UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020

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 Airlines 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

Securities registered pursuant to Section 12(b) of the Act:

	Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
United Airlines Holdings, Inc.	Common Stock, $0.01 par value	UAL	The Nasdaq Stock Market LLC
	Preferred Stock Purchase Rights		The Nasdaq Stock Market LLC
United Airlines, Inc.	None	None	None

Securities registered pursuant to Section 12(g) of the Act:

United Airlines Holdings, Inc.	None
United Airlines, Inc.	None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

United Airlines Holdings, Inc.	Yes	☒	No	☐	United Airlines, Inc.	Yes ☒	No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

United Airlines Holdings, Inc.	Yes	☐	No	☒	United Airlines, Inc.	Yes ☐	No ☒

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 Airlines Holdings, Inc.	Yes	☒	No	☐	United Airlines, Inc.	Yes ☒	No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files).

United Airlines Holdings, Inc.	Yes	☒	No	☐	United Airlines, Inc.	Yes ☒	No ☐

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

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

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

United Airlines Holdings, Inc.	☐	United Airlines, Inc.	☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

United Airlines Holdings, Inc.	☒	United Airlines, Inc.	☐

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

United Airlines Holdings, Inc.	Yes	☐	No	☒
United Airlines, Inc.	Yes	☐	No	☒

The aggregate market value of common stock held by non-affiliates of United Airlines Holdings, Inc. was $10.0 billion as of June 30, 2020 based on the closing sale price of $34.61 on that date. There is no market for United Airlines, Inc. common stock.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of February 24, 2021.

United Airlines Holdings, Inc.	318,476,280	shares of common stock ($0.01 par value)
United Airlines, Inc.	1,000	shares of common stock ($0.01 par value) (100% owned by United Airlines Holdings, Inc.)

This combined Form 10-K is separately filed by United Airlines Holdings, Inc. and United Airlines, Inc.

OMISSION OF CERTAIN INFORMATION

United Airlines, Inc. meets the conditions set forth in General Instruction I(1)(a) and (b) of Form 10-K and is therefore filing this form with the reduced disclosure format allowed under that General Instruction.

DOCUMENTS INCORPORATED BY REFERENCE

Certain information required by Items 10, 11, 12 and 13 of Part III of this Form 10-K is incorporated by reference for United Airlines Holdings, Inc. from its definitive proxy statement for its 2021 Annual Meeting of Stockholders.

United Airlines Holdings, Inc. and Subsidiary Companies
United Airlines, Inc. and Subsidiary Companies

Annual Report on Form 10-K
For the Year Ended December 31, 2020

This Annual Report on Form 10-K ("Form 10-K") contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements represent our expectations and beliefs concerning future results or events, based on information available to us on the date of the filing of this Form 10-K, and are subject to various risks and uncertainties. Factors that could cause actual results or events to differ materially from those referenced in the forward-looking statements are listed in Part I, Item 1A. Risk Factors and in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. We disclaim any intent or obligation to update or revise any of the forward-looking statements, whether in response to new information, unforeseen events, changed circumstances or otherwise, except as required by applicable law.

PART I

ITEM 1. BUSINESS.

Overview

United Airlines 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"). 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's principal executive office is located at 233 South Wacker Drive, Chicago, Illinois 60606 (telephone number (872) 825-4000). The Company's website is located at www.united.com and its investor relations website is located at ir.united.com. The information contained on or connected to the Company's websites is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report filed with the U.S. Securities and Exchange Commission ("SEC"). The Company's filings with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, as well as UAL's proxy statement for its annual meeting of stockholders, are accessible without charge on the Company's investor relations website, as soon as reasonably practicable, after such material is electronically filed with, or furnished to, the SEC. Such filings are also available on the SEC's website at www.sec.gov.

Operations

The Company transports people and cargo throughout North America and to destinations in Asia, Europe, Africa, the Pacific, the Middle East and Latin America. UAL, through United and its regional carriers, operates across six continents, with hubs at Newark Liberty International Airport ("Newark"), Chicago O'Hare International Airport ("Chicago O'Hare"), Denver International Airport ("Denver"), George Bush Intercontinental Airport ("Houston Bush"), Los Angeles International Airport ("LAX"), A.B. Won Pat International Airport ("Guam"), San Francisco International Airport ("SFO") and Washington Dulles International Airport ("Washington Dulles").

All of the Company's domestic hubs are located in large business and population centers, contributing to a large amount of "origin and destination" traffic. The hub and spoke system allows us to transport passengers between a large number of destinations with substantially more frequent service than if each route were served directly. The hub system also allows us to add service to a new destination from a large number of cities using only one or a limited number of aircraft. As discussed under *Alliances* below, United is a member of Star Alliance, the world's largest alliance network.

The Company began experiencing a significant decline in passenger demand related to the novel coronavirus (COVID-19) during the first quarter of 2020. The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance will depend on future developments, including those outside our control related to the efficacy and speed of vaccination programs in curbing the spread of the virus, the introduction and spread of new variants of the virus which may be resistant to currently approved vaccines, passenger testing requirements, mask mandates or other restrictions on travel, all of which are highly uncertain and cannot be predicted with certainty. In response to decreased demand, the Company cut, relative to 2019 capacity, approximately 57% of its scheduled capacity for 2020. In the first quarter of 2021, the Company expects scheduled capacity to be down at least 51% versus the first quarter of 2019. The Company plans to continue to proactively evaluate and cancel flights on a rolling 60-day basis until it sees signs of a recovery in demand and expects demand to remain suppressed, relative to 2019 levels, until vaccines for COVID-19 are widely distributed and are effective in curbing

the spread of the virus. In addition, the Company does not currently expect the recovery from COVID-19 to follow a linear path. As such, the Company's actual flown capacity may differ materially from its currently scheduled capacity.

Regional. The Company has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. This regional service complements our operations by carrying traffic that connects to our hubs and allows flights to smaller cities that cannot be provided economically with mainline aircraft. Champlain Enterprises, LLC d/b/a CommutAir ("CommutAir"), Republic Airline Inc. ("Republic"), GoJet Airlines LLC ("GoJet"), Mesa Airlines, Inc. ("Mesa"), SkyWest Airlines, Inc. ("SkyWest"), and Air Wisconsin Airlines LLC ("Air Wisconsin") are all regional carriers that operate with capacity contracted to United under capacity purchase agreements ("CPAs"). Under these CPAs, the Company pays the regional carriers contractually agreed fees (carrier costs) for operating these flights plus a variable rate adjustment based on agreed performance metrics, subject to annual adjustments. The fees are based on specific rates multiplied by specific operating statistics (e.g., block hours, departures), as well as fixed monthly amounts. Under these CPAs, the Company is also responsible for all fuel costs incurred, as well as landing fees and other costs, which are either passed through by the regional carrier to the Company without any markup or directly incurred by the Company. In some cases, the Company owns some or all of the aircraft subject to the CPA and leases such aircraft to the regional carrier. In return, the regional carriers operate the capacity of the aircraft included within the scope of such CPA exclusively for United, on schedules determined by the Company. The Company also determines pricing and revenue management, assumes the inventory and distribution risk for the available seats and permits mileage accrual and redemption for regional flights through its MileagePlus loyalty program. The significant decline in demand for air travel services resulting from the COVID-19 pandemic has also materially impacted demand for regional carrier services and, as a result, the Company's utilization of its regional network is significantly reduced and is expected to remain so for the foreseeable future. As a result, we may face claims that we failed to perform certain obligations under our agreements with our regional carriers and may incur damages. Additionally, in July 2020, the Company announced its plans to consolidate its Embraer 145 ("E145") operations into a single regional partner, CommutAir. As a result, the Company terminated its CPA with ExpressJet Airlines, LLC, a domestic regional airline ("ExpressJet"). ExpressJet flew its last commercial flight, on behalf of United, on September 30, 2020. Additionally, United transferred all of its E145 operations over to CommutAir as United's sole regional partner for this aircraft type. We expect the disruption to services resulting from the COVID-19 pandemic to continue to adversely affect our regional carriers, some of which may declare bankruptcy or otherwise cease to operate.

Alliances. United is a member of Star Alliance, a global integrated airline network and the largest and most comprehensive airline alliance in the world. Despite the global challenges posed by the COVID-19 pandemic, Star Alliance carriers continued to serve nearly 1,000 airports in 154 countries with close to 10,000 daily departures as of January 1, 2021. Star Alliance members, in addition to United, are Aegean Airlines, Air Canada, Air China, Air India, Air New Zealand, All Nippon Airways ("ANA"), Asiana Airlines, Austrian Airlines, Aerovías del Continente Americano S.A. ("Avianca"), Brussels Airlines, Copa Airlines ("Copa"), Croatia Airlines, EGYPTAIR, Ethiopian Airlines, EVA Air, LOT Polish Airlines, Lufthansa, SAS Scandinavian Airlines, Shenzhen Airlines, Singapore Airlines, South African Airways, SWISS, TAP Air Portugal, THAI Airways International and Turkish Airlines. In addition to its members, Star Alliance includes Shanghai-based Juneyao Airlines and Thailand-based Thai Smile Airways, a subsidiary of THAI Airways International, as connecting partners.

United has a variety of bilateral commercial alliance agreements and obligations with Star Alliance members, addressing, among other things, reciprocal earning and redemption of frequent flyer miles, access to airport lounges and, with certain Star Alliance members, codesharing of flight operations (whereby one carrier's selected flights can be marketed under the brand name of another carrier). In addition to the alliance agreements with Star Alliance members, United currently maintains independent marketing alliance agreements with other air carriers, including Aeromar, Aer Lingus, Air Dolomiti, Azul Linhas Aéreas Brasileiras S.A. ("Azul"), Boutique Air, Cape Air, Edelweiss, Eurowings, Hawaiian Airlines, Olympic Air, Silver Airways and Vistara.

United also participates in four passenger joint business arrangements ("JBAs"): one with Air Canada and the Lufthansa Group (which includes Lufthansa and its affiliates Austrian Airlines, Brussels Airlines, Eurowings and SWISS) covering transatlantic routes, one with ANA covering certain transpacific routes, one with Air New Zealand covering certain routes between the United States and New Zealand and one with Avianca and Copa, which, upon regulatory approval, will cover routes between the United States and Central and South America, excluding Brazil. These passenger JBAs enable the participating carriers to integrate the services they provide in the respective regions, capturing revenue synergies and delivering enhanced customer benefits, such as highly competitive flight schedules, fares and services. Separate from the passenger JBAs, United also participates in cargo JBAs with ANA for transpacific cargo services and with Lufthansa for transatlantic cargo services. These cargo JBAs offer expanded and more seamless access to cargo space across the carriers' respective combined networks.

Loyalty Program. United's MileagePlus loyalty program builds customer loyalty by offering awards, benefits and services to program participants. Members in this program earn miles for flights on United, United Express, Star Alliance members and certain other airlines that participate in the program. Members can also earn miles by purchasing goods and services from our

network of non-airline partners, such as domestic and international credit card issuers, retail merchants, hotels and car rental companies. Members can redeem miles for free (other than taxes and government-imposed fees), discounted or upgraded travel and non-travel awards.

United has an agreement with JPMorgan Chase Bank, N.A. ("Chase"), pursuant to which members of United's MileagePlus loyalty program who are residents of the United States can earn miles for making purchases using a MileagePlus credit card issued by Chase (the "Co-Brand Agreement"). The Co-Brand Agreement also provides for joint marketing and other support for the MileagePlus credit card and provides Chase with other benefits such as permission to market to the Company's customer database.

In 2020, approximately 1.9 million MileagePlus flight awards were used on United and United Express. These awards represented 6.2% of United's total revenue passenger miles. Total miles redeemed for flights on United and United Express, including class-of-service upgrades, represented approximately 80% of the total miles redeemed. In addition, excluding miles redeemed for flights on United and United Express, MileagePlus members redeemed miles for approximately 0.8 million other awards. These awards include United Club memberships, car and hotel awards, merchandise and flights on other air carriers. Redemptions in 2020 were adversely impacted by the COVID-19 pandemic.

In response to the impact of COVID-19, the Company made changes to its MileagePlus® Premier® program that will make it easier to earn status in 2021 for the 2022 program year. United will again have reduced Premier Qualifying Points ("PQP") and Premier Qualifying Flights ("PQF") thresholds in 2021 and will have innovative promotions that help members earn status more quickly. Early in 2021, United deposited 25% of the PQP-only requirements in Premier members' accounts based on their 2021 Premier status level. Premier members will earn double the PQP on each of the first three PQP-eligible trips completed January 1 through March 31, 2021 (up to 1,500 PQP per trip), helping their flights go further toward reaching status.

Aircraft Fuel. The table below summarizes the fuel consumption and expense of UAL's aircraft (including the operations of our regional partners operating under CPAs) during the last three years.

Year	Gallons Consumed (in millions)	Fuel Expense (in millions)	Average Price Per Gallon	Percentage of Total Operating Expense
2020	2,004	$ 3,153	$ 1.57	15 %
2019	4,292	$ 8,953	$ 2.09	23 %
2018	4,137	$ 9,307	$ 2.25	24 %

Our operational and financial results can be significantly impacted by changes in the price and availability of aircraft fuel. To provide adequate supplies of fuel, the Company routinely enters into purchase contracts that are customarily indexed to market prices for aircraft fuel, and the Company generally has some ability to cover short-term fuel supply and infrastructure disruptions at certain major demand locations. The price of aircraft fuel has fluctuated substantially in the past several years. The Company's current strategy is to not enter into transactions to hedge its fuel consumption, although the Company regularly reviews its strategy based on market conditions and other factors.

Third-Party Business. United generates third-party business revenue that includes maintenance services, catering, frequent flyer award non-travel redemptions and ground handling. Third-party business revenue is recorded in Other operating revenue. Expenses associated with third-party business, except non-travel redemptions, are recorded in Other operating expenses. Non-travel redemptions expenses are recorded to Other operating revenue.

Air Cargo. United provides freight and mail services (air cargo). The majority of cargo services are provided to commercial businesses, freight forwarder firms and the United States Postal Service. Through our global network, our cargo operations are able to connect the world's major freight gateways. We generate cargo revenues in domestic and international markets through the use of cargo space on regularly scheduled passenger aircraft, and starting in 2020, cargo-only flights.

Distribution Channels. The Company's airline seat inventory and fares are distributed through the Company's direct channels, traditional travel agencies and on-line travel agencies. The use of the Company's direct sales website, www.united.com, the Company's mobile applications and alternative distribution systems provides the Company with an opportunity to de-commoditize its services, better present its content, make more targeted offerings, better retain its customers, enhance its brand and lower its ticket distribution costs. Agency sales are primarily sold using global distribution systems ("GDS"). United has developed and expects to continue to develop capabilities to sell certain ancillary products through the GDS channel to provide an enhanced buying experience for customers who purchase in that channel.

Industry Conditions

COVID-19. The COVID-19 pandemic, together with the measures implemented or recommended by governmental authorities and private organizations in response to the pandemic, has had an adverse impact that has been material to the airline industry. Measures such as "shelter in place" or quarantine requirements, international and domestic travel restrictions or advisories, limitations on public gatherings, social distancing recommendations, remote work arrangements and closures of tourist destinations and attractions, as well as consumer perceptions of the safety, ease and predictability of air travel, have contributed to a precipitous decline in passenger demand and bookings for both business and leisure travel.

The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance will depend on future developments, including those outside our control related to the efficacy and speed of vaccination programs in curbing the spread of the virus, the introduction and spread of new variants of the virus which may be resistant to currently approved vaccines, passenger testing requirements, mask mandates or other restrictions on travel, all of which are highly uncertain and cannot be predicted with certainty. Effective August 30, 2020, United permanently eliminated change fees on all standard Economy and Premium cabin tickets for travel within the 50 U.S. states, Washington, D.C., Puerto Rico and the U.S. Virgin Islands. Also, in December 2020, the Company eliminated change fees on flights from the U.S. to all international destinations and fees on Basic Economy and all other international travel tickets issued by March 31, 2021. In addition, effective January 1, 2021, United began allowing passengers to standby for free on a flight departing the day of their travel regardless of the type of ticket or class of service, while MileagePlus Premier members can confirm a seat on a different flight on the same day with the same departure and arrival cities as their original ticket if a seat in the same ticket fare class is available.

Domestic Competition. The domestic airline industry is highly competitive and dynamic. The Company's competitors consist primarily of other airlines and, to a certain extent, other forms of transportation. Currently, any U.S. carrier deemed fit by the U.S. Department of Transportation (the "DOT") is largely free to operate scheduled passenger service between any two points within the United States. Competition can be direct, in the form of another carrier flying the exact non-stop route, or indirect, where a carrier serves the same two cities non-stop from an alternative airport in that city or via an itinerary requiring a connection at another airport. Air carriers' cost structures are not uniform and are influenced by numerous factors. Carriers with lower costs may offer lower fares to passengers, which could have a potential negative impact on the Company's revenues. Domestic pricing decisions are impacted by intense competitive pressure exerted on the Company by other U.S. airlines. In order to remain competitive and maintain passenger traffic levels, we often find it necessary to match competitors' discounted fares. Since we compete in a dynamic marketplace, attempts to generate additional revenue through increased fares often fail.

International Competition. Internationally, the Company competes not only with U.S. airlines, but also with foreign carriers. International competition has increased and may continue to increase in the future as a result of airline mergers and acquisitions, JBAs, alliances, restructurings, liberalization of aviation bilateral agreements and new or increased service by competitors, including government-subsidized competitors from certain Middle East countries. Competition on international routes is subject to varying degrees of governmental regulation. The Company's ability to compete successfully with non-U.S. carriers on international routes depends in part on its ability to generate traffic to and from the entire United States via its integrated domestic route network and its ability to overcome business and operational challenges across its network worldwide. Foreign carriers currently are prohibited by U.S. law from carrying local passengers between two points in the United States and the Company generally experiences comparable restrictions in foreign countries. Separately, "fifth freedom rights" allow the Company to operate between points in two different foreign countries and foreign carriers may also have fifth freedom rights between the U.S. and another foreign country. In the absence of fifth freedom rights, or some other extra-bilateral right to conduct operations between two foreign countries, U.S. carriers are constrained from carrying passengers to points beyond designated international gateway cities. To compensate partially for these structural limitations, U.S. and foreign carriers have entered into alliances, immunized JBAs and marketing arrangements that enable these carriers to exchange traffic between each other's flights and route networks. Through these arrangements, the Company strives to provide consumers with a growing number of seamless, cost-effective and convenient travel options. See Alliances, above, for additional information.

Seasonality. The air travel business is subject to seasonal fluctuations. Historically, demand for air travel is higher in the second and third quarters, driving higher revenues, than in the first and fourth quarters, which are periods of lower travel demand.

Industry Regulation

Airlines are subject to extensive domestic and international regulatory oversight. The following discussion summarizes the principal elements of the regulatory framework applicable to our business. Regulatory requirements, including but not limited to those discussed below, affect our operations and increase our operating costs, and future regulatory developments may continue to do the same in the future. In addition, should any of our governmental authorizations or certificates be modified, suspended or revoked, our business and competitive position could be materially adversely affected. See Part I, Item 1A. Risk

Factors—"The airline industry is subject to extensive government regulation, which imposes significant costs and may adversely impact our business, operating results and financial condition" for additional information on the material effects of compliance with government regulations.

Domestic Regulation. All carriers engaged in air transportation in the United States are subject to regulation by the DOT. Absent an exemption, no air carrier may provide air transportation of passengers or property without first being issued a DOT certificate of public convenience and necessity. The DOT also grants international route authority, approves international codeshare arrangements and regulates methods of competition. The DOT regulates consumer protection and maintains jurisdiction over advertising, denied boarding compensation, tarmac delays, baggage liability and other areas and may add additional expensive regulatory burdens in the future. The DOT has launched investigations or claimed rulemaking authority to regulate commercial agreements among carriers or between carriers and third parties in a wide variety of contexts.

Airlines are also regulated by the Federal Aviation Administration (the "FAA"), an agency within the DOT, primarily in the areas of flight safety, air carrier operations and aircraft maintenance and airworthiness. The FAA issues air carrier operating certificates and aircraft airworthiness certificates, prescribes maintenance procedures, oversees airport operations, and regulates pilot and other employee training. From time to time, the FAA issues directives that require air carriers to inspect, modify or ground aircraft and other equipment, potentially causing the Company to incur substantial, unplanned expenses. The airline industry is also subject to numerous other federal laws and regulations. The U.S. Department of Homeland Security ("DHS") has jurisdiction over virtually every aspect of civil aviation security. The Antitrust Division of the U.S. Department of Justice ("DOJ") has jurisdiction over certain airline competition matters. The U.S. Postal Service has authority over certain aspects of the transportation of mail by airlines. Labor relations in the airline industry are generally governed by the Railway Labor Act ("RLA"), a federal statute. The Company is also subject to investigation inquiries by the DOT, FAA, DOJ, DHS, the U.S. Food and Drug Administration ("FDA"), the U.S. Department of Agriculture ("USDA"), Centers for Disease Control and Prevention ("CDC"), U.S. Occupational Safety and Health Administration ("OSHA"), and other U.S. and international regulatory bodies.

Airport Access. Access to landing and take-off rights, or "slots," at several major U.S. airports served by the Company are subject to government regulation. Federally-mandated domestic slot restrictions that limit operations and regulate capacity currently apply at three airports: Reagan National Airport in Washington, D.C. ("Reagan National"), and John F. Kennedy International Airport and LaGuardia Airport ("LaGuardia") in the New York City metropolitan region. Additional restrictions on takeoff and landing slots at these and other airports may be implemented in the future and could affect the Company's rights of ownership and transfer as well as its operations.

Legislation. The airline industry is subject to legislative actions (or inactions) that may have an impact on operations and costs. In 2018, the U.S. Congress approved a five-year reauthorization for the FAA, which encompasses significant aviation tax and policy-related issues. The law includes a range of policy changes related to airline customer service and aviation safety. Implementation of some items continues into the new Administration and, depending on how they are implemented, could impact our operations and costs. U.S. Congressional action in response to the COVID-19 pandemic has provided funding for U.S. airlines, in both grants and loans. The U.S. Congress has imposed limited conditions on airlines accepting funding, including workforce retention and minimum service requirements. With the change in control of the U.S. Congress and a new presidential administration, any future funding or other pandemic relief could include additional requirements that could impact our operations and costs. Additionally, the U.S. Congress may consider legislation related to environmental issues or increases to the U.S. federal corporate income tax rate, which could impact the Company and the airline industry.

Catering Operations. The Company owns and operates catering kitchens at airports in Denver, Cleveland, Newark, Houston, and Honolulu, which prepare ready-to-eat food for United flights. Some of the Company's kitchens also prepare ready-to-eat food for other domestic and international airlines. The Company's onboard food service operations are subject to FDA regulation through its interstate conveyance sanitation regulations, and the Company's catering operations are subject to regulation by the FDA and the USDA, as well as other federal, state, and local regulatory agencies. In particular, the FDA enforces the Federal Food Safety Modernization Act which requires all food manufacturers, including ready-to-eat catering operations, to implement stringent risk-based preventive controls. As a result, the Company's catering and food service operations are periodically subject to inspections and enforcement by regulatory agencies.

International Regulation. International air transportation is subject to extensive government regulation. In connection with the Company's international services, the Company is regulated by both the U.S. government and the governments of the foreign countries the Company serves. In addition, the availability of international routes to U.S. carriers is regulated by aviation agreements between the U.S. and foreign governments, and in some cases, fares and schedules require the approval of the DOT and/or the relevant foreign governments.

Legislation. Foreign countries are increasingly enacting passenger protection laws, rules and regulations that meet or exceed U.S. requirements. In cases where this activity exceeds U.S. requirements, additional burden and liability may be placed on the

Company. Certain countries have regulations requiring passenger compensation and/or enforcement penalties from the Company in addition to changes in operating procedures due to canceled and delayed flights.

Airport Access. Historically, access to foreign markets has been tightly controlled through bilateral agreements between the U.S. and each foreign country involved. These agreements regulate the markets served, the number of carriers allowed to serve each market and the frequency of carriers' flights. Since the early 1990s, the U.S. has pursued a policy of "Open Skies" (meaning all U.S.-flag carriers have access to the destination), under which the U.S. government has negotiated a number of bilateral agreements allowing unrestricted access between U.S. and foreign markets. Currently, there are more than 100 Open Skies agreements in effect. However, even with Open Skies, many of the airports that the Company serves in Europe, Asia and Latin America maintain slot controls. A large number of these slot controls exist due to congestion, environmental and noise protection and reduced capacity due to runway and air traffic control ("ATC") construction work, among other reasons. London Heathrow International Airport, Frankfurt Rhein-Main Airport, Shanghai Pudong International Airport, Beijing Capital International Airport, Sao Paulo Guarulhos International Airport and Tokyo Haneda International Airport are among the most restrictive foreign airports due to slot and capacity limitations.

The Company's ability to serve some foreign markets and expand into certain others is limited by the absence of aviation agreements between the U.S. government and the relevant foreign governments. Shifts in U.S. or foreign government aviation policies may lead to the alteration or termination of air service agreements. Depending on the nature of any such change, the value of the Company's international route authorities and slot rights may be materially enhanced or diminished. Similarly, foreign governments control their airspace and can restrict our ability to overfly their territory, enhancing or diminishing the value of the Company's existing international route authorities and slot rights.

The COVID-19 pandemic has caused most governments to restrict entry to foreign nationals (with some exceptions) and to impose multiple health management rules which can include COVID-19 testing, quarantine upon arrival, health declarations, and temperature screens, among others. Such requirements may result in reduced demand for travel and cause the Company to suspend service to some foreign markets. Certain foreign governments have granted waivers for limited periods that allow the Company to maintain existing slot rights and route authorizations while not operating at a particular foreign point. The airline industry is advocating for the continuation of such waivers until the operating and demand environment return to normal, but future waivers are not guaranteed.

Environmental Regulation. The airline industry is subject to increasingly stringent federal, state, local and international environmental requirements, including those regulating emissions to air, water discharges, safe drinking water and the use and management of hazardous substances and wastes.

Climate Change. There is an increasing global regulatory focus on greenhouse gas ("GHG") emissions and their potential impacts relating to climate change. An initiative to regulate GHG emissions from aviation known as the European Union ("EU") Emission Trading System ("ETS") was adopted in 2009, but applicability to flights arriving at or departing from airports outside the EU has been postponed several times. In December 2017, the European Parliament voted to extend exemptions for extra-EU flights until December 2023 in order to align the extension date with the completion of the pilot phase of the International Civil Aviation Organization's ("ICAO") Carbon Offsetting and Reduction Scheme for International Aviation ("CORSIA"). CORSIA, which was adopted in October 2016, is intended to create a single global market-based measure to achieve carbon-neutral growth for international aviation, which can be achieved through airline purchases of eligible carbon offset credits and the use of eligible sustainable fuels. The unprecedented nature of the COVID-19 pandemic prompted ICAO to include only 2019 emissions (as opposed to the originally planned average of 2019-20 emissions) as the baseline upon which offsetting obligations would be calculated for the pilot phase (2021-23) of the scheme; the applicable baseline for the subsequent phases of the scheme, however, is still uncertain. The European Parliament is expected to assess CORSIA implementation and re-assess the applicability of EU ETS to international aviation in 2024, at which point the EU could require all extra- and intra-EU flights to participate in EU ETS. Certain CORSIA program aspects could potentially be affected by the results of the pilot phase of the program, and thus the impact of CORSIA cannot be fully predicted. However, CORSIA is expected to increase operating costs for the Company, depending on a number of factors, including the number of its flights that are subject to CORSIA, the fuel efficiency of the Company's fleet, the Company's purchase and use of CORSIA-eligible sustainable fuels, aviation sector growth, the price of CORSIA-eligible offsets and the applicable baseline year(s) applied to future phases of the program. In 2017, ICAO also adopted a carbon dioxide ("CO_2") emission standard for aircraft. In December 2020, the U.S. Environmental Protection Agency ("EPA") adopted its own aircraft and aircraft engine GHG emissions standards, which are aligned with the 2017 ICAO airplane CO_2 emission standards. While United endeavors to comply with all applicable environmental regulations, United's Eco-Skies commitment to becoming a more environmentally sustainable company extends beyond seeking to comply with regulatory requirements.

We have made a series of tangible commitments and actions to help reduce our carbon emission footprint, including the following:

- In 2015, we invested $30 million in Fulcrum BioEnergy, a sustainable aviation fuel ("SAF") producer that converts trash to low-carbon jet fuel.
- In 2016, we became the first airline globally to use SAF in regular operations on a continuous basis and, as of December 31, 2020, based on publicly announced commitments, have purchased more SAF than any other U.S. commercial airline.
- In 2018, we became the first U.S. airline to establish a climate goal of reducing our emissions 50% by 2050 versus our 2005 baseline.
- In 2020:
    - We pledged to become 100% green by reducing our GHG emissions by 100% by 2050—without relying on voluntary carbon offsets.
    - We became the first airline to announce a commitment to invest in Direct Air Capture technology through 1PointFive, a joint venture between Oxy Low Carbon Ventures and Rusheen Capital.
    - The Carbon Disclosure Project ("CDP") named United as the only airline globally to its climate 'A List' for the Company's actions to cut emissions, mitigate climate risks and develop the low-carbon economy, marking the seventh consecutive year that United had the highest CDP score among U.S. airlines.
- In the first quarter of 2021, United entered into an agreement to work with, and to invest in, air mobility company Archer Aviation Inc. on the development of electric vertical takeoff and landing (eVTOL) aircraft that have the potential for future use as an 'air taxi' in urban markets.

Additional information regarding United's Eco-Skies program and our pledge to become 100% green by reducing GHG emissions by 100% by 2050, can be found on our website at united.com/100green. The information contained on or connected to the Company's website is not incorporated by reference into this Annual Report on Form 10-K and should not be considered part of this or any other report filed with the SEC.

Other Regulations. Our operations are subject to a variety of other environmental laws and regulations both in the United States and internationally. These include noise-related restrictions on aircraft types and operating times and state and local air quality initiatives which have resulted, or could in the future result in curtailments in services, increased operating costs, limits on expansion, or further emission reduction requirements. Certain airports and/or governments, both domestically and internationally, either have established or are seeking to establish environmental fees and other requirements applicable to carbon emissions, local air quality pollutants and/or noise. The implementation of these requirements is expected to result in restrictions on mobile sources of air pollutants such as cars, trucks and airport ground support equipment in corresponding locations. Various states have passed legislation restricting the use of Class B fire-fighting foam agents that contain intentionally added per- and polyfluoroalkyl substances ("PFAS"), which are expected to require the Company to incur costs to convert existing fixed foam fire suppression systems to accommodate PFAS-free firefighting foam agents. Finally, environmental cleanup laws could require the Company to undertake or subject the Company to liability for investigation and remediation costs at certain owned or leased locations or third-party disposal locations.

Until the applicability of new regulations to our specific operations is better defined and/or until pending regulations are finalized, future costs to comply with such regulations will remain uncertain but are likely to increase our operating costs over time. While we continue to monitor these developments, the precise nature of future requirements and their applicability to the Company are difficult to predict, but the financial impact to the Company and the aviation industry could be significant.

Human Capital

As of December 31, 2020, UAL, including its subsidiaries, had approximately 74,400 employees, not including furloughed employees who were recalled in connection with the Payroll Support Program extension under Subtitle A of Title IV of Division N of the Consolidated Appropriations Act, 2021 (the "PSP Extension Law"). Approximately 84% of the Company's employees were represented by various U.S. labor organizations. The Company believes engaged and empowered employees are important for the success of its mission. The Company's focus areas for employee engagement and retention include, but are not limited to:

Workplace Safety. At United, safety is first in everything we do and is our first core4 service standard (Safe, Caring, Dependable and Efficient). We have implemented policies and training programs, as well as performed self-audits designed to ensure our employees are safe every day. United has onsite clinic locations in certain of its hubs that provide services to active employees including, but not limited to, occupational injury, Company-directed exams, acute care for personal illness, pre-

employment exams, travel immunizations and OSHA audiometric testing. For all other locations, United has partnered with third-party clinics to provide such services. United has a Drug Abatement organization that has implemented programs aimed at supporting United's goal of maintaining a drug- and alcohol-free workplace. Additionally, since the start of the COVID-19 pandemic, the Company has actively implemented additional safety measures in compliance with CDC guidelines and we actively follow their recommendations.

Talent and Pay. At United, we take great pride in the unique opportunity that we have to create and support the kind of careers that are increasingly hard to find in the 21st century American economy. There are thousands of jobs at United that do not require a four-year college degree and also provide significant schedule flexibility. For example our flight attendants and ramp agents have significant flexibility in their work schedules and, as they gain seniority, have the opportunity to earn up to six-figures in total annual compensation and benefits. There are thousands of additional specialized roles at United, like technicians and pilots, with even higher wage scales. Each of these jobs comes with a full suite of employment benefits including a retirement plan, life insurance, health insurance, free travel and more. These employees also enjoy valuable protections negotiated by U.S. labor organizations.

Culture. Having an engaged and proud work force is important to the success of our business. We undertake a confidential employee survey that provides us with point-in-time insights multiple times a year. We use the employee feedback to better understand the employee experience and assess progress made on achieving our goal of making United the best place to work.

Diversity, Equity and Inclusion. United is committed to creating a workplace where all employees feel included and empowered to make a measurable difference in our success. United offers policies, programs, benefits and recognition designed to reward and support the success of our diverse workforce. To help advance United's goals for diversity, equity and inclusion, the airline supports seven employee-run business resource groups with over 8,000 participants. Each group — LGBTQ+, Multi-cultural, People with Disabilities, Veterans, Women, Black/African American and Next Generation — helps increase awareness and understanding of cultural issues and opportunities for employees, while nurturing United's diverse talent, enriching the airline's organizational culture and contributing to Company performance. In 2020 and for the fifth consecutive year, United was recognized as a top-scoring company and best place to work for disability inclusion with a perfect score of 100 on the 2020 Disability Equality Index (DEI). In February, 2021, United received a perfect score of 100%, for the tenth consecutive year, on the Human Rights Campaign Foundation's 2021 Corporate Equality Index (CEI). The scorecard is a benchmarking report on corporate policies and practices related to LGBTQ workplace equality. The perfect score places United on the prestigious 2021 list of "Best Places to Work for LGBTQ Equality."

Additionally, we announced in January that we have achieved near perfect gender and pay equity for our U.S.-based population and, to promote greater transparency, have shared our gender and racial/ethnic representation for our workforce with our employees. We remain committed to continuing to share this information as we continue our journey towards great diversity, equity and inclusion throughout our organization.

Health Benefits: COVID-19 Impacts. United offers a variety of medical plans and options, including vision, dental, long-term disability and life insurance. At United, physical, emotional and financial wellness are top priorities. In 2020, United implemented new benefits and enhanced preexisting benefits to assist employees during the COVID-19 pandemic. These included enhanced telemedicine offerings to all employees, contact tracing, modified absence management practices and additional mental health programs and resources.

Collective Bargaining Agreements. Collective bargaining agreements between the Company and its represented employee groups are negotiated under the RLA. Such agreements typically do not contain an expiration date and instead specify an amendable date, upon which the agreement is considered "open for amendment."

