

From: Greg Hart, EVP and Chief Operations Officer (greg_hart@united.com)
To: All full-time employees covered by the Passenger Service Employees Agreement and the Fleet Service Employees Agreement
Subject: Change of work status



United team –

I hope this note finds you and your family well.

I wanted to update you on some important changes to your work schedule but first I thought it would be helpful to provide some context about how COVID-19 has impacted travel demand and the aggressive, proactive steps we continue to take to reduce costs.

Travel demand is essentially zero – you see that at our airports and on board our aircraft – and we don't know when it's going to come back. And importantly, even with a federal government grant that covers a portion of our payroll expense through September 30, we anticipate spending BILLIONS of dollars more than we take in for the next several months, while continuing to employ 100% of our workforce. That's not sustainable for any company and that's why we are making difficult decisions across our entire business.

Already, we've slashed our schedule by 90%, eliminated all discretionary spending, put a freeze on hiring, cut our CEO and President's base salary and bonus by 100%, reduced officer salaries by 50%, suspended raises and bonuses for all M&A employees, suspended operational bonuses, and introduced Company Offered Leaves of Absence for all employees, among other measures.

The severe drop in demand and resulting reductions to our schedule means we also have to take action now to right size the total hours worked in those areas of the airline where we have yet to do so.

Therefore, effective May 24, 2020, and in full compliance with the provisions of the CBA and the CARES Act, all full-time employees covered by the Passenger Service Employees Agreement and the Fleet Service Employees Agreement will be reduced to part-time status.

While our contract allows for a reduction of full-time employees all the way to 20 hours, we will commit to an equivalent number of 30 hour bid lines. We are making similar changes for our management personnel and those changes will be announced Monday.

As provided in Article 7 of the 2016 – 2021 Passenger Service and Fleet Services Agreements, an employee affected by a work status change may choose available options that include a voluntary layoff from employment, separation to obtain retiree pass travel, and retirement in lieu of voluntary layoff. Employees electing voluntary layoff will maintain medical and dental benefits for a period of 90 days or to the end of the month of the last

severance payment, whichever is longer. Please log on to [Help Hub](#) to make your election and find more information.

Finally, a Voluntary Separation Program (VSP) will be offered in late May to active employees and those on Leaves of Absence. While the details of the VSP are not currently available, any employee who wishes to review the details of the program once they are available, must elect part-time status at this time. After you have had a chance to review the terms of the VSP, if you decide it's not for you, you will be allowed another opportunity to elect retirement, separation with travel benefits, or voluntary layoff.

If you choose to accept part-time status, your individual schedule will be determined at your location.

This was a very difficult decision and one we didn't take lightly. I want to leave you with two important things:

First, we spent many hours trying to negotiate a consensual, more favorable agreement with your IAM leadership but unfortunately were unable to do so.

And second, today's action is part of our overall goal to preserve as much financial flexibility now so we can not only survive this crisis, but thrive once it is behind us. The entire leadership is singularly focused on doing everything we can to ensure that outcome, providing as many opportunities as possible for the employees of United.

Stay safe and be well,

Greg

Greg Hart
Executive Vice President and Chief Operations Officer