) on such date (or, if such date is not a trading day, the next succeeding trading day), (C) the “person whose securities are the subject of the offer” shall refer to the Corporation, and (D) a “subject security” shall refer to the outstanding Common Stock; and (y) the net long position of such holder shall be reduced by the number of shares of Common Stock as to which such holder does not, or will not, have the right to vote or direct the vote at the Stockholder Requested Special Meeting or as to which such holder has, at any time during the One-Year Period, entered into any derivative or other agreement, arrangement or understanding that hedges or transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of such shares and which derivative or other agreement, arrangement or understanding remains in effect. Whether the requesting holders have submitted valid Special Meeting Requests representing the Requisite Percentage and complying with the requirements of this Section 2.2 and related provisions of these Restated Bylaws (a “*Valid Special Meeting Request*”) shall be determined in good faith by the Board, which determination shall be conclusive and binding on the Corporation and the Stockholders.

(c) In order for a Stockholder Requested Special Meeting to be called, one or more Special Meeting Requests must be signed by the Requisite Percentage of Stockholders submitting such request and by each of the beneficial owners, if any, on whose behalf the Special Meeting Request is being made and must be delivered to the Secretary. The Special Meeting Request(s) shall be delivered to the Secretary at the principal executive offices of the Corporation by nationally recognized private overnight courier service, return receipt requested. Each Special Meeting Request shall (i) set forth a statement of the specific purpose(s) of the requested special meeting and the matters proposed to be acted on at it, (ii) bear the date of signature of each such Stockholder signing the Special Meeting Request, (iii) set forth (A) the name and address, as they appear in the Corporation’s books, of each Stockholder signing such

request and the beneficial owners, if any, on whose behalf such request is made and (B) the class or series and number of shares of capital stock of the Corporation that are, directly or indirectly, owned of record or beneficially (within the meaning of Rule 13d-3 under the Exchange Act) by each such Stockholder and the beneficial owners, if any, on whose behalf such request is made, (iv) set forth any material interest of each Stockholder signing the Special Meeting Request in the business desired to be brought before the special meeting, (v) include documentary evidence that the Stockholders requesting the special meeting own the Requisite Percentage as of the date on which the Special Meeting Request is delivered to the Secretary of the Corporation; *provided, however*, that if the Stockholders are not the beneficial owners of the shares constituting all or part of the Requisite Percentage, then to be valid, the Special Meeting Request must also include documentary evidence (or, if not simultaneously provided with the Special Meeting Request, such documentary evidence must be delivered to the Secretary of the Corporation within ten (10) days after the date on which the Special Meeting Request is delivered to the Secretary of the Corporation) that the beneficial owners on whose behalf the Special Meeting Request is made beneficially own such shares as of the date on which such Special Meeting Request is delivered to the Secretary, (vi) an agreement by each of the Stockholders requesting the special meeting and each beneficial owner, if any, on whose behalf the Special Meeting Request is being made to notify the Corporation promptly in the event of any decrease in the net long position held by such Stockholder or beneficial owner following the delivery of such Special Meeting Request and prior to the Stockholder Requested Special Meeting and an acknowledgement that any such decrease shall be deemed to be a revocation of such Special Meeting Request by such Stockholder or beneficial owner to the extent of such reduction, (vii) contain any other information that would be a Disclosable Interest, as defined in Section 2.10(a)(3)(B)(vi) of these Restated Bylaws, if such Stockholder or beneficial owner, as applicable, were a Proposing Person, as defined in Section 2.10(a)(2) of these Restated Bylaws and (viii) if the purpose of the Stockholder Requested Special Meeting includes the election of one or more Directors, contain any other information that would be required to be set forth with respect to a proposed nominee pursuant to Section 2.10(a)(3)(C) of these Restated Bylaws. Each Stockholder making a Special Meeting Request and each beneficial owner, if any, on whose behalf the Special Meeting Request is being made is required to update such Special Meeting Request delivered pursuant to this Section 2.2 in accordance with the requirements of Section 2.10(a)(4) of these Restated Bylaws. Any requesting Stockholder may revoke his, her or its Special Meeting Request at any time prior to the Stockholder Requested Special Meeting by written revocation delivered to the Secretary of the Corporation at the principal executive offices of the Corporation. There shall be no requirement to hold a special meeting (and the Board may cancel the special meeting) if the unrevoked (taking into account any specific written revocation or any reduction in the net long position held by such Stockholder, as described above) Special Meeting Requests represent in the aggregate less than the Requisite Percentage at any time after (a) a Valid Special Meeting Request has been delivered to the Secretary of the Corporation or (b) sixty (60) days following the earliest dated Special Meeting Request.

(d) In determining whether Special Meeting Requests have met the requirements of this Section 2.2, multiple Special Meeting Requests will be considered together only if (i) each Special Meeting Request identifies substantially the same purpose or purposes of the requested special meeting and substantially the same matters proposed to be acted on at the Stockholder Requested Special Meeting (in each case as determined in good faith by the Board), and (ii) such Special Meeting Requests have been delivered to the Secretary within 60 days of the delivery to the Secretary of the earliest dated Special Meeting Request relating to such item(s) of business.

(e) If none of the Stockholders who submitted a Special Meeting Request appears or sends a qualified representative to present the item of business submitted by the Stockholders for consideration at the Stockholder Requested Special Meeting, such item of business shall not be submitted for vote of the Stockholders at such Stockholder Requested Special Meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation or such Stockholder(s). A Special Meeting Request shall not be valid (and the Board shall have no obligation to call a special meeting in respect of such Special Meeting Request) if it relates to an item of business that is not a proper subject for Stockholder action under applicable law, was made in a manner that involved a violation of an applicable law or regulation, would violate the law, would cause the Corporation to violate the law or does not comply with the provisions of this Section 2.2. The procedures set forth in this Section 2.2 are the exclusive means by which items of business may be raised by Stockholders at a Stockholder Requested Special Meeting.

(f) Except as provided in the next sentence, a Stockholder Requested Special Meeting shall be held at such date, time and place within or without the State of Delaware as may be fixed by the Board; *provided, however*, that the date of any such Stockholder Requested Special Meeting shall be not more than ninety (90) days after the date on which a Valid Special Meeting Request has been delivered to the Secretary of the Corporation (such date of delivery being the “*Delivery Date*”). Notwithstanding the foregoing, a Stockholder Requested Special Meeting need not be held if (i) the Board has called or calls a meeting of Stockholders to be held within 90 days after the Delivery Date and the business of such meeting includes (among any other matters properly brought forth before the meeting) an item of business that is identical or substantially similar (as determined in good faith by the Board, a “*Similar Item*”) to an item of business specified in the Special Meeting Request or Requests, (ii) the Delivery Date is during the period commencing ninety (90) days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the earlier of (A) the date of the next annual meeting and (B) thirty (30) days after the first anniversary of the date of the immediately preceding annual meeting, or (iii) the subject of such Special Meeting Request or Requests contains a Similar Item to an item of business that was voted on at any meeting of Stockholders held within 120 days prior to the Delivery Date (it being understood that, for purposes of this Section 2.2, the election or removal of directors shall be deemed a Similar Item with respect to all items involving the election or removal of directors).

Written notice of a special meeting stating the place, date and hour of the meeting, the means of remote communications, if any, by which Stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and the purpose or purposes for which the meeting is called shall be given not less than ten nor more than sixty days before the date of the meeting to each Stockholder entitled to vote at such meeting.

Any notice relating to a special meeting appropriately called pursuant to this Section 2.2 shall describe the item or items of business to be considered at such special meeting. Business transacted at any special meeting shall be limited to the matters identified in the Corporation’s notice given pursuant to Section 2.4; *provided, however*, that nothing herein shall prohibit the Board from including in such notice and submitting to the Stockholders additional matters to be considered at any Stockholder Requested Special Meeting.

2.3 *Place of Meetings.* All meetings of Stockholders shall be held at such places, within or without the State of Delaware, as may from time to time be fixed by the Board or as specified or fixed in the respective notices. The Board may, in its sole discretion, determine that a meeting of the Stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the DGCL (or any successor provision thereto). Any previously-scheduled meeting of the Stockholders may be postponed by action of the Board taken prior to the time previously scheduled for such annual meeting of Stockholders.

2.4 *Notices of Stockholders' Meetings.* Except as otherwise provided in Section 2.5 or otherwise required by the Restated Certificate or applicable law, written notice of each meeting of Stockholders, whether annual or special, shall be given to each Stockholder required or permitted to take any action at, or entitled to notice of, such meeting not less than ten (10) nor more than sixty (60) days before the date on which the meeting is to be held, by delivering such notice to him or her, personally, by mail or by electronic transmission in the manner provided by law. If mailed, such notice shall be deemed to be given when deposited in the United States mail, with postage prepaid, directed to the Stockholder at his or her address as it appears on the stock ledger of the Corporation. Every notice of a meeting of Stockholders shall state the place, date and hour of the meeting and the purpose or purposes for which the meeting is called.

2.5 *Waivers of Notice.* Notwithstanding any other provision in these Restated Bylaws, notice of any meeting of Stockholders shall not be required as to any Stockholder who shall attend such meeting in person or be represented by proxy, except when such Stockholder attends such meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business at such meeting because the meeting is not lawfully called or convened. If any Stockholder shall, in person or represented by proxy, waive notice of any meeting, whether before or after such meeting, notice thereof shall not be required as to such Stockholder.

2.6 *Quorum Requirements and Required Vote at Stockholder Meetings.*

(a) Except as otherwise required by applicable law, the Restated Certificate or these Restated Bylaws, at all meetings of Stockholders the presence, in person or represented by proxy, of the holders of outstanding shares representing at least a majority of the total voting power entitled to vote at a meeting of Stockholders shall constitute a quorum for the transaction of business; *provided, however*, that where a separate vote of a class or classes or series of stock is required, the presence in person or represented by proxy of the holders of outstanding shares representing at least a majority of the total voting power of all outstanding shares of such class or classes or series shall constitute a quorum thereof entitled to take action with respect to such separate vote.

(b) Except as otherwise required by applicable law, the Restated Certificate or these Restated Bylaws, each holder of stock of the Corporation entitled to vote on any matter at any meeting of the Stockholders shall be entitled to one vote for each share of such stock standing in

the name of such holder on the stock ledger of the Corporation on the record date for the determination of the Stockholders entitled to vote at the meeting. Except as otherwise required by applicable law, the Restated Certificate or these Restated Bylaws, in all matters other than the election of directors, the affirmative vote of a majority in voting power of the shares present in person or represented by proxy and entitled to vote on such matter at a meeting of Stockholders at which a quorum is present shall be the act of the Stockholders. Except as required by applicable law, the method of voting and the manner in which votes are counted shall be discretionary with the presiding officer at the meeting.

(c) Except as otherwise required by the Restated Certificate, each director shall be elected by vote of a majority of the votes cast with respect to that director's election in person or represented by proxy and entitled to vote on the election of directors. Notwithstanding the foregoing, if the number of nominees exceeds the number of directors to be elected at any meeting of Stockholders as of the date that is ten (10) days prior to the date the Corporation files its definitive proxy statement with the Securities and Exchange Commission (regardless of whether or not the proxy statement is thereafter revised or supplemented), then each director shall be elected by a plurality of the votes cast in person or represented by proxy and entitled to vote on the election of directors. For purposes of this Section 2.6(c), "*majority of the votes cast*" means that the number of shares voted "for" a director exceeds the number of shares voted "against" that director (with "abstentions" and "broker nonvotes" not counted as a vote cast either "for" or "against" that director's election).

(d) The holders of a majority in voting power of the shares entitled to vote and present in person or represented by proxy at any meeting of Stockholders, whether or not a quorum is present, may adjourn such meeting to another time and place. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the meeting as originally called. Unless otherwise required by applicable law, the Restated Certificate or these Restated Bylaws, no notice of an adjourned meeting need be given.

2.7 *Proxies*. Each Stockholder entitled to vote at a meeting of Stockholders may authorize another person or persons to act for him or her by proxy executed in writing by the Stockholder or as otherwise permitted by law, or by his or her duly authorized attorney-in-fact, but such proxy shall no longer be valid eleven months after the date of such proxy. Such proxy must be filed with the Secretary of the Corporation or his or her representative at or before the time of the meeting.

2.8 *Inspectors*. The Board by resolution shall appoint one or more inspectors, which inspector or inspectors may include individuals who serve the Corporation in other capacities, including, without limitation, as officers, employees, agents or representatives of the Corporation, to act at the meeting and make a written report thereof. One or more persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate has been appointed to act, or if all inspectors or alternates who have been appointed are unable to act, at the meeting of Stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before discharging his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall have the duties prescribed by the

DGCL. The chairman of the meeting shall fix and announce at the meeting the time of the opening and the closing of the polls for each matter upon which the Stockholders will vote at a meeting.

*2.9 Conduct of Stockholders' Meetings.* The Chief Executive Officer or the Chairman of the Board, as designated by the Board, or, in their absence or the absence of any such designation, the appointee of the presiding officer of the meeting, shall preside at all meetings of Stockholders and may establish such rules of procedure for conducting the meetings as he or she deems fair and reasonable. The Secretary, or in his or her absence an Assistant Secretary, or if none be present, the appointee of the presiding officer of the meeting, shall act as secretary of the meeting.

*2.10 Notice of Stockholder Business and Nominations.*

*(a) Annual Meetings of Stockholders.* Any Stockholder who wishes to include nominations of persons for election to the Board in the Corporation's proxy statement for an annual meeting of Stockholders must comply with Section 2.13. This Section 2.10 sets forth certain procedures required for Stockholders to nominate persons for election to the Board and the proposal of other business to be considered by the Stockholders at an annual meeting if the Stockholder does not wish the nomination or other business to be included in the Corporation's proxy statement.

(1) Nominations of persons for election to the Board and the proposal of other business to be considered by the Stockholders may be made at an annual meeting of Stockholders only (A) if brought before the meeting by the Corporation and specified in the Corporation's notice of meeting delivered pursuant to Section 2.4, (B) if brought before the meeting by or at the direction of the Board or (C) if brought before the meeting by a Stockholder who (i) was a Stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf any nomination or proposal is made, only if such beneficial owner was the beneficial owner of shares of capital stock of the Corporation) both at the time of giving of notice provided for in this Section 2.10, and at the time of the meeting, (ii) is entitled to vote at the meeting, and (iii) has complied with this Section 2.10 as to such nominations or other business. Except for proposals properly made in accordance with Rule 14a-8 of the Exchange Act, and included in the notice of meeting given by or at the direction of the Board, and except for nominations of persons for election to the Board pursuant to Section 2.13, the foregoing clause (C) shall be the exclusive means for a Stockholder to propose business to be considered or to propose any nominations of persons for election to the Board at an annual meeting of the Stockholders.

(2) Without exception, for any nominations of persons for election to the Board or other business to be properly brought before an annual meeting by a Stockholder, in each case, pursuant to clause (C) of paragraph (a)(1) of this Section 2.10, the Stockholder must (x) have given timely notice thereof in writing and in proper form to the Secretary of the Corporation and (y) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.10. To be timely, a Stockholder's notice shall be delivered to, or mailed and received by, the Secretary at the

principal executive offices of the Corporation not more than 120 days and not less than 90 days prior to the one-year anniversary of the preceding year's annual meeting; *provided, however*, that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from such anniversary date, notice by the Stockholder to be timely must be so delivered, or mailed and received, not later than the close of business on the tenth day following the day on which public announcement of the date of such annual meeting is first made by the Corporation. In no event shall any adjournment of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a Stockholder's notice. For purposes of this Section 2.10, the term "*Proposing Person*" means (i) the Stockholder providing the notice of a proposed nomination or other business proposed to be brought before a meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the proposed nomination or other business proposed to be brought before a meeting is made, and (iii) any affiliate or associate (for purposes of these Restated Bylaws, each within the meaning of Rule 12b-2 under the Exchange Act) of such Stockholder or beneficial owner.

(3) To be in proper form, a Stockholder's notice (whether given pursuant to paragraph (a)(2) or paragraph (b) of this Section 2.10) shall set forth:

(A) As to each Proposing Person:

- (i) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's stock ledger); and
- (ii) the class or series and number of shares of capital stock of the Corporation that are, directly or indirectly, owned of record or beneficially (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the capital stock of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (i) and (ii) are referred to as "*Stockholder Information*");

(B) As to each Proposing Person:

- (i) any derivative, swap or other transaction or series of transactions engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to give such Proposing Person economic risk similar to ownership of shares of any class or series of the capital stock of the Corporation, including due to the fact that the value of such derivative, swap or other transaction is determined by



reference to the price, value or volatility of any shares of any class or series of the capital stock of the Corporation, or which derivative, swap or other transactions provide, directly or indirectly, the opportunity to profit from any increase in the price or value of shares of any class or series of the capital stock of the Corporation (“*Synthetic Equity Interests*”), which such Synthetic Equity Interests shall be disclosed without regard to whether (x) such derivative, swap or other transactions convey any voting rights in such shares to such Proposing Person, (y) the derivative, swap or other transactions are required to be, or are capable of being, settled through delivery of such shares or (z) such Proposing Person may have entered into other transactions that hedge or mitigate the economic effect of such derivative, swap or other transaction;

- (ii) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to vote any shares of any class or series of the capital stock of the Corporation;
- (iii) any agreement, arrangement, understanding or relationship, including any repurchase or similar so-called “stock borrowing” agreement or arrangement, engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of shares of any class or series of the capital stock of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Proposing Person with respect to the shares of any class or series of the capital stock of the Corporation, or which provides, directly or indirectly, the opportunity to profit from any decrease in the price or value of the shares of any class or series of the capital stock of the Corporation (“*Short Interests*”);
- (iv) any rights to dividends on the shares of any class or series of the capital stock of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation;
- (v) any performance related fees (other than an asset based fee) that such Proposing Person is entitled to based on any

increase or decrease in the price or value of shares of any class or series of the capital stock of the Corporation, or any Synthetic Equity Interests or Short Interests, if any; and

- (vi) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the nomination for election of Directors or the other business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (i) through (vi) are referred to as “*Disclosable Interests*”); *provided, however*, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the Stockholder of record directed to prepare and submit the information required by this Section 2.10 on behalf of a beneficial owner.
- (C) As to each person, if any, whom a Proposing Person proposes to nominate for election or reelection as a Director:
- (i) all information with respect to such proposed nominee that would be required to be set forth in a Stockholder’s notice pursuant to this Section 2.10 if such proposed nominee were a Proposing Person;
  - (ii) all information relating to such proposed nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors in a contested election pursuant to Section 14(a) under the Exchange Act (including such proposed nominee’s written consent to being named in the proxy statement as a nominee and to serving as a Director if elected); and
  - (iii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among any Proposing Person, on the one hand, and each proposed nominee and his or her respective affiliates and associates, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404

under Regulation S-K if such Proposing Person were the “registrant” for purposes of such rule and the proposed nominee were a Director or executive officer of such registrant; and

- (D) As to any business other than nominations for election of Directors that a Proposing Person proposes to bring before an annual meeting:
- (i) a reasonably brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of any Proposing Person;
  - (ii) the text of the proposal or business (including the text of any resolutions proposed for consideration); and
  - (iii) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons and (y) between or among any Proposing Person and any other record or beneficial owner of capital stock of the Corporation (including their names) in connection with the proposal of such business by such Stockholder.

(4) A Stockholder providing notice of a proposed nomination for election to the Board or other business proposed to be brought before a meeting (whether given pursuant to paragraph (a)(2) or paragraph (b) of this Section 2.10) shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting and as of the date that is ten business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or postponement thereof). The Corporation may also require any proposed nominee for election to the Board to furnish such other information (i) as may be reasonably required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent Director of the Corporation in accordance with the Corporation’s corporate governance guidelines as then in effect or (ii) that could be material to a reasonable Stockholder’s understanding of the independence, or lack thereof, of such proposed nominee.

(5) Notwithstanding anything in paragraph (a)(2) of this Section 2.10 to the contrary, in the event that the number of Directors to be elected to the Board at the annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for Director or specifying the size of the increased Board made by the Corporation at least ten days before the last day a Stockholder could otherwise deliver a notice of nomination in accordance with such paragraph (a)(2) of this Section 2.10, a Stockholder's notice required by this Section 2.10 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(b) *Special Meeting of Stockholders.*

Only such business shall be conducted at a special meeting of Stockholders called pursuant to Section 2.2 as shall have been properly brought before such meeting in accordance with Section 2.2. Nominations of persons for election to the Board may be made at a special meeting of Stockholders called pursuant to Section 2.2(a) (a "*Management Requested Special Meeting*") at which Directors are properly to be elected only (1) by or at the direction of the Board or (2) by any Stockholder who (A) was a Stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf any nomination is made, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving of notice provided for in this Section 2.10 and at the time of the Management Requested Special Meeting, (B) is entitled to vote at such Management Requested Special Meeting and (C) complied with this paragraph (b) and paragraph (a)(3) of this Section 2.10 as to such nominations. For the avoidance of doubt, the provisions of Section 2.13 shall not apply to a special meeting of Stockholders, and the Corporation shall not be required to include a Director nominee of a Stockholder or group of Stockholders in the Corporation's proxy statement or form of proxy or ballot for any special meeting of Stockholders. Without exception, in order for a Stockholder to present any nominations of persons for election to the Board at such a Management Requested Special Meeting, pursuant to clause (2) of this paragraph (b), the Stockholder must (x) have given timely notice thereof in writing and in proper form to the Secretary of the Corporation (which notice shall include disclosure of the information that is required by the applicable provisions of paragraph (a)(3) of this Section 2.10) and (y) provide any updates or supplements to such notice at the times and in the forms required by paragraph (a)(4) of this Section 2.10. To be timely, a Stockholder's notice shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not earlier than the one hundred twentieth day prior to the date of such Management Requested Special Meeting and not later than the close of business on the later of (x) the ninetieth day prior to the date of such special meeting and (y) the tenth day following the day on which public announcement is first made of the date of such Management Requested Special Meeting and of the nominees proposed by the Board to be elected at such Management Requested Special Meeting. In no event shall any adjournment of a Management Requested Special Meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of a Stockholder's notice as described above.

(c) *General.*

(1) Subject to the rights, if any, of the holders of any series of Preferred Stock to elect additional Directors as may be provided in a designation of rights relating to such series of Preferred Stock, including the holders of the Class Pilot MEC Junior Preferred Stock and the Class IAM Junior Preferred Stock pursuant to Article Fourth, Parts II and III of the Restated Certificate, only persons who are nominated in accordance with this Section 2.10 shall be eligible to serve as Directors and only such business as shall have been brought before the meeting in accordance with this Section 2.10 shall be conducted at a meeting of Stockholders. Nominations for Union Directors shall be made only by the holders of the Class Pilot MEC Junior Preferred Stock and the Class IAM Junior Preferred Stock, and then only in accordance with the procedures and qualification requirements of the Restated Certificate and any stockholder agreements applicable to such nomination process. Except as otherwise provided by law, the Restated Certificate or these Restated Bylaws, the chairman of the meeting shall have the power and duty to determine whether such nomination or business was made in compliance with this Section 2.10 and, if such proposed nomination or business is deemed not to have been properly made, to declare that such nomination or proposal has not been properly brought before the meeting and shall be disregarded and declared to be out of order.

