



March 19, 2012

Captain David Bourne
Director, Airline Division
International Brotherhood of Teamsters
25 Louisiana Avenue, N.W.
Washington, DC 20001

Dear Captain Bourne:

This Letter of Interpretation (“Letter”) will confirm our understandings and agreement regarding the redeployment of resources of United Continental Holdings, Inc. and the accompanying protections for Mechanics and Related Employees represented by the International Brotherhood of Teamsters (“IBT”) under their respective collective bargaining agreements with subsidiaries United Air Lines (“Sub-UAL”), Continental Airlines (“Sub-CAL”), and Continental Micronesia (“Sub-CMI”) (the “Subsidiaries,” and collectively with United Continental Holdings, Inc., the “Company”).

We have discussed the Company’s plans to optimize revenue flying opportunities by adjusting flight schedules and redeploying aircraft across the new United system. We have agreed, subject to the following conditions, and pursuant to the ongoing integration of operations under the Single Operating Certificate issued on November 30, 2011, that the redeployment of resources (including aircraft, facilities, and equipment) affects the maintenance practices and the allocation and utilization of technicians in the service of the new United’s fleet and operation. We also have agreed that work performed under the three respective collective bargaining agreements covering Mechanics and Related Employees be performed in the best interests of all parties to maximize the efficient utilization and deployment of resources, and subject to certain conditions and protections designed to minimize disruptions, to facilitate continued employment opportunities for Mechanics and Related Employees.

By entering into this Letter, the parties recognize that the collective bargaining agreements’ scope provisions require that each Subsidiary maintain a separate maintenance operation until the completion of the seniority integration process and the ratification of an amalgamated collective bargaining agreement. In light of the specific circumstances the parties face in this situation, whereby the IBT represents all of the maintenance and related employees under each of the three separate maintenance and related collective bargaining agreements, and in an effort to avoid disagreement between the parties and among the affected work groups during this transition period during which the Company moves forward with the merger process, the parties have reached a mutually agreeable interpretation of the scope provisions’ “separate maintenance operations” restrictions that will remain in place for the duration of this Letter.

Accordingly, with respect to the Mechanics and Related Employees represented by the IBT and covered under the Subsidiaries’ collective bargaining agreements with the IBT, we have agreed as follows:

1. The Company will not interchange employees from their respective Subsidiary collective bargaining agreements and will maintain separate maintenance operations pursuant to commitments contained in those agreements, pending final integration of the workforces, execution of an amalgamated collective bargaining agreement and integration of seniority lists. Subject to the limitations set forth herein, however, mechanics and related employees may be allocated work and utilized to perform work, as directed by the Company and according to the needs of the service, in accordance with their respective collective bargaining agreements, without regard to previously-existing Subsidiary-specific distinctions among aircraft certification, or identifications or designations of facilities and equipment. For purposes of this Letter, “interchange of employees” shall mean migration of employees from coverage under one

collective bargaining agreement to coverage under another. Accordingly, the Company will not assign or direct mechanics and related employees covered under different Subsidiary collective bargaining agreements to work together in a single intermingled work group or crew (for example, a crew or work group composed of two sub-UAL technicians and two sub-CAL technicians). Moreover, except in the case of an emergency that is recognized as such by both the Company and the IBT, once an assignment (aircraft maintenance or otherwise) has been made to one mechanics and related work group or another, that work group will perform and complete the assignment to the exclusion of the other maintenance and related work groups. Subject only to the "no-interchange" proscriptions set forth herein, all of the Company's maintenance controllers shall continue to perform their regular and customary work for the Company, and all maintenance and related employees covered under the Subsidiary agreements with the IBT will interact with and take direction from the Company's maintenance controllers irrespective of previously-existing Subsidiary-specific distinctions among aircraft certification, or identifications or designations of facilities and equipment.

2. The allocation of work and utilization of manpower as provided under this Letter to accommodate the redeployment of Company aircraft, facilities and equipment will not result in any involuntary relocations, involuntary reduction-in-force, or reduction in the status or pay of active Mechanics and Related Employees throughout the new United system for the duration of this Letter.
3. The terms and obligations set forth in paragraph 2 of this Letter shall not apply under the following: an ongoing labor dispute; grounding or repossession of a substantial number of the Company's aircraft by a government agency or a court order; loss or destruction of the Company's aircraft; involuntary reduction in flying operations due either to governmental action(s)/requirement(s) or to a decrease in available fuel supply or other critical materials for the Company's operation; revocation of the Company's operating certificate(s); war emergency; a terrorist act; or a substantial delay in the delivery of aircraft scheduled for delivery -- provided that the exception(s) (as defined above) relied upon by the Company to avoid the terms and obligations set forth in paragraph 2 of this Letter has (have) a material and substantial impact on the Company.
4. Any and all disputes involving the interpretation or implementation of this Letter will be resolved on an expedited basis. In all such disputes, the IBT and the Company shall each designate an equal number of representatives to sit as a dispute resolution committee; that committee will be charged with the responsibility to promptly investigate and to attempt to resolve the dispute in a mutually acceptable fashion within five working days from the date the dispute arises. Any disputes that remain unresolved will then, at the option of either party, be submitted to expedited arbitration in accordance with the parties' expedited arbitration procedures under the scope provisions of the collective bargaining agreements.
5. This Letter will remain in effect until December 31, 2012, and will continue in effect thereafter subject to such amendments and modifications as may be agreed to in conference at the request of either party. Either party may serve notice of its desire for such conference upon the other party no earlier than October 31, 2012.
6. Neither this Letter nor any of its terms shall constitute a substantive modification or waiver of any of the scope provisions contained in the current and future collective bargaining agreements covering the mechanics and related employees, including the separate maintenance operations provisions contained therein, nor shall it constitute or be treated as a permanent or precedent-setting interpretation of any of those scope provisions. Except with respect to disputes arising under paragraph 4 of this Letter while it is in effect, this Letter and its terms shall not be entered into any arbitration or courtroom or agency proceeding (including RLA Section 6 mediation) for any purpose.

Please indicate your concurrence by signing one copy of this letter in the place indicated below, and returning it to the undersigned.

Sincerely,

 / S /
P. Douglas McKeen
Senior Vice President, Labor Relations

Agreed, this 19th day of March, 2012:

 / S /
Captain David Bourne
Director, Airline Division
International Brotherhood of Teamsters