



Kate Gebo
Executive Vice President Human Resources and Labor Relations

July 8, 2020

VIA ELECTRONIC MAIL

Ken Diaz
MEC President
Association of Flight Attendants – CWA, AFL-CIO
One O'Hare Center
6250 North River Road, Suite 4020
Rosemont, IL 60018
mecpresident@unitedafa.org

Dear Mr. Diaz:

The COVID-19 pandemic has had a devastating impact on travel demand and on our business. Governmental restrictions on travel, stay-at-home orders, and the lack of a medical solution for the virus brought bookings and demand for travel to a near standstill. And while demand has moved slightly upward from its April low, of down 95%, we have lost billions of dollars and are still spending far more than we are taking in. Additionally, we expect that travel demand will not go back to “normal” until there is a vaccine for COVID-19.

While the Payroll Support Program under the CARES Act helped to protect jobs through September 30, it only covers a part of our normal monthly payroll cost. That is why we have been so aggressive and proactive in reducing costs in nearly every aspect of our business. Across the company, we have already reduced planned capital expenditures and operating and partner expenditures. We have also suspended raises and implemented a schedule reduction for management and administrative employees, frozen hiring, introduced voluntary leave and separation programs, reduced pay for all executives and cut our CEO and President’s base salaries by 100%, among other cost-saving measures. These cuts have made a difference, and we deeply appreciate the contributions of thousands of our fellow team members, who have participated in voluntary leaves and reduced hour programs. However, as of mid-June, demand for air travel remains more than 90% lower than last year. So, even if demand continues to improve, it is unfortunately very likely that we will need to implement a workforce reduction to reduce our labor expenses, beginning on October 1.

Our primary goal is and has been to set ourselves up for long-term success, which includes preserving as many jobs as we possibly can. As you know, we are open to discussing creative solutions with you for our frontline team members, but we need to right-size our organization and cost structure to meet the reduced demand levels.

This letter is intended to fulfill any notice requirements which may be imposed under the Worker Adjustment and Retraining Notification Act (“WARN Act”) and/or state law. By providing this information, United Airlines, Inc. (“United”) does not concede that these statutes apply or that notice otherwise is required. Based on the best information presently available, United has developed plans to implement a workforce reduction at the facilities listed in Attachment A. Consistent with these plans, employment separations are expected to begin on or about October 1, 2020 or within the 14-day period

thereafter. Based on current demand, while we are hopeful the reductions will be temporary, we presently anticipate that they will last six (6) months or longer. The number of employment separations that will occur may ultimately decrease if we are able to discuss creative solutions or if there is significant participation in voluntary programs to reduce payroll expense.

A list of job titles and the names of team members currently holding potentially affected positions is attached hereto as Attachment B. Affected team members do not have bumping rights pursuant to the applicable collective bargaining agreement. While this is extremely difficult news, we are encouraging all of our team members to consider whether one of the voluntary programs being offered is a viable option for them and their families. Meaningful participation in these programs could significantly reduce the need for involuntary reductions.

In addition, as previously announced, the Company is closing the Inflight bases at the following locations: FRA, NRT, and HKG. We expect this action to be permanent, and we anticipate that the entire facility will be closed. A list of job titles and names of the affected team members is included in Attachment B.

The COVID-19 pandemic has caused so much change in our personal and professional lives and will result in us being a smaller airline. While I understand the business need to align the size of our organization with demand, I also understand and deeply regret the impact this action will have on our team members and their families. We are working hard to get through this as quickly as possible and reuniting our United team.

If you have any questions or if we can provide additional information, please do not hesitate to contact Zachery Jones, Vice President Labor Relations, at 872-825-8868 or zachery.jones@united.com.

Sincerely,

A handwritten signature in black ink that reads "Kate Gebo". The signature is written in a cursive, slightly slanted style.

Kate Gebo
Executive Vice President Human Resources and Labor Relations