(2) For purposes of this Section 2.10, “*public announcement*” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(3) Notwithstanding the foregoing provisions of this Section 2.10, a Stockholder shall also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 2.10. This Section 2.10 is expressly intended to apply to any business proposed to be brought before a meeting of Stockholders other than any proposal made pursuant to Rule 14a-8 under the Exchange Act. Nothing in this Section 2.10 shall be deemed to affect any rights of Stockholders to request inclusion of proposals in the Corporation’s proxy statement pursuant to Rule 14a-8 under the Exchange Act.

2.11 *List of Stockholders.* It shall be the duty of the Secretary or other officer who has charge of the stock ledger to prepare and make, at least ten (10) days before each annual or special meeting of the Stockholders, a complete list of the Stockholders entitled to vote at such meeting, arranged in alphabetical order, and showing the address of each Stockholder and the number of shares registered in such Stockholder’s name. Such list shall be produced and kept available at the times and places required by law. The stock ledger shall be the only evidence as to which Stockholders are the Stockholders entitled to examine the stock ledger or the list required by this Section 2.11, or to vote in person or by proxy at such meeting of the Stockholders.

2.12 *Remote Communication.* For the purposes of these Restated Bylaws, if authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, Stockholders and proxyholders may, by means of remote communication:

(a) participate in a meeting of Stockholders; and

(b) be deemed present in person and vote at a meeting of Stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a Stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such Stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any Stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

#### 2.13 Proxy Access for Director Nominees.

(a) *Definitions.* For purposes of this Section 2.13, the following terms shall have the following meanings:

(1) “*Compensation Arrangement*” shall mean any direct or indirect compensation or other monetary agreement, arrangement or understanding with any person or entity other than the Corporation, including, without limitation, any agreement, arrangement or understanding with respect to any direct or indirect compensation, reimbursement or indemnification in connection with candidacy, service or action as a nominee or as a Director.

(2) “*Eligible Stockholder*” shall mean a person who has either (A) been a record holder of the shares of Common Stock used to satisfy the eligibility requirements in Section 2.13(d) continuously for the required three-year period or (B) provides to the Secretary, within the time period referred to in Section 2.13(e), evidence of continuous Ownership of such shares for such three-year period from one or more securities intermediaries; *provided, however*, that any holder of Class Pilot MEC Junior Preferred Stock or Class IAM Junior Preferred Stock or any affiliate of such holder shall not qualify as an Eligible Stockholder.

(3) “*Maximum Number*” shall mean that number of directors constituting the greater of (A) two or (B) 20% of the total number of Directors who are subject to election at the next annual meeting by the holders of Common Stock on the last day on which a Nomination Notice may be submitted pursuant to this Section 2.13 (rounded down to the nearest whole number), which number shall be reduced as set forth in Section 2.13(c)(1).

(4) “*Minimum Number*” shall mean 3% of the number of outstanding shares of Common Stock as of the most recent date for which such amount is given in any filing by the Corporation with the Securities and Exchange Commission prior to the submission of the Nomination Notice.

(5) “*Nominating Stockholder*” shall mean any Eligible Stockholder or group of up to 20 Stockholders (a “*Nominator Group*”) that, collectively as a group, satisfy the requirements to qualify as an Eligible Stockholder, that (A) has (individually and

collectively, in the case of a Nominator Group) satisfied all applicable conditions and complied with all applicable procedures set forth in this Section 2.13 (including, without limitation, the timely submission of a Nomination Notice that meets the requirements set forth in this Section 2.13), and (B) has nominated a Stockholder Nominee. For the avoidance of doubt, any holder of Class Pilot MEC Junior Preferred Stock or Class IAM Junior Preferred Stock or any affiliate of such holder shall not be eligible to join a Nominator Group.

(6) “*Nomination Notice*” shall mean all information and documents that a Nominating Stockholder is required to submit to the Secretary pursuant to Section 2.13(f).

(7) “*Own*,” “*Owned*” or “*Owning*” shall mean those outstanding shares of Common Stock with respect to which a Stockholder possesses both:

(A) the full voting and investment rights pertaining to the shares; and

(B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares;

*provided*, that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares:

- (i) sold by such Stockholder or any of its affiliates in any transaction that has not been settled or closed, including any short sale;
- (ii) borrowed by such Stockholder or any of its affiliates for any purposes or purchased by such Stockholder or any of its affiliates pursuant to an agreement to resell; or
- (iii) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such Stockholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of outstanding capital stock of the Corporation, in any such case which instrument or agreement has, or is intended to have, or if exercised by either party thereto would have, the purpose or effect of reducing in any manner, to any extent or at any time in the future, such Stockholder’s or affiliates’ full right to vote or direct the voting of any such shares, and/or hedging, offsetting or altering to any degree gain or loss arising from the full economic Ownership of such shares by such Stockholder or affiliate, other than any such arrangements solely involving a national or multi-national multi-industry market index.

A Stockholder shall “Own” shares held in the name of a nominee or other intermediary so long as the Stockholder retains the right to instruct how the shares are voted with respect to the election of Directors and possesses the full economic interest in the shares. A Stockholder’s Ownership of shares shall be deemed to continue during any period in which the Stockholder has delegated any voting power over such shares by means of a proxy, power of attorney or other instrument or arrangement which is revocable at any time by the Stockholder. A Stockholder’s Ownership of shares shall be deemed to continue during any period in which the Stockholder has loaned such shares provided that the Stockholder has the power to recall such loaned shares on five business days’ notice. The terms “Owned,” “Owning” and other variations of the word “Own” shall have correlative meanings. Whether shares constitute shares Owned shall be determined in good faith by the Board, which determination shall be conclusive and binding on the Corporation and the Stockholders.

(8) “*Stock Exchange Rules*” shall mean the rules of any stock exchange on which the Corporation’s securities are traded.

(9) “*Stockholder Nominee*” shall mean any person nominated for election pursuant to this Section 2.13.

(10) “*Voting Commitment*” shall mean any agreement, arrangement or understanding with, and any commitment or assurance to, any person or entity as to how a person, if elected as a Director, will act or vote on any issue or question.

(b) *Proxy Access at Annual Meeting*. Subject to the provisions of this Section 2.13, if expressly requested in the relevant Nomination Notice, the Corporation shall include in its proxy statement for any annual meeting of Stockholders:

(1) the name of any Stockholder Nominee, which shall also be included on the Corporation’s form of proxy and ballot;

(2) disclosure about the Stockholder Nominee and the Nominating Stockholder required under the rules of the Securities and Exchange Commission or other applicable law to be included in the proxy statement;

(3) any statement included by the Nominating Stockholder in the Nomination Notice for inclusion in the proxy statement in support of the Stockholder Nominee’s election to the Board (subject, without limitation, to Section 2.13(g)(4)), if such statement does not exceed 500 words; and

(4) any other information that the Corporation or the Board determines, in its discretion, to include in the proxy statement relating to the nomination of the Stockholder Nominee, including, without limitation, any statement in opposition to the nomination, information relating to any Compensation Arrangement and/or Voting Commitment, and any of the information provided pursuant to this Section 2.13.



For the avoidance of doubt, the provisions of this Section 2.13 shall not apply to a special meeting of Stockholders, and the Corporation shall not be required to include a Director nominee of a Stockholder or group of Stockholders in the Corporation's proxy statement or form of proxy or ballot for any special meeting of Stockholders.

(c) *Maximum Number of Stockholder Nominees.*

(1) The Corporation shall not be required to include in the proxy statement for an annual meeting of Stockholders more Stockholder Nominees than the Maximum Number. In the event that one or more vacancies for any reason occurs on the Board after the deadline set forth in Section 2.13(e) but before the date of the annual meeting and the Board resolves to reduce the size of the Board in connection therewith, the Maximum Number shall be calculated based on the number of Directors in office as so reduced. The Maximum Number for a particular annual meeting shall be reduced by:

- (A) Stockholder Nominees whose nominations for election at such annual meeting are subsequently withdrawn;
- (B) Stockholder Nominees who the Board itself decides to nominate for election at such annual meeting;
- (C) the number of incumbent Directors or Director candidates (including, without limitation, candidates who are not Stockholder Nominees) that in either case will be included in the Corporation's proxy statement for an annual meeting of Stockholders as an unopposed (by the Corporation) nominee pursuant to any agreement, arrangement or other understanding with any Stockholder or group of Stockholders; *provided, however*, that the Union Directors shall not be included in this number; and
- (D) the number of incumbent Directors who had been Stockholder Nominees at any of the preceding two annual meetings of Stockholders and whose reelection at the upcoming annual meeting is being recommended by the Board.

(2) Any Nominating Stockholder submitting more than one Stockholder Nominee for inclusion in the Corporation's proxy materials pursuant to this Section 2.13 shall rank such Stockholder Nominees based on the order that the Nominating Stockholder desires such Stockholder Nominees to be selected for inclusion in the Corporation's proxy materials. In the event that the number of Stockholder Nominees submitted by Nominating Stockholders pursuant to this Section 2.13 exceeds the Maximum Number, the highest ranking Stockholder Nominee who meets the requirements of this Section 2.13 from each Nominating Stockholder will be selected for inclusion in the Corporation's proxy materials until the Maximum Number is reached, going in order of the amount (largest to smallest) of shares of the capital stock of the Corporation that each Nominating Stockholder disclosed as Owned in its respective Nomination Notice submitted to the Corporation. This selection process will continue with the next highest ranked nominees as many times as necessary, following the same order each time, until the Maximum Number is reached.

(d) *Eligible Stockholders.*

(1) An Eligible Stockholder or Nominator Group may submit a nomination in accordance with this Section 2.13 only if the person or group (in the aggregate) has continuously Owned at least the Minimum Number (as adjusted for any stock splits, stock dividends or similar events) of shares of Common Stock throughout the three-year period preceding and including the date of submission of the Nomination Notice, and continues to Own at least the Minimum Number of shares through the date of the annual meeting. The following shall be treated as one Eligible Stockholder or one member of a Nominator Group if such Eligible Stockholder or member of a Nominator Group shall provide together with the Nomination Notice documentation that demonstrates compliance with the following criteria:

- (A) funds under common management and investment control;
- (B) funds under common management and funded primarily by the same employer; or
- (C) a “family of investment companies” or a “group of investment companies” (each as defined in the Investment Company Act of 1940, as amended).

For the avoidance of doubt, in the event of a nomination by a Nominator Group, any and all requirements and obligations for a given Eligible Stockholder (including, without limitation, each and every fund or company that comprises the Nominator Group) that are set forth in this Section 2.13, including the minimum holding period, shall apply to each member of such Nominator Group; *provided, however,* that the Minimum Number shall apply to the Ownership of the Nominator Group in the aggregate. Should any Stockholder withdraw from a Nominator Group at any time prior to the annual meeting of Stockholders, the Nominator Group shall only be deemed to Own the shares held by the remaining members of the group.

(2) No Stockholder shall be permitted to be in more than one Nominator Group, and if any Stockholder appears as a member of more than one Nominator Group, or as a member of a Nominator Group and as a Nominating Stockholder without any such group, such Stockholder shall be deemed to be a member of only the Nominator Group that has the largest Ownership position as reflected in the Nomination Notice and is not permitted to act as a Nominating Stockholder separate from such Nominator Group.

(e) *Timely Nomination Notice.* To be timely, the Nomination Notice shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation:

(1) not earlier than the close of business on the 150<sup>th</sup> day and not later than the close of business on the 120<sup>th</sup> day prior to the one-year anniversary of the date (as stated in the Corporation's proxy materials relating to that annual meeting) that the Corporation first mailed its proxy statement for the annual meeting of the previous year, except where information or documents are required to be provided after the date the Nomination Notice is first submitted, as set forth in this Section 2.13; or

(2) if (and only if) the annual meeting is scheduled to be held on a date that is not within thirty (30) days before or after the anniversary date of the immediately preceding annual meeting of the Stockholders, the Nomination Notice to be timely must be so delivered or received not later than the close of business on the tenth day following the earlier of the date on which such notice or public disclosure of the date of the meeting was given or made, and in no event shall the adjournment or postponement of an annual meeting, or the announcement thereof, commence a new time period (or extend any time period) for the giving of the Nomination Notice.

(f) *Nomination Notice.* The Nomination Notice shall consist of, collectively, the following information, documents and agreements which shall, for avoidance of doubt, be compiled, completed and submitted by the Nominating Stockholder or its representatives at its own cost:

(1) documentary evidence in the form of one or more written statements from the record holder of the shares (and from each intermediary through which the shares are or have been held during the requisite three-year holding period, provided that each such intermediary must be a participant in the Depository Trust Company or an affiliate of a participant in the Depository Trust Company) verifying and certifying that, as of a date within seven calendar days prior to the date of the Nomination Notice, the Nominating Stockholder Owns, and has continuously Owned for the preceding three years, the Minimum Number of shares, and the Nominating Stockholder's agreement to provide, within five business days after the record date for the annual meeting, documentary evidence in the form of written statements from the record holder and intermediaries verifying and certifying the Nominating Stockholder's continuous Ownership of the Minimum Number of shares through the record date;

(2) an undertaking to provide immediate notice if the Nominating Stockholder ceases to Own the Minimum Number of shares prior to the date of the annual meeting;

(3) a copy of the Schedule 14N (or any successor form) relating to the Stockholder Nominee, completed and filed with the Securities and Exchange Commission by the Nominating Stockholder as applicable, in accordance with Securities and Exchange Commission rules;

(4) a written notice of the nomination of such Stockholder Nominee that includes the following additional information, agreements, representations and warranties by the Nominating Stockholder (including, for the avoidance of doubt, each member of a Nominator Group):

- (A) the information and other deliverables that would be required to be set forth in a Stockholder's notice of nomination pursuant to Section 2.10(a)(3), as if the Nominating Stockholder were the Proposing Person under that section;
- (B) a detailed description of all communications by such Nominating Stockholder with any other Stockholder or beneficial owner of any securities of the Corporation regarding such Stockholder Nominee;
- (C) the details of any relationship that existed within the past three years and that would have been described pursuant to Item 6(e) of Schedule 14N (or any successor item) if it existed on the date of submission of the Schedule 14N;
- (D) a representation and warranty that the Nominating Stockholder did not acquire, and is not holding, securities of the Corporation for the purpose or with the effect of influencing or changing control of the Corporation;
- (E) a representation and warranty that the Nominating Stockholder has not nominated and will not nominate for election to the Board at the annual meeting any person other than such Nominating Stockholder's Stockholder Nominee(s);
- (F) a representation and warranty that the Nominating Stockholder has not engaged in and will not engage in a "solicitation" within the meaning of Rule 14a-1(l) under the Exchange Act with respect to the annual meeting, other than with respect to such Nominating Stockholder's Stockholder Nominee(s) or any nominee of the Board;
- (G) a representation and warranty that the Nominating Stockholder has not engaged in and will not engage in, other than with respect to such Nominating Stockholder's Stockholder Nominee(s) or any nominee of the Board, (1) an exempt solicitation as described in Rule 14a-2(b) under the Exchange Act, or (2) any communication, as described in Rule 14a-1(l)(2)(iv) under the Exchange Act, stating how the Nominating Stockholder intends to vote at the annual meeting and the reasons therefore;
- (H) a representation and warranty that the Nominating Stockholder will not use or distribute any proxy card other than the Corporation's proxy card in soliciting Stockholders in connection with the election of a Stockholder Nominee at the annual meeting;
- (I) a representation and warranty that the Stockholder Nominee's candidacy or, if elected, Board membership would not violate applicable state or federal law or Stock Exchange Rules;

- (J) a representation and warranty that the Stockholder Nominee: (i) qualifies as independent under the Stock Exchange Rules and any publicly disclosed standards used by the Board in determining and disclosing the independence of the Directors; and (ii) is not and has not been subject to any event specified in Rule 506(d)(1) of Regulation D (or any successor rule) under the Securities Act of 1933 or Item 401(f) of Regulation S-K (or any successor rule) under the Exchange Act, without reference to whether the event is material to an evaluation of the ability or integrity of the Stockholder Nominee;
- (K) a representation and warranty that the Nominating Stockholder satisfies the eligibility requirements set forth in Section 2.13(d);
- (L) a representation and warranty that the Nominating Stockholder will continue to satisfy the eligibility requirements described in Section 2.13(d) through the date of the annual meeting;
- (M) the details of any position of the Stockholder Nominee as an officer or director of any competitor (that is, any entity that provides products or services that compete with or are alternatives to the principal products produced or services provided by the Corporation or its affiliates) of the Corporation, within the three years preceding the submission of the Nomination Notice;
- (N) if desired, a statement for inclusion in the proxy statement in support of the Stockholder Nominee's election to the Board; *provided*, that any such statement shall not exceed 500 words and shall fully comply with Section 14 of the Exchange Act and the rules and regulations thereunder; and
- (O) in the case of a nomination by a Nominator Group, the designation by all group members of one group member that is authorized to act on behalf of all group members with respect to matters relating to the nomination, including withdrawal of the nomination.

(5) an executed agreement (which form of agreement shall be provided by the Secretary upon written request), which must be submitted within ten days of the Nominating Stockholder's first submission of the Nomination Notice, pursuant to which the Nominating Stockholder (including each member of a Nominator Group) agrees:

- (A) to comply with all applicable laws, rules and regulations in connection with the nomination, solicitation and election;
- (B) to file any written solicitation or other communication with the Corporation's Stockholders relating to one or more of the Corporation's Directors or Director nominees or any Stockholder Nominee with the Securities and Exchange Commission,

regardless of whether any such filing is required under any rule or regulation or whether any exemption from filing is available for such materials under any rule or regulation;

- (C) to assume all liability stemming from any action, suit or proceeding concerning any actual or alleged legal or regulatory violation arising out of any communication by the Nominating Stockholder or the Stockholder Nominee nominated by such Nominating Stockholder with the Corporation, its Stockholders or any other person, including, without limitation, the Nomination Notice;
- (D) to indemnify and hold harmless (jointly with all other members of a Nominator Group, if applicable) the Corporation and each of its Directors, officers and employees individually against any liability, loss, damages, expenses or other costs (including attorneys' fees) incurred in connection with any action, suit or proceeding (whether threatened, pending or completed), whether legal, judicial administrative or investigative, against the Corporation or any of its Directors, officers or employees arising out of or relating to a failure or alleged failure of the Nominating Stockholder or Stockholder Nominee to comply with, or any breach or alleged breach of, its, or his or her, as applicable, obligations, agreements or representations under or pursuant to this Section 2.13, or otherwise arising out of any nomination, solicitation or other activity by any Eligible Stockholder or any member of a Nominator Group in connection with its efforts pursuant to this Section 2.13;
- (E) to promptly (and in any event within 48 hours of discovering such misstatement or omission) notify the Corporation and any other recipient of any misstatement or omission if information included in the Nomination Notice, or any other communication by the Nominating Stockholder (including with respect to any member of a Nominator Group) with the Corporation, its Stockholders or any other person in connection with the nomination or election ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statements made not misleading), and promptly notify the Corporation and any other recipient of the information that is required to correct the misstatement or omission; and
- (F) in the event that the Nominating Stockholder (including any member of a Nominator Group) has failed to continue to satisfy the eligibility requirements described in Section 2.13(d), to promptly notify the Corporation.

(6) an executed questionnaire (which form of questionnaire shall be provided by the Secretary upon written request), which must be submitted within ten days of the Nominating Stockholder's first submission of the Nomination Notice;

(7) an executed agreement (which form of agreement shall be provided by the Secretary upon written request), which must be submitted within ten days of the Nominating Stockholder's first submission of the Nomination Notice, by the Stockholder Nominee:

- (A) to provide to the Corporation such other information as it may reasonably request, including such other information (i) as may be reasonably required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent Director of the Corporation in accordance with the Corporation's corporate governance guidelines as then in effect or (ii) that could be material to a reasonable Stockholder's understanding of the independence, or lack thereof, of such proposed nominee;
- (B) that the Stockholder Nominee has read and agrees, if elected to serve as a member of the Board, to adhere to all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation;
- (C) that the Stockholder Nominee agrees to be named in the proxy statement as a nominee and to serve as a Director if elected; and
- (D) that the Stockholder Nominee is not and will not become a party to (i) any Compensation Arrangement in connection with such person's nomination or candidacy for Director and/or such person's service or action as a Director that has not been disclosed to the Corporation prior to or concurrently with the Nominating Stockholder's submission of the Nomination Notice, or (ii) any Voting Commitment that has not been disclosed to the Corporation prior to or concurrently with the Nominating Stockholder's submission of the Nomination Notice.

The information and documents required by this Section 2.13(f) shall be provided with respect to and executed by the Nominating Stockholder (and each member of a Nominator Group), and provided with respect to the persons specified in Instructions 1 and 2 to Items 6(c) and (d) of Schedule 14N (or any successor item) in the case of a Nominating Stockholder or any member of a Nominator Group. The Nomination Notice shall be deemed submitted on the date on which all the information and documents referred to in this Section 2.13(f) (other than such information and documents required to be provided after the date the Nomination Notice is first submitted) have been delivered to or, if sent by

mail, received by the Secretary. The Nominating Stockholder shall further update and supplement the Nomination Notice, if necessary, so that the information provided or required to be provided in such Nomination Notice shall be true and correct as of the record date for the meeting and as of the date that is ten business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date), and not later than eight business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten business days prior to the meeting or any adjournment or postponement thereof).

*(g) Exclusion or Disqualification of Stockholder Nominees.*

(1) If, after the deadline for submitting a Nomination Notice as set forth in Section 2.13(e), a Nominating Stockholder becomes ineligible or withdraws its nomination or a Stockholder Nominee becomes ineligible or unwilling to serve on the Board, whether before or after the mailing of the definitive proxy statement, the Corporation:

- (A) shall not be required to include in its proxy statement or on any ballot or form of proxy the Stockholder Nominee or any successor or replacement nominee proposed by the Nominating Stockholder or by any other Nominating Stockholder; and
- (B) may otherwise communicate to its Stockholders, including without limitation by amending or supplementing its proxy statement or ballot or form of proxy, that the Stockholder Nominee will not be included as a Stockholder Nominee in the proxy statement or on any ballot or form of proxy and will not be voted on at the annual meeting.