The following table reflects the Company's represented employee groups, the number of employees per represented group, union representation for each employee group, and the amendable date for each employee group's collective bargaining agreement as of December 31, 2020:

Employee Group	Number of Employees	Union	Agreement Open for Amendment
Flight Attendants	16,507	Association of Flight Attendants (the "AFA")	August 2021
Pilots	11,840	ALPA	January 2019
Fleet Service	11,383	International Association of Machinists and Aerospace Workers (the "IAM")	December 2021
Passenger Service	9,272	IAM	December 2021
Technicians	6,630	IBT	December 2022
Passenger Service - United Ground Express, Inc.	3,427	IAM	March 2025
Catering	1,941	UNITE HERE	N/A
Storekeepers	653	IAM	December 2021
Dispatchers	249	Professional Airline Flight Control Association	December 2021
Fleet Tech Instructors	112	IAM	December 2021
Load Planners	41	IAM	December 2021
Security Officers	45	IAM	December 2021
Maintenance Instructors	36	IAM	December 2021

Information about Our Executive Officers

Kate Gebo. Age 52. Ms. Gebo has served as Executive Vice President Human Resources and Labor Relations of UAL and United since December 2017. From November 2016 to November 2017, Ms. Gebo served as Senior Vice President, Global Customer Service Delivery and Chief Customer Officer of United. From October 2015 to November 2016, Ms. Gebo served as Vice President of the Office of the Chief Executive Officer. From November 2009 to October 2015, Ms. Gebo served as Vice President of Corporate Real Estate of United.

Brett J. Hart. Age 51. Mr. Hart has served as President of UAL and United since May 2020. From March 2019 to May 2020, he served as Executive Vice President and Chief Administrative Officer of UAL and United. From May 2017 to March 2019, he served as Executive Vice President, Chief Administrative Officer and General Counsel of UAL and United. From February 2012 to May 2017, he served as Executive Vice President and General Counsel of UAL and United. Mr. Hart served as acting Chief Executive Officer and principal executive officer of the Company, on an interim basis, from October 2015 to March 2016. From December 2010 to February 2012, he served as Senior Vice President, General Counsel and Secretary of UAL, United and Continental Airlines, Inc. ("Continental"). From June 2009 to December 2010, Mr. Hart served as Executive Vice President, General Counsel and Corporate Secretary at Sara Lee Corporation, a consumer food and beverage company. From March 2005 to May 2009, Mr. Hart served as Deputy General Counsel and Chief Global Compliance Officer of Sara Lee Corporation.

Linda P. Jojo. Age 55. Ms. Jojo has served as Executive Vice President Technology and Chief Digital Officer of UAL and United since May 2017. From November 2014 to May 2017, Ms. Jojo served as Executive Vice President and Chief Information Officer of UAL and United. From July 2011 to October 2014, Ms. Jojo served as Executive Vice President and Chief Information Officer of Rogers Communications, Inc., a Canadian communications and media company. From October 2008 to June 2011, Ms. Jojo served as Chief Information Officer of Energy Future Holdings, a Dallas-based privately held energy company and electrical utility provider.

Chris Kenny. Age 56. Mr. Kenny has served as Vice President and Controller of UAL and United since October 2010. From September 2003 to September 2010, Mr. Kenny served as Vice President and Controller of Continental. Mr. Kenny joined Continental in 1997.

J. Scott Kirby. Age 53. Mr. Kirby has served as Chief Executive Officer of UAL and United since May 2020. Mr. Kirby served as President of UAL and United from August 2016 to May 2020. Prior to joining the Company, from December 2013 to August 2016, Mr. Kirby served as President of American Airlines Group and American Airlines, Inc. Mr. Kirby also previously served as President of US Airways from October 2006 to December 2013. Mr. Kirby held significant other leadership roles at US Airways and at America West prior to the 2005 merger of those carriers, including Executive Vice President—Sales and Marketing (2001 to 2006); Senior Vice President, e-business (2000 to 2001); Vice President, Revenue Management (1998 to

2000); Vice President, Planning (1997 to 1998); and Senior Director, Scheduling and Planning (1995 to 1998). Prior to joining America West, Mr. Kirby worked for American Airlines Decision Technologies and at the Pentagon.

Gerald Laderman. Age 63. Mr. Laderman has served as Executive Vice President and Chief Financial Officer since August 2018. Mr. Laderman served as Senior Vice President Finance, Procurement and Treasurer for UAL and United from 2013 to August 2015, and again from August 2016 to May 2018. Mr. Laderman additionally was acting Chief Financial Officer from August 2015 to August 2016 and from May 2018 to August 2018. Mr. Laderman served as Senior Vice President Finance and Treasurer for the Company from 2010 to 2013. From 2001 to 2010, Mr. Laderman served as Senior Vice President of Finance and Treasurer for Continental. Mr. Laderman joined Continental in 1988 as senior director legal affairs, finance and aircraft programs.

Oscar Munoz. Age 62. Mr. Munoz has served as Executive Chairman of the Board of Directors of UAL since May 2020. Mr. Munoz served as Chief Executive Officer of UAL and United from September 2015 to May 2020, and also as President of UAL and United from September 2015 until August 2016. From February 2015 to September 2015, Mr. Munoz served as President and Chief Operating Officer of CSX Corporation ("CSX"), a railroad and intermodal transportation services company, overseeing operations, sales and marketing, human resources, service design and information technology. Prior to his appointment as President and Chief Operating Officer of CSX, Mr. Munoz served as Executive Vice President and Chief Operating Officer of CSX from January 2012 to February 2015 and as Executive Vice President and Chief Financial Officer of CSX from 2003 to 2012. Mr. Munoz has been a member of the UAL Board of Directors since 2010.

Andrew Nocella. Age 51. Mr. Nocella has served as Executive Vice President and Chief Commercial Officer of UAL and United since September 2017. From February 2017 to September 2017, he served as Executive Vice President and Chief Revenue Officer of UAL and United. Prior to joining the Company, from August 2016 to February 2017, Mr. Nocella served as Senior Vice President, Alliances and Sales of American Airlines, Inc. From December 2013 to August 2016, he served as Senior Vice President and Chief Marketing Officer of American Airlines, Inc. From August 2007 to December 2013, he served as Senior Vice President, Marketing and Planning of US Airways.

Jonathan Roitman. Age 55. Mr. Roitman has served as Executive Vice President and Chief Operations Officer of UAL and United since September 2020. Mr. Roitman served as Senior Vice President and Chief Operations Officer of the Company from June 2020 to September 2020. Mr. Roitman served as Senior Vice President Airport and Network Operations of United from November 2019 to May 2020. From August 2018 to November 2019, Mr. Roitman served as Senior Vice President Airport and Catering Operations, and from January 2015 to August 2018, he served as Senior Vice President Airport Operations of United. From December 1997 through January 2015, Mr. Roitman held positions of increasing responsibility at United and at Continental prior to its merger with the Company, including as Senior Vice President Operations and Cargo, Vice President, Newark Hub, and Vice President, Cleveland Hub. Prior to joining Continental in December 1997, Mr. Roitman was the manager of business development for BWAB Incorporated, a real estate development and oil and gas production firm, and served in the U.S. Army.

ITEM 1A. RISK FACTORS.

The following risk factors should be read carefully when evaluating the Company's business and the forward-looking statements contained in this report and other statements the Company or its representatives make from time to time. Any of the following risks could materially and adversely affect the Company's business, operating results, financial condition and the actual outcome of matters as to which forward-looking statements are made in this report. Risks not currently known to the Company or that the Company currently deems to be immaterial may also materially and adversely affect the Company's business, operating results, financial condition and the actual outcome of matters as to which forward-looking statements are made in this report.

Risk Factor Summary

The following is a summary of the principal risks that could adversely affect, or have adversely affected, the Company's business, operating results and financial condition:

- The adverse impacts of the ongoing COVID-19 global pandemic, and possible outbreaks of another disease or similar public health threat in the future, on our business, operating results, financial condition, liquidity and near-term and long-term strategic operating plan, including possible additional adverse impacts resulting from the duration and spread of the pandemic;
- Unfavorable economic and political conditions in the United States and globally;
- The highly competitive nature of the global airline industry and susceptibility of the industry to price discounting and changes in capacity;
- High and/or volatile fuel prices or significant disruptions in the supply of aircraft fuel;
- Our reliance on technology and automated systems to operate our business and the impact of any significant failure or disruption of, or failure to effectively integrate and implement, the technology or systems;
- Our reliance on third-party service providers and the impact of any failure of these parties to perform as expected, or interruptions in our relationships with these providers or their provision of services;
- Adverse publicity, harm to our brand, reduced travel demand and potential tort liability as a result of an accident, catastrophe or incident involving us, our regional carriers, our codeshare partners, or another airline;
- Terrorist attacks, international hostilities or other security events, or the fear of terrorist attacks or hostilities, even if not made directly on the airline industry;
- Increasing privacy and data security obligations or a significant data breach;
- Disruptions to our regional network and United Express flights provided by third-party regional carriers;
- The failure of our significant investments in other airlines, including AVH and its affiliates, and the commercial relationships that we have with those carriers, to produce the returns or results we expect;
- Further changes to the airline industry with respect to alliances and JBAs or due to consolidations;
- Changes in our network strategy or other factors outside our control resulting in less economic aircraft orders, costs related to modification or termination of aircraft orders or entry into less favorable aircraft orders;
- Our reliance on single suppliers to source a majority of our aircraft and certain parts, and the impact of any failure to obtain timely deliveries, additional equipment or support from any of these suppliers;
- The impacts of union disputes, employee strikes or slowdowns, and other labor-related disruptions on our operations;
- Extended interruptions or disruptions in service at major airports where we operate;
- The impacts of the United Kingdom's withdrawal from the EU on our operations in the United Kingdom and elsewhere;
- The impacts of seasonality and other factors associated with the airline industry;
- Our failure to realize the full value of our intangible assets or our long-lived assets, causing us to record impairments;
- Any damage to our reputation or brand image;
- The limitation of our ability to use our net operating loss carryforwards and certain other tax attributes to offset future taxable income for U.S. federal income tax purposes;
- The costs of compliance with extensive government regulation of the airline industry;
- Costs, liabilities and risks associated with environmental regulation and climate change;
- Continued restrictions on the use of our Boeing 737 MAX aircraft and our inability to accept or integrate new aircraft into our fleet as planned;
- The impacts of our significant amount of financial leverage from fixed obligations, the possibility we may seek material amounts of additional financial liquidity in the short-term and insufficient liquidity on our financial condition and business;

- Failure to comply with the covenants in the MileagePlus Financing agreements, resulting in the possible acceleration of the MileagePlus indebtedness, foreclosure upon the collateral securing the MileagePlus indebtedness or the exercise of other remedies;
- Failure to comply with financial and other covenants governing our other debt;
- Changes in, or failure to retain, our senior management team or other key employees;
- Current or future litigation and regulatory actions, or failure to comply with the terms of any settlement, order or arrangement relating to these actions; and
- Increases in insurance costs or inadequate insurance coverage.

For a more complete discussion of the material risks facing the Company's business, see below.

Risks Relating to COVID-19

The global pandemic resulting from a novel strain of coronavirus has had an adverse impact that has been material to the Company's business, operating results, financial condition and liquidity, and the duration and spread of the pandemic could result in additional adverse impacts. The outbreak of another disease or similar public health threat in the future could also have an adverse effect on the Company's business, operating results, financial condition and liquidity.

The novel coronavirus (COVID-19) pandemic, together with the measures implemented or recommended by governmental authorities and private organizations in response to the pandemic, has had an adverse impact that has been material to the Company's business, operating results, financial condition and liquidity. Measures such as "shelter in place" or quarantine requirements, international and domestic travel restrictions or advisories, limitations on public gatherings, social distancing recommendations, remote work arrangements and closures of tourist destinations and attractions, as well as consumer perceptions of the safety, ease and predictability of air travel, have contributed to a precipitous decline in passenger demand and bookings for both business and leisure travel.

The Company began experiencing a significant decline in international and domestic demand related to COVID-19 during the first quarter of 2020. The decline in demand caused a material deterioration in our revenues in 2020, resulting in a net loss of $7.1 billion. The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance will depend on future developments, including those outside our control related to the efficacy and speed of vaccination programs in curbing the spread of the virus, the introduction and spread of new variants of the virus which may be resistant to currently approved vaccines, passenger testing requirements, mask mandates or other restrictions on travel, all of which are highly uncertain and cannot be predicted with certainty. In response to decreased demand, the Company cut, relative to 2019 capacity, approximately 57% of its scheduled capacity for 2020. In the first quarter of 2021, the Company expects scheduled capacity to be down at least 51% versus the first quarter of 2019. The Company plans to continue to proactively evaluate and cancel flights on a rolling 60-day basis until it sees signs of a recovery in demand and expects demand to remain suppressed, relative to 2019 levels, until vaccines for COVID-19 are widely distributed and are effective in curbing the spread of the virus. In addition, the Company does not currently expect the recovery from COVID-19 to follow a linear path. As such, the Company's actual flown capacity may differ materially from its currently scheduled capacity.

The Company has taken a number of actions in response to the decreased demand for air travel. In addition to the schedule reductions discussed above, the Company reduced its planned capital expenditures and reduced operating expenditures for 2020, terminated its share repurchase program, issued or entered into approximately $13.4 billion in secured notes, secured facilities and new aircraft financings, raised approximately $2.1 billion in cash proceeds from the issuance and sale of UAL common stock, borrowed $1.0 billion under the $2.0 billion revolving credit facility, entered into an agreement to finance certain aircraft currently subject to purchase agreements through sale and leaseback transactions, deferred $199 million in payroll taxes incurred through December 31, 2020, as provided by the CARES Act, until December 2021, at which time 50% is due, with the remaining amount due December 2022, temporarily grounded certain of its mainline fleet, implemented strategic workforce reductions and took a number of other actions to reduce employee-related costs. In addition, in connection with the Payroll Support Program under the CARES Act, United entered into Payroll Support Program agreements with the U.S. Treasury Department ("Treasury") that provided the Company with total funding of approximately $7.7 billion to pay the salaries and benefits of employees through March 31, 2021. The Company also entered into a term loan facility of up to approximately $7.5 billion (the "Term Loan Facility") pursuant to the loan program established under Section 4003(b) of the CARES Act (the "Loan Program"), and on September 28, 2020, United borrowed $520 million under the Term Loan Facility. The grants and loans under the CARES Act subject the Company and its business to certain restrictions, including, but not limited to, restrictions on the payment of dividends and the ability to repurchase UAL's equity securities, requirements to maintain certain levels of scheduled service, requirements to recall certain furloughed employees and maintain U.S. employment levels through March 31, 2021 and certain limitations on executive compensation. These restrictions and requirements have materially affected and will continue to materially affect the Company's operations, and the Company may not be successful in managing these impacts for the duration of the restrictions. In particular, limitations on executive

compensation, which, depending on the form of aid, could extend up to six years, may impact the Company's ability to attract and retain senior management or attract other key employees during this critical time.

The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance and liquidity position will depend on future developments, including the effectiveness of the mitigation strategies discussed above in offsetting decreased demand, the duration and spread of COVID-19 and related travel advisories and restrictions, the impact of COVID-19 on overall long-term domestic and international demand for air travel, including the impact on overall demand for business travel as a result of increased usage of teleconferencing and other technologies, the impact of COVID-19 on the financial health and operations of the Company's business partners and future governmental actions, including whether applicable governmental authorities will continue to grant waivers of usage requirements for certain of the Company's slots, routes and gates or will require passenger testing for domestic U.S. travel. All of these future developments are highly uncertain and cannot be predicted with certainty. The COVID-19 pandemic has had a material impact on the Company, and the continuation of reduced demand could have a material adverse effect on the Company's business, operating results, financial condition and liquidity.

In addition, an outbreak of another disease or similar public health threat, or fear of such an event, that affects travel demand, travel behavior or travel restrictions could have a material adverse impact on the Company's business, financial condition and operating results. Outbreaks of other diseases could also result in increased government restrictions and regulation, such as those actions described above or otherwise, which could adversely affect our operations.

COVID-19 has materially disrupted our strategic operating plans in the near-term, and there are risks to our business, operating results and financial condition associated with executing our strategic operating plans in the long-term.

COVID-19 has materially disrupted our strategic operating plans in the near-term, and there are risks to our business, operating results and financial condition associated with executing our strategic operating plans in the long-term. In recent years, we have announced several strategic operating plans, including several revenue-generating initiatives and plans to optimize our revenue, such as our plans to add capacity, including international expansion and new or increased service to mid-size airports, initiatives and plans to optimize and control our costs and opportunities to enhance our segmentation and improve the customer experience at all points in air travel. In developing our strategic operating plans, we make certain assumptions, including, but not limited to, those related to customer demand, competition, market consolidation, the availability of aircraft and the global economy. Actual economic, market and other conditions have been and may continue to be different from our assumptions. Most significantly in 2020, the precipitous decline in demand for air travel required us to cut, rather than grow, capacity and materially and adversely impacted our ability to execute our strategic operating plans. If we do not successfully execute or adjust our strategic operating plans in the long-term, or if actual results continue to vary significantly from our prior assumptions or vary significantly from our future assumptions, our business, operating results and financial condition could be materially and adversely impacted.

Risks Relating to Our Business and Industry

Unfavorable economic and political conditions, in the United States and globally, may have a material adverse effect on our business, operating results and financial condition.

The Company's business and operating results are significantly impacted by U.S. and global economic and political conditions. The airline industry is highly cyclical, and the level of demand for air travel is correlated to the strength of the U.S. and global economies. Robust demand for the Company's air transportation services depends largely on favorable economic conditions, including the strength of the domestic and foreign economies, low unemployment levels, strong consumer confidence levels and the availability of consumer and business credit. Air transportation is often a discretionary purchase that leisure travelers may limit or eliminate during difficult economic times. Short-haul travelers, in particular, have the option to replace air travel with surface travel. In addition, during periods of unfavorable economic conditions, business travelers historically have reduced the volume of their travel, either due to cost-saving initiatives, the replacement of travel with alternatives such as videoconferencing, or as a result of decreased business activity requiring travel. During such periods, the Company's business and operating results may be adversely affected due to significant declines in industry passenger demand, particularly with respect to the Company's business and premium cabin travelers, and a reduction in fare levels.

As a global business with operations outside of the United States from which it derives significant operating revenues, volatile conditions in certain international regions may have a negative impact on the Company's operating results and its ability to achieve its business objectives. The Company's international operations are a vital part of its worldwide airline network. Political disruptions and instability in certain regions can negatively impact the demand and network availability for air travel. Additionally, any deterioration in global trade relations, such as increased tariffs or other trade barriers, could result in a decrease in the demand for international air travel.

Stagnant or weakening global economic conditions either in the United States or in other geographic regions may have a material adverse effect on the Company's revenues, operating results and liquidity.

The global airline industry is highly competitive and susceptible to price discounting and changes in capacity, which could have a material adverse effect on our business, operating results and financial condition.

The airline industry is highly competitive, marked by significant competition with respect to routes, fares, schedules (both timing and frequency), services, products, customer service and frequent flyer programs. Consolidation in the airline industry, the rise of well-funded government sponsored international carriers, changes in international alliances and the creation of immunized JBAs have altered and are expected to continue to alter the competitive landscape in the industry, resulting in the formation of airlines and alliances with increased financial resources, more extensive global networks and services and competitive cost structures.

Airlines also compete by increasing or decreasing their capacity, including route systems and the number of destinations served. Several of the Company's domestic and international competitors have increased their international capacity by including service to some destinations that the Company currently serves, causing overlap in destinations served, and therefore, increasing competition for those destinations. This increased competition in both domestic and international markets may have a material adverse effect on the Company's business, operating results and financial condition.

The Company's U.S. operations are subject to competition from traditional network carriers, national point-to-point carriers, and discount carriers, including low-cost carriers and ultra-low-cost carriers. Such carriers may have lower costs and provide service at lower fares to destinations also served by the Company. The significant presence of low-cost carriers and ultra-low-cost carriers, which engage in substantial price discounting, may diminish our ability to achieve sustained profitability on domestic and international routes. This level of discounted pricing has also caused us to reduce fares for certain routes, resulting in lower yields on many domestic markets. Our ability to compete in the domestic market effectively depends, in part, on our ability to maintain a competitive cost structure. If we cannot maintain our costs at a competitive level, then our business, operating results and financial condition could continue to be materially and adversely affected. In addition, our competitors have established new routes and destinations, including some at our hub airports, in light of the expansion opportunities presented by the COVID-19 pandemic, which may compete with our existing routes and destinations and expansion plans.

Our international operations are subject to competition from both foreign and domestic carriers. Competition is significant from government subsidized competitors from certain Middle East countries. These carriers have large numbers of international widebody aircraft on order and are increasing service to the U.S. from their hubs in the Middle East. The government support provided to these carriers has allowed them to grow quickly, reinvest in their product, invest in other airlines and expand their global presence. We also face competition from foreign carriers operating under "fifth freedom" rights permitted under international treaties that allow certain carriers to provide service to and from stopover points between their home country and ultimate destination, including points in the United States, in competition with service provided by us.

Through alliance and other marketing and codesharing agreements with foreign carriers, U.S. carriers have increased their ability to sell international transportation, such as services to and beyond traditional global gateway cities. Similarly, foreign carriers have obtained increased access to interior U.S. passenger traffic beyond traditional U.S. gateway cities through these relationships. In addition, several JBAs among U.S. and foreign carriers have received grants of antitrust immunity allowing the participating carriers to coordinate schedules, pricing, sales and inventory. If we are not able to continue participating in these types of alliance and other marketing and codesharing agreements in the future, our business, operating results and financial condition could be materially and adversely affected.

Our MileagePlus frequent flyer program benefits from the attractiveness and competitiveness of United Airlines as a material purchaser of award miles, and the majority recipient for mileage redemption. If we are not able to maintain a competitive and attractive airline business, our ability to acquire, engage and retain customers in the loyalty program may be adversely affected, which could adversely affect the loyalty program's operating results and financial condition.

Further our MileagePlus frequent flyer program also faces significant and increasing direct competition from the frequent flyer programs offered by other airlines, as well as from similar loyalty programs offered by banks and other financial services companies. Competition among loyalty programs is intense regarding customer acquisition incentives, the value and utility of program currency, rewards range and value, fees, required usage, and other terms and conditions of these programs. If we are not able to maintain a competitive frequent flyer program, our ability to attract and retain customers to MileagePlus and United alike may be adversely affected, which could adversely affect our enterprise operating results and financial condition.

High and/or volatile fuel prices or significant disruptions in the supply of aircraft fuel could have a material adverse impact on the Company's strategic plans, operating results, financial condition and liquidity.

Aircraft fuel is critical to the Company's operations and is one of our largest operating expenses. During the year ended December 31, 2020, the Company's fuel expense was approximately $3.2 billion. The timely and adequate supply of fuel to meet operational demand depends on the continued availability of reliable fuel supply sources, as well as related service and delivery infrastructure. Although the Company has some ability to cover short-term fuel supply and infrastructure disruptions at some major demand locations, it depends significantly on the continued performance of its vendors and service providers to maintain supply integrity. Consequently, the Company can neither predict nor guarantee the continued timely availability of aircraft fuel throughout the Company's system.

Aircraft fuel has historically been the Company's most volatile operating expense due to the highly unpredictable nature of market prices for fuel. The Company generally sources fuel at prevailing market prices. Market prices for aircraft fuel have historically fluctuated substantially in short periods of time and continue to be highly volatile due to a dependence on a multitude of unpredictable factors beyond the Company's control. These factors include changes in global crude oil prices, the balance between aircraft fuel supply and demand, natural disasters, prevailing inventory levels and fuel production and transportation infrastructure. Prices of fuel are also impacted by indirect factors, such as geopolitical events, economic growth indicators, fiscal/monetary policies, fuel tax policies, changes in regulations, environmental concerns and financial investments in energy markets. Both actual changes in these factors, as well as changes in related market expectations, can potentially drive rapid changes in fuel prices in short periods of time.

Given the highly competitive nature of the airline industry, the Company may not be able to increase its fares and fees sufficiently to offset the full impact of increases in fuel prices, especially if these increases are significant, rapid and sustained. Further, any such fare or fee increase may not be sustainable, may reduce the general demand for air travel and may also eventually impact the Company's strategic growth and investment plans for the future. In addition, decreases in fuel prices for an extended period of time may result in increased industry capacity, increased competitive actions for market share and lower fares or surcharges. If fuel prices were to then subsequently rise quickly, there may be a lag between the rise in fuel prices and any improvement of the revenue environment.

To protect against increases in the market prices of fuel, the Company may hedge a portion of its future fuel requirements. The Company does not currently hedge its future fuel requirements. However, to the extent the Company decides to start a hedging program, such hedging program may not be successful in mitigating higher fuel costs, and any price protection provided may be limited due to the choice of hedging instruments and market conditions, including breakdown of correlation between hedging instrument and market price of aircraft fuel and failure of hedge counterparties. To the extent that the Company decides to hedge a portion of its future fuel requirements and uses hedge contracts that have the potential to create an obligation to pay upon settlement if fuel prices decline significantly, such hedge contracts may limit the Company's ability to benefit fully from lower fuel prices in the future. If fuel prices decline significantly from the levels existing at the time the Company enters into a hedge contract, the Company may be required to post collateral (margin) beyond certain thresholds. There can be no assurance that the Company's hedging arrangements, if any, will provide any particular level of protection against rises in fuel prices or that its counterparties will be able to perform under the Company's hedging arrangements. Additionally, deterioration in the Company's financial condition could negatively affect its ability to enter into new hedge contracts in the future.

The Company relies heavily on technology and automated systems to operate its business and any significant failure or disruption of, or failure to effectively integrate and implement, the technology or these systems could materially harm its business.

The Company depends on automated systems and technology to operate its business, including, but not limited to, computerized airline reservation systems, electronic tickets, electronic airport kiosks, demand prediction software, flight operations systems, in-flight wireless internet, cloud-based technologies, revenue management systems, accounting systems, technical and business operations systems, telecommunication systems and commercial websites and applications, including www.united.com and the United Airlines app. United's website and other automated systems must be able to accommodate a high volume of traffic, maintain secure information and deliver important flight and schedule information, as well as process critical financial transactions. These systems could suffer substantial or repeated disruptions due to various events, some of which are beyond the Company's control, including natural disasters, power failures, terrorist attacks, equipment or software failures or cyber security attacks. We have initiatives in place to prevent disruptions and disaster recovery plans, and we continue to invest in improvements to these initiatives and plans; however, these measures may not be adequate to prevent or mitigate disruptions. Substantial or repeated systems failures or disruptions, including failures or disruptions related to the Company's complex integration of systems, could reduce the attractiveness of the Company's services versus those of its competitors, materially impair its ability to market its services and operate its flights, result in the unauthorized release of

confidential or otherwise protected information, result in increased costs, lost revenue and the loss or compromise of important data, and may adversely affect the Company's business, operating results and financial condition.

The Company may also face challenges in integrating, implementing and modifying the automated systems and technology required to operate its business. As a result of the complexity of such automated systems and technology, the integration, implementation and modification process may require significant expenditures, human resources, the development of effective internal controls and the transformation of business and financial processes. If the Company is unable to timely or effectively integrate, implement or modify its systems and technology, the Company's operations could be adversely affected.

The Company's business relies extensively on third-party service providers, including certain technology providers. Failure of these parties to perform as expected, or interruptions in the Company's relationships with these providers or their provision of services to the Company, could have a material adverse effect on the Company's business, operating results and financial condition.

The Company has engaged third-party service providers to perform a large number of functions that are integral to its business, including regional operations, operation of customer service call centers, distribution and sale of airline seat inventory, provision of information technology infrastructure and services, transmitting or uploading of data, provision of aircraft maintenance and repairs, provision of various utilities and performance of airport ground services, aircraft fueling operations and catering services, among other vital functions and services. The Company does not directly control these third-party service providers, although generally it does enter into agreements that define expected service performance and compliance requirements, such as compliance with legal requirements, including anti-corruption laws; however, there can be no assurance that our third-party service providers will adhere to these requirements.

Any of these third-party service providers, however, may materially fail to meet its service performance commitments to the Company or may suffer disruptions to its systems that could impact its services. For example, failures in certain third-party technology or communications systems may cause flight delays or cancellations. The failure of any of the Company's third-party service providers to perform its service obligations adequately, or other interruptions of services, may reduce the Company's revenues and increase its expenses, prevent the Company from operating its flights and providing other services to its customers or result in adverse publicity or harm to our brand. We may also be subject to consequences from any illegal conduct of our third-party service providers, including for their failure to comply with anti-corruption laws, such as the U.S. Foreign Corrupt Practices Act. In addition, the Company's business and financial performance could be materially harmed if its customers believe that its services are unreliable or unsatisfactory.

The Company may also have disagreements with such providers or such contracts may be terminated or may not be extended or renewed. For example, the number of flight reservations booked through third-party GDSs or online travel agents ("OTAs") may be adversely affected by disruptions in the business relationships between the Company and these suppliers. Such disruptions, including a failure to agree upon acceptable contract terms when contracts expire or otherwise become subject to renegotiation, may cause the Company's flight information to be limited or unavailable for display by the affected GDS or OTA operator, significantly increase fees for both the Company and GDS/OTA users and impair the Company's relationships with its customers and travel agencies. Any such disruptions or contract terminations may adversely impact our operations and financial results.

If we are not able to negotiate or renew agreements with third-party service providers, or if we renew existing agreements on less favorable terms, our operations and financial results may be adversely affected.

The Company could experience adverse publicity, harm to its brand, reduced travel demand, potential tort liability and voluntary or mandatory operational restrictions as a result of an accident, catastrophe or incident involving its aircraft or its operations, the aircraft or operations of its regional carriers, the aircraft or operations of its codeshare partners, or the aircraft or operations of another airline, which may result in a material adverse effect on the Company's business, operating results and financial condition.

An accident, catastrophe or incident involving an aircraft that the Company operates, or an aircraft that is operated by a codeshare partner, one of the Company's regional carriers or another airline, or an incident involving the Company's operations, or the operations of a codeshare partner, one of the Company's regional carriers or of another airline, could have a material adverse effect on the Company if such accident, catastrophe or incident created a public perception that the Company's operations, or the operations of its codeshare partners or regional carriers, are not safe or reliable, or are less safe or reliable than other airlines. Additionally, any accident, catastrophe or incident involving an aircraft type that is operated by the Company, its codeshare partners or regional carriers could have a material adverse effect on the Company if such accident, catastrophe or incident creates a public perception that such aircraft type was not safe or reliable. Further, any such accident, catastrophe or incident involving the Company, its regional carriers or its codeshare partners could expose the Company to

significant tort liability. Although the Company currently maintains liability insurance in amounts and of the type the Company believes to be consistent with industry practice to cover damages arising from any such accident, catastrophe or incident, and the Company's codeshare partners and regional carriers carry similar insurance and generally indemnify the Company for their operations, if the Company's liability exceeds the applicable policy limits or the ability of another carrier to indemnify it, the Company could incur substantial losses from an accident, catastrophe or incident which may result in a material adverse effect on the Company's operating results and financial condition. In addition, any such accident, catastrophe or incident involving the Company, its regional carriers or its codeshare partners could result in operational restrictions on the Company, including voluntary or mandatory groundings of aircraft. For example, the Company decided to voluntarily ground its Boeing 777 aircraft following certain mechanical failures, and the resulting public perceptions of the safety of our operations and the reliability of Boeing 777 aircraft could adversely affect our business. A prolonged period of time operating a reduced fleet in these circumstances could result in a material adverse effect on the Company's operating results and financial condition.

In addition, the outbreak and spread of the COVID-19 pandemic have adversely impacted customer perceptions of the health and safety of travel and these negative perceptions could continue even after the pandemic subsides. Actual or perceived risk of infection on our flights, at airports and during other travel-related activities has had, and may continue to have, a material adverse effect on the public's perception of us, which has harmed, and may continue to harm, our reputation and business. We have incurred, and expect that we will continue to incur, COVID-19- related costs as we sanitize aircraft, implement additional hygiene-related protocols and take other actions to limit the threat of infection among our employees and passengers and combat negative customer perceptions of the health and safety of travel on our aircraft and at our terminals. Negative public perceptions could, in turn, result in adverse publicity for the Company, cause harm to the Company's brand and reduce travel demand on the Company's flights, or the flights of its codeshare partners or regional carriers.

Terrorist attacks, international hostilities or other security events, or the fear of terrorist attacks or hostilities, even if not made directly on the airline industry, could negatively affect the Company and the airline industry.

Terrorist attacks or international hostilities, even if not made on or targeted directly at the airline industry, or the fear of or the precautions taken in anticipation of such attacks (including elevated national threat warnings, travel restrictions, selective cancellation or redirection of flights and new security regulations) could materially and adversely affect the Company and the airline industry. Security events pose a significant risk to our passenger and cargo operations. These events could include acts of violence in public areas that we cannot control. The Company's financial resources may not be sufficient to absorb the adverse effects of any future terrorist attacks, international hostilities or other security events. Any such events could have a material adverse impact on the Company's financial condition, liquidity and operating results. In addition, due to threats against the aviation industry, the Company has incurred, and may continue to incur, significant expenditures to comply with security-related requirements to mitigate the threats and ensure the safety of our employees and customers. With the need to implement proper security measures, and the need to ensure the efficacy and efficiency of security inspection throughput to support the pace of our operations, it is unlikely that we will be able to capture all security-related costs through increased fares, which could adversely affect our operating results.

Increasing privacy and data security obligations or a significant data breach may adversely affect the Company's business.

In our regular business operations, we collect, process, store and transmit to commercial partners sensitive data, including personal information of our customers and employees such as payment processing information and information of our business partners. The Company depends on the ability to use information we collect to provide our services and operate our business.

The Company must manage increasing legislative, regulatory and consumer focus on privacy issues and data security in a variety of jurisdictions across the globe. For example, the EU's General Data Protection Regulation imposes significant privacy and data security requirements, as well as potential for substantial penalties for non-compliance that have resulted in substantial adverse financial consequences to non-compliant companies. Also, some of the Company's commercial partners, such as credit card companies, have imposed data security standards that the Company must meet. These standards continue to evolve. The Company will continue its efforts to meet its privacy and data security obligations; however, it is possible that certain new obligations or customer expectations may be difficult to meet and could require changes in the Company's operating processes and increase the Company's costs.

Additionally, the Company must manage evolving cybersecurity risks. Our network, systems and storage applications, and those systems and applications maintained by our third-party commercial partners (such as credit card companies and international airline partners), may be subject to attempts to gain unauthorized access, breach, malfeasance or other system disruptions. In some cases, it is difficult to anticipate or to detect immediately such incidents and the damage caused thereby. In addition, as attacks by cybercriminals become more sophisticated, frequent and intense, the costs of proactive defense measures may increase. Furthermore, the Company's remote work arrangements make it more vulnerable to targeted activity from

cybercriminals and significantly increase the risk of cyber-attacks or other security breaches. While we continually work to safeguard our internal network, systems and applications, including through risk assessments, system monitoring, cybersecurity and data protection security policies, processes and technologies and employee awareness and training, and require third-party security standards, there is no assurance that such actions will be sufficient to prevent cyber-attacks or data breaches.