(2) Notwithstanding anything to the contrary contained in this Section 2.13, the Corporation may omit from its proxy materials any Stockholder Nominee, and any information concerning such Stockholder Nominee (including a Nominating Stockholder's statement in support), and in such case no vote on such Stockholder Nominee will occur (notwithstanding that proxies in respect of such vote may have been received by the Corporation), and the Nominating Stockholder may not, after the last day on which a Nomination Notice would be timely, cure in any way any defect preventing the nomination of the Stockholder Nominee, if:



- (A) the Corporation receives a notice that a Stockholder intends to nominate a candidate for Director at the annual meeting pursuant to the advance notice requirements set forth in Section 2.10(a);
- (B) the Nominating Stockholder has engaged in a “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act with respect to the annual meeting, other than with respect to such Nominating Stockholder’s Stockholder Nominee(s) or any nominee of the Board;
- (C) the Nominating Stockholder has engaged in, other than with respect to such Nominating Stockholder’s Stockholder Nominee(s) or any nominee of the Board, (i) an exempt solicitation as described in Rule 14a-2(b) under the Exchange Act, or (ii) any communication, as described in Rule 14a-1(l)(2)(iv) under the Exchange Act, stating how the Nominating Stockholder intends to vote at the annual meeting and the reasons therefore;
- (D) the Nominating Stockholder or the designated lead group member of a Nominator Group, as applicable, or any qualified representative thereof, does not appear at the annual meeting to present the nomination submitted in accordance with this Section 2.13;
- (E) the Board, acting in good faith, determines that such Stockholder Nominee’s nomination or election to the Board would result in the Corporation violating or failing to be in compliance with these Restated Bylaws or the Restated Certificate or any applicable law, rule or regulation to which the Corporation is subject, including the Stock Exchange Rules;
- (F) the Stockholder Nominee was nominated for election to the Board pursuant to this Section 2.13 at one of the Corporation’s two preceding annual meetings of Stockholders and either withdrew from or became ineligible or unavailable for election at such annual meeting or received a vote of less than 25% of the shares of capital stock entitled to vote for such Stockholder Nominee;
- (G) the Stockholder Nominee has been, within the past three years, an officer or director of a competitor, as defined for purposes of Section 8 of the Clayton Antitrust Act of 1914, as amended; or
- (H) the Nominating Stockholder has failed to continue to satisfy the eligibility requirements described in Section 2.13(d), any of the representations and warranties made in the Nomination Notice ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statement made not

misleading), the Stockholder Nominee becomes unwilling or unable to serve on the Board or any violation or breach occurs of any of the obligations, agreements, representations or warranties of the Nominating Stockholder or the Stockholder Nominee under this Section 2.13.

(3) Notwithstanding anything to the contrary contained in this Section 2.13, the Corporation may omit from its proxy statement, or may supplement or correct, any information, including all or any portion of the statement in support of the Stockholder Nominee included in the Nomination Notice, if:

- (A) such information is not true in all material respects or omits a material statement necessary to make the statements made not misleading;
- (B) such information directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any individual, Corporation, partnership, association or other entity, organization or governmental authority;
- (C) the inclusion of such information in the proxy statement would otherwise violate the Securities and Exchange Commission proxy rules or any other applicable law, rule or regulation; or
- (D) the inclusion of such information in the proxy statement would impose a material risk of liability upon the Corporation.

(4) The Corporation may solicit against, and include in the proxy statement its own statement relating to, any Stockholder Nominee.

(h) *Interpretation.* The Board (and any other person or body authorized by the Board, including, without limitation, the Chairman of the relevant annual meeting) shall have the power and authority to interpret this Section 2.13 and to make any and all determinations necessary or advisable to apply this Section 2.13 to any persons, facts or circumstances, including the power to determine (1) whether one or more Stockholders or beneficial owners qualifies as an Eligible Stockholder or Nominator Group, as applicable, (2) whether a Nomination Notice complies with this Section 2.13, (3) whether a Stockholder Nominee satisfies the qualifications and requirements in this Section 2.13, and (4) whether any and all requirements of this Section 2.13 have been satisfied. Any such interpretation or determination adopted in good faith by the Board (or any other person or body authorized by the Board, including, without limitation, the Chairman of the relevant annual meeting) shall be binding on all persons, including the Corporation and its Stockholders (including any beneficial owners). The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedures, and the defective nomination shall be disregarded.

## ARTICLE 3

### Board Of Directors

3.1 *Number and Term of Office.* The number and term of office of Directors on the Board shall be determined as provided in the Restated Certificate.

3.2 *Powers.* The Board may, except as otherwise provided in the Restated Certificate or the DGCL, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

3.3 *Place of Meetings.* Meetings of the Board may be held either within or without the State of Delaware at such place as is indicated in the notice or waiver of notice thereof. It is intended that a majority of the in-person Board meetings in each calendar year shall be held in the Greater Chicago Metropolitan Area.

3.4 *Organization Meeting.* The Board shall meet as soon as practicable after each annual meeting of Stockholders at the place of such annual meeting for the purpose of organization and the transaction of other business. No notice of such meeting of the Board shall be required. Such organization meeting may be held at any other time or place specified in a notice given as hereinafter provided for special meetings of the Board, or in a consent and waiver of notice thereof, signed by all of the Directors.

3.5 *Stated Meetings.* The Board shall from time to time, by resolution adopted by the affirmative vote of at least a majority of the votes entitled to be cast by the Entire Board, appoint the time and place for holding stated meetings of the Board; and such meetings shall thereupon be held at the time and place so appointed, without the giving of any special notice with regard thereto. Any and all business may be transacted at any stated meeting.

3.6 *Special Meetings.* Special meetings of the Board shall be held whenever called by the Secretary, at the direction of any three Directors, or by the Chairman, or, in the event that the office of the Chairman is vacant, by the Chief Executive Officer, or in the event that the offices of the Chairman and Chief Executive Officer are vacant, by the President. Notice of a special meeting shall set forth a description of such meeting and be sent to the Directors as provided in Section 3.7.

3.7 *Notices of Board Meetings.* Notice of any meeting shall be sent to each Director at his or her residence or usual place of business either (a) by reputable overnight delivery service in circumstances to which such service guarantees next day delivery, not later than on the day that is the second business day immediately preceding the day of such meeting, or (b) by facsimile, telex, telegram or electronic mail, not later than twenty-four (24) hours before the time of such meeting. If sent by overnight delivery service, such notice shall be deemed to be given when delivered to such service; if sent by facsimile, telex, telegram or electronic mail, such notice shall be deemed to be given when transmitted. Notice of any meeting of the Board need not however be given to any Director, if waived by him or her in writing or if, subject to applicable law, he or she shall be present at the meeting. Any meeting of the Board shall be a legal meeting without any notice thereof having been given if all of the Directors shall be present

thereat, except when a Director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

3.8 *Quorum and Manner of Acting.* Except as otherwise required by applicable law, the Restated Certificate or these Restated Bylaws, the presence at any organization, stated or special meeting of Directors having at least a majority of the votes entitled to be cast by the Entire Board shall constitute a quorum for the transaction of business; and, except as otherwise required by applicable law, the Restated Certificate or these Restated Bylaws, the affirmative vote of a majority of the votes entitled to be cast by the Directors present at any meeting at which a quorum is present shall be the act of the Board. In the absence of a quorum, the affirmative vote of a majority of the votes entitled to be cast by the Directors present may adjourn any meeting, from time to time, until a quorum is present.

3.9 *Telephone Meetings.* Directors or members of any committee of the Board may participate in a meeting of the Board or of such committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.9 shall constitute presence in person at such meeting.

3.10 *Chairman of the Board Pro Tempore.* In the absence of both the Chairman and the Chief Executive Officer at any meeting of the Board, the Board may appoint from among its members a Chairman of the Board pro tempore, who shall preside at such meeting, except where otherwise provided by law.

3.11 *Resignation.* Any Director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Any such resignation shall take effect at the time received by the Corporation, unless the resignation specifies a later effective date or an effective date determined upon the happening of one or more events.

3.12 *Removal of Directors.* Any Director or the entire Board may be removed with or without cause as provided under the DGCL.

3.13 *Vacancies and Newly Created Directorships.* Except as otherwise provided in the Restated Certificate, vacancies and newly created directorships resulting from any increase in the authorized number of Directors may be filled by a majority of the Directors then in office, even if less than a quorum, or by a sole remaining Director, and the Directors so chosen shall hold office until the next election of Directors and until their successors are duly elected and qualified or until earlier resignation or removal. If there are no Directors in office, then an election of Directors may be held in the manner provided by statute.

3.14 *Directors' Fees.* The Board shall have authority to determine, from time to time, the amount of compensation that shall be paid to its members for attendance at meetings of the Board or of any committee of the Board, which compensation may be payable currently or deferred.

3.15 *Action Without Meeting.* Any action required or permitted to be taken at any meeting of the Board or any committee of the Board may be taken without a meeting if all of the

members of the Board or of any such committee, as the case may be, consent thereto in writing, by electronic transmission or transmissions, or as otherwise permitted by law and, if required by law, the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

## ARTICLE 4

### Board Committees

#### 4.1 Designation.

(a) Except as otherwise provided in the Restated Certificate, the Board may, by resolution adopted by the affirmative vote of at least a majority of the votes entitled to be cast by the Entire Board, designate one or more committees of the Board, each such committee to consist of one or more Directors. Except as otherwise provided in the Restated Certificate, unless sooner discharged by the affirmative vote of a majority of the votes entitled to be cast by the Entire Board, members of each committee of the Board shall hold office until the organization meeting of the Board in the next subsequent year and until their respective successors are appointed.

(b) So far as practicable, members of each committee of the Board shall be appointed annually at the organization meeting of the Board. The Board may designate one or more Directors as alternate members of any committee of the Board, who may replace any absent or disqualified member at any meeting of such committee. The Nominating/Governance Committee of the Board shall have the power to recommend to the Board a chairman of each committee of the Board by the affirmative vote of a majority of the votes entitled to be cast by all of the members of the Nominating/Governance Committee. The Board shall have the power to appoint one of its members to act as chairman of each committee of the Board.

(c) Notwithstanding the foregoing, except as required by law or otherwise provided in these Restated Bylaws, no committee of the Board will have the authority to (i) issue dividends, distributions or securities, except for issuances of cash or securities pursuant to employee benefit plans; (ii) to approve a Fundamental Change or Change in Ownership, except as may be required in the exercise of fiduciary duties; (iii) to take any action that would require the approval of the Stockholders pursuant to the DGCL; (iv) elect any officer designated as such in Section 5.1 or to fill any vacancy in any such office; (v) designate the Chief Executive Officer or the Chairman of the Board; (vi) fill any vacancy in the Board or any newly created Directorship; (vii) amend these Restated Bylaws; (viii) take any action that under these Restated Bylaws is required to be taken by vote of a specified proportion of the Entire Board or of the Directors at the time in office; or (ix) take any action, the power or authority for which is reserved for the Entire Board pursuant to Section 141(c)(2) of the DGCL, except as otherwise set forth in such Section 141(c)(2).

#### 4.2 Meetings.

(a) Stated meetings of any committee of the Board shall be held at such times and at such places as shall be fixed, from time to time, by resolution adopted by the Board or by the affirmative vote of a majority of the votes entitled to be cast by the members of such committee of the Board and upon notification pursuant to Section 4.3 to all the members of such committee. Any and all business may be transacted at any stated meeting of any committee of the Board.

(b) Special meetings of any committee of the Board may be called at any time by the chairman of such committee or by any two members of such committee. Notice of a special meeting of any committee of the Board shall set forth a description of the business to be transacted at such meeting and be sent to the members of such committee of the Board as provided in Section 4.3.

*4.3 Notice of Board Committee Meetings.* Notice of any meeting of any committee of the Board shall be sent to each member of such committee at his or her residence or usual place of business either (a) by reputable overnight delivery service in circumstances to which such service guarantees next day delivery, not later than on the day that is the second business day immediately preceding the day of such meeting, or (b) by facsimile, telex, telegram or electronic mail, not later than twenty-four (24) hours before the time of such meeting. If sent by overnight delivery service, such notice shall be deemed to be given when delivered to such service; if sent by facsimile, telex, telegram or electronic mail, such notice shall be deemed to be given when transmitted. Notice of any meeting of a committee of the Board need not however be given to any member of such committee, if waived by him or her in writing or if, subject to applicable law, he or she shall be present at the meeting. Any meeting of a committee of the Board shall be a legal meeting without any notice thereof having been given if all of the members shall be present thereat except when a Director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened.

*4.4 Place of Meetings.* Meetings of any committee of the Board may be held either within or without the State of Delaware.

*4.5 Quorum and Voting Requirements of Board Committees.*

(a) The presence of Directors entitled to cast at least a majority of the aggregate number of votes entitled to be cast by all Directors on a committee of the Board shall constitute a quorum for the transaction of business, and any act of a committee of the Board shall require the affirmative vote of at least a majority of the votes entitled to be cast by the Directors present at a meeting of such committee at which a quorum is present.

(b) The members of any committee of the Board shall act only as a committee of the Board, and the individual members of the Board shall have no power as such.

*4.6 Records.* Each committee of the Board shall keep a record of its acts and proceedings and shall report the same, from time to time, to the Board. The Secretary, or, in his or her absence, an Assistant Secretary, shall act as secretary to each committee of the Board, or a committee of the Board may, in its discretion, appoint its own secretary.

4.7 *Vacancies*. Except as otherwise provided in the Restated Certificate, any vacancy in any committee of the Board shall be filled by a majority of the Directors then in office.

4.8 *Committee Procedure*. The Board by resolution or resolutions shall establish the rules of procedure to be followed by each committee, which shall include a requirement that such committee keep regular minutes of its proceedings and deliver to the Secretary the same.

4.9 *Executive Committee*.

(a) In addition to any requirements set forth in the Restated Certificate or these Restated Bylaws, an Executive Committee shall be appointed, to consist of the Chairman, the Chief Executive Officer and three or more other Directors; *provided, however*, that at least a majority of the Executive Committee shall consist of Directors who are neither officers nor employees of the Corporation or of any of its affiliated corporations.

(b) Subject to the provisions of the DGCL and these Restated Bylaws, the Executive Committee shall have and may exercise all the powers of the Board in the management of the business and affairs of the Corporation, including, without limitation, the power to authorize the seal of the Corporation to be affixed to all papers that may require it, but excluding any powers granted by the Board to any other committee of the Board.

(c) Subject to any provision in the Restated Certificate or the DGCL, any action herein authorized to be taken by the Executive Committee and which is duly taken by it in accordance herewith shall have the same effect as if such action were taken by the Board.

## ARTICLE 5

### **Officers, Employees and Agents: Powers And Duties**

5.1 *Officers*. The officers of the Corporation, who shall be elected by the Board, may be a Chairman of the Board (who shall be a Director), a Treasurer and one or more Assistant Treasurers, and shall be a Chief Executive Officer, a President, one or more Vice Chairmen, one or more Vice Presidents (who may be further classified by such descriptions as "executive," "senior," "assistant," "staff" or otherwise, as the Board shall determine), a General Counsel, a Secretary and one or more Assistant Secretaries. The Board may also elect, and may delegate power to appoint, such other officers and select such other employees or agents as, from time to time, may appear to be necessary or advisable in the conduct of the affairs of the Corporation. Any officer may also be elected to another office or offices.

5.2 *Term of Office*. Subject to the provisions of the Restated Certificate or these Restated Bylaws, so far as practicable, each officer shall be elected at the organization meeting of the Board in each year, and shall hold office until the organization meeting of the Board in the next subsequent year and until his or her successor is chosen or until his or her earlier death, resignation or removal in the manner hereinafter provided.

5.3 *Resignation and Removal of Officers*. Any officer may resign at any time upon written notice to the Corporation. Any officer may be removed at any time, either for or without

cause, by the affirmative vote of at least a majority of the votes entitled to be cast by the Entire Board, at any meeting called for that purpose. The Board may delegate such power of removal as to officers, agents and employees not appointed by the Board. Such removal shall be without prejudice to a person's contract rights, if any, but the appointment of any person as an officer, agent or employee of the Corporation shall not of itself create contract rights.

5.4 *Vacancies*. If any vacancy occurs in any office, the Board may elect a successor to fill such vacancy for the remainder of the term.

5.5 *Chairman of the Board*.

(a) The Board may elect a Director as Chairman of the Board.

(b) The Chairman shall determine the agenda for Board meetings, in consultation with the lead independent director of the Board, if applicable, and shall preside at all meetings of the Board at which he or she may be present. The Chairman shall have such other powers and duties as he or she may be called upon by the Board to perform.

5.6 *Chief Executive Officer*. The Chief Executive Officer shall have general and active control of the business and affairs of the Corporation and, in the absence of the Chairman (or if there be none), he or she shall preside at all meetings of the Board. He or she shall have general power (a) to execute bonds, deeds and contracts in the name of the Corporation, (b) to affix the corporate seal, (c) to sign stock certificates, (d) subject to the provisions of the Restated Certificate, these Restated Bylaws and the approval of the Board, to select all employees and agents of the Corporation whose selection is not otherwise provided for and to fix the compensation thereof, (e) to remove or suspend any employee or agent who shall not have been selected by the Board, (f) to suspend for cause, pending final action by the Board any employee or agent who shall have been selected by the Board and (g) to exercise all the powers usually and customarily performed by the chief executive officer of a corporation.

5.7 *President*. The President, if not designated as Chief Executive Officer of the Corporation, shall perform such duties as are delegated by the Board, the Chairman or the Chief Executive Officer. In the event of an absence, disability or vacancy in the office of the Chief Executive Officer, the President shall act in the place of the Chief Executive Officer with authority to exercise all his or her powers and perform his or her duties.

5.8 *Vice Chairmen*. The Board may elect one or more officers designated as the Vice Chairman, but the appointment of one or more Vice Chairmen shall not be required. If one or more Vice Chairmen shall be elected, then each Vice Chairman shall have such powers and perform all such duties and services as may be assigned to or required of them, from time to time, by the Board, the Chairman or the Chief Executive Officer, respectively. In the event of the absence or disability of both the Chairman and the Chief Executive Officer, the President may designate one of the Vice Chairmen, or one of the several Vice Presidents, to act in his or her place with authority to exercise all of his or her powers and perform his or her duties, provided that the Board may change such designation, or if the President fails or is unable to make such designation, the Board may make such designation at a regular or special meeting called for that purpose.



5.9 *Vice Presidents and Other Officers.* The several Vice Presidents and other elected officers, including, without limitation, the General Counsel, shall perform all such duties and services as shall be assigned to or required of them, from time to time, by the Board, or the Chief Executive Officer, respectively. In the event of the absence or disability of both the Chairman and the Chief Executive Officer, the President may designate one of the Vice Chairmen, or one of the several Vice Presidents, to act in his or her place with authority to exercise all of his or her powers and perform his or her duties, provided that the Board may change such designation, or if the President fails or is unable to make such designation, the Board may make such designation at a regular or special meeting called for that purpose.

5.10 *Secretary.* The Secretary shall attend to the giving of notice of all meetings of Stockholders and the Board and shall keep and attest true records of all proceedings thereat. He or she shall have charge of the corporate seal and have authority to attest any and all instruments or writings to which the same may be affixed. He or she shall keep and account for all books, documents, papers and records of the Corporation, except those which are directed to be in charge of the Treasurer, and he or she may delegate responsibility for maintaining the stock ledger to any transfer agent or registrar appointed by the Board. He or she shall have authority to sign stock certificates and shall generally perform all the duties usually appertaining to the office of secretary of a corporation. In the absence of the Secretary, an Assistant Secretary or Secretary pro tempore shall perform his or her duties.

5.11 *Treasurer.* The Treasurer, if any, shall be responsible for the collection, receipt, care, custody and disbursement of the funds of the Corporation and shall deposit or cause to be deposited all funds of the Corporation in and with such depositories as the Board shall, from time to time, direct. He or she shall have the care and custody of all securities owned by the Corporation, and shall deposit such securities with such banks or in such safe deposit vaults, and under such controls, as the Board shall, from time to time, direct. He or she shall disburse funds of the Corporation on the basis of vouchers properly approved for payment by the controller of the Corporation or his or her duly authorized representative. He or she shall be responsible for the maintenance of detailed records of cash and security transactions and shall prepare such reports thereof as may be required. He or she shall have the power to sign stock certificates and to endorse for deposit or collection or otherwise all checks, drafts, notes, bills of exchange or other commercial paper payable to the Corporation and to give proper receipts or discharges therefor. He or she shall have such other duties as are commonly incidental to the office of treasurer of a corporation. In the absence of the Treasurer, an Assistant Treasurer shall perform his or her duties.

5.12 *Additional Powers and Duties.* In addition to the foregoing especially enumerated duties and powers, the officers of the Corporation shall perform such other duties and exercise such further powers as may be provided in these Restated Bylaws or as the Board may, from time to time, determine or as may be assigned to them by any competent superior officer.

5.13 *Compensation.* Except as otherwise provided in the Restated Certificate, the compensation of all officers of the Corporation shall be fixed, from time to time, by the Board or the Compensation Committee, but this power may be delegated to any officer by the Board or the Compensation Committee in accordance with applicable law.

5.14 *Prohibition on Loans to Directors and Executive Officers.* The Corporation shall not directly or indirectly extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any member of the Board or executive officer of the Corporation, as such terms are used in Section 13(k) of the Exchange Act and the rules and regulations promulgated thereunder.

## ARTICLE 6

### Stock And Transfers Of Stock

6.1 *Stock Certificates.* The Common Stock shall be uncertificated. The shares of the Corporation other than the Common Stock shall be represented by certificates or shall be uncertificated. The Board shall have the power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of uncertificated shares or certificates for shares of stock of the Corporation. Each certificate shall be signed by the Chairman or the President or a Vice Chairman or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, certifying the number of certificated shares owned by such Stockholder in the Corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, Transfer Agent or Registrar who has signed or whose facsimile signature has been placed upon a certificate shall cease to be such officer, Transfer Agent or Registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer, Transfer Agent or Registrar at the date of issuance.

6.2 *Transfer Agents and Registrars.* The Board may, in its discretion, appoint responsible banks or trust companies as the Board may deem advisable, from time to time, to act as Transfer Agents and Registrars of the stock of the Corporation; and, when such appointments shall have been made, no stock certificate shall be valid until countersigned by one of such Transfer Agents and registered by one of such Registrars.

6.3 *Transfers of Stock.* Transfers of shares of stock of the Corporation shall be made on the stock ledger of the Corporation only upon authorization by the record holder thereof or by such holder's attorney, successor or assignee thereunto authorized by power of attorney (or other proper evidence of succession, assignment or authority to transfer) duly executed and filed with the Corporation's Transfer Agent or Registrar. Except as otherwise provided in the Restated Certificate, and subject to any other transfer restriction applicable thereto, shares of certificated stock may be transferred by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificates or by written power of attorney to sell, assign and transfer the same with reasonable assurances given that such endorsement is genuine and that all applicable taxes thereon have been paid, signed by the record holder thereof; but no transfer shall affect the right of the Corporation to pay any dividend upon the stock to the holder of record thereof, or to treat the holder of record as the holder in fact thereof for all purposes, and no transfer shall be valid, except between the parties thereto, until such transfer shall have been made upon the books of the Corporation. No transfer of stock in violation of the provisions of Article Fourth, Part III, Section 1 or Article Fourth, Part IV, Section 1 of the Restated Certificate shall be valid as against the Corporation for any purpose.

6.4 *Lost Certificates*. In case any certificate of stock shall be lost, stolen or destroyed, the Board, in its discretion, may authorize the issuance of a substitute certificate in place of the certificate lost, stolen or destroyed and may cause such substitute certificate to be countersigned by the appropriate Transfer Agent (if any) and registered by the appropriate Registrar (if any), *provided* that, in each such case, the applicant for a substitute certificate shall furnish to the Corporation and to such of its Transfer Agents and Registrars as may require the same, evidence to their satisfaction, in their discretion, of the loss, theft or destruction of such certificate and of the ownership thereof, and also such security or indemnity as may be required by them.

#### 6.5 *Record Date*.

(a) In order that the Corporation may determine the Stockholders entitled to notice of or to vote at any meeting of Stockholders or any adjournment thereof, or, subject to applicable law, to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board is authorized, from time to time, to fix, in advance, a record date, which shall not be more than sixty (60) nor less than ten (10) days before the date of such Stockholder meeting, nor more than sixty (60) days prior to any other action.

(b) A determination of Stockholders of record entitled to notice of or to vote at a meeting of Stockholders shall apply to any adjournment of the meeting; *provided, however*, that the Board may fix a new record date for the adjourned meeting.

(c) Only Stockholders that are Stockholders of record on the date so fixed shall be entitled to notice of, and to vote at, a meeting of Stockholders and any adjournment thereof or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for any other purpose, as applicable, notwithstanding any transfer of any stock on the stock ledger of the Corporation after any record date so fixed.

## ARTICLE 7

### Miscellaneous

7.1 *Fiscal Year*. The fiscal year of the Corporation shall be the calendar year.

7.2 *Surety Bonds*. The Treasurer, each Assistant Treasurer and such other officers or agents of the Corporation as the Board may direct, from time to time, shall be bonded for the faithful performance of their duties in such amounts and by such surety companies as the Board may determine. The premiums on such bonds shall be paid by the Corporation and the bonds so furnished shall be in the custody of the Chief Executive Officer or the chief financial officer.

7.3 *Signature of Negotiable Instruments*. All bills, notes, checks or other instruments for the payment of money shall be signed or countersigned by such officer or officers and in such manner as, from time to time, may be prescribed by resolution (whether general or special) of the Board.

7.4 *Subject to Law and Restated Certificate.* All powers, duties and responsibilities provided for in these Restated Bylaws, whether or not explicitly so qualified, are qualified by the provisions of the Restated Certificate and all applicable laws.

7.5 *Voting of Stocks.* Unless otherwise ordered by the Board, the Chairman of the Board, President and General Counsel shall each have full power and authority, in the name of and on behalf of the Corporation, to attend, act and vote at any meeting of stockholders of a corporation in which the Corporation may hold stock, and, in connection with any such meeting, shall possess and may exercise any and all rights and powers incident to the ownership of such stock which, as the owner thereof, the Corporation might possess and exercise. The Board from time to time may confer like powers upon any other person or persons.

7.6 *Dividends.* Dividends upon the capital stock may be declared by the Board at any regular or special meeting and may be paid in cash or in property or in shares of the capital stock. Before paying any dividend or making any distribution of profits, the Directors may set apart out of any funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may later or abolish any such reserve or reserves.

7.7 *Corporate Seal.* The seal of the Corporation shall be circular in form and shall bear, in addition to any other emblem or device approved by the Board, the name of the Corporation and the words "Corporate Seal" and "Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

## **ARTICLE 8**

### **Amendments**

8.1 *Amendment of these Restated Bylaws.* Except as herein otherwise expressly provided, these Restated Bylaws may be altered or repealed and new bylaws, not inconsistent with any provision of the Restated Certificate or applicable law, may be adopted, either (a) by the affirmative vote of at least a majority of the Directors voting at a meeting of the Board at which a quorum is present or (b) by the affirmative vote of the holders of at least a majority in voting power of the stock entitled to vote thereon, at an annual meeting of Stockholders, or at a special meeting thereof, the notice of which meeting shall include the form of the proposed amendment or supplement to or modification of these Restated Bylaws or of the proposed new bylaws, or a summary thereof.

## **ARTICLE 9**

### **Restated Certificate to Govern**

9.1 *Restated Certificate to Govern.* Notwithstanding anything to the contrary herein, if any provision contained herein is inconsistent with or conflicts with a provision of the Restated Certificate, such provision herein shall be superseded by the inconsistent provision in the Restated Certificate, to the extent necessary to give effect to such provision in the Restated Certificate.

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. 5

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 January 20, 2016, by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement No. 03776 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 \*\*\* Aircraft 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 and Articles.

The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-5").

2. Letter Agreements.

"Attachment A to Letter Agreement No. UCH-PA-03776-LA-1207644" is deleted in its entirety and replaced with the attached "Attachment A to Letter Agreement No. UCH-PA-03776-LA-1207644" (identified by "SA-5").

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.

UAL-PA-03776

SA-5

Page 1

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

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

THE BOEING COMPANY

UNITED AIRLINES, INC.

/s/ Chastity Matthews

/s/ Gerald Laderman

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Senior Vice President - Finance and acting Chief Financial Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

UAL-PA-03776

SA-5

Page 2

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

**TABLE OF CONTENTS**

SA  
NUMBER

**ARTICLES**

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

**TABLE**

1.	Aircraft Information Table – 737-9	SA-3
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**EXHIBITS**

A.	Aircraft Configuration
B.	Aircraft Delivery Requirements and Responsibilities

**SUPPLEMENTAL EXHIBITS**

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

**LETTER AGREEMENTS**

UCH-PA-03776-LA-1207637	*** Matters	
UCH-PA-03776-LA-1207638	***	
UCH-PA-03776-LA-1207640	Demonstration Flight Waiver	
UCH-PA-03776-LA-1207643	Open Matters	
<b>UCH-PA-03776-LA-1207644</b>	<b>*** Aircraft</b>	<b>SA-5</b>
UCH-PA-03776-LA-1207646	Promotional Support	
UCH-PA-03776-LA-1207647	Seller Purchased Equipment	
UCH-PA-03776-LA-1207649	Spare Parts Initial Provisioning	
UCH-PA-03776-LA-1207650	Special Matters	
UCH-PA-03776-LA-1208055	***	
UCH-PA-03776-LA-1208122	***	
UCH-PA-03776-LA-1208123	*** Matters	
UCH-PA-03776-LA-1208157	***	

UCH-PA-03776

TABLE OF CONTENTS, CONTINUED

SA  
NUMBER

LETTER AGREEMENTS, continued

UCH-PA-03776-LA-1208234 Privileged and Confidential Matters  
UCH-PA-03776-LA-1208596 AGTA Matters  
UCH-PA-03776-LA-1208238 Assignment Matters  
UCH-PA-03776-LA-1208869 Delivery \*\*\* Matters  
UAL-PA-03784-LA-1207869 737 Production Adjustments

SUPPLEMENTAL AGREEMENTS

	<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

UCH-PA-03776

TABLE OF CONTENTS  
BOEING/UNITED AIRLINES, INC. PROPRIETARY

SA-5, Page 2 of 2



**Attachment A to Letter Agreement No. UCH-PA-03776-LA-1207644**  
**737-9 \*\*\* Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-9	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	CFM-LEAP-1B	*** 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>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</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 months are \*\*\* pursuant to Letter Agreement number UCH-PA-03776-LA-1207644.

Note: The estimated Advance Payment Base Prices have been calculated using a \*\*\* and \*\*\* as follows:

***	\$***
***	\$***
***	\$***
***	\$***

**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. 09

to

Purchase Agreement Number 03784

Between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 737 Aircraft

THIS SUPPLEMENTAL AGREEMENT is entered into as of January 20, 2016 by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement Number 03784 dated July 12, 2012 (**Purchase Agreement**), as amended and supplemented, relating to the purchase and sale of Boeing Model 737 aircraft (**Aircraft**). This Supplemental Agreement is an amendment to the Purchase Agreement;

WHEREAS, Boeing and Customer agree to the \*\*\* 737-\*\*\* aircraft to the Purchase Agreement (**2016 737NG Aircraft**).

WHEREAS, Boeing and Customer agree to \*\*\* 737-\*\*\* aircraft (each a **2016 737NG \*\*\* Aircraft**) to the Purchase Agreement;

WHEREAS, Boeing and Customer agree that if Customer \*\*\* 2016 737NG \*\*\* Aircraft, then each resulting 737-\*\*\* aircraft shall be included in the definition of 2016 737NG Aircraft; AND

WHEREAS, prior to Supplemental Agreement, Supplemental Exhibit AE1 to the Purchase Agreement incorporates a \*\*\* base year formula. Boeing and Customer agree that \*\*\*.

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

1. Table of Contents, Articles, Tables, Supplemental Exhibits, and Letter Agreements:

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

1.2 "Table 1B Aircraft Information Table" (identified by "SA-9") is added to the Purchase Agreement.

1.3 Supplemental Exhibit A1 entitled "Aircraft Configuration – 2016 737NG Aircraft" (identified by "SA-9") is added to the Purchase Agreement.

1.4 Supplemental Exhibit AE1 entitled "Escalation Adjustment/Airframe and Optional Features" is deleted in its entirety and replaced by a similarly titled Supplemental Exhibit AE1 (identified by "SA-9").

1.5 Supplemental Exhibit BFE2 entitled "BFE Variables for 2016 737NG Aircraft" (identified by "SA-9") is added to the Purchase Agreement.

1.6 Letter Agreement UAL-PA-03784-LA-1207879R2 entitled "\*\*\*\* Aircraft" is deleted in its entirety and replaced by Letter Agreement UAL-PA-03784-LA-1207879R3 entitled "2016 737NG \*\*\* Aircraft" (identified by "SA-9").

1.7 Attachment A to Letter Agreement UAL-PA-03784-LA-1207881 entitled "Seller Purchased Equipment" is deleted in its entirety and is replaced by Attachment AR1 (identified by "SA-9").

1.8 Letter Agreement UAL-PA-03784-LA-1208155R1 entitled "\*\*\*\* Matters 737-900ER" is deleted in its entirety and replaced by Letter Agreement UAL-PA-03784-LA-1208155R2 entitled "\*\*\*\* Matters 737-\*\*\* and 2016 737NG Aircraft" (identified by "SA-9").

1.9 Letter Agreement UAL-PA-03784-LA-1208156 entitled "\*\*\*\*" is deleted in its entirety and is replaced by Letter Agreement UAL-PA-03784-LA-1208156R1 entitled "\*\*\*\* for the 737NG Aircraft" (identified by "SA-9").

1.10 Letter Agreement UAL-PA-03784-LA-1504843 entitled "Open Matters – 2016 737NG Aircraft" (identified by "SA-9") is hereby added to the Purchase Agreement.

1.11 Letter Agreement UAL-PA-03784-LA-1504844 entitled "Special Matters –2016 737NG Aircraft" (identified by "SA-9") is hereby added to the Purchase Agreement.

2. Revisions to the Purchase Agreement:

2.1 The following references to “Model 737-900ER Aircraft” in the Purchase Agreement and the associated exhibits, supplemental exhibits, and letter agreements to the Purchase Agreement are now deemed “737NG Aircraft” as further described in Figure 1.

**Figure 1**

<u>Document</u>	<u>Original Reference</u>	<u>Replacement Reference</u>
Purchase Agreement Basic Articles	Reference to “Model 737-900ER” (i) Opening Paragraph 1 (ii) Article 1 (iii) Article 3 (iv) Article 4.2	“737NG Aircraft”
Supplemental Exhibit B – Aircraft Delivery Requirements and Responsibilities	Exhibit title reference to “Model 737-900ER”	“737NG Aircraft”
Supplemental Exhibit CS1 – Customer Support Variable	Exhibit title reference to “Model 737-900ER”	“737NG Aircraft”
Supplemental Exhibit EE1 – Engine Escalation, Engine Warranty***	Exhibit title reference to “Model 737-900ER”	“737NG Aircraft”
Supplemental Exhibit SLP1 – Service Life Policy Components	Exhibit title reference to “Model 737-900ER”	“737NG Aircraft”
UAL-PA-03784-LA-1207870 – Letter Agreement Spare Parts Initial Provisioning	Reference paragraph: a) “Model 737-900ER”	“737NG Aircraft”
UAL-PA-03784-LA-1207878 – Demonstration Flight Waiver	Reference paragraph: “Model 737-900ER”	“737NG Aircraft”
UAL-PA-03784-LA-1208172 – ***	Reference paragraph: “Model 737-900ER”	“737NG Aircraft”

2.2 The following references to “Table 1” in the Purchase Agreement and associated exhibits, supplemental exhibits, and letter agreements to the Purchase Agreement are now deemed to be replaced per Figure 2 as follows:

**Figure 2**

<u>Document</u>	<u>Original Reference</u>	<u>Replacement Reference</u>
Purchase Agreement Basic Articles	Reference to “Table 1” (i) Opening Paragraph 1 (ii) Article 2 (iii) Article 3.1 (iv) Article 4.2 (v) Article 5.1	“Table 1A & Table 1B”

2.3 Boeing and Customer agree that Section 8 of Letter Agreement 6-1162-KKT-080 shall no longer apply to the 2016 737NG Aircraft.

2.4 **Definitions:** For purposes of the Purchase Agreement 737NG Aircraft shall mean the Boeing Model 737-\*\*\* (including 2016 737NG Aircraft), 737-\*\*\* and 737-900ER aircraft.

2.5 If Boeing or Customer determines that references described in Figure 1 and Figure 2 of this Supplemental Agreement No. 9 should be further amended, then Boeing and Customer will work together for a mutually agreeable solution.

2.6 Boeing and Customer agree to apply the \*\*\* received by Boeing from Customer as follows:

- (i) \*\*\* from this Purchase Agreement; and
- (ii) \*\*\* from \*\*\*

The resulting \*\*\* under this Supplemental Agreement No. 9. Such resulting \*\*\* by Customer to Boeing no later than the earlier of \*\*\* after execution of this Supplemental Agreement No. 9 or \*\*\*.

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 remainder of this page is intentionally left blank\*\*\*\*\*

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

THE BOEING COMPANY

UNITED AIRLINES, INC.

/s/ Chastity Matthews  
Signature

/s/ Gerald Laderman  
Signature

Chastity Matthews  
Printed Name

Gerald Laderman  
Printed Name

Attorney-in-Fact  
Title

Senior Vice President – Finance and acting Chief Financial Officer  
Title

TABLE OF CONTENTS

SA  
NUMBER

<u>ARTICLES</u>		
Article 1.	Quantity, Model and Description	
Article 2.	Delivery Schedule	
Article 3.	Price	
Article 4.	Payment	
Article 5.	Additional Terms	
 <u>TABLE</u>		
1A.	Aircraft Information Table – 737-900ER	SA-8
1B.	<b>Aircraft Information Table - 2016 737NG Aircraft</b>	SA-9
 <u>EXHIBITS</u>		
A.	Aircraft Configuration - 737-900ER	
A1.	<b>Aircraft Configuration – 2016 737NG Aircraft</b>	SA-9
B.	Aircraft Delivery Requirements and Responsibilities	
 <u>SUPPLEMENTAL EXHIBITS</u>		
AE1.	<b>Escalation Adjustment/Airframe and Optional Features</b>	SA-9
BFE1.	BFE Variables for 737-900ER Aircraft	SA-1
BFE2.	<b>BFE Variables for 2016 737NG Aircraft</b>	SA-9
CS1.	Customer Support Variables	
EE1.	Engine Escalation, Engine Warranty***	
SLP1.	Service Life Policy Components	
P.A. 03874	TABLE OF CONTENTS, Page 1 of 3 <b>BOEING / UNITED AIRLINES PROPRIETARY</b>	SA-9





TABLE OF CONTENTS

<u>SUPPLEMENTAL AGREEMENTS</u>	<u>DATED AS OF</u>
Supplemental Agreement No. 1	September 27, 2012
Supplemental Agreement No. 2	March 1, 2013
Supplemental Agreement No. 3	June 27, 2013
Supplemental Agreement No. 4	September 11, 2013
Supplemental Agreement No. 5	March 3, 2014
Supplemental Agreement No. 6	June 6, 2014
Supplemental Agreement No. 7	May 26, 2015
Supplemental Agreement No. 8	June 12, 2015
<b>Supplemental Agreement No. 9</b>	<b>January 20, 2016</b>

P.A. 03874





AIRCRAFT CONFIGURATION

between

THE BOEING COMPANY

and

United Airlines, Inc.

Exhibit A1 to Purchase Agreement Number 03784

Relating to 2016 737NG Aircraft

PA 03784

SA 9

Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**

**Exhibit A1**

**AIRCRAFT CONFIGURATION**

**As of the effective date of Supplemental Agreement No. 9**

**relating to 2016 737NG Aircraft**

The initial configuration of Customer's 2016 737NG Aircraft has been defined by Boeing 737-\*\*\* Airplane Description Document No. \*\*\* Rev. \*\*\* dated \*\*\* and is more fully discussed in Letter Agreement UAL-PA-03784-LA-1504843 to the Purchase Agreement, entitled "Open Matters".

PA 03784

**BOEING / UNITED AIRLINES PROPRIETARY**

SA 9 Page 2















**ESCALATION ADJUSTMENT  
AIRFRAME AND OPTIONAL FEATURES**

**between**

**THE BOEING COMPANY**

**and**

**United Airlines, Inc.**

**Supplemental Exhibit AE1  
to Purchase Agreement Number PA-03784**

**Escalation Adjustment/Airframe and Optional  
Features For:**

**\*\*\* Pricing for 737-\*\*\* Aircraft**

**AND**

**\*\*\* Pricing for 737NG Aircraft other than 737-\*\*\* ("Non 737-\*\*\* Aircraft")**

UAL-PA-03784-AE1

SA-9

AE1 Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**

**ESCALATION ADJUSTMENT  
AIRFRAME AND OPTIONAL FEATURES**

relating to

**\*\*\* Pricing for 737-\*\*\* Aircraft  
AND  
\*\*\* Pricing for Non 737-\*\*\* Aircraft**

1. Formula.

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

\*\*\*

Where:

\*\*\* = \*\*\*. For 737NG Aircraft, the Airframe Price includes the \*\*\* at its basic thrust level.

\*\*\* = \*\*\* plus the \*\*\* as set forth in either

- (i) Table 1A of this Purchase Agreement for the 737-\*\*\* Aircraft for \*\*\*, and
- (ii) Any other Table 1 for Non 737-\*\*\* Aircraft incorporating \*\*\*.

\*\*\*

Where:

\*\*\* is the \*\*\* as set forth in either:

- (i) Table 1A of this Purchase Agreement for the 737-\*\*\* Aircraft for \*\*\*, and
- (ii) Any other Table 1 for Non 737-\*\*\* Aircraft incorporating \*\*\*.

\*\*\* is the \*\*\*, using \*\*\*; As the \*\*\* values are only released on a \*\*\* basis, the value released for the \*\*\* will be used for the months of \*\*\* (expressed as a decimal and rounded to the nearest tenth).

\*\*\* is the \*\*\*, using the \*\*\*; As the \*\*\* values are only released on a \*\*\*, the value released for the \*\*\* will be used for the \*\*\* (expressed as a decimal and rounded to the nearest tenth).

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

\*\*\*

Where:

\*\*\* is the \*\*\* as set forth in:

- (i) Table 1A of this Purchase Agreement for the 737-\*\*\* Aircraft for \*\*\*, and
- (ii) Any other Table 1 for Non 737-\*\*\* Aircraft incorporating \*\*\*.

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

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

See the following notes which are determinative to the computations herein.

Notes:

- (i) In determining the values of \*\*\* and \*\*\*, all calculations and resulting values 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 values reported by the \*\*\*. The actual average values are calculated as a \*\*\* arithmetic average of the released monthly values (expressed as a decimal and rounded to the nearest tenth) using the values 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 \*\*\* 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 Airframe Price Adjustment, the parties will, prior to the delivery 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 delivery of the Aircraft, the \*\*\* should resume releasing values for the months needed to determine the Airframe Price Adjustment, \*\*\* will be used \*\*\* or \*\*\* in the \*\*\* for the \*\*\* from 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 base year 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 \*\*\* of the \*\*\* to the \*\*\* in \*\*\*.

2.4 If within \*\*\* of Aircraft delivery, the published index values are revised due to an acknowledged error by the Bureau of Labor Statistics, the Airframe Price Adjustment 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 \*\*\* or \*\*\*.

Notes:

- (i) The values released by the \*\*\* and available to Boeing \*\*\* prior to the first day of the scheduled delivery month of an Aircraft will be used to determine the \*\*\* and \*\*\* for the applicable months (including those noted as preliminary by the \*\*\*) to calculate the Airframe Price Adjustment for the Aircraft invoice at the time of delivery. The values will be considered final and \*\*\* will be \*\*\* for any \*\*\* in \*\*\*.
- (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.

**BUYER FURNISHED EQUIPMENT VARIABLES**

**between**

**THE BOEING COMPANY**

**and**

**UNITED AIRLINES (UAL)**

**Supplemental Exhibit BFE2  
to Purchase Agreement Number PA 03784**

**Relating to 2016 737NG Aircraft**

UAL-PA-03784-BFE2

SA-9

**BOEING / UNITED AIRLINES PROPRIETARY**

Page 1



BUYER FURNISHED EQUIPMENT VARIABLES

relating to

737NG Aircraft

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

This Supplemental Exhibit BFE2 will be revised in accordance with Letter Agreement UAL-PA-03784-LA-1504843 entitled "Open Matters – 2016 737NG 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 Cargo Handling System 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 for the 2016 737NG Aircraft are set forth in Attachment A.

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.**

**[http://www.boeing.com/companyoffices/doingbiz/supplier\\_portal/index\\_general.html](http://www.boeing.com/companyoffices/doingbiz/supplier_portal/index_general.html)**

UAL-PA-03784-BFE2

SA-9

Page 3

**BOEING / UNITED AIRLINES PROPRIETARY**



UAL-PA-03784-LA-1207879R3

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

Subject: 2016 737NG \*\*\* Aircraft

Reference: Purchase Agreement No. 03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG 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-03784-LA-1207879R2 dated September 11, 2013.**

1. Right to Purchase \*\*\* Aircraft.

Subject to the terms and conditions contained in this Letter Agreement, in addition to the Aircraft described in Table 1B to the Purchase Agreement as of the date of execution of this Letter Agreement, Customer will have the \*\*\* Model 737-\*\*\* aircraft as \*\*\* aircraft (**2016 737NG \*\*\* Aircraft**).

2. Delivery.

The number of aircraft and delivery months are listed in the Attachment A to this Letter Agreement.

3. Configuration.

3.1 Subject to the provisions of Article 3.2, below, the configuration for the 2016 737NG \*\*\* Aircraft will be the Detail Specification for model 737-\*\*\* aircraft at the revision level in effect at the time of Definitive Agreement (as defined below). Such Detail Specification will be revised to include (i) changes applicable to the Detail Specification that are developed by Boeing between the \*\*\* (as defined below) and the signing of the Definitive Agreement, (ii) changes required to obtain required regulatory certificates, and (iii) other changes as mutually agreed.

3.2 Subject to \*\*\* the 2016 737NG \*\*\* Aircraft \*\*\*, provided that it can achieve \*\*\* which would result pursuant to the provisions of Article \*\*\*.