The loss, disclosure, misappropriation of or access to sensitive Company information, customers', employees' or business partners' information or the Company's failure to meet its obligations could result in legal claims or proceedings, penalties and remediation costs. A significant data breach or the Company's failure to meet its obligations may adversely affect the Company's operations, reputation, relationships with our business partners, business, operating results and financial condition.

Disruptions to our regional network and United Express flights provided by third-party regional carriers could adversely affect our business, operating results and financial condition.

The Company has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. These regional operations are an extension of the Company's mainline network and complement the Company's operations by carrying traffic that connects to mainline service and allows flights to smaller cities that cannot be provided economically with mainline aircraft. The Company's business and operations are dependent on its regional flight network, with regional capacity accounting for approximately 14.6% of the Company's total capacity for the year ended December 31, 2020.

Although the Company has agreements with its regional carriers that include contractually agreed performance metrics, each regional carrier is a separately certificated commercial air carrier, and the Company does not control the operations of these carriers. A number of factors may impact the Company's regional network, including weather-related effects and seasonality. The significant decline in demand for air travel services resulting from the COVID-19 pandemic has also materially impacted demand for regional carrier services and, as a result, the Company's utilization of its regional network is significantly reduced and is expected to remain so for the foreseeable future. As a result, we may face claims that we failed to perform certain obligations under our agreements with our regional carriers and may incur damages. We expect the disruption to services resulting from the COVID-19 pandemic to continue to adversely affect our regional carriers, some of which may declare bankruptcy or otherwise cease to operate.

In addition, the decrease in qualified pilots driven by changes to federal regulations has adversely impacted and could continue to affect the Company's regional flying. For example, the FAA's expansion of minimum pilot qualification standards, including a requirement that a pilot have at least 1,500 total flight hours, as well as the FAA's revised pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations, have contributed to a smaller supply of pilots available to regional carriers. The decrease in qualified pilots resulting from the regulations as well as factors including a decreased student pilot population and a shrinking U.S. military from which to hire qualified pilots, could adversely impact the Company's operations and financial condition, and could also require the Company to reduce regional carrier flying.

If, as a result of the COVID-19 pandemic, the pilot shortage or another significant disruption to our regional network, one or more of the regional carriers with which the Company has relationships is unable to perform its obligations over an extended period of time, there could be a material adverse effect on the Company's business, operating results and financial condition. In addition, although our need for regional carrier services is materially lower than in prior years, we may be obligated to make minimum payments under one or more of our contracts with our regional providers that are in excess of the cost of the services we currently require from them.

Our significant investments in other airlines, including in other parts of the world, and the commercial relationships that we have with those carriers may not produce the returns or results we expect.

An important part of our strategy to expand our global network has included making significant investments in airlines both domestically and in other parts of the world and expanding our commercial relationships with these carriers. For example, in January 2019, we completed the acquisition of a 49.9% interest in ManaAir LLC ("ManaAir"), which, as of immediately following the closing of that investment, owns 100% of the equity interests in ExpressJet. We also have minority equity interests in CommutAir and Republic Airways Holdings Inc. See Note 9 to the financial statements included in Part II, Item 8 of this report for additional information regarding our investments in regional airlines. We also have significant investments in Latin American airlines, including significant investments in Avianca Holdings, S.A. ("AVH") and BRW Aviation LLC ("BRW"), an affiliate of Synergy Aerospace Corporation and the majority shareholder of AVH, and an equity investment in Azul Linhas Aéreas Brasileiras S.A. ("Azul"). In the future, our regional and global business strategy could include entering into JBAs, commercial agreements and strategic alliances with other carriers, and possibly making loan transactions with, and non-controlling investments in, such carriers.

These transactions and relationships involve significant challenges and risks, and we face competition in forming and maintaining these relationships, since there are a limited number of potential arrangements and other airlines are looking to enter into similar relationships. We are dependent on these other carriers for significant aspects of our network in the regions in which they operate. While we work closely with these carriers, each is a separately certificated commercial air carrier, and we do not have control over their operations, strategy, management or business methods. And not only are these airlines subject to a number of the same risks as our business, which are described elsewhere in this Part I, Item 1A. Risk Factors, including the impact of the COVID-19 pandemic, competitive pressures on pricing, demand and capacity, changes in aircraft fuel pricing, and the impact of global and local political and economic conditions on operations and customer travel patterns, among others, they are also subject to their own distinct financial and operational risks.

As a result of these and other factors, we may not realize satisfactory returns on our investments, and we may not receive repayment of any invested or loaned funds. Further, these investments may not generate the revenue or operational synergies we expect, and they may distract management focus from our operations or other strategic options. Finally, our reliance on these other carriers in the regions in which they operate may negatively impact our regional and global operations and results if those carriers continue to be impacted by the COVID-19 pandemic and other general business risks discussed above or perform below our expectations or needs and are not able to effectively mitigate these impacts or restore performance levels. Any one or more of these events could have a material adverse effect on our operating results or financial condition.

We exercised our right to withdraw all aircraft from our capacity purchase agreement with ExpressJet, and, as of October 1, 2020 ExpressJet no longer provides regional capacity services to United. See Notes 9 and 11 to the financial statements included in Part II, Item 8 of this report for additional information regarding our investments in AVH and Azul and our capacity purchase arrangements with ExpressJet, respectively. See also the additional risks with respect to our investment in AVH, which are described elsewhere in this Part I, Item 1A. Risk Factors.

We may also be subject to consequences from any illegal conduct of JBA partners, including for failure to comply with anti-corruption laws such as the U.S. Foreign Corrupt Practices Act. Furthermore, our relationships with these carriers may be subject to the laws and regulations of non-U.S. jurisdictions in which these carriers are located or conduct business. In addition, any political or regulatory change in these jurisdictions that negatively impacts or prohibits our arrangements with these carriers could have an adverse effect on our operating results or financial condition. To the extent that the operations of any of these carriers are disrupted over an extended period of time (including as a result of the COVID-19 pandemic) or their actions subject us to the consequences of failure to comply with laws and regulations, our operating results may be adversely affected.

Our significant investments in AVH and its affiliates, and the commercial relationships that we have with Avianca may not produce the returns or results we expect.

In November 2018, as part of our global network strategy, United entered into a revenue-sharing JBA with Avianca, a subsidiary of AVH, Copa and several of their respective affiliates, subject to regulatory approval. Concurrently with this transaction, United, as lender, entered into a Term Loan Agreement (the "BRW Term Loan Agreement") with, among others, BRW Aviation Holding LLC ("BRW Holding") and BRW, as guarantor and borrower, respectively. Pursuant to the BRW Term Loan Agreement, United provided to BRW a $456 million term loan (the "BRW Term Loan"), secured by a pledge of BRW's equity, as well as BRW's 516 million common shares of AVH, which can be converted and exchanged into 64.5 million American Depositary Receipts ("ADRs") of AVH (such shares and equity, collectively, the "BRW Loan Collateral"). In connection with funding the BRW Term Loan Agreement, the Company entered into an agreement with Kingsland Holdings Limited, AVH's largest minority shareholder ("Kingsland"), pursuant to which United granted to Kingsland a right to put its AVH common shares to United at market price on the fifth anniversary of the BRW Term Loan Agreement or upon certain sales of AVH common shares owned by BRW, including upon a foreclosure of United's security interest or any completed liquidation or dissolution of AVH, and also guaranteed BRW's obligation to pay Kingsland the excess, if any, of $12 per ADR on the NYSE and such market price of AVH common shares on the fifth anniversary, or upon any such sale, as applicable (the "Cooperation Payment"), for an aggregate maximum possible combined put payment and guarantee amount of $217 million. See Notes 8 and 13 to the financial statements included in Part II, Item 8 of this report for additional information regarding our obligations to Kingsland and their interrelationship with the BRW Term Loan Agreement.

BRW is currently in default under the BRW Term Loan Agreement, and since May 2019 United has been exercising certain remedies under the terms of the BRW Term Loan Agreement and related documents. In September 2019, a New York state court granted summary judgment authorizing the foreclosure on the BRW Loan Collateral, and enjoined BRW Holding from interfering with the ability of Kingsland (as United's agent) to exercise voting and other rights in certain equity interests in BRW. These rulings are intermediate steps in the judicial foreclosure process in New York and are being appealed. The timing and outcome of the judicial foreclosure process is subject to significant uncertainty given the filing by AVH and certain of its affiliates of voluntary reorganization proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S.

Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on May 10, 2020 (as described in more detail below, the "AVH Reorganization Proceedings"). In light of the AVH Reorganization Proceedings, the New York state court judge presiding over the foreclosure proceedings agreed to stay those proceedings until March 2021. Based on United's assessment of AVH's financial uncertainty and the fact that Avianca had ceased operations as a consequence of the COVID-19 pandemic, during the first quarter of 2020, the Company recorded a $697 million expected credit loss allowance for the BRW Term Loan and the Cooperation Payment.

In 2019, United entered into a senior secured convertible term loan agreement (the "AVH Convertible Loan Agreement") with, among others, AVH, as borrower, and pursuant thereto provided a convertible term loan to AVH in the aggregate amount of $150 million (the "AVH Convertible Loan").

See Notes 8 and 13 to the financial statements included in Part II, Item 8 of this report for additional information regarding our investments in AVH and its affiliates and our guarantee of the Cooperation Payment, respectively.

In October 2020, AVH consummated a $2 billion debtor-in-possession financing (the "AVH DIP Financing"). The AVH Convertible Loan was refinanced, or "rolled up," into the AVH DIP Financing without any investment of new funds by United, and as a result United is a Tranche B DIP lender in the AVH DIP Financing to the extent of the principal and interest owed on the AVH Convertible Loan (or less, under certain circumstances). United's Tranche B loan accrues interest at a rate of 14.5% per annum and can be converted, at AVH's option in certain circumstances, into equity upon AVH's exit from bankruptcy. As part of the AVH DIP Financing, the Bankruptcy Court also approved certain amendments to the alliance agreement and certain related agreements among United, Avianca and some of Avianca's subsidiaries and additional arrangements among those parties applicable to whether AVH accepts or rejects the JBA at or prior to the end of the bankruptcy case. There is no guarantee that United's participation in the AVH DIP Financing will produce the results expected or result in the ultimate repayment to United of the amounts initially loaned under the AVH Convertible Loan. While United's position as an AVH DIP Financing lender provides it with priority secured claims and liens that have been approved by the Bankruptcy Court, the duration of the AVH Reorganization Proceedings is difficult to predict, and United's recovery on its claims, including possibly repayment or conversion of its Tranche B DIP Loans, may be adversely affected by, among other things, delays while a plan of reorganization is being negotiated and approved by creditors entitled to vote on it and whether such plan or reorganization is confirmed by the Bankruptcy Court and subsequently becomes effective.

These transactions and relationships involve significant challenges and risks, particularly given the AVH Reorganization Proceedings, the impact of the COVID-19 pandemic and the judicial foreclosure process to which the repayment of the BRW Term Loan is subject. Furthermore, while we have worked closely with Avianca in connection with the JBA, and have supported AVH by providing capital in the form of the AVH Convertible Loan and then the AVH DIP Financing, Avianca is a separately certificated commercial air carrier, and we do not have control over its or AVH's operations, strategy, management or business methods. Avianca is also subject to a number of the same risks as our business, which are described elsewhere in this Part I, Item 1A. Risk Factors, as updated by this report, including the impact of the COVID-19 pandemic, competitive pressures on pricing, demand and capacity, changes in aircraft fuel pricing, and the impact of global and local political and economic conditions on operations and customer travel patterns, among others, as well as to its own distinct financial and operational risks.

As a result of these and other factors, including the AVH Reorganization Proceedings and delays in foreclosure proceedings, we may not receive full (or any) repayment of our BRW Term Loan (including any payment we make in respect of the Cooperation Payment), our AVH Convertible Loan or our participation in the AVH DIP Financing, and we may be unable to realize the full (or any) value of the BRW Loan Collateral or the collateral securing the AVH Convertible Loan or the AVH DIP Financing, as applicable. As a consequence, we may not realize a satisfactory (or any) return on our invested or loaned funds with respect to BRW, AVH and its affiliates.

Further, these investments may not generate the revenue or operational synergies we expect, and they may distract management focus from our operations or other strategic options. Finally, our reliance on Avianca in the region in which it operates may negatively impact our global operations and results if AVH does not successfully emerge from the AVH Reorganization Proceedings or the COVID-19 pandemic, if the JBA is rejected in connection with the AVH Reorganization Proceedings or if AVH is otherwise impacted by general business risks or performs below our expectations or needs. Any one or more of these events could have a material adverse effect on our operating results or financial condition.

The airline industry may undergo further change with respect to alliances and JBAs or due to consolidations, any of which could have a material adverse effect on the Company.

The Company faces, and may continue to face, strong competition from other carriers due to the modification of alliances and formation of new JBAs. Carriers may improve their competitive positions through airline alliances, slot swaps and/or JBAs. Certain types of airline JBAs further competition by allowing multiple airlines to coordinate routes, pool revenues

and costs, and enjoy other mutual benefits, achieving many of the benefits of consolidation. Open Skies agreements, including the longstanding agreements between the United States and each of the EU, Canada, Japan, Korea, New Zealand, Australia, Colombia and Panama, as well as the more recent agreements between the United States and each of Mexico and Brazil, may also give rise to better integration opportunities among international carriers. Movement of airlines between current global airline alliances could reduce joint network coverage for members of such alliances while also creating opportunities for JBAs and bilateral alliances that did not exist before such realignment. Further airline and airline alliance consolidations or reorganizations could occur in the future. The Company routinely engages in analyses and discussions regarding its own strategic position, including current and potential alliances, asset acquisitions and divestitures and may have future discussions with other airlines regarding strategic activities. If other airlines participate in such activities, those airlines may significantly improve their cost structures or revenue generation capabilities, thereby potentially making them stronger competitors of the Company and potentially impairing the Company's ability to realize expected benefits from its own strategic relationships.

Orders for new aircraft typically must be placed years in advance of scheduled deliveries, and changes in the Company's network strategy over time or other factors outside of the Company's control may make aircraft on order less economic for the Company, result in costs related to modification or termination of aircraft orders or cause the Company to enter into orders for new aircraft on less favorable terms.

The Company's orders for new aircraft are typically made years in advance of actual delivery of such aircraft, and the financial commitment required for purchases of new aircraft is substantial. As of February 2021, the Company had firm commitments to purchase 298 new aircraft from The Boeing Company ("Boeing"), Airbus S.A.S ("Airbus") and Embraer S.A. ("Embraer"), as well as related agreements with engine manufacturers, maintenance providers and others. As of February 2021, the Company's commitments relating to the acquisition of aircraft and related spare engines, aircraft improvements and other related obligations aggregated to a total of approximately $24.3 billion.

Subsequent to the Company placing an order for new aircraft, the Company's network strategy may change. As a result, the Company's preference for a particular aircraft that it has ordered, often years in advance, may be decreased or eliminated. If the Company were to modify or terminate any of its existing aircraft order commitments, it may be responsible for material liabilities to its counterparties arising from any such modification. Additionally, the Company may have a need for additional aircraft that are not available under its existing orders. In such cases, the Company may seek to acquire aircraft from other sources, such as through lease arrangements, which may result in higher costs or less favorable terms, or through the purchase or lease of used aircraft. The Company may not be able to acquire such aircraft when needed on favorable terms or at all.

The imposition of new tariffs, or any increase in existing tariffs, on the importation of commercial aircraft that the Company orders may result in higher costs. For example, in October 2019, the United States imposed tariffs on certain imports from the EU, including a customs duty at an ad valorem rate of 10% on new commercial aircraft, which rate, in February 2020, was increased to 15%. These tariffs apply to certain new Airbus aircraft that we have on order. Additionally, in December 2020, the United States imposed tariffs on certain aircraft components from France and Germany. While the scope and rate of these tariffs are subject to change, if and to the extent these tariffs are imposed on us, they could increase the effective cost of, among other things, new Airbus aircraft and aircraft components.

A majority of the Company's aircraft and certain parts are sourced from single suppliers; therefore, the Company would be materially and adversely affected if it were unable to obtain timely deliveries, additional equipment or support from any of these suppliers.

The Company currently sources the majority of its aircraft and many related aircraft parts from Boeing. In addition, our aircraft suppliers are dependent on other suppliers for certain other aircraft parts. Therefore, if the Company is unable to acquire additional aircraft from Boeing, or if Boeing fails to make timely deliveries of aircraft or to provide adequate support for its products, the Company's operations could be materially and adversely affected. The Company is also dependent on a limited number of suppliers for aircraft engines and certain other aircraft parts and could, therefore, also be materially and adversely affected in the event of the unavailability of these engines and other parts.

Union disputes, employee strikes or slowdowns, and other labor-related disruptions could adversely affect the Company's operations and could result in increased costs that impair its financial performance.

United is a highly unionized company. As of December 31, 2020, the Company and its subsidiaries had approximately 74,400 employees, of whom approximately 84% were represented by various U.S. labor organizations. See Part I, Item 1. Business—Human Capital, of this report for additional information on our represented employee groups and collective bargaining agreements.

There is a risk that unions or individual employees might pursue judicial or arbitral claims arising out of changes implemented as a result of the Company entering into collective bargaining agreements with its represented employee groups. There is also a possibility that employees or unions could engage in job actions such as slowdowns, work-to-rule campaigns, sick-outs or other actions designed to disrupt the Company's normal operations, in an attempt to pressure the Company in collective bargaining negotiations. Although the RLA makes such actions unlawful until the parties have been lawfully released to self-help, and the Company can seek injunctive relief against premature self-help, such actions can cause significant harm even if ultimately enjoined. Similarly, if the operations of our third-party regional carriers, ground handlers or other vendors are impacted by labor-related disruptions, our operations could be adversely affected. In addition, collective bargaining agreements with the Company's represented employee groups increase the Company's labor costs, which increase could be material.

Extended interruptions or disruptions in service at major airports where we operate could have a material adverse impact on our operations.

The airline industry is heavily dependent on business models that concentrate operations in major airports in the United States and throughout the world. An extended interruption or disruption at an airport where we have significant operations could have a material impact on our business, financial condition and results of operation.

We operate principally through our domestic hubs in Newark, Chicago O'Hare, Denver, Houston Bush, LAX, Guam, SFO and Washington Dulles. Substantially all of our flights either originate in or fly into one of these locations. A significant interruption or disruption in service at one of our hubs or other airports where we have a significant presence resulting from ATC delays, weather conditions, natural disasters, growth constraints, relations with third-party service providers, failure of computer systems, disruptions to government agencies or personnel (including as a result of government shutdowns), disruptions at airport facilities or other key facilities used by us to manage our operations, labor relations, power supplies, fuel supplies, terrorist activities, international hostilities or otherwise could result in the cancellation or delay of a significant portion of our flights and, as a result, could have a material impact on our business, operating results and financial condition. We have minimal control over the operation, quality or maintenance of these services or whether vendors will improve or continue to provide services that are essential to our business.

The United Kingdom's withdrawal from the EU may adversely impact our operations in the United Kingdom and elsewhere.

On January 31, 2020, the United Kingdom ("UK") withdrew from the EU, and started a transition period that ran through December 31, 2020. During that time, the EU and UK negotiated a comprehensive trade agreement that provisionally went into effect on January 1, 2021. The agreement includes an aviation chapter that preserves EU-UK air connectivity.

In connection with the UK's exit from the EU, we could face new challenges in our operations, such as instability in global financial and foreign exchange markets. This instability could result in market volatility, including in the value of the British pound and European euro, additional travel restrictions on passengers traveling between the UK and EU countries, changes to the legal status of EU-resident employees, legal uncertainty and divergent national laws and regulations. At this time, we cannot predict the precise impact that the UK's exit from the EU will have on our business generally and our UK and European operations more specifically, and no assurance can be given that our operating results, financial condition and prospects would not be adversely impacted by the result.

The Company's operating results fluctuate due to seasonality and other factors associated with the airline industry, many of which are beyond the Company's control.

Due to greater demand for air travel during the spring and summer months, revenues in the airline industry in the second and third quarters of the year are generally stronger than revenues in the first and fourth quarters of the year, which are periods of lower travel demand. The Company's operating results generally reflect this seasonality, but have also been impacted by numerous other factors that are not necessarily seasonal, including, among others, extreme or severe weather, outbreaks of disease or pandemics, ATC congestion, geological events, political instability, terrorism, natural disasters, changes in the competitive environment due to industry consolidation, tax obligations, general economic conditions and other factors. As a result, the Company's quarterly operating results are not necessarily indicative of operating results for an entire year and historical operating results in a quarterly or annual period are not necessarily indicative of future operating results.

The Company may never realize the full value of its intangible assets or its long-lived assets causing it to record impairments that may negatively affect its financial condition and operating results.

In accordance with applicable accounting standards, the Company is required to test its indefinite-lived intangible assets for impairment on an annual basis, or more frequently where there is an indication of impairment. In addition, the Company is required to test certain of its other assets for impairment where there is any indication that an asset may be impaired.

The Company may be required to recognize losses in the future due to, among other factors, extreme fuel price volatility, tight credit markets, government regulatory changes, decline in the fair values of certain tangible or intangible assets, such as aircraft, route authorities, airport slots and frequent flyer database, unfavorable trends in historical or forecasted results of operations and cash flows and an uncertain economic environment, as well as other uncertainties. For example, in 2020, the Company recorded impairment charges of $130 million for its China routes, primarily as a result of the COVID-19 pandemic and the Company's subsequent suspension of flights to China, $38 million for its right-of-use asset associated with an embedded aircraft lease under a CPA, primarily as a result of reduced cash flows from the COVID-19 pandemic, and $94 million related to certain of the Company's fleet of Boeing 757 aircraft, and $56 million with respect to various cancelled facility, aircraft induction and information technology capital projects as a result of the COVID-19 pandemic's impact on our operations. In addition, in 2019, the Company recorded impairment charges of $90 million associated with its Hong Kong routes, resulting in the full impairment of these assets. The Company can provide no assurance that a material impairment loss of tangible or intangible assets will not occur in a future period. The value of the Company's aircraft could be impacted in future periods by changes in supply and demand for these aircraft. Such changes in supply and demand for certain aircraft types could result from the grounding of aircraft. An impairment loss could have a material adverse effect on the Company's financial condition and operating results.

Any damage to our reputation or brand image could adversely affect our business or financial results.

We operate in a public-facing industry and maintaining a good reputation is critical to our business. The Company's reputation or brand image could be adversely impacted by any failure to maintain satisfactory practices for all of our operations and activities, any failure to achieve and/or make progress toward our environmental and sustainability, and diversity, equity and inclusion, goals, public pressure from investors or policy groups to change our policies, customer perceptions of our advertising campaigns, sponsorship arrangements or marketing programs, customer perceptions of our use of social media, or customer perceptions of statements made by us, our employees and executives, agents or other third parties. Damage to our reputation or brand image or loss of customer confidence in our services could adversely affect our business and financial results, as well as require additional resources to rebuild our reputation.

The Company's ability to use its net operating loss carryforwards and certain other tax attributes to offset future taxable income for U.S. federal income tax purposes may be significantly limited due to various circumstances, including certain possible future transactions involving the sale or issuance of UAL common stock, or if taxable income does not reach sufficient levels.

As of December 31, 2020, UAL reported consolidated U.S. federal net operating loss ("NOL") carryforwards of approximately $11.0 billion.

The Company's ability to use its NOL carryforwards and certain other tax attributes will depend on the amount of taxable income it generates in future periods. As a result, certain of the Company's NOL carryforwards and other tax attributes may expire before it can generate sufficient taxable income to use them in full.

In addition, the Company's ability to use its NOL carryforwards and certain other tax attributes to offset future taxable income may be limited if it experiences an "ownership change" as defined in Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382"). An ownership change generally occurs if certain stockholders increase their aggregate percentage ownership of a corporation's stock by more than 50 percentage points over their lowest percentage ownership at any time during the testing period, which is generally the three-year period preceding any potential ownership change.

In general, a corporation that experiences an ownership change will be subject to an annual limitation on its pre-ownership change NOLs and certain other tax attribute carryforwards equal to the value of the corporation's stock immediately before the ownership change, multiplied by the applicable long-term, tax-exempt rate posted by the IRS. Any unused annual limitation may, subject to certain limits, be carried over to later years, and the limitation may, under certain circumstances, be increased by built-in gains in the assets held by such corporation at the time of the ownership change. This limitation could cause the Company's U.S. federal income taxes to be greater, or to be paid earlier, than they otherwise would be, and could cause a portion of the Company's NOLs and certain other tax attributes to expire unused. Similar rules and limitations may apply for state income tax purposes.

For purposes of determining whether there has been an "ownership change," the change in ownership as a result of purchases by "5-percent shareholders" will be aggregated with certain changes in ownership that occurred over the three-year period ending on the date of such purchases. Potential future transactions involving the sale or issuance of UAL common stock may increase the possibility that the Company will experience a future ownership change under Section 382. Such transactions may include the exercise of warrants issued in connection with the CARES Act programs, the issuance of UAL common stock upon the conversion of any convertible debt that UAL may issue in the future, the repurchase of any debt with UAL common stock, any issuance of UAL common stock for cash, and the acquisition or disposition of any stock by a stockholder owning 5%

or more of the outstanding shares of UAL common stock, or a combination of the foregoing. If we were to experience an "ownership change," it is possible that the Company's NOLs and certain other tax attribute carryforwards could expire before we would be able to use them to offset future income tax obligations.

On December 4, 2020, the board of directors of the Company adopted a tax benefits preservation plan (the "Plan") in order to preserve the Company's ability to use its NOLs and certain other tax attributes to reduce potential future income tax obligations. The Plan is designed to reduce the likelihood that the Company experiences an "ownership change" by deterring certain acquisitions of Company securities. There is no assurance, however, that the deterrent mechanism will be effective, and such acquisitions may still occur. In addition, the Plan may adversely affect the marketability of UAL common stock by discouraging existing or potential investors from acquiring UAL common stock or additional shares of UAL common stock because any non-exempt third party that acquires 4.9% or more of the then-outstanding shares of UAL common stock would suffer substantial dilution of its ownership interest in the Company.

Risks Relating to Legal and Regulatory Compliance

The airline industry is subject to extensive government regulation, which imposes significant costs and may adversely impact our business, operating results and financial condition.

Airlines are subject to extensive regulatory and legal oversight. Compliance with U.S. and international regulations imposes significant costs and may have adverse effects on the Company. Laws, regulations, taxes and airport rates and charges, both domestically and internationally, have been proposed from time to time that could significantly increase the cost of airline operations or reduce airline revenue. The airline industry is heavily taxed and additional taxation could negatively impact our business.

United provides air transportation under certificates of public convenience and necessity issued by the DOT. If the DOT altered, amended, modified, suspended or revoked these certificates, it could have a material adverse effect on the Company's business. The DOT also regulates consumer protection and, through its investigations or rulemaking authority, could impose restrictions that materially impact the Company's business. The FAA regulates the safety of United's operations. United operates pursuant to an air carrier operating certificate issued by the FAA. The FAA's regulations include stringent pilot flight and duty time requirements under Part 117 of the Federal Aviation Regulations, as well as minimum qualifications for air carrier first officers. From time to time, the FAA also issues orders, airworthiness directives and other regulations relating to the maintenance and operation of aircraft that require material expenditures or operational restrictions by the Company. These FAA orders and directives have resulted in the temporary grounding of an entire aircraft type if the FAA identifies design, manufacturing, maintenance or other issues requiring immediate corrective action (including the FAA Order grounding Boeing 737 MAX aircraft). These FAA directives or requirements could have a material adverse effect on the Company.

In 2018, the U.S. Congress approved a five-year reauthorization for the FAA, which encompasses significant aviation tax and policy-related issues. The law includes a range of policy changes related to airline customer service and aviation safety. Implementation of some items continues into the new Administration and, depending on how they are implemented, could impact our operations and costs. U.S. Congressional action in response to the COVID-19 pandemic has provided funding for U.S. airlines, in both grants and loans. The U.S. Congress has imposed limited conditions on airlines accepting funding, including workforce retention and minimum service requirements. With the change in control of the U.S. Congress and a new presidential administration, any future funding or other pandemic relief could include additional requirements that could impact our operations and costs. Additionally, the U.S. Congress may consider legislation related to environmental issues or increases to the U.S. federal corporate income tax rate, which could impact the Company and the airline industry.

The Company's operations may also be adversely impacted due to the existing antiquated ATC system utilized by the U.S. government and regulated by the FAA. During peak travel periods in certain markets, the current ATC system's inability to handle demand has led to short-term capacity constraints imposed by government agencies and resulted in delays and disruptions of air traffic. In addition, the current system will not be able to effectively handle projected future air traffic growth. The outdated technologies also cause the ATC to be less resilient in the event of a failure, causing flight cancellations and delays. Imposition of these ATC constraints on a long-term basis may have a material adverse effect on the Company's operations. Failure to update the ATC system in a timely manner and the substantial funding requirements of a modernized ATC system that may be imposed on air carriers may have an adverse impact on the Company's financial condition or operating results.

Access to landing and take-off rights, or "slots," at several major U.S. airports and many foreign airports served by the Company are, or recently have been, subject to government regulation. Certain of the Company's major hubs are among the most congested airports in the United States and have been or could be the subject of regulatory action that might limit the number of flights and/or increase costs of operations at certain times or throughout the day. The DOT (including FAA) may limit the Company's airport access by limiting the number of departure and arrival slots at high density traffic airports, which

could affect the Company's ownership and transfer rights, and local airport authorities may have the ability to control access to certain facilities or the cost of access to their facilities, which could have an adverse effect on the Company's business. The DOT historically has taken actions with respect to airlines' slot holdings that airlines have challenged; if the DOT were to take actions that adversely affect the Company's slot holdings, the Company could incur substantial costs to preserve its slots or may lose slots. If slots are eliminated at an airport, or if the number of hours of operation governed by slots is reduced at an airport, the lack of controls on take-offs and landings could result in greater congestion both at the affected airport or in the regional airspace (e.g., the New York City metropolitan region airspace) and could significantly impact the Company's operations. In addition, as airports around the world become more congested, space, facility, and infrastructure constraints may prevent the Company from maintaining existing service and/or implementing new service in a commercially viable manner. Further, the Company's operating costs at airports, including the Company's major hubs, may increase significantly because of capital improvements at such airports that the Company may be required to fund, directly or indirectly. Such costs could be imposed by the relevant airport authority without the Company's approval and may have a material adverse effect on the Company's financial condition. Because of airport infrastructure updates and other factors, the Company has experienced increased space rental rates at various airports in its network. Further, the Company cannot control decisions by other airlines to reduce their capacity. When this occurs, certain fixed airport costs are allocated among fewer total flights, which can result in increased landing fees and other costs for the Company. In light of constraints on existing facilities, there is presently a significant amount of capital spending underway at major airports in the United States, including large projects underway at a number of airports where we have significant operations, such as Chicago O'Hare International Airport (ORD), Los Angeles International Airport (LAX), LaGuardia Airport (LGA) and Ronald Reagan Washington National Airport (DCA). This spending is expected to result in increased costs to airlines and the traveling public that use those facilities as the airports seek to recover their investments through increased rental, landing and other facility costs. In some circumstances, such costs could be imposed by the relevant airport authority without our approval. Accordingly, our operating costs are expected to increase significantly at many airports at which we operate, including a number of our hubs and gateways, as a result of capital spending projects currently underway and additional projects that we expect to commence over the next several years.

The ability of carriers to operate flights on international routes between the United States and other countries is highly regulated. Applicable arrangements between the United States and foreign governments may be amended from time to time, government policies with respect to airport operations may be revised, and the availability of appropriate slots or facilities may change. The Company currently operates a number of flights on international routes under government arrangements, regulations or policies that designate the number of carriers permitted to operate on such routes, the capacity of the carriers providing services on such routes, the airports at which carriers may operate international flights, or the number of carriers allowed access to particular airports. In addition, the pandemic has resulted in, and created the potential for, increased regulatory burdens in the U.S. and around the globe. These include but are not limited to closure of international borders to flights and/or passengers from specific countries, passenger and crew quarantine requirements, and other regulations promulgated to protect public health but that have a negative impact on travel and airline operations. Any limitations, additions or modifications to such arrangements, regulations or policies could have a material adverse effect on the Company's financial condition and operating results. Additionally, a change in law, regulation or policy for any of the Company's international routes, such as Open Skies, could have a material adverse impact on the Company's financial condition and operating results and could result in the impairment of material amounts of related tangible and intangible assets. In addition, competition from revenue-sharing JBAs and other alliance arrangements by and among other airlines could impair the value of the Company's business and assets on the Open Skies routes. The Company's plans to enter into or expand U.S. antitrust immunized alliances and JBAs on various international routes are subject to receipt of approvals from applicable U.S. federal authorities and obtaining other applicable foreign government clearances or satisfying the necessary applicable regulatory requirements. There can be no assurance that such approvals and clearances will be granted or will continue in effect upon further regulatory review or that changes in regulatory requirements or standards can be satisfied.

See Part I, Item 1. Business—Industry Regulation, of this report for additional information on government regulation impacting the Company.

We are subject to many forms of environmental regulation and liability and risks associated with climate change, and may incur substantial costs as a result.

Many aspects of the Company's operations are subject to increasingly stringent federal, state, local and international laws protecting the environment, including those relating to emissions to the air, water discharges, safe drinking water, the use and management of hazardous materials and wastes, and noise emissions. Compliance with existing and future environmental laws and regulations can require significant expenditures and violations can lead to significant fines and penalties. In addition, from time to time we are identified as a responsible party for environmental investigation and remediation costs under applicable environmental laws due to the disposal of hazardous substances generated by our operations. We could also be subject to environmental liability claims from various parties, including airport authorities, related to our operations at our owned or leased premises or the off-site disposal of waste generated at our facilities.

We may incur substantial costs as a result of changes in weather patterns due to climate change. Increases in the frequency, severity or duration of severe weather events such as thunderstorms, hurricanes, flooding, typhoons, tornados and other severe weather events could result in increases in delays and cancellations, turbulence-related injuries and fuel consumption to avoid such weather, any of which could result in significant loss of revenue and higher costs. In addition, we could incur significant costs to improve the climate resiliency of our infrastructure and supply chain and otherwise prepare for, respond to, and mitigate the effects of climate change. We are not able to predict accurately the materiality of any potential losses or costs associated with the effects of climate change.

To mitigate climate change risks, CORSIA has been developed by ICAO, a UN specialized agency. CORSIA is intended to create a single global market-based measure to achieve carbon-neutral growth for international aviation after 2020 through airline purchases of carbon offset credits. The voluntary pilot and first phases of the program are expected to run from 2021 through 2023, and 2024 through 2026, respectively, with airlines having until January 2025 to cancel eligible emissions units to comply with their total offsetting requirements for the pilot phase. Certain CORSIA program aspects could potentially be affected by the results of the pilot phase of the program, and thus the impact of CORSIA cannot be fully predicted. However, CORSIA is expected to result in increased operating costs for airlines that operate internationally, including the Company.