P.A. No. 03784

UAL-PA-03784-LA-1207879R3 - 2016 737NG \*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9

Page 1



4. Price.

4.1 The Airframe Price and Optional Features Prices for each of the 2016 737NG \*\*\* Aircraft are identified in Attachment A to this Letter Agreement. \*\*\*.

4.2 The Airframe Price, Optional Features Prices, and Aircraft Basic Price for each of the 2016 737NG \*\*\* Aircraft shall be adjusted in accordance with the terms set forth in Article 2.1.5 (**Escalation Adjustment**) of the AGTA.

4.3 The \*\*\* Base Price shall be developed in accordance with the terms of the Purchase Agreement and determined at the time of Definitive Agreement.

5. Payment.

5.1 \*\*\*.

5.2 Notwithstanding the amount shown in Attachment A, the 2016 737NG \*\*\* Deposit will be \*\*\* for each 2016 737NG \*\*\* Aircraft.

5.3 Upon Customer's \*\*\* 2016 737NG \*\*\* Aircraft, \*\*\* will be payable as specified in the Purchase Agreement. The remainder of the Aircraft Price for the 2016 737NG \*\*\* Aircraft will be paid \*\*\*.

6. \*\*\*.

6.1 Customer may \*\*\* by giving written notice to Boeing on or before \*\*\* (**\*\*\* Date**).

6.2 \*\*\*

6.3 \*\*\*.

7. Definitive Agreement.

Customer's \*\*\* pursuant to Article 6 above will be a fully effective and binding agreement for the purchase of the exercised 2016 737NG \*\*\* Aircraft. All terms related to Customer's Aircraft will apply immediately to such exercised 2016 737NG \*\*\* Aircraft. Following exercise of an 2016 737NG \*\*\* Aircraft, Boeing will prepare an invoice for the applicable \*\*\* due, and Boeing and Customer will add the \*\*\* 2016 737NG \*\*\* Aircraft to the Purchase Agreement as a firm 2016 737NG Aircraft by entering into a supplemental agreement to the Purchase Agreement (**Definitive Agreement**) not later than \*\*\* or such other date as the parties may mutually agree. The execution of the Definitive Agreement is to facilitate contract administration and is not a condition to the effectiveness of Customer's agreement to purchase the exercised 2016 737NG \*\*\* Aircraft.

P.A. No. 03784

UAL-PA-03784-LA-1207879R3 – 2016 737NG \*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9

Page 2



8. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the 2016 737NG 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-03784-LA-1208938.

Very truly yours,

THE BOEING COMPANY

By: /s/ Chastity Matthews  
Its Attorney-in-Fact

ACCEPTED AND AGREED TO this

Date: January 20, 2016

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman  
Its Senior Vice President – Finance and acting Chief  
Financial Officer

P.A. No. 03784

UAL-PA-03784-LA-1207879R3 – 2016 737NG \*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9

Page 3

**Attachment A to  
Letter Agreement No. LA -1207879R3  
2016 737NG \*\*\* Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-***	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	CFM56-7B***	*** 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>Non-refundable option deposit/Aircraft at DA</b>		\$***		

<u>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</u>	<u>Option Expiry Date</u>	<u>Escalation Estimate *** Base Price Per A/P</u>	<u>*** Per Aircraft (Amts. Due/*** Prior to Delivery):</u>			
***	***	***	***	\$***	***	***	***	***
					\$***	\$***	\$***	\$***

Total:

Attachment AR1

1. Supplier Selection.

Customer will:

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

	<u>2016 737NG</u> <u>Aircraft</u>
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

\* For a new certification, Customer will need to provide Supplier Selections \*\*\* months earlier than stated above.

Attachment AR1 to Letter Agreement UAL-PA-03784-LA-1207881  
Seller Purchased Equipment

SA-9  
Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**



UAL-PA-03784-LA-1208155R2

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

Subject: \*\*\* Matters: 737-\*\*\* and 2016 737NG Aircraft

Reference: Purchase Agreement No. PA-03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 737NG 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-03784-LA-1208155R1.**

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. \*\*\*.
  - 1.1 \*\*\*.
  - 1.2 \*\*\*.  
\*\*\*
  - 1.3 [Reserved]
  - 1.4 \*\*\*.

1.4.1 With respect to (i) each aircraft in Table 1A as of the effective date of the Purchase Agreement (ii) each aircraft in Table 1B as of the effective date of the Purchase Agreement, and (iii) each 2016 737NG Aircraft resulting from Customer's \*\*\* in 2016 737NG \*\*\* Aircraft, \*\*\* agrees \*\*\* on \*\*\* pursuant to Article 1.1 of this Letter Agreement \*\*\*. The \*\*\* will be the \*\*\* on \*\*\* will \*\*\*.

UAL-PA-03784-LA-1208155R2  
\*\*\* Matters: 737-\*\*\* and 2016 737NG Aircraft

SA-9  
Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**



1.4.2 \*\*\* the \*\*\* for each Aircraft covered by Table 1A or Table 1B, as well as each 2016 737NG Aircraft resulting from Customer's \*\*\* in 2016 737NG \*\*\* Aircraft, will be \*\*\*.

1.4.3 \*\*\* for each 737-\*\*\* Aircraft (resulting from Customer's \*\*\* aircraft under Supplemental Agreement No. 8 to the Purchase Agreement) scheduled to deliver in 2016 will \*\*\* to the scheduled delivery date for such Aircraft.

1.5 Delivery \*\*\* Impact on \*\*\* Calculations. If the delivery of any Aircraft covered by Table 1A or Table 1B, as well as any 2016 737NG Aircraft resulting from Customer's \*\*\* in 2016 737NG \*\*\* Aircraft, is \*\*\* due to either an \*\*\*, then interest on the \*\*\* in respect of each 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 Article 2 of this Letter Agreement or on the delivery date of such \*\*\* Aircraft, whichever comes first.

2. Boeing Invoice for \*\*\*.

Boeing shall submit to Customer, not less than \*\*\* days 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 covered by Table 1A or Table 1B as well as any 2016 737NG Aircraft resulting from Customer's \*\*\* in 2016 737NG \*\*\* Aircraft for which \*\*\* have been \*\*\*. The invoice will also include \*\*\* on \*\*\* with respect to other aircraft in other purchase agreements between Customer and Boeing.

3. \*\*\* Rights.

3.1 \*\*\* Customer or United Continental Holdings, Inc. ("UCH") and \*\*\* Customer, \*\*\* and \*\*\* are \*\*\* in \*\*\* to \*\*\*.

3.2 In the event Boeing seeks to \*\*\* to the contrary, Customer shall, \*\*\* the Purchase Agreement as amended by this Letter Agreement. Customer will \*\*\*

3.3 For all purposes of this Article 3 including without limitation, notice, \*\*\* or any other application, the term "Boeing" means and includes The Boeing Company, its divisions, subsidiaries, affiliates and the assignees of each. Nothing herein shall constitute an election or waiver of any remedy of Boeing; all such remedies shall be cumulative. Boeing expressly reserves all of its rights and remedies under any agreement and applicable law.

3.4 Notwithstanding Article 3.1, Boeing shall not \*\*\* under the Purchase Agreement with respect to any Aircraft that is subject to \*\*\*.

UAL-PA-03784-LA-1208155R2

\*\*\*Matters: 737-\*\*\* and 2016 737NG Aircraft

SA-9

Page 2

**BOEING / UNITED AIRLINES PROPRIETARY**



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-03784-LA-1208938.

5. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, 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/ Chastity Matthews

Its Attorney-in-Fact

UAL-PA-03784-LA-1208155R2

\*\*\* Matters: 737-\*\*\* and 2016 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 3



ACCEPTED AND AGREED TO this

Date: January 20, 2016

**United Airlines, Inc.**

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

UAL-PA-03784-LA-1208155R2  
\*\*\* Matters: 737-\*\*\* and 2016 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 4

UAL-PA-03784-LA-1208156R1

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

Subject: \*\*\* for the 737NG Aircraft

Reference: Purchase Agreement No. 03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG Aircraft

This letter agreement UAL-PA-03784-LA-1208156R1 (**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 UAL-PA-03784-LA-1208156.

1. Definitions.

\*\*\* **Notice** means the written communication provided by Boeing to Customer in accordance with the requirements of Article 4.1, below.

**2016 737NG \*\*\*Aircraft** will have the meaning specified in Letter Agreement UAL-PA-03784-LA-1207879R3 relating to 2016 737NG \*\*\* Aircraft.

**Program Aircraft** means each Aircraft.

2. Applicability.

Notwithstanding any other provision of the Purchase Agreement to the contrary, the parties agree that the \*\*\* for the Airframe Price and Optional Features Prices for each Program Aircraft shall be determined in accordance with this Letter Agreement.

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 Program Aircraft. The \*\*\* forecast applicable to a given Program Aircraft is set forth in Attachment A.

UAL-PA-03784-LA-1208156R1  
\*\*\* for the 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 1



4. \*\*\*.

4.1 If the \*\*\* forecast, as set forth in Article 3 above, \*\*\*, as set forth in Attachments B1 and B2 as applicable (collectively **Attachment B**), \*\*\* any Program Aircraft that is \*\*\* such \*\*\* forecast, as set forth in Attachment A, then Boeing shall issue an \*\*\* Notice to the Customer by the date set forth in Attachment A. Such \*\*\* Notice shall, \*\*\*, either:

4.1.1 \*\*\* for such affected Program Aircraft \*\*\* as set forth in Attachment B; or

4.1.2 provide Customer with the \*\*\* as set forth in Attachment B and the \*\*\* determined in accordance with \*\*\*, or

4.1.3 provide Customer with the \*\*\* 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 \*\*\* 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 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 \*\*\* days of its receipt of the \*\*\* Notice from Boeing. In the event Customer \*\*\* in accordance with Article 4.1.4 above, then Boeing \*\*\* Customer, \*\*\* for the \*\*\* Program Aircraft.

4.2.1 Within \*\*\* days of Boeing's receipt of \*\*\* notice for any such \*\*\* Program Aircraft under Article 4.2 above, Boeing \*\*\* written notice to Customer to \*\*\* related to such terminated Program Aircraft \*\*\*, by Customer.

4.2.2 Should Customer \*\*\* any notice to Boeing in accordance with Article 4.2 above, then the \*\*\* for such Program Aircraft shall be \*\*\* in accordance with Article 4.1.2.

4.3 In the event that the \*\*\* of a Program Aircraft that is subject to either Article 4.1.1, Article 4.1.2 or Article 4.1.3 above, \*\*\* applicable to such Program Aircraft will be determined pursuant to Article 5 below.

5. \*\*\*

5.1 If the \*\*\* forecast, as set forth in Article 3, \*\*\* any Program Aircraft \*\*\* as set forth in Attachment B and \*\*\* as set forth in Attachment B, \*\*\* for such Program Aircraft \*\*\* as set forth in Attachment B \*\*\* as set forth in Attachment B \*\*\*.

5.2 In the event the \*\*\* at \*\*\* of a Program Aircraft subject to Article 5.1 above, \*\*\* applicable to such 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 Program Aircraft \*\*\* such \*\*\* forecast, as set forth in Attachment A, then such \*\*\* applicable to such Program Aircraft \*\*\*:

6.1 If the \*\*\* of a Program Aircraft, \*\*\* as set forth in Attachment B for such Program Aircraft, then the \*\*\* for such Program Aircraft.

6.2 \*\*\* of a Program Aircraft, \*\*\* as set forth in Attachment B for such Program Aircraft \*\*\*, as set forth in Attachment B, then the \*\*\* for such Program Aircraft \*\*\* as set forth in Attachment B.

7. Applicability to \*\*\*.

The \*\*\*, identified in the Purchase Agreement as subject to \*\*\* pursuant to Supplemental Exhibit AE1, and which pertains to the Program Aircraft shall be \*\*\* established in this Letter Agreement for such Program Aircraft \*\*\* provisions of the Purchase Agreement \*\*\*.

8. Assignment.

Except for an assignment by Customer to a wholly-owned subsidiary as permitted under Article 9, entitled "Assignment, Resale, or Lease" of the AGTA, this Letter Agreement is provided as an accommodation to Customer in consideration of Customer 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-03784-LA-1208938.

THE BOEING COMPANY

By: /s/ Chastity Matthews

Its: Attorney-in-Fact

UAL-PA-03784-LA-1208156R1

\*\*\* for the 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 3



ACCEPTED AND AGREED TO this

Date: January 20, 2016

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman  
Its: Senior Vice President – Finance and acting Chief  
Financial Officer

UAL-PA-03784-LA-1208156R1  
\*\*\* for the 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 4



**ATTACHMENT A**  
**\*\*\* Forecast & \*\*\* Notice Date**

<u>*** Forecast</u>	<u>Applicable to Program Aircraft Delivering in Time Period</u>	<u>***Notice Date</u>
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Attachment A to UAL-PA-03784-LA-1208156R1  
\*\*\* for the 737NG Aircraft

SA-9  
Att. A, Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**





**ATTACHMENT B2, continued**  
**\*\*\* Factors - \*\*\***

***	***	***	***
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Attachment B2 to UAL-PA-03784-LA-1208156R1  
\*\*\* for the 737NG Aircraft

SA-9  
Att. B2, Page 2

**BOEING / UNITED AIRLINES PROPRIETARY**

UAL-PA-03784-LA-1504843

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

Subject: Open Matters – 2016 737NG Aircraft

Reference: Purchase Agreement No. 03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG Aircraft as defined in Supplemental Agreement No. 09 to the Purchase Agreement

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. Aircraft Configuration.

1.1 Initial Configuration. The initial configuration of Customer's 2016 737NG Aircraft has been defined by Boeing Model 737-\*\*\* Detail Specification D019A001 Rev. T dated January 9, 2015 as described in Article 1 and Exhibit A1 of the Purchase Agreement. Final configuration of the Aircraft will be completed as described in this Letter Agreement.

1.2 Final Configuration Schedule. Customer and Boeing hereby agree to complete the configuration of the Aircraft using the then-current Boeing configuration documentation (**Final Configuration**) in accordance with the following schedule:

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

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

1.2.3 Customer will then have (i) \*\*\* to accept or reject the optional features proposals for all seat components (IFE) and interior monument options, and (ii) \*\*\* the option features proposals for all remaining for all remaining non-interior optional features.

1.2.4 The additional miscellaneous features (**Miscellaneous Features**) listed in Attachment A of this Letter Agreement are required to be included in Customer's Final Configuration and will be added to Customer's final optional features selections.

UAL-PA-03784-LA-1504843  
Open Matters – 2016 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 1



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

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

2.2 Incorporation into Exhibit A1 of the Purchase Agreement, by written amendment, those optional features which have been agreed to by Customer and Boeing pursuant to Article 1.2 above (**Customer Configuration Changes**);

2.3 Revisions to the Performance Guarantees to reflect the effects, if any, on 2016 737NG Aircraft performance resulting from the incorporation of the Customer Configuration Changes;

2.4 Changes to the Optional Features Prices, \*\*\* and \*\*\* of the 2016 737NG Aircraft to adjust for the difference, if any, between the prices estimated in Table 1B of the Purchase Agreement for optional features reflected in the \*\*\* and the actual prices of the optional features reflected in the Customer Configuration Changes; and

2.5 Changes to the \*\*\* of the 2016 737NG Aircraft to adjust for the difference between the estimated amount included in Table 1B of the Purchase Agreement for Seller Purchased Equipment (**SPE**) and the price of the SPE reflected in the Customer Configuration Changes.

3. Other Letter Agreements.

Boeing and Customer acknowledge that as the definition of the 2016 737NG Aircraft progresses, there may be a need to execute letter agreements addressing one or more of the following subjects:

3.1 Software. Additional provisions relating to software.

3.2 Installation of Cabin Systems Equipment. Additional provisions relating to the terms under which Boeing will offer and install in-flight entertainment systems in the Aircraft.



3.3 Performance Guarantees – 737-\*\*\*. Performance Guarantees for the 2016 737NG Aircraft will be provided \*\*\* after the final configuration for the 737-\*\*\* model aircraft has been completed. Boeing provides Customer with the assurance that \*\*\*.

Very truly yours,

THE BOEING COMPANY

By: /s/ Chastity Matthews

Its: Attorney-In-Fact

UAL-PA-03784-LA-1504843  
Open Matters – 2016 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 3



ACCEPTED AND AGREED TO this

Date: January 20, 2016

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman

Its: Senior Vice President – Finance and acting Chief  
Financial Officer

UAL-PA-03784-LA-1504843  
Open Matters – 2016 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 4





Attachment A  
Miscellaneous Features

<u>Option Number</u>	<u>Title</u>	<u>*** Per A/C</u>
***	***	\$***
***	***	\$***
***	***	\$***
***	***	\$***
***	***	\$***
***	***	\$***
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UAL-PA-03784-LA-1504843  
Open Matters – 2016 737NG Aircraft

BOEING / UNITED AIRLINES PROPRIETARY

SA-9  
Page 2



UAL-PA-03784-LA-1504844

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

Subject: Special Matters – 2016 737NG Aircraft

Reference: Purchase Agreement No. 03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG Aircraft as defined in Supplemental Agreement No. 09 to the Purchase Agreement

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.

1. **\*\*\***. In consideration of Customer's purchase of the 2016 737NG Aircraft, at the time of delivery of each such 2016 737NG Aircraft, unless otherwise noted, Boeing will provide to Customer the following **\*\*\***:

1.1 **\*\*\***. At the time of delivery of each 2016 737NG Aircraft, Boeing **\*\*\*** to Customer a **\*\*\*** in the **\*\*\*** which shall equal **\*\*\***.

1.2 **\*\*\***. At the time of delivery of each 2016 737NG Aircraft, Boeing will issue to Customer a **\*\*\*** in the amount determined by **\*\*\***.

1.3 **\*\*\***. At the time of delivery of each 2016 737NG Aircraft, Boeing **\*\*\*** to Customer a **\*\*\*** in the **\*\*\*** which shall **\*\*\***.

1.4 **\*\*\***. At the time of delivery of each 2016 737NG Aircraft, Boeing will **\*\*\*** to Customer a 737 **\*\*\*** which shall **\*\*\***.

1.5 **\*\*\***. In consideration of Customer's purchase of the 2016 737NG Aircraft and in addition to the rights and obligations of Customer and Boeing set forth in Letter Agreement 6-1162-KKT-080 as applicable to Requirement Aircraft, as defined therein, the following terms and conditions will apply to the delivery of each 2016 737NG Aircraft. Except as provided in the next paragraph, on the date of delivery of each 2016 737NG Aircraft, Boeing will issue to Customer a **\*\*\*** in **\*\*\***. The **\*\*\*** may be **\*\*\*** by Customer to the **\*\*\*** of such 2016 737NG Aircraft.

UAL-PA-03784-LA-1504844  
Special Matters – 2016 737NG Aircraft

SA-9  
Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**



1.5.1 Customer \*\*\* for the \*\*\* for any 2016 737NG Aircraft if Customer \*\*\*. If at any point in time Customer \*\*\*, any \*\*\* already issued shall be subject to a \*\*\* between Boeing and Customer and \*\*\* 2016 737NG Aircraft.

1.5.2 For purposes of this section, an Alternative Aircraft is defined \*\*\* which, at the time of execution of this Letter Agreement or at any time in the future \*\*\*, but \*\*\* which Customer operates at the time of execution of this Letter Agreement. For the avoidance of doubt such \*\*\* of such aircraft.

1.5.3 Term: Section 1.5 shall expire at \*\*\* as may be subsequently amended by the parties.

1.6 \*\*\*. At the time of delivery of each 2016 737NG Aircraft, Boeing \*\*\* to Customer \*\*\* in \*\*\* or the amount by which \*\*\* for the 2016 737NG Aircraft \*\*\* following \*\*\* pursuant to Letter Agreement UAL-PA-03784-LA-1504843 entitled "Open Matters - 2016 737NG Aircraft".

2. \*\*\*.

Unless otherwise noted, the amounts of \*\*\* stated in paragraphs 1.1 through 1.6 are in \*\*\* dollars, and will be \*\*\* to the scheduled month of the respective Aircraft delivery pursuant to the \*\*\* set forth in the Purchase Agreement applicable to the Aircraft. The \*\*\* may, at the election of Customer, be (i) applied against the Aircraft Price of the respective Aircraft at the time of delivery, or (ii) used for the \*\*\* of other Boeing \*\*\* and \*\*\*.

3. \*\*\*

If the Customer \*\*\* a 737-\*\*\*, then such aircraft shall be a 2016 737NG Aircraft and the terms and conditions of this Letter Agreement shall apply to each resulting 2016 737NG Aircraft.

4. Assignment.

Unless otherwise noted herein, the \*\*\* described in this Letter Agreement are provided as \*\*\* to Customer and in consideration of \*\*\*. This Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing. \*\*\*

UAL-PA-03784-LA-1504844  
Special Matters – 2016 737NG Aircraft

SA-9  
Page 2

**BOEING / UNITED AIRLINES PROPRIETARY**



5. 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-03784-LA-1208938.

Very truly yours,

THE BOEING COMPANY

By: /s/ Chastity Matthews

Its: Attorney-in-Fact

UAL-PA-03784-LA-1504844  
Special Matters – 2016 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 3



ACCEPTED AND AGREED TO this

Date: January 20, 2016

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman  
Its: Senior Vice President – Finance and acting Chief  
Financial Officer

UAL-PA-03784-LA-1504844  
Special Matters – 2016 737NG Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-9  
Page 4

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. 6

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 February 8, 2016, 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 \*\*\* firm model 737-9 Aircraft with \*\*\* model 737-9 \*\*\* Aircraft in the same delivery month:

Aircraft Delivery Month

\*\*\*

WHEREAS, Boeing and Customer agree to \*\*\* such 737-9 firm aircraft with \*\*\* firm 737-\*\*\* aircraft under \*\*\*.

WHEREAS, Boeing and Customer agree to apply \*\*\* firm model 737-9 Aircraft terminated under this Supplemental Agreement No. 06 (i) first to the \*\*\* Deposit for the \*\*\* new model 737-9 \*\*\* Aircraft added under this Supplemental Agreement No. 06 and (ii) then towards Customer's \*\*\*.

UAL-PA-03776

SA-6

Page 1

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

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

1. Table of Contents and Articles.

The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-6").

2. Tables.

"Table 1", *737-9 Aircraft Delivery, Description, Price and \*\*\**, is deleted in its entirety and replaced with the attached similarly titled "Table 1" (identified by "SA-6")

3. Letter Agreements.

"Attachment A to Letter Agreement No. UCH-PA-03776-LA-1207644" is deleted in its entirety and replaced with the attached "Attachment A to Letter Agreement No. UCH-PA-03776-LA-1207644" (identified by "SA-6").

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

Signature

/s/ Gerald Laderman

Signature

Irma L. Krueger

Printed Name

Gerald Laderman

Printed Name

Attorney-in-Fact

Title

Senior Vice President – Finance and acting Chief Financial Officer

Title

UAL-PA-03776

SA-6

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

Page 3



**TABLE OF CONTENTS**

SA  
NUMBER

**ARTICLES**

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>Aircraft Information Table – 737-9</b>	<b>SA-6</b>
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**EXHIBITS**

A.	Aircraft Configuration
B.	Aircraft Delivery Requirements and Responsibilities

**SUPPLEMENTAL EXHIBITS**

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

**LETTER AGREEMENTS**

UCH-PA-03776-LA-1207637	*** Matters	
UCH-PA-03776-LA-1207638	***	
UCH-PA-03776-LA-1207640	Demonstration Flight Waiver	
UCH-PA-03776-LA-1207643	Open Matters	
UCH-PA-03776-LA-1207644	Option Aircraft	SA-4
	<b>Option Aircraft - Attachment A</b>	<b>SA-6</b>
UCH-PA-03776-LA-1207646	Promotional Support	
UCH-PA-03776-LA-1207647	Seller Purchased Equipment	
UCH-PA-03776-LA-1207649	Spare Parts Initial Provisioning	
UCH-PA-03776-LA-1207650	Special Matters	
UCH-PA-03776-LA-1208055	***	
UCH-PA-03776-LA-1208122	***	
UCH-PA-03776-LA-1208123	*** Matters	
UCH-PA-03776-LA-1208157	***	

UCH-PA-03776

TABLE OF CONTENTS, CONTINUED

SA  
NUMBER

LETTER AGREEMENTS, continued

UCH-PA-03776-LA-1208234 Privileged and Confidential Matters  
UCH-PA-03776-LA-1208596 AGTA Matters  
UCH-PA-03776-LA-1208238 Assignment Matters  
UCH-PA-03776-LA-1208869 Delivery \*\*\* Matters  
UAL-PA-03784-LA-1207869 737 Production Adjustments

SUPPLEMENTAL AGREEMENTS

DATED AS OF

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**

UCH-PA-03776

TABLE OF CONTENTS  
BOEING/UNITED AIRLINES, INC. PROPRIETARY

SA-6, Page 2 of 2

**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>	CFM-LEAP-1B***	*** 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>		\$***		

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







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

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

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

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

**Attachment A to Letter Agreement No. UCH-PA-03776-LA-1207644**  
**737-9 \*\*\* Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-9	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	CFM-LEAP-1B	*** 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>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</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 months are \*\*\* pursuant to Letter Agreement number UCH-PA-03776-LA-1207644.



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. 10

to

Purchase Agreement Number 03784

Between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 737 Aircraft

THIS SUPPLEMENTAL AGREEMENT is entered into as of February 8, 2016 by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement Number 3784 dated July 12, 2012 (**Purchase Agreement**), as amended and supplemented, relating to the purchase and sale of Boeing Model 737 aircraft (**Aircraft**). This Supplemental Agreement is an amendment to the Purchase Agreement;

WHEREAS, Boeing and Customer agree to \*\*\* as follows:

- (i) Boeing and Customer agree to \*\*\* aircraft to the Purchase Agreement as identified in Figure 1 below.

**Figure 1**  
**Delivery Month**  
\*\*\*

- (ii) Such firm \*\*\* aircraft incorporated into the Purchase Agreement shall be defined as **Firm 737-\*\*\* Aircraft**.

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

1. Table of Contents, Articles, Tables, Supplemental Exhibits, and Letter Agreements:

1.1 The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (denoted by "SA-10").

1.2 Table 1C entitled "Aircraft Information Table" (identified by "SA-10") is added to the Purchase Agreement.

1.3 Supplemental Exhibit BFE3 entitled “BFE Variables for Firm 737-\*\*\* Aircraft” (identified by “SA-10”) is added to the Purchase Agreement.

1.4 Exhibit A-2 entitled “Exhibit A-2 Aircraft Configuration Firm 737-\*\*\* Aircraft” (identified by “SA-10”) is added to the Purchase Agreement.

1.5 Letter Agreement UAL-PA-03784-LA-1600041 titled “Special Matters – Firm 737-\*\*\* Aircraft” is added to the Purchase Agreement.

2. Revisions to the Purchase Agreement:

2.1 The following reference to “Table 1” in the Purchase Agreement and associated exhibits, supplemental exhibits, and letter agreements to the Purchase Agreement are now deemed to be replaced per Figure 2 as follows:

<u>Document</u>	<u>Figure 2 Original Reference</u>	<u>Replacement Reference</u>
Purchase Agreement Basic Articles	Reference to “Table 1”	“Table 1A, Table 1B and Table 1C”
	(i) Opening Paragraph 1	
	(ii) Article 2	
	(iii) Article 3.1	
	(iv) Article 5.1	

2.2 Boeing and Customer agree that Section 8 of Letter Agreement 6-1162-KKT-080 shall no longer apply to the Firm 737-\*\*\* Aircraft.

2.3 If Boeing or Customer determine that amendments described in Figure 2 of this Supplemental Agreement No. 10 should be further amended, then Boeing and Customer will work together for a mutually agreeable solution.

3. Miscellaneous:

3.1 For the avoidance of doubt, Boeing and Customer agree that the provisions of Letter Agreement UAL-PA-03784-LA-1207881 apply to the Firm 737-\*\*\* Aircraft. The parties acknowledge that all SPE suppliers have previously been selected by Customer so that the provisions of Section 2.1 have already been satisfied by Customer.

3.2 Boeing and Customer agree \*\*\*.

*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 and acting Chief Financial Officer

Title

Title

UAL-PA-03784

SA-10

**BOEING / UNITED AIRLINES PROPRIETARY**

TABLE OF CONTENTS

<u>ARTICLES</u>		<u>SA NUMBER</u>
Article 1.	Quantity, Model and Description	
Article 2.	Delivery Schedule	
Article 3.	Price	
Article 4.	Payment	
Article 5.	Additional Terms	
 <u>TABLE</u>		
1A.	Aircraft Information Table – 737-***	SA-8
1B.	Aircraft Information Table – 2016 737NG Aircraft	SA-9
1C.	<b>Aircraft Information Table – Firm 737-*** Aircraft</b>	<b>SA-10</b>
 <u>EXHIBITS</u>		
A.	Aircraft Configuration – 737-***	
A1.	Aircraft Configuration – 2016 737NG Aircraft	SA-9
A2.	<b>Aircraft Configuration – Firm 737-*** Aircraft</b>	<b>SA-10</b>
B.	Aircraft Delivery Requirements and Responsibilities	
 <u>SUPPLEMENTAL EXHIBITS</u>		
AE1.	Escalation Adjustment/Airframe and Optional Features	SA-9
BFE1.	BFE Variables for 737-*** Aircraft	SA-1
BFE2.	BFE Variables for 2016 737NG Aircraft	SA-9
<b>BFE3.</b>	<b>BFE Variables for Firm 737-*** Aircraft</b>	<b>SA-10</b>
CS1.	Customer Support Variables	
EE1.	Engine Escalation, Engine Warranty ***	
SLP1.	Service Life Policy Components	
P.A. 03874	TABLE OF CONTENTS, Page 1 of 3 <b>BOEING/UNITED AIRLINES PROPRIETARY</b>	SA-10

TABLE OF CONTENTS, CONTINUED

SA  
NUMBER

LETTER AGREEMENTS

UAL-PA-03784-LA-1207868	Performance Guarantees	
UAL-PA-03784-LA-1207870	Spare Parts Initial Provisioning	
UAL-PA-03784-LA-1207871	Special Matters	
UAL-PA-03784-LA-1207878	Demonstration Flight Waiver	
UAL-PA-03784-LA-1207879R2	*** Aircraft ***	SA-9
UAL-PA-03784-LA-1207879R3	2016 737NG *** Aircraft	SA-9
UAL-PA-03784-LA-1207881	Seller Purchased Equipment 737-***	
	Attachment AR1 to Letter Agreement UAL-PA-03784-LA-1207881	SA-9
UAL-PA-03784-LA-1208155R2	*** Matters 737-*** and 2016 737NG Aircraft	SA-9
UAL-PA-03784-LA-1208156R1	*** for the 737NG Aircraft	SA-9
	Attachment A: ***	SA-9
	Attachment B1: ***	SA-9
	Attachment B2: ***	SA-9
	***	
UAL-PA-03784-LA-1208172	***	
UAL-PA-03784-LA-1208173	***	SA-1
UAL-PA-03784-LA-1208169	737 Production Adjustments	
UAL-PA-03784-LA-1208938	Privileged and Confidential Matters	
UAL-PA-03784-LA-1208939	Aircraft Model ***	
UAL-PA-03784-LA-1209115	***	
UAL-PA-03784-LA-1300306	Aircraft Reschedule – January 2014 to February 2014	SA-2
UAL-PA-03784-LA-1400240	Aircraft Rescheduling of ***	SA-5
UAL-PA-03784-LA-1504843	Open Matters – 2016 737NG Aircraft	SA-9
UAL-PA-03784-LA-1504844	Special Matters – 2016 737NG Aircraft	SA-9
<b>UAL-PA-03784-LA-1600041</b>	<b>Special Matters – Firm 737-*** Aircraft</b>	<b>SA-10</b>

P.A. 03874

TABLE OF CONTENTS, Page 2 of 3

SA-10

**BOEING/UNITED AIRLINES PROPRIETARY**

TABLE OF CONTENTS

SUPPLEMENTAL AGREEMENTS

DATED AS OF

Supplemental Agreement No. 1	September 27, 2012
Supplemental Agreement No. 2	March 1, 2013
Supplemental Agreement No. 3	June 27, 2013
Supplemental Agreement No. 4	September 11, 2013
Supplemental Agreement No. 5	March 3, 2014
Supplemental Agreement No. 6	June 6, 2014
Supplemental Agreement No. 7	May 26, 2015
Supplemental Agreement No. 8	June 12, 2015
Supplemental Agreement No. 9	January 20, 2016
<b>Supplemental Agreement No. 10</b>	<b>February 8, 2016</b>

P.A. 03874

**Table 1C To  
Purchase Agreement No. PA-03784  
Firm 737-\*\*\* Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-***	*** pounds	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	CFM56-7B***	*** 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>Delivery Date</u>	<u>Number of Aircraft</u>	<u>Escalation Factor (Airframe)</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:

\* - At effective date of SA-10, \*\*\*

AIRCRAFT CONFIGURATION

between

THE BOEING COMPANY

and

UNITED AIRLINES, INC.

Exhibit A-2 to Purchase Agreement Number 3784

For the Firm 737-\*\*\* Aircraft

A-2

**BOEING/UNITED AIRLINES PROPRIETARY**

PA-3784

SA-10  
Page1



**Exhibit A-2**

**737-\*\*\* AIRCRAFT CONFIGURATION**

**Dated May 26, 2015**

**relating to the Firm 737-\*\*\* Aircraft**

The Detail Specification is Boeing document number \*\*\*, expected to be released on or before \*\*\*. The Detail Specification provides further description of Customer's configuration set forth in this Exhibit A. Such Detail Specification will be comprised of \*\*\* to incorporate \*\*\* listed below, including \*\*\*. As soon as practicable, Boeing will furnish to Customer copies of the Detail Specification, which copies will reflect such \*\*\*. The Aircraft Basic Price reflects and includes all effects of such \*\*\*, except such Aircraft Basic Price does not include the price effects of any Buyer Furnished Equipment or Seller Purchased Equipment.

PA-3784

A-2

SA-10

Page 2

**BOEING/UNITED AIRLINES PROPRIETARY**













**BUYER FURNISHED EQUIPMENT VARIABLES**

**between**

**THE BOEING COMPANY**

**and**

**UNITED AIRLINES (UAL)**

**Supplemental Exhibit BFE3  
to Purchase Agreement Number PA 03784**

**Relating to Firm 737-\*\*\* Aircraft**

UAL-PA-03784-BFE3

SA-10

**BOEING / UNITED AIRLINES PROPRIETARY**

Page 1



**BUYER FURNISHED EQUIPMENT VARIABLES**

relating to

**Firm 737-\*\*\* Aircraft**

This Supplemental Exhibit BFE3 contains supplier selection dates, on-dock dates and other requirements applicable to the Firm 737-\*\*\* Aircraft.

1. **Supplier Selection.**

Customer has previously selected and notified Boeing of the suppliers and part numbers of its BFE items.

2. **On-dock Dates and Other Information.**

On or before \*\*\* to \*\*\* of the Firm 737-\*\*\* Aircraft, 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 for the Firm 737-\*\*\* Aircraft are set forth in Attachment A.

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.

[http://www.boeing.com/companyoffices/doingbiz/supplier\\_portal/index\\_general.html](http://www.boeing.com/companyoffices/doingbiz/supplier_portal/index_general.html)

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**Preliminary BFE On-Dock Dates for the Firm 737-\*\*\* Aircraft**

UAL-PA-03784-BFE3

SA-10

Attachment A, Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**

UAL-PA-03784-LA-1600041

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

Subject: Special Matters – Firm 737-\*\*\* Aircraft, as defined in Supplemental Agreement No. 10 to the Purchase Agreement

Reference: Purchase Agreement No. 3784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG Aircraft

Ladies and Gentlemen:

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.

1. \*\*\*.

1.1. Firm 737-\*\*\*.

In consideration of Customer's purchase of Firm 737-\*\*\* Aircraft, Boeing \*\*\* at the time of delivery of each Firm 737-\*\*\* Aircraft \*\*\* (**Firm 737-\*\*\* Aircraft \*\*\***). The Firm 737-\*\*\* Aircraft \*\*\* is subject to the \*\*\* as \*\*\* the \*\*\* at \*\*\* of delivery. Such Firm 737-\*\*\* Aircraft \*\*\* may be used by \*\*\* for the \*\*\* Boeing \*\*\* or \*\*\* to the \*\*\*at the time of delivery of the applicable Aircraft. The Firm 737-\*\*\* may not, however, be used for the \*\*\*.

1.2. \*\*\*.

In consideration of Customer's purchase of Firm 737-\*\*\* Aircraft, Boeing shall \*\*\* at the time of delivery of each Firm 737-\*\*\* Aircraft a \*\*\*. The \*\*\* amount is \*\*\* the \*\*\* at time of delivery. Such \*\*\* may be used by \*\*\* for the \*\*\*of Boeing \*\*\* and \*\*\* or \*\*\*to the balance due at the time of delivery of the applicable Aircraft. The \*\*\* may not, however, be used for the \*\*\*.

\*\*\*

1.3. \*\*\*.

In consideration of Customer configuring and taking delivery of Firm 737-\*\*\* Aircraft with \*\*\*, Boeing will \*\*\* to Customer a \*\*\* at delivery of each Firm 737-\*\*\* Aircraft in the \*\*\* of the respective Firm 737-\*\*\* Aircraft delivery pursuant to the \*\*\* set forth in Supplemental Exhibit AE1 to the Purchase Agreement. Such \*\*\* may be used by Customer for the \*\*\* of Boeing \*\*\* at the time of delivery of the applicable Aircraft. \*\*\*.

UAL-PA-03784-LA-1600041

Special Matters – Firm 737-\*\*\* Aircraft P.A. No. 3784, SA 10

Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**



1.4. Applicability of \*\*\*.

The \*\*\* described in this Letter Agreement will only apply to the Firm 737-\*\*\* Aircraft.

2. \*\*\* Schedule.

Notwithstanding the \*\*\* of the Agreement, Customer \*\*\*.

3. \*\*\* Rights.

3.1. Customer agrees that if there is \*\*\* under (i) the Purchase Agreement \*\*\*, then Boeing may, with \*\*\* calendar days written notice \*\*\* under the Purchase Agreement, \*\*\*.

3.2. In the event Boeing \*\*\* Customer will make all such \*\*\* payments to Boeing by unconditional wire transfer of immediately available funds in United States Dollars in a bank account to the United States designated by Boeing.

3.3. For all purposes of this Article 3, including without limitation, notice, \*\*\* or any other application, the term “Boeing” means and includes The Boeing Company, its divisions, subsidiaries, affiliates and the assignees of each. Nothing herein shall constitute an election or waiver of any remedy of Boeing; all such remedies shall be cumulative. Boeing expressly reserves all of its rights and remedies under any agreement and applicable law.

3.4. Notwithstanding Article 3.1, Boeing \*\*\*.

4. \*\*\*.

4.1. \*\*\* Firm 737-\*\*\* Aircraft. Customer agrees \*\*\* on \*\*\* pursuant to Article 2 of this Letter Agreement \*\*\*)

4.2. Delivery \*\*\* Impact on \*\*\* Calculations. If the delivery of any Aircraft is \*\*\* due to either an excusable or a non-excusable \*\*\*, then interest on the \*\*\* 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 Article 3.1 of this Letter Agreement or on the delivery date of the Aircraft, whichever comes first.

4.3. Boeing \*\*\*. Boeing shall submit to Customer, not less than \*\*\* days 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.

5. Assignment of \*\*\*.

Customer may not assign the \*\*\* described in this Letter Agreement without Boeing's prior written consent \*\*\*.

6. 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-03784-LA-1208938.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03784-LA-1600041

Special Matters – Firm 737-\*\*\* Aircraft P.A. No. 3784, SA 10

**BOEING / UNITED AIRLINES PROPRIETARY**



ACCEPTED AND AGREED TO this

Date: February 8, 2016

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman

Its: Senior Vice President - Finance and acting Chief  
Financial Officer

UAL-PA-03784-LA-1600041

Special Matters – Firm 737-\*\*\* Aircraft P.A. No. 3784, SA 10

**BOEING / UNITED AIRLINES PROPRIETARY**

Page 4

**Attachment A to Letter Agreement No. UAL-PA-03784-LA-1600041**  
**\*\*\* Schedule For the Firm 737-\*\*\* Aircraft**

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Attachment A to UAL-PA-03784-LA-1600041  
Special Matters – Firm 737-\*\*\* Aircraft

Att. A, Page 1  
P.A. No. 3784, SA-10

**BOEING / UNITED AIRLINES 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. 7

to

Purchase Agreement No. 3860

between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 787 Aircraft

THIS SUPPLEMENTAL AGREEMENT No. 7 (SA-7), entered into as of March 7, 2016, 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 \*\*\* 787- \*\*\* with \*\*\* Aircraft under \*\*\* and \*\*\* 787-\*\*\* Aircraft as follows:

*Figure 1*

***	Aircraft Type Prior to SA-7 ***	Manufacturer Serial Number ***	Original Delivery Month ***	Aircraft Type Commencing With SA-7 ***	Manufacturer Serial Number ***	*** Month ***
-----	--	---	--------------------------------------	---	---	------------------

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

(i) Boeing and Customer agree that such \*\*\* 787-\*\*\* Aircraft \*\*\* to the Purchase Agreement as \*\*\* Aircraft as such terms are defined in Purchase Agreement No. 2484 dated December 29, 2004, as amended and supplemented (**Purchase Agreement 2484**) for all purposes of Purchase Agreement 2484 and are further identified in Figure 2 below.



**Figure 2**

**Delivery Month**

\*\*\*

(ii) Boeing and Customer agree to \*\*\* the following \*\*\* 787-\*\*\* Aircraft in the delivery months with \*\*\* dates as specified below in Figure 3:

**Figure 3**

**Model**

\*\*\*

**\*\*\* 787-\*\*\* Aircraft Delivery Month**

\*\*\*

**1. Table of Contents.**

The “Table of Contents” is deleted in its entirety and replaced with the attached “Table of Contents” (identified by “SA-7”).

**2. Tables.**

2.1. Table 1 entitled “787-10 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-7”).

2.2. Table 1 entitled “787-9 Aircraft Delivery, Description, Price and \*\*\* for \*\*\* Firm 787-9 Aircraft” is deleted in its entirety and replaced with the attached Table 1 entitled “787-9 Aircraft Delivery, Description, Price and \*\*\*” (identified by “SA-7”).

**3. Supplemental Exhibits.**

Supplemental Exhibit BFE1 relating to Boeing Model 787-\*\*\* aircraft is deleted in its entirety and replaced with the similarly titled supplemental exhibit (identified by “SA-7”).

**4. Letter Agreements.**

4.1. Attachment B-1 to Letter Agreement UAL-PA-03860-LA-1209265R1 entitled “787-\*\*\* with GENX-1B\*\*\* Engines: \*\*\* Aircraft Delivery, Description, Price and \*\*\*” is deleted in its entirety and replaced with the attached Attachment B-1 (identified by “SA-7”).

4.2. Letter Agreement UAL-PA-03860-LA-1209413A1R2 entitled “Special Matters - Amendment 1” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03860-LA-1209413A1R3 (identified by “SA-7”).

4.3. Letter Agreement UAL-PA-03860-LA-1301375 entitled “Provisions Relating to Customer’s \*\*\* for 787-10 Aircraft” is deleted in its entirety and replaced with Letter Agreement UAL-PA-03860-LA-1301375R1 (identified by “SA-7”).

5. Miscellaneous.

Boeing and Customer agree to \*\*\* by Boeing from Customer as follows:

\*\*\*

The resulting aggregate \*\*\* Supplemental Agreement No. 7. Such resulting \*\*\* of this Supplemental Agreement No. 7.

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.