In addition to CORSIA, in December 2020 the EPA adopted its own aircraft and aircraft engine GHG emissions standards, which are aligned with the 2017 ICAO airplane carbon dioxide emission standards. Other jurisdictions in which United operates have adopted or are considering GHG emissions reduction initiatives, which could impact various aspects of the Company's business. While the Company has voluntarily pledged to reduce 100% of our GHG emissions by 2050, the precise nature of future requirements and their applicability to the Company are difficult to predict, and the financial impact to the Company and the aviation industry would likely be adverse and could be significant if they vary significantly from the Company's own plans and strategy with respect to reducing GHG emissions.

See Part I, Item 1. Business—Industry Regulation—Environmental Regulation, of this report for additional information on environmental regulation impacting the Company.

Continued restrictions on the use of the Boeing 737 MAX aircraft, and the inability to accept or integrate new aircraft into our fleet as planned, may have a material adverse effect on our business, operating results and financial condition.

On March 13, 2019, the FAA issued an emergency order prohibiting the operation of Boeing 737 MAX series aircraft by U.S. certificated operators (the "FAA Order"). As a result, the Company grounded all 14 Boeing 737 MAX 9 aircraft in its fleet, and Boeing also suspended deliveries of new Boeing 737 MAX series aircraft. On November 18, 2020, the FAA announced that it had rescinded the FAA Order and cleared the 737 MAX aircraft to fly again after a 20-month review and certification process. While several countries, following the FAA's lead, have lifted the grounding of the Boeing 737 MAX aircraft, other countries have delayed their expected approval of the aircraft until later in 2021. There are also many countries, such as China, that have no current plans to lift the aircraft's grounding and may not do so in the foreseeable future.

In 2019, the grounding affected the delivery of 16 Boeing 737 MAX aircraft that were scheduled for delivery in 2019 and were not delivered, and it also affected the timing of future Boeing 737 MAX aircraft deliveries, including the Boeing 737 MAX aircraft of which the Company planned to take delivery in 2020. The extent of the delay of future deliveries is expected to be impacted by Boeing's production rate and the pace at which Boeing can deliver aircraft, among other factors, and these factors have been and could continue to be significantly impacted by the COVID-19 pandemic. If, for any reason, we are unable to accept deliveries of new aircraft or integrate such new aircraft into our fleet as planned, we may face higher financing and operating costs than planned, or be required to seek extensions of the terms for certain leased aircraft or otherwise delay the exit of other aircraft from our fleet. Such unanticipated extensions or delays may require us to operate existing aircraft beyond the point at which it is economically optimal to retire them, resulting in increased maintenance costs, or reductions to our schedule, thereby reducing revenues.

In response to the grounding of the Boeing 737 MAX aircraft, the Company made adjustments to its flight schedule and operations, including substituting replacement aircraft on routes originally intended to be flown by Boeing 737 MAX aircraft. In 2019 and early 2020, the grounding impacted the Company's ability to implement its strategic growth strategy, reducing the Company's scheduled capacity from its planned capacity, and resulted in increased costs as well as lower operating revenue. Continued restrictions on the use of Boeing 737 MAX aircraft in other countries could impact the aircraft's optimal use in our network. Furthermore, in 2021, like 2020, demand has been, and is expected to continue to be, significantly impacted by COVID-19, which, in addition to the previous grounding of the Boeing 737 MAX aircraft, has materially disrupted the timely execution of our plans to add capacity in 2021. The Company had discussions with Boeing regarding compensation from Boeing for the Company's financial damages related to the grounding of the airline's Boeing 737 MAX aircraft, and in March 2020, the Company entered into a confidential settlement with Boeing with respect to compensation for financial damages incurred in 2019. The settlement agreement was amended and restated in June 2020 to provide for the settlement of additional

items related to aircraft delivery and to update the scheduled delivery for substantially all undelivered Boeing 737 MAX aircraft.

Risks Relating to Our Indebtedness

The Company has a significant amount of financial leverage from fixed obligations and may seek material amounts of additional financial liquidity in the short-term, and insufficient liquidity may have a material adverse effect on the Company's financial condition and business.

The Company has a significant amount of financial leverage from fixed obligations, including aircraft lease and debt financings, leases of airport property, secured loan facilities and other facilities, and other material cash obligations. In addition, the Company has substantial noncancelable commitments for capital expenditures, including for the acquisition of new and used aircraft and related spare engines.

In addition, in response to the travel restrictions and advisories, decreased demand and other effects the COVID-19 pandemic has had and is expected to have on the Company's business, the Company may continue to seek material amounts of additional financial liquidity in the short-term, which may include additional drawings of loans under the Loan Program of the CARES Act, the issuance of additional unsecured or secured debt securities, equity securities and equity-linked securities, the sale of assets as well as additional bilateral and syndicated secured and/or unsecured credit facilities, among other items.

There can be no assurance as to the timing of any such incurrence or issuance, which may be in the near term, or that any such additional financing will be completed on favorable terms, or at all. As of December 31, 2020, we had total long-term debt of $26.7 billion, approximately $7.0 billion available for borrowing under the Loan Program under the CARES Act and $1.0 billion available for borrowing under our revolving credit facility.

The Company's substantial level of indebtedness, the Company's non-investment grade credit ratings and the availability of Company assets as collateral for loans or other indebtedness, which available collateral has been reduced as a result of CARES Act Loan Program borrowings, may make it difficult for the Company to raise additional capital if needed to meet its liquidity needs on acceptable terms, or at all.

Although the Company's cash flows from operations and its available capital, including the proceeds from financing transactions, have been sufficient to meet its obligations and commitments to date, the Company's liquidity has been, and may in the future be, negatively affected by the risk factors discussed elsewhere in this Part I, Item 1A. Risk Factors, including risks related to future results arising from the COVID-19 pandemic. If the Company's liquidity is materially diminished, the Company's cash flow available for general corporate purposes may be materially and adversely affected. In particular, with respect to the $6.8 billion of senior secured notes and a secured term loan facility (the "MileagePlus Financing") secured by substantially all of the assets of Mileage Plus Holdings, LLC, a direct wholly-owned subsidiary of United ("MPH"), and Mileage Plus Intellectual Property Assets, Ltd., an indirect wholly-owned subsidiary of MPH ("MIPA"), the cash flows generated by the MileagePlus business are required to first satisfy interest and principal due thereunder. Therefore, the cash generated by the MileagePlus program is not fully available for our operations or to satisfy our other indebtedness obligations for the seven-year term of the MileagePlus Financing debt. This limitation on our cash flows could have a material adverse effect on our operations and flexibility.

A material reduction in the Company's liquidity could also result in the Company not being able to timely pay its leases and debts or comply with material provisions of its contractual obligations, including covenants under its financing and credit card processing agreements. Moreover, as a result of the Company's financing activities in response to the COVID-19 pandemic, the number of financings with respect to which such covenants and provisions apply has increased, thereby subjecting the Company to more substantial risk of default, cross-default and cross-acceleration in the event of breach, and additional covenants and provisions could become binding on the Company as it continues to seek additional liquidity. In addition, several of the Company's debt agreements contain covenants that, among other things, restrict the ability of the Company and its subsidiaries to incur additional indebtedness. The Company has agreements with financial institutions that process customer credit card transactions for the sale of air travel and other services. Under certain of the Company's credit card processing agreements, the financial institutions in certain circumstances have the right to require that the Company maintain a reserve equal to a portion (or potentially all) of advance ticket sales that have been processed by that financial institution, but for which the Company has not yet provided the air transportation. Such financial institutions may require cash or other collateral reserves to be established or withholding of payments related to receivables to be collected, including if the Company does not maintain certain minimum levels of unrestricted cash, cash equivalents and short-term investments. In light of the effect COVID-19 is having on demand and, in turn, capacity, the Company has seen an increase in demand from consumers for refunds on their tickets, and we anticipate some level of increased demand for refunds on tickets will continue to be the case for the near future. Refunds lower our liquidity and put us at risk of triggering liquidity covenants in these processing agreements and, in doing so, could force us to post cash collateral with the credit card companies for advance ticket sales. The Company

also maintains certain insurance- and surety-related agreements under which counterparties have required, and may require, additional collateral.

In addition to the foregoing, the degree to which we are leveraged could have important consequences to holders of our securities, including the following:

- we must dedicate a substantial portion of cash flow from operations to the payment of principal and interest on applicable indebtedness, which, in turn, reduces funds available for operations and capital expenditures;
- our flexibility in planning for, or reacting to, changes in the markets in which we compete may be limited;
- we may be at a competitive disadvantage relative to our competitors with less indebtedness;
- we are rendered more vulnerable to general adverse economic and industry conditions;
- we are exposed to increased interest rate risk given that a portion of our indebtedness obligations are at variable interest rates; and
- our credit ratings may be reduced and our debt and equity securities may significantly decrease in value.

Finally, as of December 31, 2020, the Company had $9.5 billion in variable rate indebtedness, all or a portion of which uses London interbank offered rates ("LIBOR") as a benchmark for establishing applicable rates. As most recently announced in November 30, 2020, LIBOR is expected to be phased out starting on January 1, 2022 for the one-week and two-month USD LIBOR settings and starting on July 1, 2023 for the remaining USD LIBOR settings. Although many of our LIBOR-based obligations provide for alternative methods of calculating the interest rate payable if LIBOR is not reported, the extent and manner of any future changes with respect to methods of calculating LIBOR or replacing LIBOR with another benchmark are unknown and impossible to predict at this time and, as such, may result in interest rates that are materially higher than current interest rates. If interest rates applicable to the Company's variable interest indebtedness increase, the Company's interest expense will also increase, which could make it difficult for the Company to make interest payments and fund other fixed costs and, in turn, adversely impact our cash flow available for general corporate purposes.

See Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, of this report for additional information regarding the Company's liquidity as of December 31, 2020.

If we are not able to comply with the covenants in the MileagePlus Financing agreements, our lenders could accelerate the MileagePlus indebtedness, foreclose upon the collateral securing the MileagePlus indebtedness or exercise other remedies, which would have a material adverse effect on our business, results of operations and financial condition.

The covenants in the agreements governing the MileagePlus Financing contain a number of provisions that limit our ability to modify aspects of the MileagePlus program if such modifications would be reasonably expected to have a material adverse effect on the MileagePlus program or on our ability to pay the obligations under the MileagePlus Financing agreements. Moreover, the terms of such agreements also place certain restrictions on our establishing or owning another mileage or loyalty program and our ability to make material modifications to our agreements with certain MileagePlus partners. Furthermore, the MileagePlus Financing may also negatively affect certain material business relationships, and if any such relationship were to be materially impaired and/or terminated, we could experience a material adverse effect on our business, results of operations and financial condition.

The agreements governing the MileagePlus Financing restrict our ability to terminate or modify the intercompany agreements governing the relationship between United and the MileagePlus program, including the agreement governing the rate that United must pay MPH for the purchase of miles and United's obligation to make certain seat inventory available to MPH for redemption. Such restrictions are in addition to restrictions on the ability of the obligors under the MileagePlus indebtedness to make restricted payments, incur additional indebtedness, dispose of, create or incur certain liens on, or transfer or convey, the collateral securing the MileagePlus indebtedness, enter into certain transactions with affiliates, merge, consolidate, or sell assets, or designate certain subsidiaries as unrestricted. Complying with these covenants may restrict our ability to make material changes to the operation of the MPH business and may limit our ability to take advantage of business opportunities that may be in our long-term interest. We may also take actions, or omit to take actions, to comply with such covenants that could have a material adverse effect on our business and operations.

Our failure to comply with any of these covenants or restrictions could result in a default under the agreements governing the MileagePlus Financing, which could lead to an acceleration of the debt under such instruments and, in some cases, the acceleration of debt under other instruments that contain cross-default or cross-acceleration provisions, each of which could have a material adverse effect on us. In the case of an event of default under the agreements governing the MileagePlus Financing agreements, or a cross-default or cross-acceleration under our other indebtedness, we may not have sufficient funds available to make the required payments. If we are unable to repay amounts owed under the agreements governing the

MileagePlus Financing, the lenders or noteholders thereunder may choose to exercise their remedies in respect of the collateral securing such indebtedness, including foreclosing upon the MileagePlus collateral, in which case we would lose the right to operate the MileagePlus program thereafter. The exercise of such remedies, especially the loss of the MileagePlus program, would have a material adverse effect on our business, results of operations and financial condition.

In connection with the MileagePlus Financing, we were required to contribute certain assets, including certain MileagePlus intellectual property, including brands and member data, to Mileage Plus Intellectual Property Assets, Ltd., an indirect wholly-owned subsidiary of MPH structured to be bankruptcy remote that serves as a co-issuer of the MileagePlus Financing indebtedness, the assets of which subsidiary are collateral for such indebtedness. United and MPH will have the right to use the contributed intellectual property pursuant to a license agreement with MIPA. Such license agreement will be terminated, and our right to use such intellectual property will cease, upon specified termination events, including, but not limited to, our failure to assume the license agreement and various related intercompany agreements in a restructuring process. The termination of the license agreement would be an event of default under the agreements governing the MileagePlus Financing and in certain circumstances would trigger a liquidated damages payment in an amount that is several multiples of the principal amount of the MileagePlus Financing debt. Thus, the terms of the MileagePlus Financing limit our flexibility to manage our capital structure going forward, and as a result, in the future we may take actions to ensure that the MileagePlus Financing debt is satisfied or that the lenders' remedies under such debt are not exercised, potentially to the detriment of our other creditors.

Agreements governing our other debt include financial and other covenants. Failure to comply with these covenants could result in events of default.

In addition to the covenants in the MileagePlus Financing agreements discussed above, our other financing agreements include various financial and other covenants. Certain of these covenants require UAL or United, as applicable, to maintain minimum liquidity and/or minimum collateral coverage ratios. UAL's or United's ability to comply with these covenants may be affected by events beyond its control, including the overall industry revenue environment, the level of fuel costs and the appraised value of the collateral. In addition, our financing agreements contain other negative covenants customary for such financings. These covenants are subject to important exceptions and qualifications. If we fail to comply with these covenants and are unable to remedy or obtain a waiver or amendment, an event of default would result.

If an event of default were to occur, the lenders could, among other things, declare outstanding amounts immediately due and payable. In addition, an event of default or declaration of acceleration under one financing agreement could also result in an event of default under other of our financing agreements due to cross-default and cross-acceleration provisions. The acceleration of significant amounts of debt could require us to renegotiate, repay or refinance the obligations under our financing arrangements.

General Risk Factors

If we experience changes in, or are unable to retain, our senior management team or other key employees, our operating results could be adversely affected.

Much of our future success depends on the continued availability of skilled personnel with industry experience and knowledge, including our senior management team and other key employees. If we are unable to attract and retain talented, highly qualified senior management and other key employees, or if we are unable to effectively provide for the succession of senior management, our business may be adversely affected.

Current or future litigation and regulatory actions, or failure to comply with the terms of any settlement, order or arrangement relating to these actions, could have a material adverse impact on the Company.

From time to time, we are subject to litigation and other legal and regulatory proceedings relating to our business or investigations or other actions by governmental agencies, including as described in Part I, Item 3, Legal Proceedings, of this report. No assurances can be given that the results of these or new matters will be favorable to us. An adverse resolution of lawsuits, arbitrations, investigations or other proceedings or actions could have a material adverse effect on our financial condition and operating results, including as a result of non-monetary remedies, and could also result in adverse publicity. Defending ourselves in these matters may be time-consuming, expensive and disruptive to normal business operations and may result in significant expense and a diversion of management's time and attention from the operation of our business, which could impede our ability to achieve our business objectives. Additionally, any amount that we may be required to pay to satisfy a judgment, settlement, fine or penalty may not be covered by insurance. If we fail to comply with the terms contained in any settlement, order or agreement with a governmental authority relating to these matters, we could be subject to criminal or civil penalties, which could have a material adverse impact on the Company. Under our charter and certain indemnification agreements that we have entered into (and may in the future enter into) with our officers, directors and certain third parties, we

could be required to indemnify and advance expenses to them in connection with their involvement in certain actions, suits, investigations and other proceedings. There can be no assurance that any of these payments will not be material.

Increases in insurance costs or inadequate insurance coverage may materially and adversely impact our business, operating results and financial condition.

The Company could be exposed to significant liability or loss if its property or operations were to be affected by a natural catastrophe or other event, including aircraft accidents. The Company maintains insurance policies, including, but not limited to, terrorism, aviation hull and liability, workers' compensation and property and business interruption insurance, but we are not fully insured against all potential hazards and risks incident to our business. If the Company is unable to obtain sufficient insurance with acceptable terms, the costs of such insurance increase materially, or if the coverage obtained is unable to pay or is insufficient relative to actual liability or losses that the Company experiences, whether due to insurance market conditions, policy limitations and exclusions or otherwise, our operations, operating results and financial condition could be materially and adversely affected.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

Fleet. As of December 31, 2020, United's mainline and regional fleets consisted of the following:

Aircraft Type	Total	Owned	Leased	Seats in Standard Configuration	Average Age (In Years)
Mainline:					
777-300ER	22	22	—	350	3.0
777-200ER	55	52	3	267-276	20.8
777-200	19	19	—	364	23.5
787-10	13	13	—	318	1.6
787-9	35	28	7	252	3.6
787-8	12	12	—	219	7.5
767-400ER	16	14	2	240	19.3
767-300ER	38	30	8	167-214	24.9
757-300	21	9	12	234	18.3
757-200	40	35	5	142-176	23.9
737 MAX 9	22	14	8	179	1.5
737-900ER	136	136	—	179	8.0
737-900	12	8	4	179	19.3
737-800	141	97	44	166	16.8
737-700	49	37	12	126	20.7
A320-200	96	78	18	150	22.3
A319-100	85	56	29	126-128	18.9
Total mainline	812	660	152		16.0

In addition to the aircraft presented in the table above, United owned or leased, as of December 31, 2020, eleven Boeing 757-200s, three Airbus A319s, three Airbus A320s and one Boeing 767-200 that are not used in its operations.

Aircraft Type	Total	Owned	Owned or Leased by Regional Carrier	Regional Carrier Operator and Number of Aircraft		Seats in Standard Configuration
Regional:						
Embraer E175/E175LL	190	91	99	SkyWest: Mesa: Republic:	90 72 28	70 (a)
Embraer 170	38	—	38	Republic:	38	70
CRJ700	27	—	27	Mesa: SkyWest:	8 19	70
CRJ550	38	—	38	GoJet:	38	50
CRJ200	133	—	133	SkyWest: Air Wisconsin:	70 63	50
Embraer ERJ 145 (XR/LR)	49	49	—	CommutAir:	49	50
Total regional	475	140	335			

(a) In 2020, the Company temporarily modified all 76-seat aircraft to have a 70-seat configuration as agreed upon in the Pandemic Recovery Agreement between the Company and its pilots.

In addition to the aircraft presented in the table above, United owned or leased the following regional aircraft as of December 31, 2020:

- Four Embraer E175LLs, which were delivered but not yet in service;
- 119 Embraer ERJ 145s currently in storage with several aircraft scheduled to be inducted into CommutAir's fleet throughout 2021 and 2022; and
- 12 CRJ700s that are being transitioned between CPAs and for which United continues to make monthly payments.

Firm Order and Option Aircraft. As of December 31, 2020 (adjusted to include the effects of the February 26, 2021 agreement with Boeing discussed below), United had firm commitments and options to purchase new aircraft from Boeing, Airbus and Embraer as presented in the table below:

		Scheduled Aircraft Deliveries		
Aircraft Type	Number of Firm Commitments (a)	2021	2022	After 2022
Airbus A321XLR	50	—	—	50
Airbus A350	45	—	—	45
Boeing 737 MAX	188	21	40	127
Boeing 787	11	11	—	—
Embraer E175	4	4	—	—

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

On February 26, 2021, the Company entered into an agreement with The Boeing Company ("Boeing") for a firm order of 25 Boeing 737 MAX aircraft for delivery in 2023, and to reschedule the delivery of 40 previously ordered Boeing 737 MAX aircraft to 2022 and 5 Boeing 737 MAX aircraft into 2023.

The aircraft listed in the table above are scheduled for delivery through 2030. To the extent the Company and the aircraft manufacturers with which the Company has existing orders for new aircraft agree to modify the contracts governing those orders, the amount and timing of the Company's future capital commitments could change. United also has an agreement to purchase 11 used Boeing 737-700 aircraft with expected delivery dates in 2021. In addition, United has an agreement to purchase 17 used Airbus A319 aircraft, which it intends to sell, with expected delivery dates in 2021 and 2022.

See Notes 10 and 13 to the financial statements included in Part II, Item 8 of this report for additional information.

Facilities. United leases gates, hangar sites, terminal buildings and other airport facilities in the municipalities it serves. United has major terminal facility leases at SFO, Washington Dulles, Chicago O'Hare, LAX, Denver, Newark, Houston Bush and Guam with expiration dates ranging from 2021 through 2053. Substantially all of these facilities are leased on a net-rental basis, resulting in the Company's responsibility for maintenance, insurance and other facility-related expenses and services.

United also maintains administrative, catering, cargo, training, maintenance and other facilities to support its operations in the cities it serves. In addition, United has multiple leases, which expire from 2030 through 2033, for its principal executive office and operations center in downtown Chicago and administrative offices in downtown Houston.

ITEM 3. LEGAL PROCEEDINGS.

On June 30, 2015, UAL received a Civil Investigative Demand ("CID") from the Antitrust Division of the DOJ seeking documents and information from the Company in connection with a DOJ investigation related to statements and decisions about airline capacity. The Company has completed its response to the CID. The Company is not able to predict what action, if any, might be taken in the future by the DOJ or other governmental authorities as a result of the investigation. Beginning on July 1, 2015, subsequent to the announcement of the CID, UAL and United were named as defendants in multiple class action lawsuits that asserted claims under the Sherman Antitrust Act, which have been consolidated in the United States District Court for the District of Columbia. The complaints generally allege collusion among U.S. airlines on capacity impacting airfares and seek treble damages. The Company intends to vigorously defend against the class action lawsuits.

On October 13, 2015, United received a CID from the Civil Division of the DOJ. The CID requested documents and oral testimony from United in connection with an industry-wide DOJ investigation related to delivery scan and other data purportedly required for payment for the carriage of mail under United's International Commercial Air Contracts with the U.S. Postal Service. The Company has been responding to the DOJ's request and cooperating in the investigation since that time. On November 8, 2016, the DOJ Criminal Division met with representatives from the Company and advised they are conducting an industry-wide investigation into the same matter. In February 2021, United entered into a settlement with the Civil and Criminal Divisions of the DOJ, pursuant to which the Company agreed to pay $49.5 million. In conjunction with these settlements, United entered into a non-prosecution agreement with the Criminal Division of the DOJ.

Other Legal Proceedings. The Company is involved in various other claims and legal actions involving passengers, customers, suppliers, employees and government agencies arising in the ordinary course of business. Additionally, from time to time, the Company becomes aware of potential non-compliance with applicable environmental regulations, which have either been identified by the Company (through internal compliance programs such as its environmental compliance audits) or through notice from a governmental entity. In some instances, these matters could potentially become the subject of an administrative or judicial proceeding and could potentially involve monetary sanctions. After considering a number of factors, including (but not limited to) the views of legal counsel, the nature of contingencies to which the Company is subject and prior experience, management believes that the ultimate disposition of these other claims and legal actions will not materially affect its consolidated financial position or results of operations. However, the ultimate resolutions of these matters are inherently unpredictable. As such, the Company's financial condition and results of operations could be adversely affected in any particular period by the unfavorable resolution of one or more of these matters.

ITEM 4. MINE SAFETY DISCLOSURES.

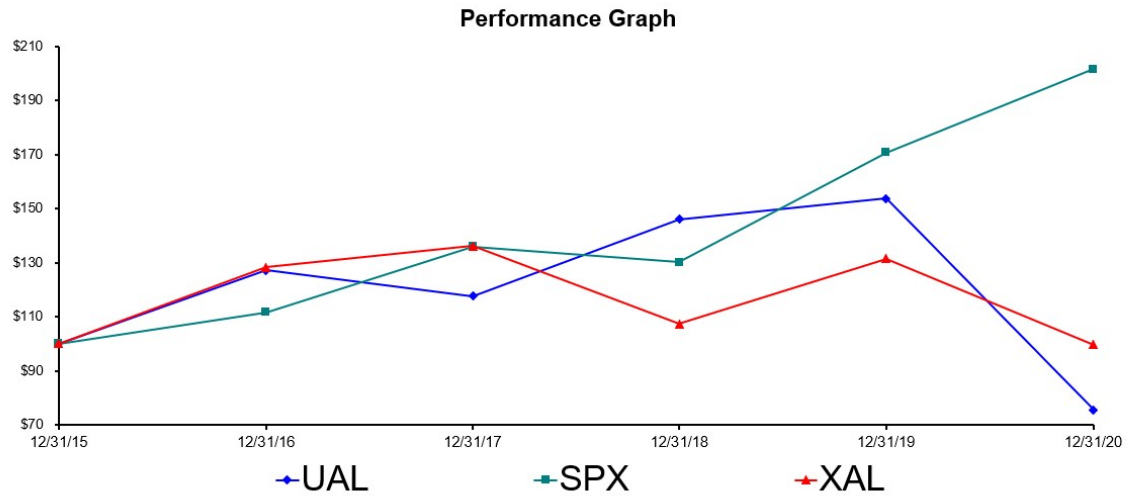
Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

UAL's common stock is listed on the Nasdaq Global Select Market ("Nasdaq") under the symbol "UAL." As of February 24, 2021, there were 5,989 holders of record of UAL common stock.

The following graph shows the cumulative total stockholder return for UAL's common stock during the period from December 31, 2015 to December 31, 2020. The graph also shows the cumulative returns of the Standard and Poor's 500 Index ("SPX") and the NYSE Arca Airline Index ("XAL") of 15 investor-owned airlines over the same five-year period. The comparison assumes $100 was invested on December 31, 2015 in each of UAL common stock, the SPX and the XAL.



Note: The stock price performance shown in the graph above should not be considered indicative of potential future stock price performance. The foregoing performance graph is being furnished as part of this report solely in accordance with the requirement under Rule 14a-3(b)(9) to furnish our stockholders with such information, and therefore, shall not be deemed to be filed or incorporated by reference into any filings by the Company under the Securities Act or the Exchange Act.

The following table presents repurchases of UAL common stock made in the fourth quarter of fiscal year 2020:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs (a)	Maximum number of shares (or approximate dollar value) of shares that may yet be purchased under the plans or programs
October 2020	—	$ —	—	$ —
November 2020	—	—	—	—
December 2020	—	—	—	—
Total	—		—	

(a) On April 24, 2020, UAL's Board of Directors terminated its share repurchase program. Under the Payroll Support Program agreements and Loan Program, the Company and its business are subject to certain restrictions, including, but not limited to, restrictions on the ability to repurchase UAL's equity securities through September 26, 2026 (or such earlier date that is one year after repayment in full of the Term Loan Facility).

ITEM 6. SELECTED FINANCIAL DATA.

UAL's consolidated financial statements and statistical data are provided in the tables below:

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Income Statement Data (in millions, except per share amounts):					
Operating revenue	$ 15,355	$ 43,259	$ 41,303	$ 37,784	$ 36,558
Operating expense	21,714	38,958	38,074	34,166	32,214
Operating income (loss)	(6,359)	4,301	3,229	3,618	4,344
Net income (loss)	(7,069)	3,009	2,122	2,143	2,234
Basic earnings (loss) per share	(25.30)	11.63	7.70	7.08	6.77
Diluted earnings (loss) per share	(25.30)	11.58	7.67	7.06	6.76
Balance Sheet Data at December 31 (in millions):					
Unrestricted cash, cash equivalents and short-term investments	$ 11,683	$ 4,944	$ 3,950	$ 3,798	$ 4,428
Total assets	59,548	52,611	49,024	47,469	40,208
Debt and finance lease obligations	27,153	14,818	13,792	13,576	11,705

	Year Ended December 31,				
	2020	2019	2018	2017	2016
Select operating statistics (a)					
Passengers (thousands) (b)	57,761	162,443	158,330	148,067	143,177
Revenue passenger miles ("RPMs") (millions) (c)	73,883	239,360	230,155	216,261	210,309
Available seat miles ("ASMs") (millions) (d)	122,804	284,999	275,262	262,386	253,590
Cargo revenue ton miles (millions) (e)	2,711	3,329	3,425	3,316	2,805
Passenger load factor (f)	60.2%	84.0%	83.6%	82.4%	82.9%
Passenger revenue per available seat mile ("PRASM") (cents)	9.61	13.90	13.70	13.13	13.18
Total revenue per available seat mile ("TRASM") (cents)	12.50	15.18	15.00	14.40	14.42
Average yield per revenue passenger mile ("Yield") (cents) (g)	15.98	16.55	16.38	15.93	15.90
Cost per available seat mile ("CASM") (cents)	17.68	13.67	13.83	13.02	12.70
Average price per gallon of fuel, including fuel taxes	$ 1.57	$ 2.09	$ 2.25	$ 1.74	$ 1.49
Fuel gallons consumed (millions)	2,004	4,292	4,137	3,978	3,904
Average stage length (miles) (h)	1,307	1,460	1,446	1,460	1,473
Employee headcount, as of December 31 (thousands)	74.4	95.9	91.7	89.8	87.8

(a) Includes data from our regional carriers operating under CPAs unless otherwise noted.

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

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

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

(e) The number of cargo revenue tons transported multiplied by the number of miles flown.

(f) RPM divided by ASM.

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

(h) Average stage length equals the average distance a flight travels weighted for size of aircraft.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Overview

United Airlines 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"). 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.

Impact of COVID-19 and Outlook

The novel coronavirus (COVID-19) pandemic, together with the measures implemented or recommended by governmental authorities and private organizations in response to the pandemic, has had an adverse impact that has been material to the Company's business, operating results, financial condition and liquidity. The Company began experiencing a significant decline in international and domestic demand related to COVID-19 during the first quarter of 2020. The decline in demand caused a material deterioration in our revenues in 2020, resulting in a net loss of $7.1 billion. The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance will depend on future developments, including those outside our control related to the efficacy and speed of vaccination programs in curbing the spread of the virus, the introduction and spread of new variants of the virus which may be resistant to currently approved vaccines, passenger testing requirements, mask mandates or other restrictions on travel, all of which are highly uncertain and cannot be predicted with certainty.

In response to decreased demand, the Company cut, relative to 2019 capacity, approximately 57% of its scheduled capacity for 2020. In the first quarter of 2021, the Company expects scheduled capacity to be down at least 51% versus the first quarter of 2019. The Company plans to continue to proactively evaluate and cancel flights on a rolling 60-day basis until it sees signs of a recovery in demand and expects demand to remain suppressed, relative to 2019 levels, until vaccines for COVID-19 are widely distributed and are effective in curbing the spread of the virus. In addition, the Company does not currently expect the recovery from COVID-19 to follow a linear path. As such, the Company's actual flown capacity may differ materially from its currently scheduled capacity.

The Company has taken a number of actions in response to the decreased demand for air travel. In addition to the schedule reductions discussed above, the Company has:

- reduced its planned capital expenditures and reduced operating expenditures in 2020 (including by postponing projects deemed non-critical to the Company's operations);
- terminated its share repurchase program;
- issued or entered into approximately $13.4 billion in new secured notes, secured term loan facilities and new aircraft financings in 2020, including short term borrowings that were paid in 2020;
- borrowed $1.0 billion under the $2.0 billion revolving credit facility established under the Amended and Restated Credit and Guaranty Agreement (the "Credit Agreement");
- availed itself of financial assistance and/or financing made available by the U.S. Treasury Department ("Treasury"), as further described below;
- raised approximately $2.1 billion in cash proceeds from the issuance and sale of UAL common stock in 2020;
- entered into agreements to finance certain aircraft currently subject to purchase agreements through sale and leaseback transactions;
- elected to defer the payment of $199 million in payroll taxes incurred through December 31, 2020, as provided by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), until December 2021, at which time 50% is due, with the remaining amount due December 2022; and
- taken a number of actions to reduce employee-related costs, including, among other items, the Company's Chief Executive Officer and President waived 100% of their respective base salaries through the end of 2020, other officers temporarily waived a portion of their base salaries, the Company's non-employee directors waived 100% of their cash

compensation for the second and third quarters of 2020, the Company suspended merit salary increases for 2020 and implemented a temporary four-day work week for management and administrative employees and the Company offered voluntary unpaid leaves of absence. The Company also entered into an agreement with its pilots to distribute fewer flight hours to a larger number of pilots, while also reaching agreements to provide a path to early retirement and reduce expense through voluntary leave of absence programs.

In addition, and as announced in July 2020, the Company started the involuntary furlough process by issuing Worker Adjustment and Retraining Notification ("WARN") Act notices to 36,000 of its employees. Since then, the Company worked to reduce the total number of furloughs to approximately 13,000 employees by working closely with its union partners, introducing new voluntary options selected by approximately 9,000 employees and proposing creative solutions that would save jobs. As a result of the Company's entry into the PSP2 Agreement, as described below, the Company issued recall notices to these furloughed employees and others impacted by furlough mitigation programs. See the discussion below for more detail about the PSP2 Agreement and the recall process.

The Company continues to focus on reducing expenses and managing its liquidity. We expect to continue to modify our cost management structure and capacity as the timing of demand recovery becomes more certain.

On March 27, 2020, the President of the United States signed the CARES Act into law. The CARES Act is intended to respond to the COVID-19 pandemic and its impact on the economy, public health, state and local governments, individuals, and businesses. The CARES Act also provides supplemental appropriations for federal agencies to respond to the COVID-19 pandemic.

On April 20, 2020, United entered into a Payroll Support Program Agreement (the "PSP Agreement") with Treasury providing the Company with total funding of approximately $5.1 billion pursuant to the Payroll Support Program established under the CARES Act. These funds were used to pay for the wages, salaries and benefits of United employees. Approximately $3.6 billion of the $5.1 billion was provided as a direct grant, and approximately $1.5 billion consists of indebtedness evidenced by a 10-year senior unsecured promissory note issued by UAL to Treasury (the "PSP Note"). See Note 2 to the financial statements included in Part II, Item 8 of this report for additional information related to warrants issued in connection with the PSP Note and Note 10 to the financial statements included in Part II, Item 8 of this report for a discussion of the PSP Note.

During 2020, UAL and United entered into a loan and guarantee agreement with Treasury. The agreement provides for a term loan facility of up to approximately $7.5 billion (the "CARES Act Term Loan Facility") pursuant to the loan program established under Section 4003(b)(1) of the CARES Act (the "Loan Program"). The loans (the "CARES Act Term Loans") may be disbursed in up to three disbursements on or before May 28, 2021. On September 28, 2020, United borrowed, and recorded as Long-term debt on the Company's consolidated balance sheet, $520 million under the CARES Act Term Loan Facility, the proceeds of which were used to pay certain transaction fees and expenses and for working capital and other general corporate purposes of the Company. See Note 2 to the financial statements included in Part II, Item 8 of this report for a discussion on warrants issued in connection with the CARES Act Term Loans and Note 10 to the financial statements included in Part II, Item 8 of this report for a discussion of the CARES Act Term Loans.

Under the PSP Agreement and the Loan Program, the Company and its business are subject to certain restrictions, including, but not limited to, restrictions on the payment of dividends and the ability to repurchase UAL's equity securities, requirements to maintain certain levels of scheduled service and certain limitations on executive compensation.

On January 15, 2021, United entered into a Payroll Support Agreement (the "PSP2 Agreement") with Treasury providing the Company with total funding of approximately $2.6 billion, pursuant to the Payroll Support Program established under Subtitle A of Title IV of Division N of the Consolidated Appropriations Act, 2021 (the "PSP Extension Law"). These funds were used to pay for the wages, salaries and benefits of United employees, including the payment of lost wages, salaries and benefits to returning employees. Approximately $1.9 billion was provided as a direct grant and approximately $753 million consists of indebtedness evidenced by a 10-year senior unsecured promissory note issued by UAL to Treasury (the "PSP2 Note"). As of February 25, 2021, we have received a total of $1.3 billion. See Note 2 to the financial statements included in Part II, Item 8 of this report for additional information on warrants issued in connection with the PSP2 Note and Note 10 to the financial statements included in Part II, Item 8 of this report for a discussion of the PSP2 Note.

Pursuant to the PSP2 Agreement, the Company is required to comply with certain provisions of the PSP Extension Law, including, among others, the requirement that all funds provided under the Payroll Support Program will be used by United exclusively for the continuation of payment of its U.S. employee wages, salaries and benefits, including the payment of lost wages, salaries and benefits to returning U.S. employees; requirements to maintain U.S. employment levels from the date of the PSP2 Agreement through March 31, 2021; requirements to recall (as such term is defined in the PSP2 Agreement), any U.S. employees subject to involuntary termination or furlough between October 1, 2020 and the date of the PSP2 Agreement,

compensate such returning employees for certain lost salary, wages and benefits between December 1, 2020 and the date of the PSP2 Agreement and restore certain rights and protections for such returning employees; provisions prohibiting certain reductions in U.S. employee wages, salaries and benefits; provisions prohibiting the payment of dividends and the repurchase of certain equity until March 31, 2022; and provisions restricting the payment of certain executive compensation until October 1, 2022.

As a result of the PSP2 Agreement, the Company offered employment, through March 2021, to employees who were impacted by involuntary furloughs. Because the Company cannot predict with certainty whether it will receive further payroll support from the federal government or when demand for air travel will increase in the short term, the Company is preparing for the possibility that these recalled employees might again be furloughed as soon as the end of the first quarter of 2021. The Company may record additional costs associated with these actions in the first quarter of 2021. Also, in order to reduce the number of such furloughs, during the first quarter of 2021, the Company offered voluntary leave and other programs to certain of its frontline employees, the cost of which cannot be estimated at this time.

Results of Operations

The following discussion provides an analysis of our results of operations and reasons for material changes therein for 2020 as compared to 2019. See "Results of Operations" in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in the Company's 2019 Annual Report on Form 10-K, filed with the SEC on February 25, 2020 (the "2019 Annual Report"), for analysis of the 2019 results as compared to 2018.

Operating Revenue. The table below illustrates the year-over-year percentage change in the Company's operating revenues for the years ended December 31 (in millions, except percentage changes):

	2020	2019	Increase (Decrease)	% Change
Passenger revenue	$ 11,805	$ 39,625	$ (27,820)	(70.2)
Cargo	1,648	1,179	469	39.8
Other operating revenue	1,902	2,455	(553)	(22.5)
Total operating revenue	$ 15,355	$ 43,259	$ (27,904)	(64.5)

The table below presents passenger revenue and select operating data of the Company, broken out by geographic region, expressed as year-over-year changes:

	Increase (decrease) from 2019:				
	Domestic	Atlantic	Pacific	Latin	Total
Passenger revenue (in millions)	$ (16,717)	$ (5,326)	$ (3,546)	$ (2,231)	$ (27,820)
Passenger revenue	(67.4)%	(77.9)%	(79.4)%	(63.4)%	(70.2)%
Average fare per passenger	(11.7)%	0.1 %	3.6 %	(7.8)%	(16.2)%
Yield	(7.0)%	(9.0)%	11.5 %	(1.9)%	(3.4)%
PRASM	(31.0)%	(44.8)%	(27.0)%	(24.1)%	(30.9)%
Passengers	(63.1)%	(77.9)%	(80.1)%	(60.3)%	(64.4)%
RPMs (traffic)	(64.9)%	(75.7)%	(81.5)%	(62.7)%	(69.1)%
ASMs (capacity)	(52.8)%	(59.9)%	(71.8)%	(51.8)%	(56.9)%
Passenger load factor (points)	(22.0)	(32.5)	(27.9)	(19.2)	(23.8)

Note: See Part II, Item 6. Selected Financial Data, of this report for the definition of these statistics.

Passenger revenue decreased $27.8 billion, or 70.2%, in 2020 as compared to 2019, primarily due to the decrease in demand for air travel as a result of the worldwide spread of COVID-19 and the associated shelter-in-place directives and travel restrictions. Earlier in 2020, the Company suspended change fees and effective August 30, 2020, the Company eliminated change fees on all standard Economy and Premium cabin tickets for travel within the 50 U.S. states, Puerto Rico and the U.S. Virgin Islands. Also, in December 2020, the Company eliminated change fees on flights from the U.S. to all international destinations and fees on Basic Economy and all other international travel tickets issued by March 31, 2021. The elimination of change fees and waivers associated with the COVID-19 pandemic resulted in change fee revenue declining $542 million in 2020 as compared to 2019.

Cargo revenue increased $469 million, or 39.8%, in 2020 as compared to 2019, primarily due to an increase in cargo-only charter flights with higher yields as a result of increased demand for critical goods during the COVID-19 pandemic.

Other operating revenue decreased $553 million, or 22.5%, in 2020 as compared to 2019, primarily due to a decline in mileage revenue from non-airline partners, including the co-branded credit card partner, Chase, and lower revenue from airport lounges due to United Club closures and fewer overall customers utilizing these lounges.

Operating Expense. The table below includes data related to the Company's operating expense for the years ended December 31 (in millions, except percentage changes):

	2020	2019	Increase (Decrease)	% Change
Salaries and related costs	$ 9,522	$ 12,071	$ (2,549)	(21.1)
Aircraft fuel	3,153	8,953	(5,800)	(64.8)
Depreciation and amortization	2,488	2,288	200	8.7
Landing fees and other rent	2,127	2,543	(416)	(16.4)
Regional capacity purchase	2,039	2,849	(810)	(28.4)
Aircraft maintenance materials and outside repairs	858	1,794	(936)	(52.2)
Distribution expenses	459	1,651	(1,192)	(72.2)
Aircraft rent	198	288	(90)	(31.3)
Special charges (credit)	(2,616)	246	(2,862)	NM
Other operating expenses	3,486	6,275	(2,789)	(44.4)
Total operating expenses	$ 21,714	$ 38,958	$ (17,244)	(44.3)

Salaries and related costs decreased $2.5 billion, or 21.1%, in 2020 as compared to 2019, primarily due to a 22.4% reduction in employees resulting from voluntary separation programs and furloughs caused by COVID-19, $623 million lower profit sharing and other employee incentives due to the impact of COVID-19 on 2020 results and $180 million in tax credits provided by the Employee Retention Credit under the CARES Act in 2020.

Aircraft fuel expense decreased $5.8 billion, or 64.8%, in 2020 as compared to 2019. The table below presents the significant changes in aircraft fuel cost per gallon for the years ended December 31 (in millions, except percentage changes and per gallon data):

	2020	2019	% Change
Fuel expense	$ 3,153	$ 8,953	(64.8)
Total fuel consumption (gallons)	2,004	4,292	(53.3)
Average price per gallon	$ 1.57	$ 2.09	(24.9)

Depreciation and amortization increased $200 million, or 8.7%, in 2020 as compared to 2019, primarily due to additions of aircraft, upgrades to aircraft interiors and completion of technology projects.

Landing fees and other rent decreased $416 million, or 16.4%, in 2020 as compared to 2019, primarily due to reduced flying. A portion of other rents, especially at airport facilities, is fixed in nature and is not impacted by the reduction in flights.

Regional capacity purchase costs decreased $810 million, or 28.4%, in 2020 as compared to 2019, primarily due to reduced regional flying as a result of COVID-19 and reduced rates under certain capacity purchase agreements.

Aircraft maintenance materials and outside repairs decreased $936 million, or 52.2%, in 2020 as compared to 2019, primarily due to a reduction in airframe checks, engine overhauls, expenses associated with power-by-the-hour engine maintenance contracts and line maintenance due to reduced flying.

Distribution expenses decreased $1.2 billion, or 72.2%, in 2020 as compared to 2019, as a result of the overall decrease in passenger revenue due to the COVID-19 pandemic.

Aircraft rent decreased $90 million, or 31.3%, in 2020 as compared to 2019, primarily due to the purchase of leased aircraft.

The table below presents special charges (credit) recorded by the Company during the years ended December 31 (in millions):

	2020	2019
CARES Act grant	$ (3,536)	$ —
Severance and benefit costs	575	16
Impairment of assets	318	171
(Gains) losses on sale of assets and other special charges	27	59
Total special charges	$ (2,616)	$ 246

See Note 14 to the financial statements included in Part II, Item 8 of this report for additional information.

Other operating expenses decreased $2.8 billion, or 44.4%, in 2020 as compared to 2019, primarily due to the impacts of COVID-19 on our catering, airport ground handling, navigation fees, technology projects, advertising and crew-related expenses.

Nonoperating Income (Expense). The following table illustrates the year-over-year dollar and percentage changes in the Company's nonoperating income (expense) for the years ended December 31 (in millions, except percentage changes):

	2020	2019	Increase (Decrease)	% Change
Interest expense	$ (1,063)	$ (731)	$ 332	45.4
Interest capitalized	71	85	(14)	(16.5)
Interest income	50	133	(83)	(62.4)
Unrealized gains (losses) on investments, net	(194)	153	(347)	NM
Miscellaneous, net	(1,327)	(27)	1,300	NM
Total nonoperating expense, net	$ (2,463)	$ (387)	$ 2,076	NM

Interest expense increased $332 million, or 45.4%, in 2020 as compared to 2019, primarily due to the issuance of new debt in 2020 to provide additional liquidity to the Company during the COVID-19 pandemic.

Interest income decreased $83 million, or 62.4%, in 2020 as compared to 2019, primarily due to a decrease in interest rates.

Unrealized gains (losses) on investments, net decreased $347 million in 2020 as compared to 2019, due to $194 million in losses in 2020 as compared to $153 million in gains in the year-ago period, primarily as a result of a decrease in the market value of the Company's equity investment in Azul and a decrease in the fair value of the Avianca Holdings S.A. ("AVH") share call options, AVH share appreciation rights and AVH share-based upside sharing agreement. See Notes 9 and 14 to the financial statements included in Part II, Item 8 of this report for additional information.

Miscellaneous, net increased $1.3 billion in 2020 as compared to 2019, primarily due to credit loss allowances associated with the Company's Term Loan Agreement, with, among others, BRW Aviation Holding LLC and BRW Aviation LLC, and related guarantee and settlement losses and special termination benefits related to furloughs and voluntary separation programs under the Company's non-pilot U.S. defined benefit pension plan and postretirement medical programs. See Notes 7, 8, 13 and 14 to the financial statements included in Part II, Item 8 of this report for additional information.

Income Taxes. See Note 6 to the financial statements included in Part II, Item 8 of this report for information related to income taxes.

Liquidity and Capital Resources

As of December 31, 2020, the Company had $11.7 billion in unrestricted cash, cash equivalents and short-term investments, an increase of approximately $6.7 billion from December 31, 2019. The Company also had approximately $7.0 billion available for borrowing by United under the Loan Program at any time until May 28, 2021 and $1.0 billion available for borrowing by United under the revolving credit facility of the Credit Agreement at any time until April 1, 2022.

The Company has taken a number of actions in response to the significant decline in international and domestic demand for air travel related to COVID-19, as discussed under "Impact of COVID-19 and Outlook" above.

The Company continues to focus on reducing expenses and managing its liquidity. We expect to continue to modify our cost management structure and capacity as the timing of demand recovery becomes more certain.

On April 20, 2020, United entered into the PSP Agreement with Treasury providing the Company with total funding of approximately $5.1 billion pursuant to the Payroll Support Program established under the CARES Act. These funds were used to pay for the wages, salaries and benefits of United employees.

During 2020, UAL and United entered into a loan and guarantee agreement with Treasury. The agreement provides for a CARES Act Term Loan Facility of up to approximately $7.5 billion pursuant to the Loan Program. The CARES Act Term Loans may be disbursed in up to three disbursements on or before May 28, 2021. On September 28, 2020, United borrowed $520 million under the CARES Act Term Loan Facility, the proceeds of which were used to pay certain transaction fees and expenses and for working capital and other general corporate purposes of the Company.

On January 15, 2021, United entered into the PSP2 Agreement with Treasury, providing the Company with total funding of approximately $2.6 billion, approximately $1.9 billion as a direct grant and approximately $753 million from the PSP2 Note. See Note 10 to the financial statements included in Part II, Item 8 of this report for a discussion of the PSP2 Note.

Several of the Company's debt agreements contain covenants that, among other things, restrict the ability of the Company and its subsidiaries to incur additional indebtedness and pay dividends on or repurchase stock. As of December 31, 2020, UAL and United were in compliance with their respective debt covenants. In addition, in connection with the PSP Agreement, the PSP2 Agreement and the Loan Program, the Company and its business will be subject to certain restrictions.

We have a significant amount of fixed obligations, including debt and leases of aircraft, airport and other facilities, and pension funding obligations. As of December 31, 2020, the Company had approximately $33.9 billion of debt, finance lease, operating lease and sale-leaseback obligations, including $2.7 billion that will become due in the next 12 months. In addition, we have substantial noncancelable commitments for capital expenditures, including the acquisition of certain new aircraft and related spare engines. For 2021, including the impact of the recent Boeing agreement, the Company expects approximately $4.4 billion of gross capital expenditures. See Note 13 to the financial statements included in Part II, Item 8 of this report for additional information on commitments.

Our 2021 liquidity needs will be met through our existing liquidity levels plus additional debt or equity issuances. We must return to profitability and/or access the capital markets to meet our significant long-term debt and finance lease obligations and future commitments for capital expenditures, including the acquisition of aircraft and related spare engines. Financing may be necessary to satisfy the Company's capital commitments for its firm order aircraft and other related capital expenditures. The Company has backstop financing commitments available from certain of its aircraft manufacturers for a limited number of its future aircraft deliveries, subject to certain customary conditions.

See Note 10 to the financial statements included in Part II, Item 8 of this report for additional information on aircraft financing and other debt instruments.

As of December 31, 2020, a substantial portion of the Company's assets, principally aircraft and certain related assets, its loyalty program, certain route authorities and airport slots, was pledged under various loan and other agreements. As of December 31, 2020, the Company had unencumbered assets, including aircraft, engines and other physical assets, routes, slots and gates, among other items, available to be pledged as collateral for future financings, if needed.

The following is a discussion of the Company's sources and uses of cash for 2020 as compared to 2019. See "Liquidity and Capital Resources" in Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2019 Annual Report for a discussion of the Company's sources and uses of cash in 2019 as compared to 2018.

Operating Activities. Cash flows used by operations for the year ended December 31, 2020 was $4.1 billion compared to $6.9 billion provided by operations in the same period in 2019. The change is primarily attributable to a $10.7 billion decrease in operating income for 2020 as compared to 2019 caused by the COVID-19 pandemic.

At December 31, 2020, $4.8 billion of current liabilities related to tickets sold to passengers for travel which includes $3.1 billion of credits issued to customers on electronic travel certificates ("ETCs") and future flight credits ("FFCs"), primarily for ticket cancellations, which can be applied towards a purchase of a new ticket. In April 2020, due to the COVID-19 pandemic, the Company extended the expiration dates of ETCs from 12 months from the date of issuance to 24 months from the date of issuance and extended the expiration of FFCs, for tickets issued between May 1, 2019 and March 31, 2020 to 24 months from the original issue date. On February 24, 2021, the Company extended the expiration dates for all tickets issued between May 1, 2019 and March 31, 2021 to March 31, 2022. While we expect many of those passengers to utilize these ETCs and FFCs during 2021, a delay in the recovery from the COVID-19 pandemic could result in a further extension of their expiration dates.

Investing Activities. The Company's capital expenditures, net of flight equipment purchase deposit returns, were $1.7 billion and $4.5 billion in 2020 and 2019, respectively. The Company's capital expenditures for both years were primarily attributable to the purchase of aircraft, aircraft improvements, facility and fleet-related costs and the purchase of information technology assets.

Maturities and sales of short-term investments provided $2.3 billion of liquidity in 2020.

In December 2019, United issued the AVH Convertible Loan. For additional information regarding the AVH Convertible Loan, see Note 8 to the financial statements included in Part II, Item 8 of this report.

Financing Activities. Significant financing events in 2020 were as follows:

Debt Issuances. During 2020, United received and recorded $16.8 billion from various credit agreements, including the MileagePlus financing, the PSP Note, the CARES Act Term Loan Facility and enhanced equipment trust certificate ("EETC") pass-through trusts established in September 2019 and October 2020. As of December 31, 2020, United had recorded approximately $159 million of debt to finance the construction of an aircraft maintenance and ground service equipment complex at Los Angeles International Airport.

Debt and Finance Lease Principal Payments. During the year ended December 31, 2020, the Company made debt and finance lease principal payments of $4.4 billion.

Share Issuance. During the year ended December 31, 2020, the Company raised approximately $2.1 billion in cash proceeds from the issuance and sale of UAL common stock, par value $0.01 per share, including through "at the market offerings" under an equity distribution agreement (the "Distribution Agreement"), dated June 15, 2020, among the Company, Citigroup Global Markets Inc., BofA Securities, Inc. and J.P. Morgan Securities LLC. (the "ATM Offering"). During the quarter ended December 31, 2020, approximately 20.8 million shares were sold in the ATM Offering at an average price of $46.85 per share, with net proceeds to the Company totaling approximately $968 million. During the year ended December 31, 2020, approximately 21.4 million shares were sold in the ATM Offering at an average price of $46.70 per share, with net proceeds to the Company totaling approximately $989 million.

As of February 23, 2021, the Company had sold all of the 28 million shares authorized under the ATM Offering, at an average price of $45.82 per share, with net proceeds to the Company of approximately $1.3 billion. The Board of Directors has authorized the Company to establish a new program providing for the issuance and sale from time to time of up to 37 million additional shares of UAL common stock in "at the market offerings". See Note 2 to the financial statements included in Part II, Item 8 of this report for more information about these issuances.

Share Repurchases. In 2020, UAL's Board of Directors terminated the share repurchase program. In 2020, prior to the termination of the program, UAL repurchased approximately 4 million shares of UAL common stock in open market transactions for $0.3 billion. See Part II, Item 5, Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities of this report for additional information.

Significant financing events in 2019 were as follows:

Debt Issuances. During 2019, United received and recorded $1.8 billion of proceeds as debt related to EETC offerings created in 2019 to finance the purchase of aircraft. Also, United received and recorded $350 million of proceeds from the 4.875% Senior Notes due January 15, 2025 and borrowed approximately $105 million aggregate principal amount from various financial institutions to finance the purchase of several aircraft delivered in 2019. As of December 31, 2019, United had recorded approximately $39 million of debt to finance the construction of an aircraft maintenance and ground service equipment complex at Los Angeles International Airport.

Debt and Finance Lease Principal Payments. During the year ended December 31, 2019, the Company made debt and finance lease principal payments of $1.4 billion.

Share Repurchases. The Company used $1.6 billion of cash to purchase approximately 19.2 million shares of its common stock during 2019.

For additional information regarding these Liquidity and Capital Resource matters, see Notes 2, 10, 11 and 13 to the financial statements included in Part II, Item 8 of this report. For information regarding non-cash investing and financing activities, see the Company's statements of consolidated cash flows.

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	B+	Ba2	BB-
United	B+	*	BB-

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

These credit ratings are below investment grade levels; however, the Company has been able to secure financing with investment grade credit ratings for certain EETCs, term loans and secured bond financings. Downgrades from these rating levels, among other things, could restrict the availability, or increase the cost, of future financing for the Company.

Other Liquidity Matters

Below is a summary of additional liquidity matters. See the indicated notes to our consolidated financial statements included in Part II, Item 8 of this report for additional details related to these and other matters affecting our liquidity and commitments.

Pension and other postretirement plans	Note 7
Long-term debt and debt covenants	Note 10
Leases and capacity purchase agreements	Note 11
Commitments and contingencies	Note 13

Contractual Obligations. The Company's business is capital intensive, requiring significant amounts of capital to fund the acquisition of assets, particularly aircraft. In the past, the Company has funded the acquisition of aircraft with cash, by using EETC financing, by entering into finance or operating leases, or through other financings. The Company also often enters into long-term lease commitments with airports to ensure access to terminal, cargo, maintenance and other required facilities.

The table below provides a summary of the Company's material contractual obligations as of December 31, 2020 (in billions):

	2021	2022	2023	2024	2025	After 2025	Total
Long-term debt (a)	$ 1.9	$ 3.9	$ 2.7	$ 5.1	$ 3.7	$ 10.0	$ 27.3
Finance lease obligations—principal portion	0.2	0.1	—	—	—	0.1	0.4
Total debt and finance lease obligations	2.1	4.0	2.7	5.1	3.7	10.1	27.7
Interest on debt and finance lease obligations (b)	1.1	1.0	0.9	0.7	0.5	1.0	5.2
Operating lease obligations	0.8	0.7	0.7	0.7	0.6	4.0	7.5
Sale-leasebacks financial obligations	0.1	0.1	0.1	0.1	0.1	1.5	2.0
Regional CPAs (c)	1.8	1.8	1.7	1.5	1.2	3.1	11.1
Postretirement obligations (d)	0.1	0.1	0.1	0.1	0.1	0.3	0.8
Pension obligations (e)	—	—	0.2	0.2	0.3	1.5	2.2
Purchase obligations (f)	4.9	2.9	2.8	1.6	2.0	10.1	24.3
Total contractual obligations	$ 10.9	$ 10.6	$ 9.2	$ 10.0	$ 8.5	$ 31.6	$ 80.8

(a) Long-term debt presented in the Company's financial statements is net of $554 million of debt discount, premiums and debt issuance costs which are being amortized over the debt terms. Contractual payments do not include the debt discount, premiums and debt issuance costs.

(b) Includes interest portion of finance lease obligations of $16 million in 2021, $10 million in 2022, $8 million in 2023, $6 million in 2024, $3 million in 2025 and $5 million thereafter. Interest payments on variable interest rate debt were calculated using London interbank offered rates ("LIBOR") applicable at December 31, 2020.

(c) Represents our estimates of future minimum noncancelable commitments under our CPAs and does not include the portion of the underlying obligations for aircraft and facility rent that is disclosed as part of operating lease obligations. Amounts also exclude a portion of United's finance lease obligation recorded for certain of its CPAs. See Note 11 to the financial statements included in Part II, Item 8 of this report for the significant assumptions used to estimate the payments.

(d) Amounts represent postretirement benefit payments through 2030. Benefit payments approximate plan contributions as plans are substantially unfunded.

(e) Represents an estimate of the minimum funding requirements as determined by government regulations for United's U.S. pension plans. Amounts are subject to change based on numerous assumptions, including the performance of assets in the plans and bond rates.

(f) Represents contractual commitments for firm order aircraft (including the order entered into on February 26, 2021 with Boeing), spare engines and other capital purchase commitments. See Note 13 to the financial statements included in Part II, Item 8 of this report for a discussion of our purchase commitments.

Off-Balance Sheet Arrangements. An off-balance sheet arrangement is any transaction, agreement or other contractual arrangement involving an unconsolidated entity under which a company has (1) made guarantees, (2) a retained or a contingent interest in transferred assets, (3) an obligation under derivative instruments classified as equity, or (4) any obligation arising out of a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support, or that engages in leasing, hedging or research and development arrangements. The Company's primary off-balance sheet arrangements include guarantees that are discussed below and variable-rate operating leases. See Note 11 to the financial statements included in Part II, Item 8 of this report for more information related to variable-rate operating leases.

Letters of Credit and Surety Bonds. As of December 31, 2020, United had approximately $658 million of letters of credit and surety bonds securing various obligations with expiration dates through 2030. Certain of these amounts are cash collateralized and reported within Restricted cash on our statement of financial position. See Note 13 to the financial statements included in Part II, Item 8 of this report for more information related to these letters of credit and surety bonds.

Guarantee of Debt of Others. As of December 31, 2020, United is the guarantor of $119 million of aircraft mortgage debt issued by one of United's regional carriers. The aircraft mortgage debt is subject to increased cost provisions and the Company would potentially be responsible for those costs under the guarantees. The increased cost provisions in the $119 million of aircraft mortgage debt are similar to those in certain of the Company's debt agreements. See discussion under Increased Cost Provisions, below, for additional information on increased cost provisions related to the Company's debt.

EETCs. As of December 31, 2020, United had $12.1 billion principal amount of equipment notes outstanding issued under EETC financings. Generally, the structure of these EETC financings consists of pass-through trusts created by United to issue pass-through certificates, which represent fractional undivided interests in the respective pass-through trusts and are not obligations of United. The proceeds of the issuance of the pass-through certificates are used to purchase equipment notes which are issued by United and secured by aircraft and, in certain structures, spare engines and spare parts. United is responsible for the payment obligations under the equipment notes. In certain EETC structures, proceeds received from the sale of pass-through certificates are initially held by a depositary in escrow for the benefit of the certificate holders until United issues equipment notes to the trust, which purchases such notes with a portion of the escrowed funds. These escrowed funds are not guaranteed by United and are not reported as debt on United's consolidated balance sheet because the proceeds held by the depositary are not United's assets. There were no EETC funds held in escrow as of December 31, 2020. See Note 10 to the financial statements included in Part II, Item 8 of this report for additional information.

Fuel Consortia. United participates in numerous fuel consortia with other air carriers at major airports to reduce the costs of fuel distribution and storage. Interline agreements govern the rights and responsibilities of the consortia members and provide for the allocation of the overall costs to operate the consortia based on usage. The consortia (and in limited cases, the participating carriers) have entered into long-term agreements to lease certain airport fuel storage and distribution facilities that are typically financed through tax-exempt bonds, either special facilities lease revenue bonds or general airport revenue bonds, issued by various local municipalities. In general, each consortium lease agreement requires the consortium to make lease payments in amounts sufficient to pay the maturing principal and interest payments on the bonds. As of December 31, 2020, approximately $2.3 billion principal amount of such bonds were secured by significant fuel facility leases in which United participates, as to which United and each of the signatory airlines has provided indirect guarantees of the debt. As of December 31, 2020, the Company's contingent exposure was approximately $293 million principal amount of such bonds based on its recent consortia participation. The Company's contingent exposure could increase if the participation of other air carriers decreases. The guarantees will expire when the tax-exempt bonds are paid in full, which ranges from 2022 to 2051. The Company did not record a liability at the time these indirect guarantees were made.

Increased Cost Provisions. In United's financing transactions that include loans in which United is the borrower, United 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 with respect to which the interest rate is based on LIBOR, for certain other increased costs that the lenders incur in carrying these loans as a result of any change in law, subject, in most cases, to obligations of the lenders to take certain limited steps to mitigate the requirement for, or the amount of, such increased costs. At December 31, 2020, the Company had $9.8 billion of floating 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 $8.3 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.

Critical Accounting Policies

Critical accounting policies are defined as those that are affected by significant judgments and uncertainties which potentially could result in materially different accounting under different assumptions and conditions. The Company has prepared the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates under different assumptions or conditions. The Company has identified the following critical accounting policies that impact the preparation of the financial statements.

Revenue Recognition. Passenger revenue is recognized when transportation is provided. Passenger tickets and related ancillary services sold by the Company for flights are purchased primarily via credit card transactions, with payments collected by the Company in advance of the performance of related services. The Company initially records ticket sales in its Advance ticket sales liability, deferring revenue recognition until the travel occurs. For travel that has more than one flight segment, the Company deems each segment as a separate performance obligation and recognizes revenue for each segment as travel occurs. Tickets sold by other airlines where the Company provides the transportation are recognized as passenger revenue at the estimated value to be billed to the other airline when travel is provided. Differences between amounts billed and the actual amounts may be rejected and rebilled or written off if the amount recorded was different from the original estimate. When necessary, the Company records a reserve against its billings and payables with other airlines based on historical experience.

The Company sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, the Company has determined that it is acting as an agent on behalf of the other airlines as they are responsible for their portion of the contract (i.e. transportation of the passenger). The Company, as the agent, recognizes revenue within Other operating revenue at the time of the travel for the net amount representing commission to be retained by the Company for any segments flown by other airlines.

Advance ticket sales represent the Company's liability to provide air transportation in the future. All tickets sold at any given point of time have travel dates extending up to 12 months. The Company defers amounts related to future travel in its Advance ticket sales liability account. The Company's Advance ticket sales liability also includes credits issued to customers on ETCs and FFCs, primarily for ticket cancellations, which can be applied towards a purchase of a new ticket. In April 2020, due to the COVID-19 pandemic, the Company extended the expiration dates of ETCs from 12 months from the date of issuance to 24 months from the date of issuance and extended the expiration of FFCs for tickets issued between May 1, 2019 and March 31, 2020 to 24 months from the original issue date. On February 24, 2021, the Company extended the expiration dates for all tickets issued between May 1, 2019 and March 31, 2021 to March 31, 2022. As of December 31, 2020, the Company's Advance ticket sales liability included $3.1 billion related to these credits.

The Company records breakage revenue on the travel date for its estimate of tickets that will expire unused. To determine breakage, the Company uses its historical experience with refundable and nonrefundable expired tickets and other facts, such as recent aging trends, program changes and modifications that could affect the ultimate expiration patterns of tickets. The Company continues to use its historical experience and most recent trends and program changes to estimate its breakage. The Company will update its breakage estimates as future information is received. Given the uncertainty of travel demand caused by COVID-19, a significant portion of the $3.1 billion related to the ETCs and FFCs may expire unused in future periods and get recognized as breakage. Also, the Company is unable to estimate the amount of the ETCs and FFCs that will be used within the next 12 months and has classified the entire amount of the Advanced ticket liability in current liabilities even though some of the ETCs and FFCs could be used after the next 12 months.

Frequent Flyer Accounting. United's MileagePlus loyalty program builds customer loyalty by offering awards, benefits and services to program participants. Members in this program earn miles for travel on United, United Express, Star Alliance members and certain other airlines that participate in the program. Members can also earn miles by purchasing goods and services from our network of non-airline partners. We have contracts to sell miles to these partners with the terms extending from one to nine years. These partners include domestic and international credit card issuers, retail merchants, hotels, car rental companies and our participating airline partners. Miles can be redeemed for free (other than taxes and government-imposed fees), discounted or upgraded air travel and non-travel awards.

Co-Brand Agreement. During 2020, the Company entered into a Third Amended and Restated Co-Branded Card Marketing Services Agreement (as amended from time to time, the "Co-Brand Agreement") with its co-branded credit card partner Chase. The Co-Brand Agreement extended the term of the agreement into 2029 and modified certain other terms, resulting in a different allocation among the separately identifiable performance obligations. Chase awards miles to MileagePlus members based on their credit card activity. United identified the following significant separately identifiable performance obligations in the Co-Brand Agreement:

- MileagePlus miles awarded – United has a performance obligation to provide MileagePlus cardholders with miles to be used for air travel and non-travel award redemptions. The Company records Passenger revenue related to the travel awards when the transportation is provided and records Other revenue related to the non-travel awards when the goods or services are delivered. The Company records the cost associated with non-travel awards in Other operating revenue, as an agent.
- Marketing – United has a performance obligation to provide Chase access to United's customer list and the use of United's brand. Marketing revenue is recorded to Other operating revenue as miles are delivered to Chase.
- Advertising – United has a performance obligation to provide advertising in support of the MileagePlus card in various customer contact points such as United's website, email promotions, direct mail campaigns, airport advertising and in-flight advertising. Advertising revenue is recorded to Other operating revenue as miles are delivered to Chase.
- Other travel-related benefits – United's performance obligations are comprised of various items such as waived bag fees, seat upgrades and lounge passes. Lounge passes are recorded to Other operating revenue as customers use the lounge passes. Bag fees and seat upgrades are recorded to Passenger revenue at the time of the associated travel.

We account for all the payments received (including monthly and one-time payments) under the Co-Brand Agreement by allocating them to the separately identifiable performance obligations. The fair value of the separately identifiable performance obligations is determined using management's estimated selling price of each component. The objective of using the estimated selling price based methodology is to determine the price at which we would transact a sale if the product or service were sold on a stand-alone basis. Accordingly, we determine our best estimate of selling price by considering multiple inputs and methods including, but not limited to, discounted cash flows, brand value, volume discounts, published selling prices, number of miles awarded and number of miles redeemed. The Company estimated the selling prices and volumes over the term of the Co-Brand Agreement in order to determine the allocation of proceeds to each of the components to be delivered. We also evaluate volumes on an annual basis, which may result in a change in the allocation of the estimated consideration from the Co-Brand Agreement on a prospective basis.

Indefinite-lived intangible assets. The Company has indefinite-lived intangible assets, including goodwill. Goodwill and indefinite-lived intangible assets are not amortized but are reviewed for impairment on an annual basis as of October 1, or on an interim basis whenever a triggering event occurs. An impairment occurs when the fair value of an intangible asset is less than its carrying value. The Company determines the fair value using a variation of the income approach known as the excess earnings method, which discounts an asset's projected future net cash flows to determine the current fair value. Assumptions used in the discounted cash flow methodology include a discount rate, which is based upon the Company's current weighted average cost of capital plus an asset-specific risk factor, and a projection of sales, expenses, gross margin, tax rates and contributory asset charges for several future years and a terminal growth rate. The assumptions used for future projections are determined based upon the Company's asset-specific forecasts along with the Company's strategic plan. These assumptions are inherently uncertain as they relate to future events and circumstances. Actual results will be influenced by the competitive environment, fuel costs and other expenses, and potentially other unforeseen events or circumstances that could have a material impact on future results. In light of the ongoing impact of the COVID-19 pandemic on both the U.S. and global economies, the significant, sustained impact on the demand for travel and government policies that restrict air travel, the exact timing of the recovery from the COVID-19 pandemic, and the speed at which such recovery could occur, continues to remain uncertain and could result in additional impairment charges in the future. We expect to continue to modify our cost management structure and capacity as the timing of demand recovery becomes more certain.

As a result of the impairment assessments, the Company recorded impairment charges of $130 million during 2020 for its China routes which was primarily caused by the COVID-19 pandemic, the Company's subsequent suspension of flights to China and a further delay in the expected return of full capacity to the China markets. Based on our assessment at year-end, a 10% decline in the fair value of our China routes would not have resulted in an incremental impairment.