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 and acting Chief Financial Officer

Title

Title

## TABLE OF CONTENTS

### ARTICLES

		<u>SA NUMBER</u>
Article 1.	Quantity, Model and Description	SA-1
Article 2.	Delivery Schedule	SA-1
Article 3.	Price	SA-1
Article 4.	Payment	SA-1
Article 5.	Additional Terms	SA-1

### TABLE

1.	787-8 with GENX-1B*** Engines Aircraft Information Table ***	SA-3
1.	787-9 with GENX-1B*** Engines Aircraft Information Table ***	SA-5
<b>1</b>	<b>787-9 Aircraft Delivery, Description, Price and ***</b>	<b>SA-7</b>
1.	<b>787-10 with GENX-1B*** Engines Aircraft Information Table</b>	<b>SA-7</b>

### EXHIBITS

A1.	787-8 Aircraft Configuration ***	
A2.	787-9 Aircraft Configuration ***	SA-4
A3.	787-10 Aircraft Configuration	SA-1
B.	Aircraft Delivery Requirements and Responsibilities	

### SUPPLEMENTAL EXHIBITS

AE1.	Escalation Adjustment/Airframe and Optional Features	
<b>BFE1.</b>	<b>BFE Variables for the 787-*** Aircraft</b>	<b>SA-7</b>
CS1.	Customer Support Document	
EE1.	Engine Escalation/Engine Warranty ***	
SLP1.	Service Life Policy Components	

P.A. 3860	TABLE OF CONTENTS, Page 1 of 5	SA-7
	<b>BOEING/UNITED AIRLINES, INC. PROPRIETARY</b>	

TABLE OF CONTENTS, CONTINUED

SA  
NUMBER

**LETTER AGREEMENTS**

UAL-PA-03860-LA-1209247	787 e-Enabling	
UAL-PA-03860-LA-1209264	Open Configuration Matters	
UAL-PA-03860-LA-1209265R1	*** Aircraft	SA-1
	Attachment A, 787-*** Aircraft Delivery, Description, Price and ***	SA-1
	<b>Attachment B-1, 787-*** with GENX-1B*** Engines: *** Aircraft Delivery, Description, Price and ***</b>	<b>SA-7</b>
	Attachment B-2, 787-*** with TRENT1000-*** Engines: *** Aircraft Delivery, Description, Price and ***	SA-3
UAL-PA-03860-LA-1209409	Spare Parts Initial Provisioning	
UAL-PA-03860-LA-1209410	Special Matters Relating to COTS Software and End User License Agreements	
UAL-PA-03860-LA-1209411	Special Terms – Seats and In-flight Entertainment	
UAL-PA-03860-LA-1209417	Model 787 Post-Delivery Software & Data Loading	

**CONFIDENTIAL LETTER AGREEMENTS**

UAL-PA-03860-LA-1209236R1	Model ***	SA-1
	Attachment A, 787-9 Airframe Pricing of *** Aircraft with General Electric GENx-1B*** and Rolls Royce Trent 1000-*** engines	SA-1
	Attachment B, 787-10 with General Electric GENx-1B*** and Rolls Royce TRENT 1000-*** Engines	SA-1
	Attachment C, 787-8 with General Electric GENx-1B*** and Rolls Royce TRENT 1000-***	SA-1

P.A. 3860

SA-7

TABLE OF CONTENTS, CONTINUED

	<u>SA NUMBER</u>
<b>CONFIDENTIAL LETTER AGREEMENTS, continued</b>	
UAL-PA-03860-LA-1209412	Spare Parts Commitment
UAL-PA-03860-LA-1209413R1	Special Matters
<b>UAL-PA-03860-LA-1209413A1R3</b>	<b>Special Matters – Amendment 1</b>
UAL-PA-03860-LA-1209414	Other Special Matters
UAL-PA-03860-LA-1209413A1	Other Special Matters - Amendment 1
UAL-PA-03860-LA-1209416R1	Promotional Support
UAL-PA-03860-LA-1209430	Performance Guarantees
UAL-PA-03860-LA-1209455	*** – TERMINATED
UAL-PA-03860-LA-1209429	***
UAL-PA-03860-LA-1209618R1	Alternate Engine Selection
6-1162-ELP-0794	*** Program- ***
6-1162-ELP-0795	*** Program- ***
UAL-PA-03860-LA-1301368	Performance Guarantees (787-10)
UAL-PA-03860-LA-1301373	787-10 Aircraft Open Configuration and Other Matters
<b>UAL-PA-03860-LA-1301375R1</b>	<b>Provisions Relating to Customer's *** for 787-10 Aircraft</b>
UAL-PA-03860-LA-1301377	787-10 ***
UAL-PA-03860-LA-1301377A1	787-10 *** – Amendment 1
UAL-PA-03860-LA-1301380	787-10 Program Launch
UAL-PA-03860-LA-1500017	Demonstration Flight Waiver
UAL-PA-03860-LA-1500059	Installation of Cabin Systems Equipment

P.A. 3860

SA-7

**SUPPLEMENTAL AGREEMENTS**

**DATED AS OF**

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**

June 17, 2013  
December 16, 2013  
July 22, 2014  
January 14, 2015  
May 12, 2015  
December 31, 2015  
**March 7, 2016**

P.A. 3860

TABLE OF CONTENTS, Page 4 of 4  
**BOEING / UNITED AIRLINES, INC. PROPRIETARY**

SA-7

**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>	***

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	See footnote for escalation forecast being used	Serial Number +	Escalation Estimate*** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
								***	***	***	***
***	***	***	***	***	*	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	*	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	*	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	*	***	\$***	\$***	\$***	\$***	\$***
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***	***	***	***	***	**	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	**	***	\$***	\$***	\$***	\$***	\$***
<b>Total:</b>		***									

**Table 1 to  
Purchase Agreement No. 3860  
787-10 Aircraft with GENX-1B\*\*\* Engines Delivery, Description, Price and \*\*\*  
(787-10/GE/\*\*\*)**

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	See footnote for escalation forecast being used	Serial Number +	Escalation Estimate*** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
								***	***	***	***
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										



**Table 1**  
**Purchase Agreement No. 3860**  
**787-9 Aircraft Delivery, Description, Price and \*\*\***  
**(787-9/GE/\*\*\*)**

<b>Airframe Model/MTOW:</b>	787-9	*** pounds <sup>1</sup>	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	GENX-1B***2	*** 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>		\$***	<b>Base Year Index (CPI):</b>	***
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>		\$***	<b>Engine Escalation Data:</b>	
<b>Buyer Furnished Equipment (BFE)</b>				
<b>Estimate:</b>		\$***	<b>Base Year Index (ECI):</b>	***
<b>In-Flight Entertainment (IFE) Estimate:</b>		\$***	<b>Base Year Index (CPI):</b>	***
<b>Refundable Deposit/Aircraft at Proposal</b>				
<b>Accept:</b>		\$*** +		

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Serial Number	Escalation Estimate*** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
							***	***	***	***
<b>Block C Aircraft 1, 2, 3, 4</b>										
***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	+***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	+***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	+***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	+***	***	***	\$***	\$***	\$***	\$***	\$***
<b>Total Block C</b>		***								

+\*\*\* for each of the aircraft marked with a "+" is \$\*\*\* & is calculated as follows:

- Step 1: Funds from \*\*\*
- Step 2: Funds from \*\*\*
- Step 3: Deposits \*\*\*
- Step 4: Resulting sum of \*\*\*

**Table 1 Purchase Agreement No. 3860**  
**787-9 Aircraft Delivery, Description, Price and \*\*\***  
**(787-9/GE/\*\*\*)**

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Serial Number	Escalation Estimate*** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
							***	***	***	***

- 1 MTOW provided in accordance with MTOW Article 3.2 of Letter Agreement 6-1162-RCN-1936.
  - 2 Engine model, thrust and pricing are subject to GE agreement with Customer, i.e., to deliver GENx-1B\*\*\*.
  - 3 The Block C Aircraft shall be considered Block B Aircraft as defined pursuant to \*\*\* & for purposes of Letter Agreement 6-1162-RCN-1939 entitled \*\*\*.
  - 4 The \*\*\* specified above are “Block C Aircraft” as such term is defined in \*\*\* for all purposes of\*\*\*, EXCEPT as in footnote 3 above.
- \* Serial Numbers Identified are for informational purposes only and subject to change

**BUYER FURNISHED EQUIPMENT VARIABLES**

**between**

**THE BOEING COMPANY**

**and**

**UNITED AIRLINES, Inc,**

**Supplemental Exhibit BFE1**

**to Purchase Agreement Number 3860**

**relating to**

**BOEING MODEL 787-\*\*\* AIRCRAFT**

**BFE1**

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

P.A. 3860

SA-7  
BFE1 Page 1

**BUYER FURNISHED EQUIPMENT VARIABLES**

**relating to**

**BOEING MODEL 787-\*\*\* AIRCRAFT**

This Supplemental Exhibit BFE1 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 model/part of the following BFE items by the first day of the following months:

\*\*\*

2. On-dock Dates and Other Information.

On or before \*\*\*, Boeing will provide to Customer BFE requirements, electronically in My Boeing Fleet (**MBF**) through My Boeing Configuration (**MBC**) or by other means, setting forth the items, quantities, technical reviews, on-dock dates, shipping instructions and other requirements relating to the in-sequence installation of BFE. These requirements may be periodically revised by Boeing. Customer and Boeing rights and obligations related to the BFE requirements established in this Supplemental Exhibit BFE1 are set forth in Exhibit A to the AGTA. For planning purposes, the \*\*\* Aircraft preliminary BFE seat requirements and preliminary on-dock dates for all BFE items are set forth below.

2.1 The below "Completion Date" represents the first day of the month by when the specific milestone must be completed to support the BFE seat program.

**Customer's\*\*\* Aircraft: BFE\*\*\* Class Seat and\*\*\* Milestones (\*\*\* Aircraft Delivery Only)**

***	<u>Milestone</u>	<u>Completion Date</u> ***
-----	------------------	-------------------------------

The above schedule dates are subject to change based on the dates negotiated and agreed to at the ITCM.

P.A. 3860

BFE1

SA-7

BFE1 Page 2

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

2.2 Preliminary On-Dock and Customer Inspection Months: All requirements are set forth below. If a month is listed, then the due date is the first day of the month. If no date is listed, then there is no requirement.

\*\*\*

P.A. 3860

BFE1

SA-7  
BFE1 Page 3

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

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.

[http://www.boeing.com/companyoffices/doingbiz/supplier\\_portal/index\\_general.html](http://www.boeing.com/companyoffices/doingbiz/supplier_portal/index_general.html)

P.A. 3860

BFE1

SA-7

BFE1 Page 4

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

**Attachment B-1 to Letter Agreement UAL-PA-03860-LA-120965R1  
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:2</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>	***
<b>Non-Refundable Deposit/Aircraft at Def Agreement</b>		\$*** +		

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Factor (Engine)	Option Exercise Expiry Date	Escalation Estimate*** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
							***	***	***	***
***	***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
Total:		***								

- 1 Engine model, thrust and pricing are subject to GE agreement with Customer, i.e., to deliver GENx-1B\*\*\*.
- 2 Base year pricing is subject to confirmation by Customer with engine manufacturer.
- + If Customer does \*\*\*, Boeing will \*\*\* for that \*\*\* Aircraft and \*\*\* by Customer or United Continental Holdings, Inc. on any Boeing \*\*\*. If \*\*\*, then \*\*\* for Boeing \*\*\* and \*\*\*.
- # Purchased MTOW is \*\*\* 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"



UAL-PA-03860-LA-1209413A1R3

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

Subject: Special Matters — Amendment 1  
Reference: Purchase Agreement No. 3860 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. relating to Model 787 aircraft (**Aircraft**)

This letter agreement UAL-PA-03860-LA-1209413A1R3 (**Amending Letter Agreement**) amends and supplements the Purchase Agreement and amends and supplements certain terms in Letter Agreement UAL-PA-03860-LA-1209413 (the **Letter Agreement**), and supersedes and replaces in its entirety letter agreement UAL-PA-03860-LA-1209413A1R2. All terms used and not defined in this Letter Agreement have the same meaning as in the Purchase Agreement.

1. Amendments to Article 1 of the Letter Agreement.

Article 1.4 was added by SA-6 to address the \*\*\* 787-\*\*\* Aircraft at such time.

Subsequent to SA-6, the parties have agreed to a \*\*\* terms under SA-7 that serve to cancel such 787-\*\*\* Aircraft.

Accordingly, Article 1.4 is deleted by SA-7.

UAL-PA-03860-LA-1209413A1R3  
Special Matters

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

Page 1  
SA-7





2. Amendments to Article 4 of the Letter Agreement.

Article 4.4 is amended as follows:

4.4 \*\*\* Provisions for the Launch Aircraft. For the avoidance of doubt, the Launch Aircraft will be redefined to mean the \*\*\* 787-\*\*\* Aircraft purchased by Customer. The parties agree that \*\*\* of the Article 4.1 \*\*\* obligation will be \*\*\* delivery of each Launch Aircraft (**Launch Aircraft \*\*\* Obligation**). At time of delivery of each Launch Aircraft, Boeing will \*\*\* to \*\*\* the Launch Aircraft \*\*\* Obligation.

3. 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.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its: Attorney-In-Fact

UAL-PA-03860-LA-1209413A1R3  
Special Matters

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

Page 2  
SA-7



ACCEPTED AND AGREED TO this

Date: March 7, 2016

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman  
Its: Senior Vice President – Finance and acting Chief  
Financial Officer

UAL-PA-03860-LA-1209413A1R3  
Special Matters

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

Page 3  
SA-7

UAL-PA-03860-LA-1301375R1

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

Subject: Provisions Relating to Customer's\*\*\* for 787-10 Aircraft

Reference: Purchase Agreement No. 3860 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to Model 787aircraft (**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 Agreement UAL-PA-03860-LA-1301375 dated June 17, 2013.

Subject to the terms, provisions, and conditions described herein, Boeing \*\*\* to Customer \*\*\* 787-10 Aircraft (**787-10 Aircraft**), as of the effective date (**Effective Date**) of the \*\*\*.

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

Boeing \*\*\* to Customer, at a charge as described in paragraph 3 below, \*\*\* 787-10 Aircraft \*\*\*. The Effective Date of such \*\*\* shall be the date that Boeing provides \*\*\*, unless otherwise mutually agreed to. \*\*\* for the applicable 787-10 Aircraft is \*\*\*. 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 787-10 Aircraft, or \*\*\* after delivery of a 787-10 Aircraft, \*\*\* Customer. Such \*\*\* shall be \*\*\*, identifying the 787-10 Aircraft Manufacturer's Serial Number (**MSN**), the delivery date and the Effective Date of \*\*\*. The \*\*\* shall also indicate \*\*\*. 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.

3.1. \*\*\* 787-10 Aircraft.

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

\*\*\*

UAL-PA-03860-LA-1301375R1

\*\*\* Model 787-10 Aircraft

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

SA-7  
Page 1



3.2 \*\*\*.

3.3 \*\*\*.

3.4 Customer's \*\*\*.

If Customer \*\*\*, the price for such \*\*\* shall be calculated as follows:

\*\*\*

3.5 \*\*\*.

UAL-PA-03860-LA-1301375R1  
\*\*\* 787-10 Aircraft

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

SA-7  
Page 2



- 4. \*\*\*.
- 4.1 \*\*\*.
- 4.2 \*\*\*.

5. \*\*\*.

6. \*\*\*.

7. 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.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03860-LA-1301375R1  
\*\*\* 787-10 Aircraft

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

SA-7  
Page 3



ACCEPTED AND AGREED TO this

Date: March 7, 2016

**UNITED AIRLINES, INC.**

By: /s/ Gerald Laderman  
Its: Senior Vice President – Finance and acting Chief  
Financial Officer

UAL-PA-03860-LA-1301375R1

\*\*\* 787-10 Aircraft

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

SA-7  
Page 4

Attachment A to  
Letter Agreement UAL-PA-03860-LA-1301375R1

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

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

Attention: \*\*\*

Reference: Letter Agreement UAL-PA-03860-LA-1301375R1 to Boeing/UAL Purchase Agreement 3860

Transmitted by email

\*\*\*

Very truly yours,

THE BOEING COMPANY

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

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

UAL-PA-03860-LA-1301375R1, Attachment A  
\*\*\* 787-10 Aircraft

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

SA-7  
Page 5

\*\*\*

UAL-PA-03860-LA-1301375R1, Attachment B  
\*\*\* 787-10 Aircraft

SA-7  
Page 6

**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. 11

to

Purchase Agreement Number 03784

Between

The Boeing Company

and

United Airlines, Inc.

Relating to Boeing Model 737 Aircraft

THIS SUPPLEMENTAL AGREEMENT is entered into as of March 7, 2016 by and between THE BOEING COMPANY (**Boeing**) and UNITED AIRLINES, INC. (**Customer**);

WHEREAS, the parties hereto entered into Purchase Agreement Number 03784 dated July 12, 2012 (**Purchase Agreement**), as amended and supplemented, relating to the purchase and sale of Boeing Model 737 aircraft (**Aircraft**); and

WHEREAS, Boeing and Customer agree (i) \*\*\*, and (ii) \*\*\*737-\*\*\*; and

WHEREAS, further the definition of "**2016 737NG Aircraft**", which originally applied to \*\*\*737-\*\*\*, shall be deemed to \*\*\* described above, for a \*\*\* "2016 737-\*\*\*Aircraft".

WHEREAS, Boeing and Customer agree to \*\*\* 737-\*\*\* aircraft (**737-\*\*\* Aircraft**) to the Purchase Agreement; and

WHEREAS, Boeing and Customer agree to \*\*\* 737-\*\*\* aircraft (**737-\*\*\* Aircraft**) to the Purchase Agreement; and

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

1. Table of Contents, Tables and Letter Agreements:

1.1 The "Table of Contents" is deleted in its entirety and replaced with the attached "Table of Contents" (identified by "SA-11").

SA-11

UAL-PA-03784

**BOEING / UNITED AIRLINES PROPRIETARY**

Page 1

1.2 “Table 1B” is deleted in its entirety and replaced with the attached “Table 1B” (identified by “SA-11”).

1.3 Attachment A1 to BFE 2 entitled “Buyer Furnished Equipment Variables—2016 737-\*\*\* Aircraft” (identified by “SA-11”) is added to the Purchase Agreement.

1.4 Letter Agreement UAL-PA-03784-LA-1207879R3 entitled “2016 737NG \*\*\* Aircraft” is deleted in its entirety and replaced by Letter Agreement UAL-PA-03784-LA-1207879R4 entitled “737-\*\*\* Aircraft” (identified by “SA-11”).

1.5 Letter Agreement UAL-PA-03784-LA-1600586 entitled “\*\*\* Aircraft” (identified by “SA-11”) is added to the Purchase Agreement.

1.6 Letter Agreement UAL-PA-03784-LA-1600829 entitled “\*\*\* for 2016 737-\*\*\* Aircraft” (identified by “SA-11”) is added to the Purchase Agreement.

1.7

2. Revisions to the Purchase Agreement:

2.1 Prior to Supplemental Agreement No. 11, the term “2016 737NG Aircraft” applied to \*\*\* 737-\*\*\* to the Purchase Agreement by Supplemental Agreement No. 9. Commencing with Supplemental Agreement No. 11, the term “**2016 737NG Aircraft**” shall be deemed to \*\*\* by this Supplemental Agreement No. 11 and shall now be defined collectively as “**2016 737-700 Aircraft**”. Additionally, the following references to “2016 737NG Aircraft” in the Purchase Agreement and the associated exhibits, supplemental exhibits, and letter agreements are replaced with the term “**2016 737-\*\*\* Aircraft**” to the Purchase Agreement and such term shall be \*\*\* 737-\*\*\* aircraft, as further described in Figure 1.

*Figure 1*

<u>Document</u>	<u>Original Reference</u>	<u>Replacement Reference</u>
Supplemental Exhibit A-1 – Aircraft Configuration	“2016 737NG Aircraft”	“2016 737-*** Aircraft”
Supplemental Exhibit BFE 2 – Buyer Furnished Equipment	“2016 737NG Aircraft”	“2016 737-*** Aircraft”
Attachment AR1 to Letter Agreement UAL-PA-03784-LA-1207881 – Seller Purchased Equipment	“2016 737NG Aircraft”	“2016 737-*** Aircraft”
UAL-PA-03784-LA-1208155R2 – *** Matters 737-*** and 2016 737NG Aircraft	“2016 737NG Aircraft”	“2016 737-*** Aircraft”
UAL-PA-03784-LA-1504843 – Open Matters – 2016 737NG Aircraft	“2016 737NG Aircraft”	“2016 737-*** Aircraft”
UAL-PA-03784-LA-1504844 – Special Matters – 2016 737NG Aircraft	“2016 737NG Aircraft”	“2016 737-*** Aircraft”

SA-11

Page 2

2.2 The following references to “2016 737NG \*\*\* Aircraft” in the Purchase Agreement and the associated exhibits, supplemental exhibits, and letter agreements to the Purchase Agreement are now deemed “737-\*\*\* Aircraft” as further described in Figure 2.

*Figure 2*

<u>Document</u>	<u>Original Reference</u>	<u>Replacement Reference</u>
UAL-PA-03784-LA-1208155R2 *** Matters 737-*** and 2016 737NG Aircraft	“2016 737NG *** Aircraft”	“737-*** Aircraft”
UAL-PA-03784-LA-1208156R1 *** for the 737NG Aircraft	“2016 737NG *** Aircraft”	“737-*** Aircraft”

2.3 If Boeing or Customer determines that references described in Figure 1 and Figure 2 of this Supplemental Agreement No. 11 should be further amended, then Boeing and Customer will work together for a mutually agreeable solution.

3. Miscellaneous: Boeing and Customer agree to \*\*\* by Boeing as \*\*\* 2016 737NG \*\*\* to Customer’s \*\*\* under this Supplemental Agreement No. 11. Such \*\*\* will be due for \*\*\* by Customer to Boeing no later \*\*\* after execution of this Supplemental Agreement No. 11.

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

\*\*\*\*\*The remainder of this page is intentionally left 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 and  
acting Chief Financial Officer

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

TABLE OF CONTENTS

SA  
NUMBER

<u>ARTICLES</u>		<u>SA NUMBER</u>
Article 1.	Quantity, Model and Description	
Article 2.	Delivery Schedule	
Article 3.	Price	
Article 4.	Payment	
Article 5.	Additional Terms	
<u>TABLE</u>		
1A.	Aircraft Information Table – 737-***	SA-8
<b>1B</b>	<b>Aircraft Information Table - 2016 737-*** Aircraft</b>	<b>SA-11</b>
1C.	Aircraft Information Table –Firm 737-*** Aircraft	SA-10
<u>EXHIBITS</u>		
A.	Aircraft Configuration - 737-***	
A1.	Aircraft Configuration – 2016 737-*** Aircraft	SA-9
A2.	Aircraft Configuration – Firm 737-*** Aircraft	SA-10
B.	Aircraft Delivery Requirements and Responsibilities	
<u>SUPPLEMENTAL EXHIBITS</u>		
AE1.	Escalation Adjustment/Airframe and Optional Features	SA-9
BFE1.	BFE Variables for 737-*** Aircraft	SA-1
BFE2.	BFE Variables for 2016 737-*** Aircraft Incorporated by SA-9	SA-9
	<b>Attachment A1: BFE Variables for *** 2016 737-*** Aircraft Incorporated by SA-11</b>	<b>SA-11</b>
BFE3.	BFE Variables for Firm 737-*** Aircraft	SA-10
CS1.	Customer Support Variables	
EE1.	Engine Escalation, Engine Warranty ***	
SLP1.	Service Life Policy Components	
P.A. 03874	TABLE OF CONTENTS, Page 1 of 3 <b>BOEING / UNITED AIRLINES PROPRIETARY</b>	SA-11

TABLE OF CONTENTS, CONTINUED

SA  
NUMBER

**LETTER AGREEMENTS**

UAL-PA-03784-LA-1207868	Performance Guarantees	
UAL-PA-03784-LA-1207870	Spare Parts Initial Provisioning	
UAL-PA-03784-LA-1207871	Special Matters	
UAL-PA-03784-LA-1207878	Demonstration Flight Waiver	
UAL-PA-03784-LA-1207879R2	*** Aircraft ***	SA-9
<b>UAL-PA-03784-LA-1207879R4</b>	<b>737-*** Aircraft</b>	<b>SA-11</b>
UAL-PA-03784-LA-1207881	Seller Purchased Equipment 737-***	
	Attachment AR1 to Letter Agreement UAL-PA-03784-LA-1207881	SA-9
UAL-PA-03784-LA-1208155R2	*** Matters 737-*** and 2016 737-*** Aircraft	SA-9
UAL-PA-03784-LA-1208156R1	*** for the 737NG Aircraft	SA-9
	Attachment A: ***	SA-9
	Attachment B1: ***	SA-9
	Attachment B2: ***	SA-9
	***	
UAL-PA-03784-LA-1208172	***	SA-1
UAL-PA-03784-LA-1208173		
UAL-PA-03784-LA-1208169	737 Production Adjustments	
UAL-PA-03784-LA-1208938	Privileged and Confidential Matters	
UAL-PA-03784-LA-1208939	Aircraft Model ***	
UAL-PA-03784-LA-1209115	***	
UAL-PA-03784-LA-1300306	Aircraft Reschedule – January 2014 to February 2014	SA-2
UAL-PA-03784-LA-1400240	Aircraft Rescheduling of ***	SA-5
UAL-PA-03784-LA-1504843	Open Matters – 2016 737-*** Aircraft	SA-9
UAL-PA-03784-LA-1504844	Special Matters – 2016 737-*** Aircraft	SA-9
UAL-PA-03784-LA-1600041	Special Matters – Firm 737-*** Aircraft	SA-10
<b>UAL-PA-03784-LA-1600586</b>	<b>737-*** Aircraft</b>	<b>SA-11</b>
<b>UAL-PA-03784-LA-1600829</b>	<b>*** for 2016 737-*** Aircraft</b>	<b>SA-11</b>

P.A. 03874

SA-11

TABLE OF CONTENTS

SUPPLEMENTAL AGREEMENTS

DATED AS OF

Supplemental Agreement No. 1	September 27, 2012
Supplemental Agreement No. 2	March 1, 2013
Supplemental Agreement No. 3	June 27, 2013
Supplemental Agreement No. 4	September 11, 2013
Supplemental Agreement No. 5	March 3, 2014
Supplemental Agreement No. 6	June 6, 2014
Supplemental Agreement No. 7	May 26, 2015
Supplemental Agreement No. 8	June 12, 2015
Supplemental Agreement No. 9	January 20, 2016
Supplemental Agreement No. 10	February 8, 2016
<b>Supplemental Agreement No. 11</b>	<b>March 7, 2016</b>

P.A. 03874

**Table 1B to Purchase Agreement No. PA-03784  
2016 737-\*\*\* Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-***	*** pounds	#	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>				<b>Airframe Price Base Year/Escalation Formula:</b>	***
	CFM56-7B***	*** pounds		<b>Engine Price Base Year/Escalation Formula:</b>	***
<b>Airframe Price:</b>				<b>Airframe Escalation Data:</b>	
<b>Optional Features Estimate:</b>				<b>Base Year Index (ECI):</b>	***
				<b>Base Year Index (CPI):</b>	***
<b>Sub-Total of Airframe and Features:</b>					
<b>Engine Price (Per Aircraft):</b>					
<b>Aircraft Basic Price (Excluding BFE/SPE):</b>					
<b>Buyer Furnished Equipment (BFE) Estimate:</b>					
<b>Seller Purchased Equipment (SPE) Estimate:</b>					
<b>Deposit per Aircraft:</b>	See notes 1 & 2				

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Deposit per Aircraft: Notes 1, 2	Escalation Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/ *** Prior to Delivery):			
						***	***	***	***
***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
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***	***	***	***	***	\$***	\$***	\$***	\$***	\$***



**Table 1B to Purchase Agreement No. PA-03784**  
**2016 737-\*\*\* Aircraft Delivery, Description, Price and \*\*\***

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Deposit per Aircraft: Notes 1, 2	Escalation Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/ *** Prior to Delivery):			
						***	***	***	***
***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
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**Table 1B to Purchase Agreement No. PA-03784**  
**2016 737-\*\*\* Aircraft Delivery, Description, Price and \*\*\***

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Deposit per Aircraft: Notes 1, 2	Escalation Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/ *** Prior to Delivery):			
						***	***	***	***
***	***	***	***	***	\$***	\$***	\$***	\$***	\$***
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Total:		***							

**Notes:**

1) \*\*\* in the Amount of \*\*\* is calculated as follows: \*\*\*

2) \*\*\* amount of \*\*\* is calculated as follows: \*\*\*

# \*\*\* pounds. Aircraft are eligible for the provisions of Letter Agreement 6-1162-MMF-311R8 entitled “Provisions Relating to Buyer’s \*\*\* for Model 737 Aircraft”

**ATTACHMENT A1 TO BUYER FURNISHED EQUIPMENT VARIABLES**

**relating to**

**BFE Variables for the**

**(25) 2016 737-\*\*\* Aircraft Incorporated by SA-11**

This Attachment A1 to Supplemental Exhibit BFE2 sets forth preliminary BFE on-dock dates for \*\*\* 737-\*\*\* Aircraft incorporated into the Purchase Agreement by "SA-11".

UAL-PA-03784 BFE 2

SA-11

Attachment A1 to BFE2, Page 1

**BOEING / UNITED AIRLINES PROPRIETARY**

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UAL-PA-03784-LA-1207879R4

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

Subject: 737-\*\*\* Aircraft

Reference: Purchase Agreement No. 03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG 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-03784-LA-1207879R3 dated January 20, 2016.**

1. Right to Purchase \*\*\* Aircraft.

Subject to the terms and conditions contained in this Letter Agreement, in addition to the Aircraft described in Table 1B to the Purchase Agreement as of the date of execution of this Letter Agreement, Customer will have the \*\*\* Model 737-\*\*\* aircraft (**737-\*\*\* Aircraft**).

2. Delivery.

The number of 737-\*\*\* Aircraft and delivery months for such aircraft are listed in the Attachment A to this Letter Agreement.

3. Configuration.

3.1 Subject to the provisions of Article 3.2, below, the configuration for the 737-\*\*\* Aircraft will be the Detail Specification for model 737-\*\*\* aircraft at the revision level in effect at the time of Definitive Agreement (as defined below). Such Detail Specification will be revised to include (i) changes applicable to the Detail Specification that are developed by Boeing between the \*\*\* Date (as defined below) and the signing of the Definitive Agreement, (ii) changes required to obtain required regulatory certificates, and (iii) other changes as mutually agreed.

3.2 Subject to mutual agreement the 737-\*\*\* Aircraft may start from a different configuration specification, provided that it can achieve the same configuration which would result pursuant to the provisions of Article 3.1.

4. Price.

4.1 The Airframe Price and Optional Features Prices for each of the 737-\*\*\* Aircraft are identified in Attachment A to this Letter Agreement. The Airframe Price and Optional Features Prices that will be identified in the Definitive Agreement for the 737-\*\*\* Aircraft will equal the \*\*\*, and (ii) for any changes incorporated between the date of execution of the Purchase Agreement for the 2016 737-\*\*\* Aircraft and the date of execution of the Definitive Agreement for the 737-\*\*\* Aircraft, the \*\*\* Features Prices associated with such changes, which will be those first published by Boeing (but no earlier than \*\*\*). For the avoidance of doubt, \*\*\* Features Prices that are not published by Boeing as of the date of execution of the Purchase Agreement for the 2016 737-\*\*\* Aircraft will be adjusted to the same base year as the Optional Features Prices for the 2016 737-\*\*\* Aircraft in accordance with Supplemental Exhibit AE1. The resulting Airframe Price and \*\*\* Features Prices for the 737-\*\*\* Aircraft will escalate in accordance with Supplemental Exhibit AE1. Boeing represents that the price protections provided in this Article 4.1 are consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

4.2 The Airframe Price, \*\*\* Features Prices, and Aircraft Basic Price for each of the 737-\*\*\* Aircraft shall be adjusted in accordance with the terms set forth in Article 2.1.5 (**Escalation Adjustment**) of the AGTA.

4.3 The Advance Payment Base Price shall be developed in accordance with the terms of the Purchase Agreement and determined at the time of Definitive Agreement.

5. Payment.

5.1 Customer will \*\*\* as shown in Attachment A for each 737-\*\*\* Aircraft (**737-\*\*\* Deposit**) on the date of execution of this Letter Agreement. When Customer \*\*\*, the 737-\*\*\* Deposit will be credited against the first advance payment due on such 737-\*\*\* Aircraft.

5.2 At Definitive Agreement for the 737-\*\*\* Aircraft, \*\*\* will be payable as specified in the Purchase Agreement. The \*\*\* of the Aircraft Price for the 737-\*\*\* Aircraft will be paid at the time of \*\*\*.

5.3 If Boeing decides not to build the 737-\*\*\*, then the 737-\*\*\*.

5.4 If Boeing decides to build the 737-\*\*\*, then

5.4.1 If Customer \*\*\* the 737-\*\*\*, the 737-\*\*\*.

5.4.2 If Customer does not \*\*\* the 737-\*\*\*, the 737-\*\*\* will be retained by Boeing.

6. \*\*\*.

6.1 Once Boeing notifies Customer that Boeing intends to build the 737-7X, Customer will have \*\*\* from the date of such written notice to \*\*\* **Date**).

6.2 After receipt of Customer's \*\*\* notice, Boeing may make a \*\*\* request that the delivery date for such \*\*\* Aircraft \*\*\*. Customer will consider and, at Customer's sole discretion, accommodate Boeing's request if commercially reasonable. Boeing may make additional requests to adjust the \*\*\* Aircraft delivery date, which Customer will consider at Customer's sole discretion.

6.3 If the Customer \*\*\* a 737-\*\*\* Aircraft, then such aircraft shall be a 2016 737-\*\*\* Aircraft and the terms and conditions of Letter Agreement UAL-PA-03784-LA-1504844 entitled "Special Matters – 2016 737-\*\*\* Aircraft" shall apply to each resulting 2016 737-\*\*\* Aircraft.

7. Definitive Agreement.

Customer's \*\*\* pursuant to Article 6 above will be a fully effective and binding agreement for the purchase of the \*\*\* 737-\*\*\* Aircraft. All terms related to Customer's Aircraft will apply immediately to such \*\*\* 737-\*\*\* Aircraft. Following \*\*\* of a 737-\*\*\* Aircraft, Boeing will prepare an invoice for the applicable \*\*\* due, and Boeing and Customer will add the \*\*\* 737-\*\*\* Aircraft to the Purchase Agreement as a firm 2016 737-\*\*\* Aircraft by entering into a supplemental agreement to the Purchase Agreement (**Definitive Agreement**) no later than \*\*\* following Customer's \*\*\*, or such other date as the parties may mutually agree. The execution of the Definitive Agreement is to facilitate contract administration and is not a condition to the effectiveness of Customer's agreement to \*\*\* 737-\*\*\* Aircraft.

8. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer's becoming the operator of the 2016 737-\*\*\* 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-03784-LA-1208938.



Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L. Krueger

Its Attorney-in-Fact

P.A. No. 03784

UAL-PA-03784-LA-1207879R4 - 737-\*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11  
Page 4





ACCEPTED AND AGREED TO this

Date: March 7, 2016

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman  
Its: Senior Vice President – Finance and acting Chief  
Financial Officer

P.A. No. 03784

UAL-PA-03784-LA-1207879R4 - 737-\*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11

Page 5

**Attachment A to Letter Agreement No. LA-1207879  
737-\*\*\* Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-***	***pounds #	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	CFM56-7B***	*** pounds	<b>Airframe Price Base Year/Escalation Formula:</b>	*** ***
<b>Airframe Price:</b>		\$***	<b>Engine Price Base Year/Escalation Formula:</b>	*** ***
<b>Optional Features Estimate:</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: / Non-Refundable Deposit per Aircraft:</b>		\$***		

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
					***	***	***	***
				\$***	\$***	\$***	\$***	\$***
	Total:	***						

# \*\*\* pounds. Aircraft are eligible for the provisions of Letter Agreement 6-1162-MMF-311R8 entitled "Provisions Relating to Buyer's \*\*\* for Model 737 Aircraft"

UAL-PA-03784-LA-1600586

United Air Lines, Inc.  
233 South Wacker Drive  
Chicago, Illinois 60606

Subject: 737-\*\*\* Aircraft

Reference: Purchase Agreement No. 03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Air Lines, Inc. (**Customer**) relating to Model 737-\*\*\* 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.

1. \*\*\* 737-\*\*\* Aircraft.

Subject to the terms and conditions contained in this Letter Agreement, in addition to the Aircraft described in Table 1A to the Purchase Agreement as of the date of execution of this Letter Agreement, Customer will \*\*\* Model 737-\*\*\* aircraft (**737-\*\*\* Aircraft**).

2. Delivery.

The number of aircraft and delivery months are listed in the Attachment A to this Letter Agreement.

3. Configuration.

3.1 Subject to the provisions of Article 3.2, below, the configuration for the 737-\*\*\* Aircraft will be the Detail Specification for model 737-\*\*\* aircraft at the revision level in effect at the time of Definitive Agreement (as defined below). Such Detail Specification will be revised to include (i) changes applicable to the Detail Specification that are developed by Boeing between the \*\*\* Date (as defined below) and the signing of the Definitive Agreement, (ii) changes required to obtain required regulatory certificates, and (iii) other changes as mutually agreed.

3.2 Subject to mutual agreement, the 737-\*\*\* Aircraft may start from a different configuration specification, provided that it can achieve the same configuration which would result pursuant to the provisions of Article 3.1.

UAL-PA-03784-LA-1600586  
737-\*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11  
Page 1



4. Price.

4.1 The Airframe Price and Optional Features Prices for each of the 737-\*\*\* Aircraft is identified in Attachment A to this Letter Agreement. The Airframe Price and Optional Features Prices that will be identified in the Definitive Agreement for the 737-\*\*\* Aircraft will equal \*\*\*. The resulting Airframe Price and Optional Features Prices for the 737-\*\*\* Aircraft will escalate in accordance with Supplemental Exhibit AE1. Boeing represents that the price protections provided in this Article 4.1 are consistent with the terms of Letter Agreement 6-1162-KKT-080, as amended.

4.2 The Airframe Price, Optional Features Prices, and Aircraft Basic Price for each of the 737-\*\*\* Aircraft shall be adjusted in accordance with the terms set forth in Article 2.1.5 (\*\*\*) of the AGTA.

4.3 The \*\*\* Base Price shall be developed in accordance with the terms of the Purchase Agreement and determined at the time of Definitive Agreement.

5. Payment.

5.1 Customer will \*\*\* to Boeing in the amount shown in the Attachment for each 737-\*\*\* Aircraft \*\*\*, on the date of execution of this Letter Agreement. If Customer \*\*\*, the \*\*\*. If Customer does \*\*\*, Boeing will retain the \*\*\* for that 737-\*\*\* Aircraft and \*\*\* by Customer (including Continental Airlines, Inc. and United Continental Holdings, Inc.) \*\*\* aircraft \*\*\*. If no future \*\*\* exist, then the \*\*\* for Boeing \*\*\* and \*\*\*.

5.2 Notwithstanding the amount shown in Attachment A, \*\*\*for each 737-\*\*\* Aircraft.

5.3 At Definitive Agreement for the 737-\*\*\* Aircraft, \*\*\* will be payable as specified in the Purchase Agreement. The \*\*\* of the Aircraft Price for the 737-\*\*\* Aircraft will be paid \*\*\*.

6. \*\*\*.

6.1 Customer may \*\*\* by giving written notice to Boeing on or before \*\*\* (\*\*\*) **Date**).

6.2 After receipt of Customer's \*\*\* notice, Boeing may \*\*\* that the delivery date for such 737-\*\*\* Aircraft be \*\*\*. Customer will consider and, at Customer's sole discretion, accommodate Boeing's request if \*\*\*. Boeing may \*\*\* the 737-\*\*\* Aircraft delivery date, which Customer will consider at Customer's sole discretion.



7. Definitive Agreement.

Following Customer's \*\*\* the parties will sign a definitive agreement for the purchase of such 737-\*\*\* Aircraft (**Definitive Agreement**) no later than \*\*\* following Customer's \*\*\* of a 737-\*\*\* Aircraft, or such other date as the parties may mutually agree. The Definitive Agreement will include the provisions of the Purchase Agreement as modified to reflect the provisions of this Letter Agreement. In the event the parties have not entered into a Definitive Agreement within \*\*\* following \*\*\*, unless the parties have mutually agreed to extend such date, either party may \*\*\* such 737-\*\*\* Aircraft by giving written notice to the other within \*\*\*.

8. Assignment.

Notwithstanding any other provisions of the Purchase Agreement, 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-03784-LA-1208938.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03784-LA-1600586  
737-\*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11  
Page 3



ACCEPTED AND AGREED TO this

Date: March 7, 2016

UNITED AIR LINES, INC.

By: /s/ Gerald Lagerman

Its: Senior Vice President – Finance and acting Chief  
Financial Officer

UAL-PA-03784-LA-1600586  
737-\*\*\* Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11  
Page 4

**Attachment A to Letter Agreement No. LA-1600586  
737-\*\*\* Aircraft Delivery, Description, Price and \*\*\***

<b>Airframe Model/MTOW:</b>	737-***	***pounds	#	<b>Detail Specification:</b>	***
<b>Engine Model/Thrust:</b>	CFM56-7B***	*** pounds		<b>Airframe Price Base Year/Escalation Formula:</b>	***
<b>Airframe Price:</b>				<b>Engine Price Base Year/Escalation Formula:</b>	***
<b>Optional Features Estimate:</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>		\$***	+		

# of Aircraft	Delivery Date	Number of Aircraft	Escalation Factor (Airframe)	Escalation Estimate *** Base Price Per A/P	*** Per Aircraft (Amts. Due/*** Prior to Delivery):			
					***	***	***	***
	Total	***		\$***	\$***	\$***	\$***	\$***

+ If Customer does \*\*\*, Boeing will retain the \*\*\* for that \*\*\* Aircraft and \*\*\* by Customer or United Continental Holdings, Inc. \*\*\* aircraft \*\*\*. If no future \*\*\* exist, then the \*\*\* for Boeing \*\*\* and \*\*\*.

# \*\*\* pounds. Aircraft are eligible for the provisions of Letter Agreement 6-1162-MMF-311R8 entitled "Provisions Relating to Buyer's \*\*\* for Model 737 Aircraft"



UAL-PA-03784-LA- 1600829

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

Subject: \*\*\* for \*\*\* 737-\*\*\* Aircraft  
Reference: Purchase Agreement No. 03784 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and United Airlines, Inc. (**Customer**) relating to 737NG Aircraft as defined in Supplemental Agreement No. 011 to the Purchase Agreement

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.

1. \*\*\*.

In consideration of Customer's purchase of the \*\*\* 737-\*\*\* Aircraft, Boeing \*\*\* to Customer a \*\*\* on March 15, 2016. The \*\*\* shall be \*\*\* to Customer's \*\*\* and \*\*\* by Customer for \*\*\*.

2. Assignment.

Unless otherwise noted herein, the \*\*\* described in this Letter Agreement \*\*\* to Customer and in \*\*\* Customer's \*\*\*. This Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing. \*\*\*.

UAL-PA-03784-LA- 1600829  
Special Promotional Support Consideration for 2016-737-700 Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11  
Page 1





3. 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-03784-LA-1208938.

Very truly yours,

THE BOEING COMPANY

By: /s/ Irma L Krueger

Its: Attorney-in-Fact

UAL-PA-03784-LA- 1600829

Special Promotional Support Consideration for 2016-737-700 Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11

Page 2



ACCEPTED AND AGREED TO this

Date: March 7, 2016

UNITED AIRLINES, INC.

By: /s/ Gerald Laderman  
Its: Senior Vice President – Finance and acting Chief  
Financial Officer

UAL-PA-03784-LA- 1600829  
Special Promotional Support Consideration for 2016-737-700 Aircraft

**BOEING / UNITED AIRLINES PROPRIETARY**

SA-11  
Page 3

**United Continental Holdings, Inc. and Subsidiary Companies**  
**Computation of Ratio of Earnings to Fixed Charges**

<b>(In millions, except ratios)</b>	<b>Three Months Ended March 31, 2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Earnings (losses):						
Earnings (loss) before income taxes	\$ 494	\$4,219	\$1,128	\$ 539	\$ (724)	\$ 845
Add (deduct):						
Fixed charges, from below	351	1,428	1,648	1,629	1,526	2,017
Amortization of capitalized interest	3	12	12	11	9	7
Distributed earnings of affiliates	—	1	1	—	—	1
Interest capitalized	(14)	(49)	(52)	(49)	(37)	(32)
Equity earnings in affiliates	—	(2)	(1)	(1)	(4)	(6)
Earnings as adjusted	<u>\$ 834</u>	<u>\$5,609</u>	<u>\$2,736</u>	<u>\$2,129</u>	<u>\$ 770</u>	<u>\$2,832</u>
Fixed charges:						
Interest expense	\$ 159	\$ 669	\$ 735	\$ 783	\$ 835	\$ 949
Portion of rent expense representative of the interest factor (a)	192	759	913	846	691	1,068
Fixed charges	<u>\$ 351</u>	<u>\$1,428</u>	<u>\$1,648</u>	<u>\$1,629</u>	<u>\$1,526</u>	<u>\$2,017</u>
Ratio of earnings to fixed charges	<u>2.38</u>	<u>3.93</u>	<u>1.66</u>	<u>1.31</u>	<u>(b)</u>	<u>1.40</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>Three Months Ended March 31, 2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Earnings (losses):						
Earnings (loss) before income taxes	\$ 495	\$4,221	\$1,110	\$ 637	\$ (657)	\$ 848
Add (deduct):						
Fixed charges, from below	351	1,429	1,655	1,627	1,514	2,005
Amortization of capitalized interest	3	12	12	11	9	7
Distributed earnings of affiliates	—	1	1	—	—	1
Interest capitalized	(14)	(49)	(52)	(49)	(37)	(32)
Equity earnings in affiliates	—	(2)	(1)	(1)	(4)	(6)
Earnings as adjusted	<u>\$ 835</u>	<u>\$5,612</u>	<u>\$2,725</u>	<u>\$2,225</u>	<u>\$ 825</u>	<u>\$2,823</u>
Fixed charges:						
Interest expense	\$ 159	\$ 670	\$ 742	\$ 781	\$ 823	\$ 937
Portion of rent expense representative of the interest factor (a)	192	759	913	846	691	1,068
Fixed charges	<u>\$ 351</u>	<u>\$1,429</u>	<u>\$1,655</u>	<u>\$1,627</u>	<u>\$1,514</u>	<u>\$2,005</u>
Ratio of earnings to fixed charges	<u>2.38</u>	<u>3.93</u>	<u>1.65</u>	<u>1.37</u>	<u>(b)</u>	<u>1.41</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 March 31, 2016 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  
President and Chief Executive Officer

Date: April 21, 2016

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, Gerald Laderman, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2016 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/ Gerald Laderman

---

Gerald Laderman  
Senior Vice President Finance and acting Chief Financial  
Officer

Date: April 21, 2016

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 March 31, 2016 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

Oscar Munoz  
President and Chief Executive Officer

Date: April 21, 2016

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, Gerald Laderman, certify that:

- (1) I have reviewed this quarterly report on Form 10-Q for the period ended March 31, 2016 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/ Gerald Laderman

\_\_\_\_\_  
Gerald Laderman  
Senior Vice President Finance and acting Chief Financial  
Officer

Date: April 21, 2016



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 March 31, 2016 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: April 21, 2016

/s/ Oscar Munoz

\_\_\_\_\_  
Oscar Munoz

President and Chief Executive Officer

/s/ Gerald Laderman

\_\_\_\_\_  
Gerald Laderman

Senior Vice President Finance and acting 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 March 31, 2016 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: April 21, 2016

/s/ Oscar Munoz

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Oscar Munoz

President and Chief Executive Officer

/s/ Gerald Laderman

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Gerald Laderman

Senior Vice President Finance and acting Chief Financial  
Officer