See Note 1 and 14 to the financial statements included in Part II, Item 8 of this report for additional information.

Tax valuation allowance. A tax valuation allowance is recognized if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company's management assesses available positive and negative evidence regarding the Company's ability to realize its deferred tax assets and records a valuation allowance when it is more likely than not that deferred tax assets will not be realized. In order to form a conclusion, management considers positive evidence in the form of taxable income in prior carryback years, reversing temporary differences, tax planning strategies and projections of future taxable income during the periods in which those temporary differences become deductible, as well as negative evidence such as historical losses. Although the Company was in a cumulative loss position at the end of 2020, management determined that the 2020 results were not indicative of future results due to the impact of the COVID-19 pandemic on its operations. The Company concluded that the positive evidence outweighs the negative evidence, primarily driven by the approval and distribution of COVID-19 vaccines as well as increased confidence with the timing of the recovery. The Company has $6.6

billion of deferred tax assets, of which $2.3 billion are attributable to federal net operating losses ("NOLs") at December 31, 2020. The majority of the NOLs do not expire and the Company expects to recognize the NOLs through the reversal of existing deferred tax liabilities of $6.5 billion and projected future taxable income. Therefore, we have not recorded a valuation allowance on our deferred tax assets other than the capital loss carryforwards and state attributes that have short expiration periods. While the Company expects to generate sufficient future profits to fully utilize these NOLs, the Company may have to record a valuation allowance against its NOLs if it is unable to generate sufficient taxable income in future periods. Recording a valuation allowance against our NOLs would not impact our ability to use them. However, our ability to use NOLs may be significantly limited due to various circumstances, as discussed in more detail in Part I, Item 1A. Risk Factors—"The Company's ability to use its net operating loss carryforwards and certain other tax attributes to offset future taxable income for U.S. federal income tax purposes may be significantly limited due to various circumstances, including certain possible future transactions involving the sale or issuance of UAL common stock, or if taxable income does not reach sufficient levels." Assumptions about our future taxable income are consistent with the plans and estimates used to manage our business.

Management will continue to evaluate future financial performance to determine whether such performance is both sustained and significant enough to provide sufficient evidence to support not recording a valuation allowance on these NOLs. Any reduction in estimated future taxable income may require additional valuation allowance against the deferred tax assets, which could be material.

As of December 31, 2020, the Company has recorded $185 million of valuation allowance against its capital loss deferred tax assets. Capital losses have a limited carryforward period of five years, and they can be utilized only to the extent of capital gains. The Company does not anticipate generating sufficient capital gains to utilize the losses before they expire, therefore, a valuation allowance is necessary as of December 31, 2020. Additionally, the Company recorded a valuation allowance of $62 million on the state NOL and state tax credit deferred tax assets primarily due to utilization limitations resulting from a prior ownership change.

Forward-Looking Information

Certain statements throughout Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations, and elsewhere in this report are forward-looking and thus reflect the Company's current expectations and beliefs with respect to certain current and future events and anticipated financial and operating performance. Such forward-looking statements are and will be subject to many risks and uncertainties relating to the Company's 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," "remains," "believes," "estimates," "forecast," "guidance," "outlook," "goals", "targets" 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: the duration and spread of the ongoing global COVID-19 pandemic and the outbreak of any other disease or similar public health threat and the impact on our business, results of operations and financial condition; the lenders' ability to accelerate the MileagePlus indebtedness, foreclose upon the collateral securing the MileagePlus indebtedness or exercise other remedies if we are not able to comply with the covenants in the MileagePlus financing agreements; the effects of borrowing pursuant to the Loan Program under the CARES Act and the effects of the grant and promissory note through the Payroll Support Program under the CARES Act; the costs and availability of financing; our significant amount of financial leverage from fixed obligations and ability to seek additional liquidity and maintain adequate liquidity; our ability to comply with the terms of our various financing arrangements; our ability to utilize our net operating losses to offset future taxable income; the material disruption of our strategic operating plan as a result of the COVID-19 pandemic and our ability to execute our strategic operating plans in the long term; general economic conditions (including interest rates, foreign currency exchange rates, investment or credit market conditions, crude oil prices, costs of aircraft fuel and energy refining capacity in relevant markets); risks of doing business globally, including instability and political developments that may impact our operations in certain countries; demand for travel and the impact that global economic and political conditions have on customer travel patterns; our capacity decisions and the capacity decisions of our competitors; competitive pressures on pricing and on demand; changes in aircraft fuel prices; disruptions in our supply of aircraft fuel; our ability to cost-effectively hedge against increases in the price of aircraft fuel, if we decide to do so; the effects of any technology failures or cybersecurity or significant data breaches; disruptions to services provided by third-party service providers; potential reputational or other impact from adverse events involving our aircraft or operations, the aircraft or operations of our regional carriers or our code share partners or the

aircraft or operations of another airline; our ability to attract and retain customers; the effects of any terrorist attacks, international hostilities or other security events, or the fear of such events; the mandatory grounding of aircraft in our fleet; disruptions to our regional network as a result of the COVID-19 pandemic or otherwise; the impact of regulatory, investigative and legal proceedings and legal compliance risks; the success of our investments in other airlines, including in other parts of the world, which involve significant challenges and risks, particularly given the impact of the COVID-19 pandemic; industry consolidation or changes in airline alliances; 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; costs associated with any modification or termination of our aircraft orders; disruptions in the availability of aircraft, parts or support from our suppliers; our ability to maintain satisfactory labor relations and the results of any collective bargaining agreement process with our union groups; any disruptions to operations due to any potential actions by our labor groups; labor costs; the impact of any management changes; extended interruptions or disruptions in service at major airports where we operate; U.S. or foreign governmental legislation, regulation and other actions (including Open Skies agreements, environmental regulations and the United Kingdom's withdrawal from the European Union); the seasonality of the airline industry; weather conditions; the costs and availability of aviation and other insurance; our ability to realize the full value of our intangible assets and long-lived assets; any impact to our reputation or brand image and other risks and uncertainties set forth under Part I, Item 1A. Risk Factors, of this report, as well as other risks and uncertainties set forth from time to time in the reports we file with the SEC.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Interest Rates. Our net income is affected by fluctuations in interest rates (e.g. interest expense on variable rate debt and interest income earned on short-term investments). The Company's policy is to manage interest rate risk through a combination of fixed and variable rate debt. The following table summarizes information related to the Company's interest rate market risk at December 31 (in millions):

	2020	2019
Variable rate debt		
Carrying value of variable rate debt at December 31	$ 9,533	$ 3,408
Impact of 100 basis point increase on projected interest expense for the following year	81	33
Fixed rate debt		
Carrying value of fixed rate debt at December 31	17,214	11,144
Fair value of fixed rate debt at December 31	19,273	11,736
Impact of 100 basis point increase in market rates on fair value	(709)	(458)

As most recently announced on November 30, 2020, LIBOR is expected to be phased out starting on January 1, 2022 for the one-week and two-month USD LIBOR settings and starting on July 1, 2023 for the remaining USD LIBOR settings. Uncertainty as to the nature of alternative reference rates and as to potential changes or other reforms to LIBOR may adversely impact our interest rates and related interest expense. As of December 31, 2020, the Company had $9.5 billion in variable rate indebtedness. See Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Other Liquidity Matters, of this report for more information on interest expense.

A change in market interest rates would also impact interest income earned on our cash, cash equivalents and short-term investments. Assuming our cash, cash equivalents and short-term investments remain at their average 2020 levels, a 100 basis point increase in interest rates would result in a corresponding increase in the Company's interest income of approximately $95 million during 2021.

Commodity Price Risk (Aircraft Fuel). The price of aircraft fuel can significantly affect the Company's operations, results of operations, financial position and liquidity.

Our operational and financial results can be significantly impacted by changes in the price and availability of aircraft fuel. To provide adequate supplies of fuel, the Company routinely enters into purchase contracts that are customarily indexed to market prices for aircraft fuel, and the Company generally has some ability to cover short-term fuel supply and infrastructure disruptions at some major demand locations. The Company's current strategy is to not enter into transactions to hedge fuel price volatility, although the Company regularly reviews its policy based on market conditions and other factors. The Company's 2021 forecasted fuel consumption is presently approximately 2.1 billion gallons, and based on this forecast, a one-dollar change in the price of a barrel of crude oil would change the Company's annual fuel expense by approximately $49 million.

Foreign Currency. 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. The Company's current strategy is to not enter into transactions to hedge its foreign currency sales, although the Company regularly reviews its policy based on market conditions and other factors.

The result of a uniform 1% strengthening in the value of the U.S. dollar from December 31, 2020 levels relative to each of the currencies in which the Company has foreign currency exposure would result in a decrease in pre-tax income of approximately $10 million for the year ending December 31, 2021. This sensitivity analysis was prepared based upon projected 2021 foreign currency-denominated revenues and expenses as of December 31, 2020.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of United Airlines Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of United Airlines Holdings, Inc. (the "Company") as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive income (loss), cash flows, and stockholders' equity for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 1, 2021, expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Indefinite-lived Intangible Asset (China Route Authorities) Impairment Analysis

Description of the matter

At December 31, 2020, the Company's China route authorities indefinite-lived intangible asset had a carrying value of approximately $1.0 billion. As discussed in Note 1 of the consolidated financial statements, indefinite-lived assets are reviewed for impairment on an annual basis as of October 1, or on an interim basis whenever a triggering event occurs. As discussed in Note 14 of the consolidated financial statements, the Company recorded a $130 million interim impairment charge related to this intangible asset.

Auditing management's annual China route authorities indefinite-lived intangibles impairment test was complex and judgmental due to the significant estimation required in determining the fair value. The fair value estimate was sensitive to significant assumptions such as revenue growth rate, operating margin and the discount rate, each of which is affected by expectations about future market or economic conditions. As a result of the subjectivity of the assumptions, adverse changes to management's estimates could reduce the underlying cash flows used to estimate fair value and trigger impairment charges.

How we addressed the matter in our audit

We tested the Company's design and operating effectiveness of internal controls that address the risk of material misstatement relating to the estimate of fair value of route authorities used in the annual and interim impairment tests. This included testing controls over management's review of the significant assumptions used in the discounted cash flow methodology, including revenue growth rate, operating margin and the discount rate.

To test the estimated fair value of the Company's China route authorities indefinite-lived intangible, we performed audit procedures that included, among others, assessing the fair value methodology used by management and evaluating the significant assumptions used in the valuation models. We compared significant assumptions to current industry, market and economic trends, and to the Company's historical results. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the intangible asset that would result from changes in assumptions. We also involved a valuation specialist to assist in our evaluation of the Company's valuation methodology and discount rates.

Deferred Tax Assets—Valuation Allowance

Description of the matter

As more fully described in Note 6 to the consolidated financial statements, at December 31, 2020, the Company had deferred tax assets of $6.6 billion. In addition, the Company had deferred tax liabilities of $6.5 billion. Deferred tax assets are reduced by a valuation allowance if, based on the weight of all available evidence, in management’s judgment it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

Auditing management's assessment of the realizability of its deferred tax assets involved complex auditor judgment because management's estimate is highly judgmental and based on significant assumptions that may be affected by future market or economic conditions.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that address the risks of material misstatement relating to the realizability of deferred tax assets. This included controls over management's scheduling of the future reversal of existing taxable temporary differences (deferred tax liabilities) and projections of future taxable income.

Among other audit procedures performed, we tested the Company's scheduling of the reversal of existing temporary taxable differences and tested the underlying data used to schedule the reversals. We evaluated the assumptions used by the Company to develop projections of future taxable income and tested the completeness and accuracy of the underlying data used in its projections. For example, we compared the projections of future taxable income with the actual results of prior periods, as well as management's consideration of current industry and economic trends.

Frequent Flyer Accounting – Co-Brand Agreement

Description of the matter

At December 31, 2020, the Company's frequent flyer deferred revenue liability was $6.0 billion. For the year ended December 31, 2020, the Company recognized revenue of $568 million classified as travel miles redeemed within passenger revenue, revenue of $69 million classified as non-travel miles redeemed within other operating revenue and revenue of $1.7 billion associated with various partner agreements including, but not limited to, the JPMorgan Chase Bank, N.A. ("Chase") co-brand agreement, classified as other operating revenue in the consolidated statement of operations. As disclosed in Note 1 to the consolidated financial statements, effective January 1, 2020, the Company amended its co-brand agreement with Chase. The Company allocates the consideration received from Chase based on its best estimate of the relative selling price of the products and services delivered, including the use of the Company's brand.

Auditing the Company's accounting for its co-brand agreement with Chase was complex and highly judgmental due to the significant estimation required in determining the selling price of the Company's brand deliverable primarily resulting from the absence of observable standalone selling prices. A change in the estimated selling price of the brand deliverable could have a material impact on the deferred revenue balance and the timing of revenue recognition.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for its co-brand agreement with Chase, including controls specific to the estimated selling price of the Company's brand deliverable and the completeness and accuracy of the data underlying the brand deliverable estimate.

To test the estimated selling price of the brand deliverable, our audit procedures included, among others, involving a valuation specialist to assist in testing the method used to develop the selling price of the Company's brand deliverable, and assessing the reasonableness of the inputs used to develop the estimate, which included corroborating those inputs to publicly available data. Additionally, we performed sensitivity analyses to evaluate the changes to the Company's deferred revenue that would result from changes in the estimated standalone selling price of the Company's brand deliverable.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2009.

Chicago, Illinois
March 1, 2021

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholder and the Board of Directors of United Airlines, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of United Airlines, Inc. (the "Company") as of December 31, 2020 and 2019, and the related consolidated statements of operations, comprehensive income (loss), cash flows, and stockholder's equity, for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of the Company's internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Indefinite-lived Intangible Asset (China Route Authorities) Impairment Analysis

Description of the matter

At December 31, 2020, the Company's China route authorities indefinite-lived intangible asset had a carrying value of approximately $1.0 billion. As discussed in Note 1 of the consolidated financial statements, indefinite-lived assets are reviewed for impairment on an annual basis as of October 1, or on an interim basis whenever a triggering event occurs. As discussed in Note 14 of the consolidated financial statements, the Company recorded a $130 million interim impairment charge related to this intangible asset.

Auditing management's annual China route authorities indefinite-lived intangible impairment test was complex and judgmental due to the significant estimation required in determining the fair value. The fair value estimate was sensitive to significant assumptions such as revenue growth rate, operating margin and the discount rate, each of which is affected by expectations about future market or economic conditions. As a result of the subjectivity of the assumptions, adverse changes to management's estimates could reduce the underlying cash flows used to estimate fair value and trigger impairment charges.

How we addressed the matter in our audit

We tested the Company's design and operating effectiveness of internal controls that address the risk of material misstatement relating to the estimate of fair value of route authorities used in the annual and interim impairment tests. This included testing controls over management's review of the significant assumptions used in the discounted cash flow methodology, including revenue growth rate, operating margin and the discount rate.

To test the estimated fair value of the Company's China route authorities indefinite-lived intangible, we performed audit procedures that included, among others, assessing the fair value methodology used by management and evaluating the significant assumptions used in the valuation model. We compared significant assumptions to current industry, market and economic trends, and to the Company's historical results. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the intangible asset that would result from changes in assumptions. We also involved a valuation specialist to assist in our evaluation of the Company's valuation methodology and discount rates.

Deferred Tax Assets - Valuation Allowance

Description of the matter

As more fully described in Note 6 to the consolidated financial statements, at December 31, 2020, the Company had deferred tax assets of $6.6 billion. In addition, the Company had deferred tax liabilities of $6.5 billion. Deferred tax assets are reduced by a valuation allowance if, based on the weight of all available evidence, in management's judgment it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

Auditing management's assessment of the realizability of its deferred tax assets involved complex auditor judgment because management's estimate is highly judgmental and based on significant assumptions that may be affected by future market or economic conditions.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls that address the risks of material misstatement relating to the realizability of deferred tax assets. This included controls over management's scheduling of the future reversal of existing taxable temporary differences (deferred tax liabilities) and projections of future taxable income.

Among other audit procedures performed, we tested the Company's scheduling of the reversal of existing temporary taxable differences and tested the underlying data used to schedule the reversals. We evaluated the assumptions used by the Company to develop projections of future taxable income and tested the completeness and accuracy of the underlying data used in its projections. For example, we compared the projections of future taxable income with the actual results of prior periods, as well as management's consideration of current industry and economic trends.

Frequent Flyer Accounting – Co-Brand Agreement

Description of the matter

At December 31, 2020, the Company's frequent flyer deferred revenue liability was $6.0 billion. For the year ended December 31, 2020, the Company recognized revenue of 568 million classified as travel miles redeemed within passenger revenue, revenue of $69 million classified as non-travel miles redeemed within other operating revenue and revenue of $1.7 billion associated with various partner agreements including, but not limited to, the JPMorgan Chase Bank, N.A. ("Chase") co-brand agreement, classified as other operating revenue in the consolidated statement of operations. As disclosed in Note 1 to the consolidated financial statements, effective January 1, 2020, the Company amended its co-brand agreement with Chase. The Company allocates the consideration received from Chase based on its best estimate of the relative selling price of the products and services delivered, including the use of the Company's brand.

Auditing the Company's accounting for its co-brand agreement with Chase was complex and highly judgmental due to the significant estimation required in determining the selling price of the Company's brand deliverable primarily resulting from the absence of observable standalone selling prices. A change in the estimated selling price of the brand deliverable could have a material impact on the deferred revenue balance and the timing of revenue recognition.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's accounting for its co-brand agreement with Chase, including controls specific to the estimated selling price of the Company's brand deliverable and the completeness and accuracy of the data underlying the brand deliverable estimate.

To test the estimated selling price of the brand deliverable, our audit procedures included, among others, involving a valuation specialist to assist in testing the method used to develop the selling price of the Company's brand deliverable, and assessing the reasonableness of the inputs used to develop the estimate, which included corroborating those inputs to publicly available data. Additionally, we performed sensitivity analyses to evaluate the changes to the Company's deferred revenue that would result from changes in the estimated standalone selling price of the Company's brand deliverable.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2009.

Chicago, Illinois
March 1, 2021

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

	Year Ended December 31,		
	2020	**2019**	**2018**
Operating revenue:			
Passenger revenue	$ 11,805	$ 39,625	$ 37,706
Cargo	1,648	1,179	1,237
Other operating revenue	1,902	2,455	2,360
Total operating revenue	15,355	43,259	41,303
Operating expense:			
Salaries and related costs	9,522	12,071	11,458
Aircraft fuel	3,153	8,953	9,307
Depreciation and amortization	2,488	2,288	2,165
Landing fees and other rent	2,127	2,543	2,449
Regional capacity purchase	2,039	2,849	2,649
Aircraft maintenance materials and outside repairs	858	1,794	1,767
Distribution expenses	459	1,651	1,558
Aircraft rent	198	288	433
Special charges (credit)	(2,616)	246	487
Other operating expenses	3,486	6,275	5,801
Total operating expense	21,714	38,958	38,074
Operating income (loss)	(6,359)	4,301	3,229
Nonoperating income (expense):			
Interest expense	(1,063)	(731)	(670)
Interest capitalized	71	85	65
Interest income	50	133	101
Unrealized gains (losses) on investments, net	(194)	153	(5)
Miscellaneous, net	(1,327)	(27)	(72)
Total nonoperating expense, net	(2,463)	(387)	(581)
Income (loss) before income taxes	(8,822)	3,914	2,648
Income tax expense (benefit)	(1,753)	905	526
Net income (loss)	$ (7,069)	$ 3,009	$ 2,122
Earnings (loss) per share, basic	$ (25.30)	$ 11.63	$ 7.70
Earnings (loss) per share, diluted	$ (25.30)	$ 11.58	$ 7.67

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

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

	Year Ended December 31,		
	2020	**2019**	**2018**
Net income (loss)	$ (7,069)	$ 3,009	$ 2,122
Other comprehensive income (loss), net of tax:			
Employee benefit plans	(421)	80	342
Investments and other	—	5	(4)
Total other comprehensive income (loss), net of tax	(421)	85	338
Total comprehensive income (loss), net	$ (7,490)	$ 3,094	$ 2,460

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

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

	At December 31,	
ASSETS	**2020**	**2019**
Current assets:		
Cash and cash equivalents	$ 11,269	$ 2,762
Short-term investments	414	2,182
Restricted cash	255	—
Receivables, less allowance for credit losses (2020—$78; 2019—$9)	1,295	1,364
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2020—$478; 2019—$425)	932	1,072
Prepaid expenses and other	635	814
Total current assets	14,800	8,194
Operating property and equipment:		
Flight equipment	38,218	35,421
Other property and equipment	8,511	7,926
Purchase deposits for flight equipment	1,166	1,360
Total operating property and equipment	47,895	44,707
Less—Accumulated depreciation and amortization	(16,429)	(14,537)
Total operating property and equipment, net	31,466	30,170
Operating lease right-of-use assets	4,537	4,758
Other assets:		
Goodwill	4,527	4,523
Intangibles, less accumulated amortization (2020—$1,495; 2019—$1,440)	2,838	3,009
Restricted cash	218	106
Deferred income taxes	131	—
Notes receivable, less allowance for credit losses (2020—$522)	31	671
Investments in affiliates and other, net	1,000	1,180
Total other assets	8,745	9,489
Total assets	$ 59,548	$ 52,611

(continued on next page)

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

	At December 31,	
LIABILITIES AND STOCKHOLDERS' EQUITY	**2020**	**2019**
Current liabilities:		
Accounts payable	$ 1,595	$ 2,703
Accrued salaries and benefits	1,960	2,271
Advance ticket sales	4,833	4,819
Frequent flyer deferred revenue	908	2,440
Current maturities of long-term debt	1,911	1,407
Current maturities of operating leases	612	686
Current maturities of finance leases	182	46
Other	724	566
Total current liabilities	12,725	14,938
Long-term debt	24,836	13,145
Long-term obligations under operating leases	4,986	4,946
Long-term obligations under finance leases	224	220
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	5,067	2,836
Pension liability	2,460	1,446
Postretirement benefit liability	994	789
Deferred income taxes	—	1,736
Other financial liabilities from sale-leasebacks	1,140	—
Other	1,156	1,024
Total other liabilities and deferred credits	10,817	7,831
Commitments and contingencies		
Stockholders' equity:		
Preferred stock	—	—
Common stock at par, $0.01 par value; authorized 1,000,000,000 shares; outstanding 311,845,232 and 251,216,381 shares at December 31, 2020 and 2019, respectively	4	3
Additional capital invested	8,366	6,129
Stock held in treasury, at cost	(3,897)	(3,599)
Retained earnings	2,626	9,716
Accumulated other comprehensive loss	(1,139)	(718)
Total stockholders' equity	5,960	11,531
Total liabilities and stockholders' equity	$ 59,548	$ 52,611

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

UNITED AIRLINES HOLDINGS, INC.
STATEMENTS OF CONSOLIDATED CASH FLOWS
(In millions)

	Year Ended December 31,		
	2020	**2019**	**2018**
Operating Activities:			
Net income (loss)	$ (7,069)	$ 3,009	$ 2,122
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities -			
Deferred income tax (benefit)	(1,741)	882	512
Depreciation and amortization	2,488	2,288	2,165
Operating and non-operating special charges, non-cash portion	1,448	175	416
Unrealized (gains) losses on investments	194	(153)	5
Other operating activities	320	185	161
Changes in operating assets and liabilities -			
Decrease in receivables	135	44	17
(Increase) decrease in other assets	484	(252)	265
Increase in advance ticket sales	14	438	441
Increase in frequent flyer deferred revenue	699	271	222
Increase (decrease) in accounts payable	(1,079)	324	130
Decrease in other liabilities	(26)	(302)	(292)
Net cash provided by (used in) operating activities	(4,133)	6,909	6,164
Investing Activities:			
Capital expenditures, net of flight equipment purchase deposit returns	(1,727)	(4,528)	(4,070)
Purchases of short-term and other investments	(552)	(2,897)	(2,552)
Proceeds from sale of short-term and other investments	2,319	2,996	2,616
Loans made to others	—	(174)	(466)
Investment in affiliates	—	(36)	(139)
Other, net	10	79	156
Net cash provided by (used in) investing activities	50	(4,560)	(4,455)
Financing Activities:			
Repurchases of common stock	(353)	(1,645)	(1,235)
Proceeds from issuance of debt	16,044	1,847	1,594
Proceeds from equity issuance	2,103	—	—
Payments of long-term debt	(4,383)	(1,240)	(1,727)
Principal payments under finance leases	(66)	(151)	(79)
Capitalized financing costs	(368)	(61)	(37)
Other, net	(20)	(30)	(17)
Net cash provided by (used in) financing activities	12,957	(1,280)	(1,501)
Net increase in cash, cash equivalents and restricted cash	8,874	1,069	208
Cash, cash equivalents and restricted cash at beginning of year	2,868	1,799	1,591
Cash, cash equivalents and restricted cash at end of year	$ 11,742	$ 2,868	$ 1,799
Investing and Financing Activities Not Affecting Cash:			
Property and equipment acquired through the issuance of debt, finance leases and other	$ 1,968	$ 515	$ 160
Lease modifications and lease conversions	527	(2)	52
Right-of-use assets acquired through operating leases	198	498	663
Capacity purchase agreement liability converted to debt	33	—	—
Debt associated with termination of a maintenance service agreement	—	—	163
Cash Paid (Refunded) During the Period for:			
Interest	$ 874	$ 648	$ 651
Income taxes	(29)	29	19

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

UNITED AIRLINES HOLDINGS, INC.
STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY
(In millions)

	Common Stock		Additional Capital Invested	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Shares	Amount					
Balance at December 31, 2017	287.0	$ 3	$ 6,098	$ (769)	$ 4,603	$ (1,147)	$ 8,788
Net income	—	—	—	—	2,122	—	2,122
Other comprehensive income	—	—	—	—	—	338	338
Stock-settled share-based compensation	—	—	60	—	—	—	60
Repurchases of common stock	(17.5)	—	—	(1,250)	—	—	(1,250)
Net treasury stock issued for share-based awards	0.4	—	(38)	26	(4)	—	(16)
Adoption of accounting standard related to equity investments	—	—	—	—	(6)	6	—
Balance at December 31, 2018	269.9	3	6,120	(1,993)	6,715	(803)	10,042
Net income	—	—	—	—	3,009	—	3,009
Other comprehensive income	—	—	—	—	—	85	85
Stock-settled share-based compensation	—	—	66	—	—	—	66
Repurchases of common stock	(19.2)	—	—	(1,641)	—	—	(1,641)
Net treasury stock issued for share-based awards	0.5	—	(57)	35	(8)	—	(30)
Balance at December 31, 2019	251.2	3	6,129	(3,599)	9,716	(718)	11,531
Net loss	—	—	—	—	(7,069)	—	(7,069)
Other comprehensive loss	—	—	—	—	—	(421)	(421)
Stock-settled share-based compensation	—	—	97	—	—	—	97
Sale of common stock	64.6	1	2,102	—	—	—	2,103
Repurchases of common stock	(4.4)	—	—	(342)	—	—	(342)
Net treasury stock issued for share-based awards	0.4	—	(59)	44	(4)	—	(19)
Warrants issued	—	—	97	—	—	—	97
Adoption of new accounting standard (a)	—	—	—	—	(17)	—	(17)
Balance at December 31, 2020	311.8	$ 4	$ 8,366	$ (3,897)	$ 2,626	$ (1,139)	$ 5,960

(a) Transition adjustment due to the adoption of Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses*. See Note 1 to the financial statements contained in Part II, Item 8 of this report.

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

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

	Year Ended December 31,		
	2020	**2019**	**2018**
Operating revenue:			
Passenger revenue	$ 11,805	$ 39,625	$ 37,706
Cargo	1,648	1,179	1,237
Other operating revenue	1,902	2,455	2,360
Total operating revenue	15,355	43,259	41,303
Operating expense:			
Salaries and related costs	9,522	12,071	11,458
Aircraft fuel	3,153	8,953	9,307
Depreciation and amortization	2,488	2,288	2,165
Landing fees and other rent	2,127	2,543	2,449
Regional capacity purchase	2,039	2,849	2,649
Aircraft maintenance materials and outside repairs	858	1,794	1,767
Distribution expenses	459	1,651	1,558
Aircraft rent	198	288	433
Special charges (credit)	(2,616)	246	487
Other operating expenses	3,484	6,273	5,799
Total operating expense	21,712	38,956	38,072
Operating income (loss)	(6,357)	4,303	3,231
Nonoperating income (expense):			
Interest expense	(1,063)	(731)	(670)
Interest capitalized	71	85	65
Interest income	50	133	101
Unrealized gains (losses) on investments, net	(194)	153	(5)
Miscellaneous, net	(1,327)	(27)	(72)
Total nonoperating expense, net	(2,463)	(387)	(581)
Income (loss) before income taxes	(8,820)	3,916	2,650
Income tax expense (benefit)	(1,753)	905	527
Net income (loss)	$ (7,067)	$ 3,011	$ 2,123

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

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

	Year Ended December 31,		
	2020	**2019**	**2018**
Net income (loss)	$ (7,067)	$ 3,011	$ 2,123
Other comprehensive income (loss), net of tax:			
Employee benefit plans	(421)	80	342
Investments and other	—	5	(4)
Total other comprehensive income (loss), net of tax	(421)	85	338
Total comprehensive income (loss), net	$ (7,488)	$ 3,096	$ 2,461

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

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

	At December 31,	
ASSETS	**2020**	**2019**
Current assets:		
Cash and cash equivalents	$ 11,269	$ 2,756
Short-term investments	414	2,182
Restricted cash	255	—
Receivables, less allowance for credit losses (2020—$78; 2019—$9)	1,295	1,364
Aircraft fuel, spare parts and supplies, less obsolescence allowance (2020—$478; 2019—$425)	932	1,072
Prepaid expenses and other	635	814
Total current assets	14,800	8,188
Operating property and equipment:		
Flight equipment	38,218	35,421
Other property and equipment	8,511	7,926
Purchase deposits for flight equipment	1,166	1,360
Total operating property and equipment	47,895	44,707
Less—Accumulated depreciation and amortization	(16,429)	(14,537)
Total operating property and equipment, net	31,466	30,170
Operating lease right-of-use assets	4,537	4,758
Other assets:		
Goodwill	4,527	4,523
Intangibles, less accumulated amortization (2020—$1,495; 2019—$1,440)	2,838	3,009
Restricted cash	218	106
Deferred income taxes	103	—
Notes receivable, less allowance for credit losses (2020—$522)	31	671
Investments in affiliates and other, net	1,000	1,180
Total other assets	8,717	9,489
Total assets	$ 59,520	$ 52,605

(continued on next page)

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

	At December 31,	
LIABILITIES AND STOCKHOLDER'S EQUITY	**2020**	**2019**
Current liabilities:		
Accounts payable	$ 1,595	$ 2,703
Accrued salaries and benefits	1,960	2,271
Advance ticket sales	4,833	4,819
Frequent flyer deferred revenue	908	2,440
Current maturities of long-term debt	1,911	1,407
Current maturities of operating leases	612	686
Current maturities of finance leases	182	46
Other	728	571
Total current liabilities	12,729	14,943
Long-term debt	24,836	13,145
Long-term obligations under operating leases	4,986	4,946
Long-term obligations under finance leases	224	220
Other liabilities and deferred credits:		
Frequent flyer deferred revenue	5,067	2,836
Pension liability	2,460	1,446
Postretirement benefit liability	994	789
Deferred income taxes	—	1,763
Other financial liabilities from sale-leasebacks	1,140	—
Other	1,156	1,025
Total other liabilities and deferred credits	10,817	7,859
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 December 31, 2020 and 2019	—	—
Additional capital invested	85	—
Retained earnings	4,939	12,353
Accumulated other comprehensive loss	(1,139)	(718)
Payable to (receivable from) parent	2,043	(143)
Total stockholder's equity	5,928	11,492
Total liabilities and stockholder's equity	$ 59,520	$ 52,605

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

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

	Year Ended December 31,		
	2020	**2019**	**2018**
Operating Activities:			
Net income (loss)	$ (7,067)	$ 3,011	$ 2,123
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities -			
Deferred income tax (benefit)	(1,741)	882	513
Depreciation and amortization	2,488	2,288	2,165
Operating and non-operating special charges, non-cash portion	1,448	175	416
Unrealized (gains) losses on investments	194	(153)	5
Other operating activities	320	186	162
Changes in operating assets and liabilities -			
Decrease in receivables	135	44	17
Increase in intercompany receivables	(14)	(33)	(20)
(Increase) decrease in other assets	484	(252)	265
Increase in advance ticket sales	14	438	441
Increase in frequent flyer deferred revenue	699	271	222
Increase (decrease) in accounts payable	(1,079)	324	130
Decrease in other liabilities	(26)	(302)	(293)
Net cash provided by (used in) operating activities	(4,145)	6,879	6,146
Investing Activities:			
Capital expenditures, net of flight equipment purchase deposit returns	(1,727)	(4,528)	(4,070)
Purchases of short-term and other investments	(552)	(2,897)	(2,552)
Proceeds from sale of short-term and other investments	2,319	2,996	2,616
Loans made to others	—	(174)	(466)
Investment in affiliates	—	(36)	(139)
Other, net	10	79	156
Net cash provided by (used in) investing activities	50	(4,560)	(4,455)
Financing Activities:			
Proceeds from issuance of debt	16,044	1,847	1,594
Payments of long-term debt	(4,383)	(1,240)	(1,727)
Proceeds from issuance of parent company stock	2,103	—	—
Dividend to UAL	(353)	(1,645)	(1,235)
Principal payments under finance leases	(66)	(151)	(79)
Capitalized financing costs	(368)	(61)	(37)
Other, net	(2)	—	1
Net cash provided by (used in) financing activities	12,975	(1,250)	(1,483)
Net increase in cash, cash equivalents and restricted cash	8,880	1,069	208
Cash, cash equivalents and restricted cash at beginning of year	2,862	1,793	1,585
Cash, cash equivalents and restricted cash at end of year	$ 11,742	$ 2,862	$ 1,793
Investing and Financing Activities Not Affecting Cash:			
Property and equipment acquired through the issuance of debt, finance leases and other	$ 1,968	$ 515	$ 160
Lease modifications and lease conversions	527	(2)	52
Right-of-use assets acquired through operating leases	198	498	663
Capacity purchase agreement liability converted to debt	33	—	—
Debt associated with termination of a maintenance service agreement	—	—	163
Cash Paid (Refunded) During the Period for:			
Interest	$ 874	$ 648	$ 651
Income taxes	(29)	29	19

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

UNITED AIRLINES, INC.
STATEMENTS OF CONSOLIDATED STOCKHOLDER'S EQUITY
(In millions)

	Additional Capital Invested	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	(Receivable from) Payable to Related Parties, Net	Total
Balance at December 31, 2017	$ 1,787	$ 8,201	$ (1,147)	$ (90)	$ 8,751
Net income	—	2,123	—	—	2,123
Other comprehensive income	—	—	338	—	338
Dividend to UAL	(1,249)	—	—	—	(1,249)
Stock-settled share-based compensation	60	—	—	—	60
Other	—	(5)	6	(20)	(19)
Balance at December 31, 2018	598	10,319	(803)	(110)	10,004
Net income	—	3,011	—	—	3,011
Other comprehensive income	—	—	85	—	85
Dividend to UAL	(664)	(977)	—	—	(1,641)
Stock-settled share-based compensation	66	—	—	—	66
Other	—	—	—	(33)	(33)
Balance at December 31, 2019	—	12,353	(718)	(143)	11,492
Net loss	—	(7,067)	—	—	(7,067)
Other comprehensive loss	—	—	(421)	—	(421)
Dividend to UAL	(12)	(330)	—	—	(342)
Stock-settled share-based compensation	97	—	—	—	97
Adoption of new accounting standard (a)	—	(17)	—	—	(17)
Other (b)	—	—	—	2,186	2,186
Balance at December 31, 2020	$ 85	$ 4,939	$ (1,139)	$ 2,043	$ 5,928

(a) Transition adjustment due to the adoption of Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses*. See Note 1 to the financial statements contained in Part II, Item 8 of this report for additional information.
(b) Primarily relates to equity issuances of UAL common stock.

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

UNITED AIRLINES HOLDINGS, INC.

UNITED AIRLINES, INC.

COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Overview

United Airlines 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"). 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.

Recent Developments

The novel coronavirus (COVID-19) pandemic, together with the measures implemented or recommended by governmental authorities and private organizations in response to the pandemic, has had an adverse impact that has been material to the Company's business, operating results, financial condition and liquidity.

The Company began experiencing a significant decline in international and domestic demand related to COVID-19 during the first quarter of 2020. The decline in demand caused a material deterioration in our revenues in 2020, resulting in a net loss of $7.1 billion. The full extent of the ongoing impact of COVID-19 on the Company's longer-term operational and financial performance will depend on future developments, including those outside our control related to the efficacy and speed of vaccination programs in curbing the spread of the virus, the introduction and spread of new variants of the virus which may be resistant to currently approved vaccines, passenger testing requirements, mask mandates or other restrictions on travel, all of which are highly uncertain and cannot be predicted with certainty

In response to decreased demand, the Company cut, relative to 2019 capacity, approximately 57% of its scheduled capacity for 2020. In the first quarter of 2021, the Company expects scheduled capacity to be down at least 51% versus the first quarter of 2019. The Company plans to continue to proactively evaluate and cancel flights on a rolling 60-day basis until it sees signs of a recovery in demand and expects demand to remain suppressed, relative to 2019 levels, until vaccines for COVID-19 are widely distributed and are effective in curbing the spread of the virus. In addition, the Company does not currently expect the recovery from COVID-19 to follow a linear path. As such, the Company's actual flown capacity may differ materially from its currently scheduled capacity.

The Company has taken a number of actions in response to the decreased demand for air travel. In addition to the schedule reductions discussed above, the Company has:

- reduced its planned capital expenditures and reduced operating expenditures in 2020 (including by postponing projects deemed non-critical to the Company's operations);
- terminated its share repurchase program;
- issued or entered into approximately $13.4 billion in new secured notes, secured term loan facilities and new aircraft financings in 2020, including short term borrowings that were paid in 2020;
- borrowed $1.0 billion under the $2.0 billion revolving credit facility established under the Amended and Restated Credit and Guaranty Agreement (the "Credit Agreement");
- availed itself of financial assistance and/or financing made available by the U.S. Treasury Department ("Treasury"), as further described below;
- raised approximately $2.1 billion in cash proceeds from the issuance and sale of UAL common stock in 2020;
- entered into agreements to finance certain aircraft currently subject to purchase agreements through sale and leaseback transactions;
- elected to defer the payment of $199 million in payroll taxes incurred through December 31, 2020, as provided by the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), until December 2021, at which time 50% is due, with the remaining amount due December 2022; and

- taken a number of actions to reduce employee-related costs, including, among other items, the Company's Chief Executive Officer and President waived 100% of their respective base salaries through the end of 2020, other officers temporarily waived a portion of their base salaries, the Company's non-employee directors waived 100% of their cash compensation for the second and third quarters of 2020, the Company suspended merit salary increases for 2020 and implemented a temporary four-day work week for management and administrative employees and the Company offered voluntary unpaid leaves of absence. The Company also entered into an agreement with its pilots to distribute fewer flight hours to a larger number of pilots, while also reaching agreements to provide a path to early retirement and reduce expense through voluntary leave of absence programs.

In addition, and as announced in July 2020, the Company started the involuntary furlough process by issuing Worker Adjustment and Retraining Notification ("WARN") Act notices to 36,000 of its employees. Since then, the Company worked to reduce the total number of furloughs to approximately 13,000 employees by working closely with its union partners, introducing new voluntary options selected by approximately 9,000 employees and proposing creative solutions that would save jobs. As a result of the Company's entry into the PSP2 Agreement, as described below, the Company issued recall notices to these furloughed employees and others impacted by furlough mitigation programs. See the discussion below for more detail about the PSP2 Agreement and the recall process.

The Company continues to focus on reducing expenses and managing its liquidity. We expect to continue to modify our cost management structure and capacity as the timing of demand recovery becomes more certain.

On March 27, 2020, the President of the United States signed the CARES Act into law. The CARES Act is intended to respond to the COVID-19 pandemic and its impact on the economy, public health, state and local governments, individuals, and businesses. The CARES Act also provides supplemental appropriations for federal agencies to respond to the COVID-19 pandemic.

On April 20, 2020, United entered into a Payroll Support Program Agreement (the "PSP Agreement") with Treasury providing the Company with total funding of approximately $5.1 billion pursuant to the Payroll Support Program established under the CARES Act. These funds were used to pay for the wages, salaries and benefits of United employees. Approximately $3.6 billion of the $5.1 billion was provided as a direct grant, and approximately $1.5 billion consists of indebtedness evidenced by a 10-year senior unsecured promissory note (the "PSP Note"). See Note 2 of this report for additional information related to warrants issued in connection with the PSP Note and Note 10 of this report for a discussion of the PSP Note.

During 2020, UAL and United entered into a loan and guarantee agreement with Treasury. The agreement provides for a term loan facility of up to approximately $7.5 billion (the "CARES Act Term Loan Facility") pursuant to the loan program established under Section 4003(b)(1) of the CARES Act (the "Loan Program"). The loans (the "CARES Act Term Loans") may be disbursed in up to three disbursements on or before May 28, 2021. On September 28, 2020, United borrowed, and recorded as Long-term debt on the Company's consolidated balance sheet, $520 million under the CARES Act Term Loan Facility, the proceeds of which were used to pay certain transaction fees and expenses and for working capital and other general corporate purposes of the Company. See Note 2 of this report for additional information related to warrants issued in connection with the CARES Act Term Loans and Note 10 of this report for a discussion of the CARES Act Term Loans.

Under the PSP Agreement and the Loan Program, the Company and its business are subject to certain restrictions, including, but not limited to, restrictions on the payment of dividends and the ability to repurchase UAL's equity securities, requirements to maintain certain levels of scheduled service and certain limitations on executive compensation.

On January 15, 2021, United entered into a Payroll Support Agreement (the "PSP2 Agreement") with Treasury providing the Company with total funding of approximately $2.6 billion, pursuant to the Payroll Support Program established under Subtitle A of Title IV of Division N of the Consolidated Appropriations Act, 2021 (the "PSP Extension Law"). These funds were used to pay for the wages, salaries and benefits of United employees, including the payment of lost wages, salaries and benefits to returning employees. Approximately $1.9 billion was provided as a direct grant and approximately $753 million consists of indebtedness evidenced by a 10-year senior unsecured promissory note (the "PSP2 Note"). As of February 25, 2021, we have received a total of $1.3 billion. See Note 2 of this report for additional information on warrants issued in connection with the PSP2 Note and Note 10 of this report for a discussion of the PSP2 Note.

Pursuant to the PSP2 Agreement, the Company is required to comply with certain provisions of the PSP Extension Law, including, among others, the requirement that all funds provided under the Payroll Support Program will be used by United exclusively for the continuation of payment of its U.S. employee wages, salaries and benefits, including the payment of lost wages, salaries and benefits to returning U.S. employees; requirements to maintain U.S. employment levels from the date of the PSP2 Agreement through March 31, 2021; requirements to recall (as such term is defined in the PSP2 Agreement), any U.S. employees subject to involuntary termination or furlough between October 1, 2020 and the date of the PSP2 Agreement, compensate such returning employees for certain lost salary, wages and benefits between December 1, 2020 and the date of the

PSP2 Agreement and restore certain rights and protections for such returning employees; provisions prohibiting certain reductions in U.S. employee wages, salaries and benefits; provisions prohibiting the payment of dividends and the repurchase of certain equity until March 31, 2022; and provisions restricting the payment of certain executive compensation until October 1, 2022.

As a result of the PSP2 Agreement, the Company offered employment, through March 2021, to employees who were impacted by involuntary furloughs. Because the Company cannot predict with certainty whether it will receive further payroll support from the federal government or when demand for air travel will increase in the short term, the Company is preparing for the possibility that these recalled employees might again be furloughed as soon as the end of the first quarter of 2021. The Company may record additional costs associated with these actions in the first quarter of 2021. Also, in order to reduce the number of such furloughs, during the first quarter of 2021, the Company offered voluntary leave and other programs to certain of its frontline employees, the cost of which cannot be estimated at this time.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

(a) **Use of Estimates—**The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

(b) **Revenue Recognition—**The Company presents Passenger revenue, Cargo revenue and Other operating revenue on its income statement. Passenger revenue is recognized when transportation is provided and Cargo revenue is recognized when shipments arrive at their destination. Other operating revenue is recognized as the related performance obligations are satisfied.

Passenger tickets and related ancillary services sold by the Company for flights are purchased primarily via credit card transactions, with payments collected by the Company in advance of the performance of related services. The Company initially records ticket sales in its Advance ticket sales liability, deferring revenue recognition until the travel occurs. For travel that has more than one flight segment, the Company deems each segment as a separate performance obligation and recognizes revenue for each segment as travel occurs. Tickets sold by other airlines where the Company provides the transportation are recognized as passenger revenue at the estimated value to be billed to the other airline when travel is provided. Differences between amounts billed and the actual amounts may be rejected and rebilled or written off if the amount recorded was different from the original estimate. When necessary, the Company records a reserve against its billings and payables with other airlines based on historical experience.

The Company sells certain tickets with connecting flights with one or more segments operated by its other airline partners. For segments operated by its other airline partners, the Company has determined that it is acting as an agent on behalf of the other airlines as they are responsible for their portion of the contract (i.e. transportation of the passenger). The Company, as the agent, recognizes revenue within Other operating revenue at the time of the travel for the net amount representing commission to be retained by the Company for any segments flown by other airlines.

Refundable tickets expire after one year from the date of issuance. Non-refundable tickets generally expire on the date of the intended travel, unless the date is extended by notification from the customer on or before the intended travel date. In April 2020, due to the COVID-19 pandemic, the Company extended the expiration dates on all passenger tickets issued between May 1, 2019 and March 31, 2020 to 24 months from the original issue date. On February 24, 2021, the Company extended the expiration dates for all tickets issued between May 1, 2019 and March 31, 2021 to March 31, 2022.

Fees charged in association with changes or extensions to non-refundable tickets are considered part of the Company's passenger travel obligation. As such, those fees are deferred at the time of collection and recognized at the time the travel is provided. Effective August 30, 2020, the Company eliminated change fees on all standard Economy and Premium cabin tickets for travel within the 50 U.S. states, Washington, D.C., Puerto Rico and the U.S. Virgin Islands. Also, in December 2020, the Company eliminated change fees on flights from the U.S. to all international destinations and fees on Basic Economy and all other international travel tickets issued by March 31, 2021.

United initially capitalizes the costs of selling airline travel tickets and then recognizes those costs as Distribution expense at the time of travel. Passenger ticket costs include credit card fees, travel agency and other commissions paid, as well as global distribution systems booking fees.

Advance Ticket Sales. Advance ticket sales represent the Company's liability to provide air transportation in the future. All tickets sold at any given point of time have travel dates extending up to 12 months. The Company defers amounts related to future travel in its Advance ticket sales liability account. The Company's Advance ticket sales liability

also includes credits issued to customers on electronic travel certificates ("ETCs") and future flight credits ("FFCs"), primarily for ticket cancellations, which can be applied towards a purchase of a new ticket. In April 2020, due to the COVID-19 pandemic, the Company extended the expiration dates of ETCs from 12 months from the date of issuance to 24 months from the date of issuance and extended the expiration of FFCs, for tickets issued between May 1, 2019 and March 31, 2020 to 24 months from the original issue date. On February 24, 2021, the Company extended the expiration dates for all tickets issued between May 1, 2019 and March 31, 2021 to March 31, 2022. As of December 31, 2020, the Company's Advance ticket sales liability included $3.1 billion related to these credits and approximately 74% of these credits have expiration dates extending beyond 12 months.

The Company records breakage revenue on the travel date for its estimate of tickets that will expire unused. To determine breakage, the Company uses its historical experience with refundable and nonrefundable expired tickets and other facts, such as recent aging trends, program changes and modifications that could affect the ultimate expiration patterns of tickets. The Company continues to use its historical experience and most recent trends and program changes to estimate its breakage. The Company will update its breakage estimates as future information is received. Given the uncertainty of travel demand caused by COVID-19, a significant portion of the $3.1 billion related to the ETCs and FFCs may expire unused in future periods and get recognized as breakage. Also, the Company is unable to estimate the amount of the ETCs and FFCs that will be used within the next 12 months and has classified the entire amount of the Advanced ticket liability in current liabilities even though some of the ETCs and FFCs could be used after the next 12 months.

In the years ended December 31, 2020, 2019 and 2018, the Company recognized approximately $3.0 billion, $3.4 billion and $3.1 billion, respectively, of passenger revenue for tickets that were included in Advance ticket sales at the beginning of those periods.

Revenue by Geography. The Company further disaggregates revenue by geographic regions.

Operating segments are defined as components of an enterprise with separate financial information, which are evaluated regularly by the chief operating decision maker and are used in resource allocation and performance assessments. The Company deploys its aircraft across its route network through a single route scheduling system to maximize its value. When making resource allocation decisions, the Company's chief operating decision maker evaluates flight profitability data, which considers aircraft type and route economics. The Company's chief operating decision maker makes resource allocation decisions to maximize the Company's consolidated financial results. Managing the Company as one segment allows management the opportunity to maximize the value of its route network.

The Company's operating revenue by principal geographic region (as defined by the U.S. Department of Transportation) for the years ended December 31 is presented in the table below (in millions):

	2020	2019	2018
Domestic (U.S. and Canada)	$ 9,911	$ 26,960	$ 25,552
Atlantic	2,226	7,387	7,103
Pacific	1,706	5,132	5,188
Latin America	1,512	3,780	3,460
Total	$ 15,355	$ 43,259	$ 41,303

The Company attributes revenue among the geographic areas based upon the origin and destination of each flight segment. The Company's operations involve an insignificant level of revenue-producing assets in geographic regions as the overwhelming majority of the Company's revenue-producing assets (primarily U.S. registered aircraft) can be deployed in any of its geographic regions.

Ancillary Fees. The Company charges fees, separately from ticket sales, for certain ancillary services that are directly related to passengers' travel, such as ticket change fees, baggage fees, inflight amenities fees, and other ticket-related fees. These ancillary fees are part of the travel performance obligation and, as such, are recognized as passenger revenue when the travel occurs. The Company recorded $918 million, $2.4 billion and $2.2 billion of ancillary fees within passenger revenue in the years ended December 31, 2020, 2019 and 2018, respectively.

(c) **Ticket Taxes—**Certain governmental taxes are imposed on the Company's ticket sales through a fee included in ticket prices. The Company collects these fees and remits them to the appropriate government agency. These fees are recorded on a net basis and, as a result, are excluded from revenue. The CARES Act provided an excise tax holiday that suspended certain U.S. aviation excise taxes. The excise tax holiday began on March 28, 2020 and ended on December 31, 2020. During the excise tax holiday, no excise tax was imposed on amounts paid for the transportation of persons and property by air. At December 31, 2020, the Company had approximately $150 million of excise taxes refunded to customers that are to be reimbursed by the U.S. government in 2021.

(d) **Frequent Flyer Accounting—**United's MileagePlus loyalty program builds customer loyalty by offering awards, benefits and services to program participants. Members in this program earn miles for travel on United, United Express, Star Alliance members and certain other airlines that participate in the program. Members can also earn miles by purchasing goods and services from our network of non-airline partners. We have contracts to sell miles to these partners with the terms extending from one to nine years. These partners include domestic and international credit card issuers, retail merchants, hotels, car rental companies and our participating airline partners. Miles can be redeemed for free (other than taxes and government-imposed fees), discounted or upgraded air travel and non-travel awards.

Miles Earned in Conjunction with Travel. When frequent flyers earn miles for flights, the Company recognizes a portion of the ticket sales as revenue when the travel occurs and defers a portion of the ticket sale representing the value of the related miles as a separate performance obligation. The Company determines the estimated selling price of travel and miles as if each element is sold on a separate basis. The total consideration from each ticket sale is then allocated to each of these elements, individually, on a pro-rata basis. At the time of travel, the Company records the portion allocated to the miles to Frequent flyer deferred revenue on the Company's consolidated balance sheet and subsequently recognizes it into revenue when miles are redeemed for air travel and non-air travel awards.

Estimated Selling Price of Miles. The Company's estimated selling price of miles is based on an equivalent ticket value, which incorporates the expected redemption of miles, as the best estimate of selling price for these miles. The equivalent ticket value is based on the prior 12 months' weighted average equivalent ticket value of similar fares as those used to settle award redemptions while taking into consideration such factors as redemption pattern, cabin class, loyalty status and geographic region. The estimated selling price of miles is adjusted by breakage that considers a number of factors, including redemption patterns of various customer groups.

Estimate of Miles Not Expected to be Redeemed ("Breakage"). The Company's breakage model is based on the assumption that the likelihood that an account will redeem its miles can be estimated based on a consideration of the account's historical behavior. The Company uses a logit regression model to estimate the probability that an account will redeem its current miles balance. The Company reviews its breakage estimates annually based upon the latest available information. The Company's estimate of the expected breakage of miles requires significant management judgment. Current and future changes to breakage assumptions, or to program rules and program redemption opportunities, may result in material changes to the deferred revenue balance as well as recognized revenues from the program. For the portion of the outstanding miles that we estimate will not be redeemed, we recognize the associated value proportionally as the remaining miles are redeemed.

Co-Brand Agreement. During 2020, the Company entered into a Third Amended and Restated Co-Branded Card Marketing Services Agreement (as amended from time to time, the "Co-Brand Agreement") with its co-branded credit card partner JPMorgan Chase Bank, N.A. ("Chase"). The Co-Brand Agreement extended the term of the agreement into 2029 and modified certain other terms, resulting in a different allocation among the separately identifiable performance obligations. Chase awards miles to MileagePlus members based on their credit card activity. United identified the following significant separately identifiable performance obligations in the Co-Brand Agreement:

- MileagePlus miles awarded – United has a performance obligation to provide MileagePlus cardholders with miles to be used for air travel and non-travel award redemptions. The Company records Passenger revenue related to the travel awards when the transportation is provided and records Other revenue related to the non-travel awards when the goods or services are delivered. The Company records the cost associated with non-travel awards in Other operating revenue, as an agent.
- Marketing – United has a performance obligation to provide Chase access to United's customer list and the use of United's brand. Marketing revenue is recorded to Other operating revenue as miles are delivered to Chase.
- Advertising – United has a performance obligation to provide advertising in support of the MileagePlus card in various customer contact points such as United's website, email promotions, direct mail campaigns, airport advertising and in-flight advertising. Advertising revenue is recorded to Other operating revenue as miles are delivered to Chase.

- Other travel-related benefits – United's performance obligations are comprised of various items such as waived bag fees, seat upgrades and lounge passes. Lounge passes are recorded to Other operating revenue as customers use the lounge passes. Bag fees and seat upgrades are recorded to Passenger revenue at the time of the associated travel.

We account for all the payments received (including monthly and one-time payments) under the Co-Brand Agreement by allocating them to the separately identifiable performance obligations. The fair value of the separately identifiable performance obligations is determined using management's estimated selling price of each component. The objective of using the estimated selling price based methodology is to determine the price at which we would transact a sale if the product or service were sold on a stand-alone basis. Accordingly, we determine our best estimate of selling price by considering multiple inputs and methods including, but not limited to, discounted cash flows, brand value, volume discounts, published selling prices, number of miles awarded and number of miles redeemed. The Company estimated the selling prices and volumes over the term of the Co-Brand Agreement in order to determine the allocation of proceeds to each of the components to be delivered. We also evaluate volumes on an annual basis, which may result in a change in the allocation of the estimated consideration from the Co-Brand Agreement on a prospective basis.

Frequent Flyer Deferred Revenue. Miles in MileagePlus members' accounts are combined into one homogeneous pool and are thus not separately identifiable, for award redemption purposes, between miles earned in the current period and those in their beginning balance. Of the miles expected to be redeemed, the majority of these miles have historically been redeemed within two years. The table below presents a roll forward of Frequent flyer deferred revenue (in millions):

	Twelve Months Ended December 31,	
	2020	2019
Total Frequent flyer deferred revenue - beginning balance	$ 5,276	$ 5,005
Total miles awarded	1,336	2,621
Travel miles redeemed (Passenger revenue)	(568)	(2,213)
Non-travel miles redeemed (Other operating revenue)	(69)	(137)
Total Frequent flyer deferred revenue - ending balance	$ 5,975	$ 5,276

In the years ended December 31, 2020, 2019 and 2018, the Company recognized, in Other operating revenue, $1.7 billion, $2.0 billion and $2.0 billion (including a one-time $50 million payment), respectively, related to the marketing, advertising, non-travel miles redeemed (net of related costs) and other travel-related benefits of the mileage revenue associated with our various partner agreements including, but not limited to, our Chase co-brand agreement. The portion related to the MileagePlus miles awarded of the total amounts received is deferred and presented in the table above as an increase to the frequent flyer liability. We determine the current portion of our frequent flyer liability based on expected redemptions in the next 12 months. Given the uncertainty in travel demand caused by COVID-19, we currently estimate a greater percentage of award redemptions will occur beyond 12 months, however this estimate may change as travel demand and award redemptions change in future periods.

(e) **Cash and Cash Equivalents and Restricted Cash—**Highly liquid investments with a maturity of three months or less on their acquisition date are classified as cash and cash equivalents.

Restricted cash-current—primarily includes $217 million cash collateral for a standby letter of credit associated with guarantees under the BRW Term Loan. See Note 8 of this report for additional information on the BRW Term Loan and Note 13 for additional information on the guarantee. The balance also includes amounts to be used for the payment of fees, principal and interest on the $6.8 billion of senior secured notes and a secured term loan facility (the "MileagePlus Financing") secured by substantially all of the assets of Mileage Plus Holdings, LLC ("MPH"), a direct wholly-owned subsidiary of United.

Restricted cash-non-current—primarily includes collateral associated with the MileagePlus Financing, collateral for letters of credit and collateral associated with facility leases and other insurance-related obligations.

Restricted cash is classified as short-term or long-term in the consolidated balance sheets based on the expected timing of return of the assets to the Company or payment to an outside party.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheets that sum to the total of the same such amounts shown in the statements of consolidated cash flows (in millions):

	UAL			United		
	At December 31,			At December 31,		
	2020	2019	2018	2020	2019	2018
Current assets:						
Cash and cash equivalents	$ 11,269	$ 2,762	$ 1,694	$ 11,269	$ 2,756	$ 1,688
Restricted cash	255	—	—	255	—	—
Other assets:						
Restricted cash	218	106	105	218	106	105
Total cash, cash equivalents and restricted cash shown in the statement of consolidated cash flows	$ 11,742	$ 2,868	$ 1,799	$ 11,742	$ 2,862	$ 1,793

(f) **Investments—**Debt investments are classified as available-for-sale and are stated at fair value. Realized gains and losses on sales of these investments are reflected in Miscellaneous, net in the consolidated statements of operations. Unrealized gains and losses on available-for-sale securities are reflected as a component of accumulated other comprehensive income (loss). Equity investments with readily determinable fair values are measured at fair value. Equity investments without readily determinable fair values are measured using the equity method, or measured at cost with adjustments for observable changes in price or impairments (referred to as the measurement alternative). Changes in fair value are recorded in Unrealized gains (losses) on investments, net in the consolidated statements of operations. See Note 9 of this report for additional information related to investments.

(g) **Accounts Receivable—**Accounts receivable primarily consist of amounts due from credit card companies, non-airline partners, and cargo customers. We provide an allowance for uncollectible accounts equal to the estimated losses expected to be incurred based on historical write-offs and other specific analyses. Bad debt expense and write-offs related to trade receivables were not material for the year ended December 31, 2020 and 2019.

(h) **Aircraft Fuel, Spare Parts and Supplies—**The Company accounts for aircraft fuel, spare parts and supplies at average cost and provides an obsolescence allowance for aircraft spare parts with an assumed residual value of 10% of original cost.

(i) **Property and Equipment—**The Company records additions to owned operating property and equipment at cost when acquired. Property under finance leases and the related obligation for future lease payments are recorded at an amount equal to the initial present value of those lease payments. Modifications that enhance the operating performance or extend the useful lives of airframes or engines are capitalized as property and equipment. We periodically receive credits in connection with the acquisition of aircraft and engines including those related to contractual damages related to delays in delivery. These credits are deferred until the aircraft and engines are delivered, and then applied as a reduction to the cost of the related equipment.

Depreciation and amortization of owned depreciable assets is based on the straight-line method over the assets' estimated useful lives. Leasehold improvements are amortized over the remaining term of the lease, including estimated facility renewal options when renewal is reasonably certain at key airports, or the estimated useful life of the related asset, whichever is less. Properties under finance leases are amortized on the straight-line method over the life of the lease or, in the case of certain aircraft, over their estimated useful lives, whichever is shorter. Amortization of finance lease assets is included in depreciation and amortization expense. The estimated useful lives of property and equipment are as follows:

	Estimated Useful Life (in years)
Aircraft, spare engines and related rotable parts	25 to 30
Aircraft seats	10 to 15
Buildings	25 to 45
Other property and equipment	3 to 15
Computer software	5 to 15
Building improvements	1 to 40

As of December 31, 2020 and 2019, the Company had a carrying value of computer software of $548 million and $422 million, respectively. For the years ended December 31, 2020, 2019 and 2018, the Company's depreciation expense related to computer software was $172 million, $135 million and $122 million, respectively. Aircraft and aircraft spare

parts were assumed to have residual values of approximately 10% of original cost, and other categories of property and equipment were assumed to have no residual value.

(j) **Long-Lived Asset Impairments—**The Company evaluates the carrying value of long-lived assets subject to amortization whenever events or changes in circumstances indicate that an impairment may exist. For purposes of this testing, the Company has generally identified the aircraft fleet type as the lowest level of identifiable cash flows for its mainline fleet and the contract level for its regional fleet under capacity purchase agreements ("CPAs"). An impairment charge is recognized when the asset's carrying value exceeds its net undiscounted future cash flows. The amount of the charge is the difference between the asset's carrying value and fair market value.

In December 2020, the Company decided to permanently ground 11 Boeing 757-200 aircraft and recorded $94 million in impairment changes. See Note 14 of this report for additional information related to impairments.

(k) **Intangibles—**The Company has finite-lived and indefinite-lived intangible assets, including goodwill. Finite-lived intangible assets are amortized over their estimated useful lives. Goodwill and indefinite-lived intangible assets are not amortized but are reviewed for impairment on an annual basis as of October 1, or more frequently if events or circumstances indicate that the asset may be impaired.

We value goodwill and indefinite-lived intangible assets primarily using market and income approach valuation techniques. These measurements include the following key assumptions: (1) forecasted revenues, expenses and cash flows, (2) terminal period revenue growth and cash flows, (3) an estimated weighted average cost of capital, (4) assumed discount rates depending on the asset and (5) a tax rate. These assumptions are consistent with those that hypothetical market participants would use. Because we are required to make estimates and assumptions when evaluating goodwill and indefinite-lived intangible assets for impairment, actual transaction amounts may differ materially from these estimates.

In each quarter of 2020, the Company evaluated its goodwill and intangible assets for possible impairments due to the impact of the COVID-19 pandemic on UAL's market capitalization and cash flow projections. For goodwill and certain of its intangible assets, including the Company's China routes, London-Heathrow slots, alliances and the United trade name and logo, the Company performed a quantitative assessment which involved determining the fair value of the asset and comparing that amount to the asset's carrying value and, in the case of goodwill, comparing the Company's fair value to its carrying value. For all other intangible assets, the Company performed a qualitative assessment of whether it was more likely than not that an impairment had occurred. To determine fair value, the Company used discounted cash flow methods appropriate for each asset. Key inputs into the models included forecasted capacity, revenues, fuel costs, other operating costs and an overall discount rate. The assumptions used for future projections include that demand will likely remain suppressed through 2021. These assumptions are inherently uncertain as they relate to future events and circumstances. See Note 14 of this report for additional information related to impairments.

The following table presents information about the Company's goodwill and other intangible assets at December 31 (in millions):

	2020		2019	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Goodwill	$ 4,527		$ 4,523	
Indefinite-lived intangible assets				
Route authorities	$ 1,020		$ 1,150	
Airport slots	560		546	
Tradenames and logos	593		593	
Alliances	404		404	
Total	$ 2,577		$ 2,693	
Finite-lived intangible assets				
Frequent flyer database	$ 1,177	$ 971	$ 1,177	$ 931
Hubs	145	111	145	104
Contracts	120	116	120	111
Other	314	297	314	294
Total	$ 1,756	$ 1,495	$ 1,756	$ 1,440

Amortization expense in 2020, 2019 and 2018 was $55 million, $60 million and $67 million, respectively. Projected amortization expense in 2021, 2022, 2023, 2024 and 2025 is $50 million, $40 million, $37 million, $32 million and $28 million, respectively.

(l) **Labor Costs—**The Company records expenses associated with new or amendable labor agreements when the amounts are probable and estimable. These include costs associated with lump sum cash payments that would be made in conjunction with the ratification of labor agreements. To the extent these upfront costs are in lieu of future pay increases, they would be capitalized and amortized over the term of the labor agreements. If not, these amounts would be expensed.

(m) **Share-Based Compensation—**The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The resulting cost is recognized over the period during which an employee is required to provide service in exchange for the award, usually the vesting period. Obligations for cash-settled restricted stock units ("RSUs") are remeasured at fair value throughout the requisite service period at the close of the reporting period based upon UAL's stock price. In addition to the service requirement, certain RSUs have performance metrics that must be achieved prior to vesting. These awards are accrued based on the expected level of achievement at each reporting period. An adjustment is recorded each reporting period to adjust compensation expense based on the then current level of expected performance achievement for the performance-based awards. See Note 4 of this report for additional information on UAL's share-based compensation plans.

(n) **Maintenance and Repairs—**The cost of maintenance and repairs, including the cost of minor replacements, is charged to expense as incurred, except for costs incurred under our power-by-the-hour ("PBTH") engine maintenance agreements. PBTH contracts transfer certain risk to third-party service providers and fix the amount we pay per flight hour or per cycle to the service provider in exchange for maintenance and repairs under a predefined maintenance program. Under PBTH agreements, the Company recognizes expense at a level rate per engine hour, unless the level of service effort and the related payments during the period are substantially consistent, in which case the Company recognizes expense based on the amounts paid.

(o) **Advertising—**Advertising costs, which are included in Other operating expenses, are expensed as incurred. Advertising expenses were $87 million, $212 million and $211 million for the years ended December 31, 2020, 2019 and 2018, respectively.

(p) **Third-Party Business—**The Company has third-party business revenue that includes catering, ground handling, maintenance services and frequent flyer award non-travel redemptions. Third-party business revenue is recorded in Other operating revenue. The Company also incurs third-party business expenses, such as maintenance, ground handling and catering services for third parties and non-travel mileage redemptions. The third-party business expenses are recorded in Other operating expenses, except for non-travel mileage redemption. Non-travel mileage redemption expenses are recorded to Other operating revenue.

(q) **Uncertain Income Tax Positions—**The Company has recorded reserves for income taxes and associated interest that may become payable in future years. Although management believes that its positions taken on income tax matters are reasonable, the Company nevertheless established tax and interest reserves in recognition that various taxing authorities may challenge certain of the positions taken by the Company, potentially resulting in additional liabilities for taxes and interest. The Company's uncertain tax position reserves are reviewed periodically and are adjusted as events occur that affect its estimates, such as the availability of new information, the lapsing of applicable statutes of limitation, the conclusion of tax audits, the measurement of additional estimated liability, the identification of new tax matters, the release of administrative tax guidance affecting its estimates of tax liabilities, or the rendering of relevant court decisions. The Company records penalties and interest relating to uncertain tax positions as part of income tax expense in its consolidated statements of operations. See Note 6 of this report for additional information on UAL's uncertain tax positions.

(r) **Recently Issued Accounting Standards—**The Company adopted Accounting Standards Update No. 2016-13, *Financial Instruments—Credit Losses* ("ASU 2016-13") effective January 1, 2020. ASU 2016-13 replaces the incurred loss methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to calculate credit loss estimates. For trade receivables, loans and held-to-maturity debt securities, entities are required to estimate lifetime expected credit losses. For available-for-sale debt securities, entities are required to recognize an allowance for credit losses rather than a reduction to the carrying value of the asset. The Company recorded a $17 million cumulative-effect adjustment, net of related income taxes, to its retained earnings balance on January 1, 2020 as a result of this adoption. See Notes 8, 13 and 14 of this report for additional disclosures about the impact of ASU 2016-13 on 2020 results.

NOTE 2 - COMMON STOCKHOLDERS' EQUITY AND PREFERRED SECURITIES

On February 24, 2020, the Company suspended share repurchases under its share repurchase program authorized by UAL's Board of Directors in July 2019. UAL's Board of Directors subsequently terminated this share repurchase program on April 24, 2020. In 2020, UAL repurchased approximately 4 million shares of UAL common stock in open market transactions for $0.3 billion. See Part II, Item 5, Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities, of this report for additional information.

On April 20, 2020, UAL entered into a warrant agreement with Treasury, pursuant to which UAL agreed to issue to Treasury warrants to purchase up to approximately 4.6 million shares of common stock, pro rata in conjunction with increases to the principal amount outstanding under the PSP Note (the "PSP Warrants"), with an initial issuance of warrants to purchase up to approximately 2.3 million shares of common stock. As of December 31, 2020, UAL has issued PSP Warrants to purchase up to approximately 4.8 million shares of common stock, with such warrants accounted for as equity instruments. The PSP Warrants have a strike price of $31.50 per share (which was the closing price of UAL's common stock on The Nasdaq Stock Market on April 9, 2020). The PSP Warrants will expire five years after issuance, and are exercisable either through net share settlement, in cash or in shares of UAL common stock, at UAL's option. The relative fair value of the PSP Warrants was calculated using a Black-Scholes options pricing model and approximately $66 million was recorded within stockholders' equity with an offset to the CARES Act grant credit. The PSP Warrants contain customary anti-dilution provisions and registration rights and are freely transferable. Pursuant to the terms of the PSP Warrants, PSP Warrant holders do not have any voting rights.

In connection with the entry into the Term Loan Facility, UAL entered into a warrant agreement with Treasury on September 28, 2020, pursuant to which UAL will issue to Treasury warrants (the "Credit Agreement Warrants") to purchase up to approximately 16.4 million shares of UAL common stock, assuming United borrows the initial commitments under the Term Loan Facility in full. The Credit Agreement Warrants will be issued on the date of disbursement of each Term Loan in an amount corresponding to 10% of the principal amount of each such disbursement. In connection with United's borrowing of the initial $520 million loan, on September 28, 2020, UAL issued Credit Agreement Warrants to purchase up to approximately 1.7 million shares of UAL common stock. The Credit Agreement Warrants will have a strike price of $31.50 per share. The Credit Agreement Warrants will expire five years after issuance, and are exercisable either through net share settlement in cash or in shares of UAL common stock, at UAL's option. The relative fair value of the Credit Agreement Warrants was calculated using a Black-Scholes options pricing model and approximately $30 million was recorded within stockholders' equity and as a debt discount against the outstanding loan. If Treasury increases its loan commitments, then the maximum amount of common stock for which warrants could be issued would increase proportionally with such increase to the commitments.

During the first quarter of 2021, UAL entered into a warrant agreement with Treasury pursuant to which UAL will issue to Treasury warrants to purchase up to approximately 1.7 million shares of UAL common stock, pro rata in conjunction with increases to the principal amount outstanding under the PSP2 Note (the "PSP2 Warrants"). The PSP2 Warrants will have a

strike price of $43.26 per share. The PSP2 Warrants will expire five years after issuance, and are exercisable either through net share settlement in cash or in shares of UAL common stock, at UAL's option. The PSP2 Warrants contain customary anti-dilution provisions, registration rights and are freely transferable. Pursuant to the terms of the PSP2 Warrants, PSP2 Warrant holders do not have any voting rights.

In 2020, UAL entered into an underwriting agreement (the "Underwriting Agreement") with Morgan Stanley & Co. LLC and Barclays Capital Inc. (collectively, the "Underwriters"), relating to the issuance and sale by UAL of approximately 43 million shares of its common stock, par value $0.01 per share, at a price to the public of $26.50 per share, resulting in total proceeds of approximately $1.1 billion.

On June 15, 2020, UAL entered into an equity distribution agreement (the "Distribution Agreement") with Citigroup Global Markets Inc., BofA Securities, Inc. and J.P. Morgan Securities LLC (collectively, the "Managers"), relating to the issuance and sale from time to time by UAL (the "ATM Offering"), through the Managers, of up to 28 million shares of UAL's common stock, par value $0.01 per share. Sales of the shares, if any, under the Distribution Agreement may be made in any transactions that are deemed to be "at the market offerings" as defined in Rule 415 under the Securities Act of 1933, as amended. Under the terms of the Distribution Agreement, UAL may also sell shares to any Manager, as principal for its own account, at a price agreed upon at the time of sale. If UAL sells shares to a Manager as principal, UAL will enter into a separate agreement with such Manager. As of December 31, 2020, approximately 21.4 million shares were sold in the ATM Offering at an average price of $46.70 per share, with net proceeds to the Company totaling approximately $989 million.

At December 31, 2020, approximately 6 million shares of UAL's common stock were reserved for future issuance related to the issuance of equity-based awards under the Company's incentive compensation plans.

As of December 31, 2020, UAL had two shares of junior preferred stock (par value $0.01 per share) outstanding. In addition, UAL is authorized to issue 250 million shares of preferred stock (without par value) under UAL's amended and restated certificate of incorporation.

NOTE 3 - EARNINGS (LOSS) PER SHARE

The computations of UAL's basic and diluted earnings (loss) per share are set forth below for the years ended December 31 (in millions, except per share amounts):

	2020	2019	2018
Earnings (loss) available to common stockholders	$ (7,069)	$ 3,009	$ 2,122
Basic weighted-average shares outstanding	279.4	258.8	275.5
Effect of share-based awards	—	1.1	1.2
Diluted weighted-average shares outstanding	279.4	259.9	276.7
Earnings (loss) per share, basic	$ (25.30)	$ 11.63	$ 7.70
Earnings (loss) per share, diluted	$ (25.30)	$ 11.58	$ 7.67

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

NOTE 4 - SHARE-BASED COMPENSATION PLANS

UAL maintains share-based compensation plans for our management employees and our non-employee directors. These plans provide for grants of non-qualified stock options, incentive stock options (within the meaning of Section 422 of the Internal Revenue Code of 1986), stock appreciation rights, restricted shares, RSUs, performance compensation awards, performance units, cash incentive awards, other equity-based and equity-related awards, and dividends and dividend equivalents.

All awards are recorded as either equity or a liability in the Company's consolidated balance sheets. The share-based compensation expense is recorded in salaries and related costs.

During 2020, UAL granted share-based compensation awards pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan. These share-based compensation awards included approximately 2.5 million RSUs consisting of 2.2 million time-vested RSUs and 0.3 million performance-based RSUs. The time-vested RSUs vest pro-rata, typically on February 28th of each year, over a three-year period from the date of grant. The amount of performance-based RSUs vest upon the achievement of established goals based on the Company's absolute pre-tax margin performance as well as a customer metric based on the Company's relative quarterly average of net promoter scores as compared to a group of industry peers, both of which are measured for the three-year performance period ending December 31, 2022. RSUs are generally equity awards settled in stock for domestic employees and liability awards settled in cash for international employees. The cash payments are based on the 20-day average closing price of UAL common stock immediately prior to the vesting date.

The following table provides information related to UAL's share-based compensation plan cost for the years ended December 31 (in millions):

	2020	2019	2018
Compensation cost:			
RSUs	$ 106	$ 98	$ 98
Restricted stock	—	1	2
Stock options	2	1	1
Total	$ 108	$ 100	$ 101

The table below summarizes UAL's unearned compensation and weighted-average remaining period to recognize costs for all outstanding share-based awards that are probable of being achieved as of December 31, 2020 (in millions, except as noted):

	Unearned Compensation	Weighted-Average Remaining Period (in years)
RSUs	$ 80	1.5
Stock options	8	4.6
Total	$ 88	

RSUs. As of December 31, 2020, UAL had recorded a liability of approximately $29 million related to its cash-settled RSUs. UAL paid approximately $26 million, $41 million and $28 million related to its cash-settled RSUs during 2020, 2019 and 2018, respectively.

The table below summarizes UAL's RSUs and restricted stock activity for the years ended December 31 (shares in millions):

	Liability Awards	Equity Awards			
	RSUs	RSUs	Weighted-Average Grant Price	Restricted Stock	Weighted-Average Grant Price
Outstanding at December 31, 2017	1.8	1.4	$ 63.99	0.3	$ 52.30
Granted	0.7	1.1	67.74	—	—
Vested	(0.5)	(0.5)	63.02	(0.2)	53.24
Forfeited	(0.1)	(0.2)	67.34	—	—
Outstanding at December 31, 2018	1.9	1.8	66.29	0.1	51.17
Granted	0.1	1.1	86.72	—	—
Vested	(0.5)	(0.8)	64.85	(0.1)	51.17
Forfeited	(0.9)	(0.1)	76.48	—	—
Outstanding at December 31, 2019	0.6	2.0	78.03	—	—
Granted	0.1	2.4	40.80	—	—
Vested	(0.3)	(0.8)	74.54	—	—
Forfeited	—	(0.4)	54.21	—	—
Outstanding at December 31, 2020	0.4	3.2	53.41	—	—

The fair value of RSUs and restricted stock that vested in 2020, 2019 and 2018 was $87 million, $99 million and $70 million, respectively. The fair value of the restricted stock and the stock-settled RSUs was based upon the UAL common stock price on the date of grant. The fair value of the cash-settled RSUs was based on the UAL common stock price as of the last day preceding the settlement date.

Stock Options. UAL did not grant any stock option awards during either 2020 or 2018. In 2019, UAL granted an award of approximately 307,000 premium-priced stock options with an exercise price that was 25% higher than the closing price of UAL's common stock on the date of grant, representing an exercise price of $110.21. Expense related to each portion of an option grant is recognized on a straight-line basis over the specific vesting period for those options.

As of December 31, 2020, there were approximately 0.7 million outstanding stock option awards, 0.3 million of which were exercisable, with weighted-average exercise prices of $82.12 and $58.25, respectively, weighted-average remaining contractual lives (in years) of 6.3 and 3.5, respectively, and intrinsic values of zero as all of the exercise prices exceeded the closing stock price on that date.

NOTE 5 - ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) ("AOCI")

The tables below present the components of the Company's AOCI, net of tax (in millions):

	Pension and Other Postretirement Liabilities	Investments and Other	Deferred Taxes	Total
Balance at December 31, 2017	$ (1,102)	$ (6)	$ (39)	$ (1,147)
Change in value	377	(5)	(83)	289
Amounts reclassified to earnings	62 (a)	—	(13)	49
Amounts reclassified to retained earnings ("RE")	—	7 (b)	(1) (b)	6
Balance at December 31, 2018	(663)	(4)	(136)	(803)
Change in value	105	7	(24)	88
Amounts reclassified to earnings	(2) (a)	(1)	—	(3)
Balance at December 31, 2019	(560)	2	(160)	(718)
Change in value	(993)	—	221	(772)
Amounts reclassified to earnings	451 (a)	—	(100)	351
Balance at December 31, 2020	$ (1,102)	$ 2	$ (39)	$ (1,139)

(a) This AOCI component is included in the computation of net periodic pension and other postretirement costs. See Note 7 of this report for additional information on pensions and other postretirement liabilities.

(b) These amounts represent the reclassification from AOCI to RE of the unrealized loss, and related tax, on the Company's investment in Azul Linhas Aéreas Brasileiras S.A. ("Azul") which was classified as an available-for-sale security prior to the Company adopting Accounting Standards Update No. 2016-01, Financial Instruments—Overall (Subtopic 825-10) effective January 1, 2018.

NOTE 6 - INCOME TAXES

The income tax provision (benefit) differed from amounts computed at the statutory federal income tax rate and consisted of the following significant components (in millions):

UAL	2020	2019	2018
Income tax provision (benefit) at statutory rate	$ (1,852)	$ 822	$ 556
State income taxes, net of federal income tax benefit	(110)	50	29
Foreign tax rate differential	—	(90)	(84)
Global intangible low-taxed income	—	90	4
Foreign income taxes	1	1	2
Nondeductible employee meals	5	12	12
State rate change	(2)	—	3
Valuation allowance	197	(4)	(3)
Other, net	8	24	7
	$ (1,753)	$ 905	$ 526
Current	$ (12)	$ 23	$ 14
Deferred	(1,741)	882	512
	$ (1,753)	$ 905	$ 526

United	2020	2019	2018
Income tax provision (benefit) at statutory rate	$ (1,852)	$ 822	$ 557
State income taxes, net of federal income tax	(110)	50	29
Foreign tax rate differential	—	(90)	(84)
Global intangible low-taxed income	—	90	4
Foreign income taxes	1	1	2
Nondeductible employee meals	5	12	12
State rate change	(2)	—	3
Valuation allowance	197	(4)	(3)
Other, net	8	24	7
	$ (1,753)	$ 905	$ 527
Current	$ (12)	$ 23	$ 14
Deferred	(1,741)	882	513
	$ (1,753)	$ 905	$ 527

The Company's effective tax rate for the year ended December 31, 2020 differed from the federal statutory rate of 21% due to a blend of federal, state and foreign taxes as well as the impact of certain nondeductible items and a valuation allowance of $197 million related to capital losses and state attributes.

Temporary differences and carryforwards that give rise to deferred tax assets and liabilities at December 31, 2020 and 2019 were as follows (in millions):

	UAL		United	
	2020	2019	2020	2019
Deferred income tax asset (liability):				
Federal and state net operating loss ("NOL") carryforwards	$ 2,476	$ 695	$ 2,448	$ 668
Deferred revenue	1,409	1,287	1,409	1,287
Employee benefits, including pension, postretirement and medical	1,103	715	1,103	715
Operating lease liabilities	1,247	1,256	1,247	1,256
Sale leaseback liabilities	260	—	260	—
Other	362	165	362	165
Less: Valuation allowance	(247)	(58)	(247)	(58)
Total deferred tax assets	$ 6,610	$ 4,060	$ 6,582	$ 4,033
Depreciation	$ (4,789)	$ (4,011)	$ (4,789)	$ (4,011)
Operating lease right-of-use asset	(1,028)	(1,061)	(1,028)	(1,061)
Intangibles	(662)	(724)	(662)	(724)
Total deferred tax liabilities	$ (6,479)	$ (5,796)	$ (6,479)	$ (5,796)
Net deferred tax asset (liability)	$ 131	$ (1,736)	$ 103	$ (1,763)

United and its domestic consolidated subsidiaries file a consolidated federal income tax return with UAL. Under an intercompany tax allocation policy, United and its subsidiaries compute, record and pay UAL for their own tax liability as if they were separate companies filing separate returns. In determining their own tax liabilities, United and each of its subsidiaries take into account all tax credits or benefits generated and utilized as separate companies and they are each compensated for the aforementioned tax benefits only if they would be able to use those benefits on a separate company basis.

The Company's federal and state NOL and tax credit carryforwards relate to current and prior years' NOLs and credits, which may be used to reduce tax liabilities in future years. These tax benefits are mostly attributable to federal pre-tax NOL carryforwards of $11.0 billion ($2.3 billion tax effected) for UAL. If not utilized these federal pre-tax NOLs will expire as follows (in billions): $0.1 in 2026, $0.5 in 2028, and $0.4 in 2029, $0.2 in 2032 and $0.4 in 2033. The remaining $9.4 billion of NOLs has no expiration date. State pre-tax NOLs of $3.7 billion ($0.2 billion tax effected) expire over a five to twenty year period. Federal tax credits of $42 million will expire over a one-to-eighteen-year period and state tax credits of $33 million will expire over a one-to-eleven-year period.

A tax valuation allowance is recognized if it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company's management assesses available positive and negative evidence regarding the Company's ability to realize its deferred tax assets and records a valuation allowance when it is more likely than not that deferred tax assets will not be realized. In order to form a conclusion, management considers positive evidence in the form of taxable income in prior carryback years, reversing temporary differences, tax planning strategies and projections of future taxable income during the periods in which those temporary differences become deductible, as well as negative evidence such as historical losses. Although the Company was in a cumulative loss position at the end of 2020, management determined that the 2020 results were not indicative of future results due to the impact of the COVID-19 pandemic on its operations. The Company concluded that the positive evidence outweighs the negative evidence, primarily driven by approval and distribution of COVID-19 vaccines as well as increased confidence with the timing of the recovery. The Company's largest deferred tax assets are mostly attributable to federal pre-tax NOLs which were $11.0 billion ($2.3 billion tax effected) at December 31, 2020. The majority of the NOLs do not expire and the Company expects to recognize the NOLs through the reversal of existing deferred tax liabilities and projected future taxable income. Therefore, we have not recorded a valuation allowance on our deferred tax assets other than the capital loss carryforwards and state attributes that have short expiration periods. While the Company expects to generate sufficient future profits to fully utilize these NOLs, the Company may have to record a valuation allowance against our NOLs if it is unable to generate sufficient taxable income in future periods. Recording a valuation allowance against our NOLs would not impact our ability to use them. Assumptions about future taxable income are consistent with the plans and estimates used to manage our business. Management will continue to evaluate future financial performance to determine whether such performance is both sustained and significant enough to provide sufficient evidence to support not recording valuation allowance on these NOLs. Any reduction in estimated future taxable income may require additional valuation allowance against the deferred tax assets, which could be material. As of December 31, 2020, the Company has recorded $185 million of valuation allowance against its capital loss deferred tax assets. Capital losses have a limited carryforward period of five years and they can be utilized only to the extent of capital gains. The Company does not anticipate generating sufficient capital gains to utilize the losses before they expire, therefore, a valuation allowance is necessary as of December 31, 2020. Additionally, the

Company recorded a valuation allowance of $62 million on the state NOL and state tax credit deferred tax assets primarily due to utilization limitations resulting from a prior ownership change.

The Company's unrecognized tax benefits related to uncertain tax positions were $57 million, $53 million and $39 million at December 31, 2020, 2019 and 2018, respectively. Included in the ending balance at December 31, 2020 is $57 million that would affect the Company's effective tax rate if recognized. The changes in unrecognized tax benefits relating to settlements with taxing authorities, unrecognized tax benefits as a result of tax positions taken during a prior period and unrecognized tax benefits relating from a lapse of the statute of limitations were immaterial during 2020, 2019 and 2018. The Company does not expect significant increases or decreases in their unrecognized tax benefits within the next 12 months. There are no material amounts included in the balance at December 31, 2020 for tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility.

The Company's federal income tax returns for tax years after 2002 remain subject to examination by the Internal Revenue Service (the "IRS") and state taxing jurisdictions. We are currently under audit by the IRS for the 2016 and 2017 tax years.

NOTE 7 - PENSION AND OTHER POSTRETIREMENT PLANS

The following summarizes the significant pension and other postretirement plans of United:

Pension Plans. United maintains two primary defined benefit pension plans, one covering certain pilot employees and another covering certain U.S. non-pilot employees. Each of these plans provide benefits based on a combination of years of benefit accruals service and an employee's final average compensation. Additional benefit accruals are frozen under the plan covering certain pilot employees and for management and administrative employees covered under the non-pilot plan. Benefit accruals for certain non-pilot employees continue. United maintains additional defined benefit pension plans, which cover certain international employees.

Other Postretirement Plans. United maintains postretirement medical programs which provide medical benefits to certain retirees and eligible dependents, as well as life insurance benefits to certain retirees participating in the plan. Benefits provided are subject to applicable contributions, co-payments, deductibles and other limits as described in the specific plan documentation.

During 2020, the Company offered voluntary separation programs ("VSPs") to its U.S.-based front-line employees and management and administrative employees. The Company offered certain of its eligible front-line employees, based on employee group, age and completed years of service, special termination benefits in the form of additional years of pension service and additional subsidies for retiree medical costs. These benefits resulted in a $54 million special termination benefit charges for the pension plans and $201 million for the retiree medical plan. The VSPs and other separation programs caused the lump sum settlements to increase in 2020. In 2020, the primary defined benefit pension plans paid $1.4 billion in lump sum distributions resulting in the recognition of $430 million of settlement losses. Settlement losses trigger the recognition of losses previously reported as unrealized in accumulated other comprehensive loss in an amount that is proportionate to the lump sum distributions as a percentage of the obligations of the plan.

Actuarial assumption changes are reflected as a component of the net actuarial (gain) loss during 2020 and 2019. The 2020 actuarial losses were mainly related to a decrease in the discount rate applied at December 31, 2020 compared to December 31, 2019. Actuarial (gains) losses will be amortized over the average remaining service life of the covered active employees or the average life expectancy of inactive participants.

The following tables set forth the reconciliation of the beginning and ending balances of the benefit obligation and plan assets, the funded status and the amounts recognized in these financial statements for the defined benefit and other postretirement plans (in millions):

	Pension Benefits	
	Year Ended December 31, 2020	Year Ended December 31, 2019
Accumulated benefit obligation:	$ 5,387	$ 5,333
Change in projected benefit obligation:		
Projected benefit obligation at beginning of year	$ 6,398	$ 5,396
Service cost	216	184
Interest cost	209	226
Actuarial loss	1,181	784
Special termination benefit	54	—
Benefits paid	(1,445)	(200)
Curtailment	(105)	—
Other	17	8
Projected benefit obligation at end of year	$ 6,525	$ 6,398
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 4,964	$ 3,827
Actual return on plan assets	521	684
Employer contributions	16	649
Benefits paid	(1,445)	(200)
Other	13	4
Fair value of plan assets at end of year	$ 4,069	$ 4,964
Funded status—Net amount recognized	$ (2,456)	$ (1,434)

	Pension Benefits	
	December 31, 2020	December 31, 2019
Amounts recognized in the consolidated balance sheets consist of:		
Noncurrent asset	$ 8	$ 14
Current liability	(4)	(2)
Noncurrent liability	(2,460)	(1,446)
Total liability	$ (2,456)	$ (1,434)
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	$ (1,924)	$ (1,652)
Prior service cost	(3)	(4)
Total accumulated other comprehensive loss	$ (1,927)	$ (1,656)

	Other Postretirement Benefits	
	Year Ended December 31, 2020	Year Ended December 31, 2019
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 842	$ 1,391
Service cost	10	10
Interest cost	28	47
Plan participants' contributions	58	67
Benefits paid	(164)	(180)
Actuarial loss	107	99
Plan amendments	—	(597)
Special termination benefit	201	—
Other	—	5
Benefit obligation at end of year	$ 1,082	$ 842
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 52	$ 53
Actual return on plan assets	1	1
Employer contributions	104	111
Plan participants' contributions	58	67
Benefits paid	(164)	(180)
Fair value of plan assets at end of year	51	52
Funded status—Net amount recognized	$ (1,031)	$ (790)

	Other Postretirement Benefits	
	December 31, 2020	December 31, 2019
Amounts recognized in the consolidated balance sheets consist of:		
Current liability	$ (37)	$ (1)
Noncurrent liability	(994)	(789)
Total liability	$ (1,031)	$ (790)
Amounts recognized in accumulated other comprehensive income consist of:		
Net actuarial gain	$ 255	$ 403
Prior service credit	570	693
Total accumulated other comprehensive income	$ 825	$ 1,096

The following information relates to all pension plans with an accumulated benefit obligation and a projected benefit obligation in excess of plan assets at December 31 (in millions):

	2020	2019
Projected benefit obligation	$ 6,250	$ 6,161
Accumulated benefit obligation	5,163	5,137
Fair value of plan assets	3,786	4,714

Net periodic benefit cost for the years ended December 31 included the following components (in millions):

	2020		2019		2018	
	Pension Benefits	Other Postretirement Benefits	Pension Benefits	Other Postretirement Benefits	Pension Benefits	Other Postretirement Benefits
Service cost	$ 216	$ 10	$ 184	$ 10	$ 228	$ 12
Interest cost	209	28	226	47	217	61
Expected return on plan assets	(328)	(1)	(291)	(1)	(292)	(2)
Amortization of unrecognized actuarial (gain) loss	162	(40)	118	(52)	130	(32)
Amortization of prior service credits	—	(124)	—	(73)	—	(37)
Settlement loss - VSPs	430	—	—	—	—	—
Special termination benefit - VSPs	54	201	—	—	—	—
Curtailment	1	—	—	—	—	—
Other	22	—	5	—	1	—
Net periodic benefit cost (credit)	$ 766	$ 74	$ 242	$ (69)	$ 284	$ 2

Service cost is recorded in Salaries and related costs on the statement of consolidated operations. All other components of net periodic benefit costs are recorded in Miscellaneous, net on the statement of consolidated operations.

The assumptions used for the benefit plans were as follows:

	Pension Benefits	
Assumptions used to determine benefit obligations	**2020**	**2019**
Discount rate	2.72 %	3.52 %
Rate of compensation increase	3.88 %	3.89 %
Assumptions used to determine net expense		
Discount rate	3.51 %	4.21 %
Expected return on plan assets	7.31 %	7.40 %
Rate of compensation increase	3.88 %	3.89 %

A 50 basis points decrease in the weighted average discount rate would have increased the Company's December 31, 2020 pension benefit liability by approximately $0.8 billion and increased the estimated 2020 pension benefit expense by approximately $78 million.

	Other Postretirement Benefits	
Assumptions used to determine benefit obligations	**2020**	**2019**
Discount rate	2.43 %	3.35 %
Assumptions used to determine net expense		
Discount rate	3.35 %	4.30 %
Expected return on plan assets	3.00 %	3.00 %
Health care cost trend rate assumed for next year	5.80 %	6.00 %
Rate to which the cost trend rate is assumed to decline (ultimate trend rate in 2033)	4.50 %	5.00 %

A 50 basis points decrease in the weighted average discount rate would have increased the Company's December 31, 2020 postretirement benefit liability by approximately $48 million and increased the estimated 2020 benefits expense by approximately $2 million.

The Company used the Society of Actuaries' PRI-2012 Private Retirement Plans Mortality Tables projected generationally using the Society of Actuaries' MP-2020 projection scale.

The Company selected the 2020 discount rate for substantially all of its plans by using a hypothetical portfolio of high-quality bonds at December 31, 2020, that would provide the necessary cash flows to match projected benefit payments.

We develop our expected long-term rate of return assumption for our defined benefit plans based on historical experience and by evaluating input from the trustee managing the plans' assets. Our expected long-term rate of return on plan assets for these

plans is based on a target allocation of assets, which is based on our goal of earning the highest rate of return while maintaining risk at acceptable levels. The plans strive to have assets sufficiently diversified so that adverse or unexpected results from one security class will not have an unduly detrimental impact on the entire portfolio. Plan fiduciaries regularly review our actual asset allocation and the pension plans' investments are periodically rebalanced to our targeted allocation when considered appropriate. United's plan assets are allocated within the following guidelines:

	Percent of Total	Expected Long-Term Rate of Return
Equity securities	30-45 %	10 %
Fixed-income securities	35-50	4
Alternatives	15-25	7

A 50 basis points decrease in the expected long-term rate of return on plan assets would have increased estimated 2020 pension expense by approximately $25 million.

Fair Value Information. Accounting standards require us to use valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

Level 1	Unadjusted quoted prices in active markets for assets or liabilities identical to those to be reported at fair value
Level 2	Other inputs that are observable directly or indirectly, such as quoted prices for similar assets or liabilities or market-corroborated inputs
Level 3	Unobservable inputs for which there is little or no market data and which require us to develop our own assumptions about how market participants would price the assets or liabilities

Assets and liabilities measured at fair value are based on the valuation techniques identified in the tables below. The valuation techniques are as follows:

(a) *Market approach.* Prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities; and

(b) *Income approach.* Techniques to convert future amounts to a single current value based on market expectations (including present value techniques, option-pricing and excess earnings models).

The following tables present information about United's pension and other postretirement plan assets at December 31 (in millions):

	2020					2019				
Pension Plan Assets:	Total	Level 1	Level 2	Level 3	Assets Measured at NAV(a)	Total	Level 1	Level 2	Level 3	Assets Measured at NAV(a)
Equity securities funds	$ 1,606	$ 55	$ 125	$ 96	$ 1,330	$ 1,957	$ 47	$ 117	$ 71	$ 1,722
Fixed-income securities	1,644	—	548	49	1,047	1,732	—	687	69	976
Alternatives	669	—	—	195	474	776	—	—	205	571
Other investments	150	132	8	10	—	499	466	21	12	—
Total	$ 4,069	$ 187	$ 681	$ 350	$ 2,851	$ 4,964	$ 513	$ 825	$ 357	$ 3,269
Other Postretirement Benefit Plan Assets:										
Deposit administration fund	$ 51	$ —	$ —	$ 51	$ —	$ 52	$ —	$ —	$ 52	$ —

(a) In accordance with the relevant accounting standards, certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) have not been classified in the fair value hierarchy. These investments are commingled 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. Redemption periods for these investments range from daily to semiannually.

Equity and Fixed-Income. Equities include investments in both developed market and emerging market equity securities. Fixed-income includes primarily U.S. and non-U.S. government fixed-income securities and U.S. and non-U.S. corporate fixed-income securities.

Deposit Administration Fund. This investment is a stable value investment product structured to provide investment income.

Alternatives. Alternative investments consist primarily of investments in hedge funds, real estate and private equity interests.

Other investments. Other investments consist of primarily cash, as well as insurance contracts.

The reconciliation of United's benefit plan assets measured at fair value using unobservable inputs (Level 3) for the years ended December 31, 2020 and 2019 is as follows (in millions):

	2020	2019
Balance at beginning of year	$ 409	$ 350
Actual return (loss) on plan assets:		
Sold during the year	4	12
Held at year end	13	(1)
Purchases, sales, issuances and settlements (net)	(25)	48
Balance at end of year	$ 401	$ 409

Funding requirements for tax-qualified defined benefit pension plans are determined by government regulations. The Company did not have any minimum required contributions for 2020 and does not expect any for 2021. The Company expects to make approximately $82 million in contributions to United's postretirement plans in 2021.

The estimated future benefit payments, net of expected participant contributions, in United's pension plans and other postretirement benefit plans as of December 31, 2020 are as follows (in millions):

	Pension	Other Postretirement
2021	$ 325	$ 88
2022	339	118
2023	353	100
2024	351	87
2025	376	83
Years 2026 – 2030	2,113	359

Defined Contribution Plans. United offers several defined contribution plans to its employees. Depending upon the employee group, employer contributions consist of matching contributions and/or non-elective employer contributions. United's employer contribution percentages to its primary 401(k) defined contribution plans vary from 1% to 16% of eligible earnings depending on the terms of each plan. United recorded expenses for its primary 401(k) defined contribution plans of $687 million, $735 million and $693 million in the years ended December 31, 2020, 2019 and 2018, respectively.

Multi-Employer Plans. United's participation in the IAM National Pension Plan ("IAM Plan") for the annual period ended December 31, 2020 is outlined in the table below. In addition to the additional required contributions described in table below, contributions in 2020 were affected by COVID-19 impacts on United's operations and consequently employee hours paid. The risks of participating in these multi-employer plans are different from single-employer plans, as United may be subject to additional risks that others do not meet their obligations, which in certain circumstances could revert to United. The IAM Plan reported $510 million in employers' contributions for the year ended December 31, 2019. For 2019, the Company's contributions to the IAM Plan represented more than 10% of total contributions to the IAM Plan. The 2020 information is not available as Form 5500 is not final for the plan year.

Pension Fund	IAM National Pension Fund ("Fund")
EIN/ Pension Plan Number	51-6031295 — 002
Pension Protection Act Zone Status (2020 and 2019)	Critical (2020) and Endangered (2019). A plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent. On April 17, 2019, the IAM National Pension Fund Board of Trustees voluntarily elected for the Fund to be in critical status effective for the plan year beginning January 1, 2019 to strengthen the Fund's financial health.
FIP/RP Status Pending/Implemented	A 10-year Rehabilitation Plan effective, January 1, 2022, was adopted on April 17, 2019 that requires the Company to make an additional contribution of 2.5% of the hourly contribution rate, compounded annually for the length of the Rehabilitation Plan, effective June 1, 2019.
United's Contributions	$53 million, $59 million and $52 million in the years ended December 31, 2020, 2019 and 2018, respectively
Surcharge Imposed	No
Expiration Date of Collective Bargaining Agreement	N/A

Profit Sharing. Substantially all employees participate in profit sharing based on a percentage of pre-tax earnings, excluding special charges, profit sharing expense and share-based compensation. Profit sharing percentages range from 5% to 20% depending on the work group, and in some cases profit sharing percentages vary above and below certain pre-tax margin thresholds. Eligible U.S. co-workers in each participating work group receive a profit sharing payout using a formula based on the ratio of each qualified co-worker's annual eligible earnings to the eligible earnings of all qualified co-workers in all domestic work groups. Eligible non-U.S. co-workers receive profit sharing based on the calculation under the U.S. profit sharing plan for management and administrative employees. As a result of the pre-tax losses in 2020, no profit sharing was recorded. However, the Company recorded profit sharing and related payroll tax expense of $491 million and $334 million in 2019 and 2018, respectively. Profit sharing expense is recorded as a component of Salaries and related costs in the Company's statements of consolidated operations.

NOTE 8 - NOTES RECEIVABLE

BRW Term Loan. In November 2018, United, as lender, entered into a Term Loan Agreement (the "BRW Term Loan Agreement") with, among others, BRW Aviation Holding LLC and BRW Aviation LLC ("BRW"), as guarantor and borrower, respectively. BRW Aviation Holding LLC and BRW are affiliates of Synergy Aerospace Corporation ("Synergy"), and BRW is the majority shareholder of Avianca Holdings S.A. ("AVH"). Pursuant to the BRW Term Loan Agreement, United provided to BRW a $456 million term loan (the "BRW Term Loan"), secured by a pledge of BRW's equity, as well as BRW's 516 million common shares of AVH (which are eligible to be converted into the same number of preferred shares, which may be deposited with the depositary for AVH's American Depositary Receipts ("ADRs"), the class of AVH securities that trades on the New York Stock Exchange (the "NYSE"), in exchange for 64.5 million ADRs) (such shares and equity, collectively, the "BRW Loan Collateral").

In the first quarter of 2020, United recorded a full credit loss allowance against the $515 million carrying value of the BRW Term Loan and related receivables. United recorded the allowance based on United's assessment of AVH's financial uncertainty due to its high level of leverage and the fact that the airline had ceased operations due to the COVID-19 pandemic. The credit loss allowance was recorded as part of Nonoperating income (expense): Miscellaneous, net on the Company's statements of consolidated operations. AVH and certain of its affiliates filed voluntary reorganization proceedings under Chapter 11 of the United States Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York on May 10, 2020 (the "AVH Reorganization Proceedings"). Accordingly, United maintains a full loss reserve against the BRW Term Loan and related receivables.

In connection with funding the BRW Term Loan Agreement, the Company entered into certain other agreements with Kingsland. See Note 13 of this report for additional information regarding our obligations to Kingsland and their interrelationship with the BRW Term Loan Agreement.

Avianca Loan. In November 2019, United entered into a senior secured convertible term loan agreement (the "AVH Convertible Loan Agreement") with, among others, AVH, as borrower, for the provision by the lenders thereunder (including United) to AVH of convertible term loans for general corporate purposes. In December 2019, United provided such a

convertible term loan to AVH under the AVH Convertible Loan Agreement in the aggregate amount of $150 million (the "AVH Convertible Loan"). The AVH Convertible Loan (1) was payable in a single installment in December 2023, (2) bore paid-in-kind interest at a rate of 3 percent per annum ("PIK Interest") and (3) was secured by a pledge of capital stock in AVH's major subsidiaries and, until released, certain Colombian Peso-denominated credit card receivables owing to Aerovías del Continente Americano S.A. ("Avianca"), a subsidiary of AVH and guarantor under the AVH Convertible Loan Agreement. In October, 2020, under the AVH Reorganization Proceedings, the balance of the convertible loan became a debtor-in-possession ("DIP") term loan ("DIP Loan") under the terms of the DIP credit agreement. The DIP Loan is not convertible. It bears paid-in-kind interest at a rate of 14.5% per annum and has a scheduled maturity date in November 2021. The DIP Loan becomes immediately payable upon AVH's emergence from bankruptcy, in either cash or shares of AVH stock, at AVH's election. As of December 31, 2020, the DIP loan had a balance of $159 million and was recorded in Receivables on the Company's balance sheet.

Other. The Company has $31 million of notes receivable, the majority of which is from certain of its regional carriers.

NOTE 9 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

Fair Value Information. Accounting standards require us to use valuation techniques to measure fair value that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are described in Note 7 of this report. The table below presents disclosures about the fair value of financial assets and liabilities measured at fair value on a recurring basis in the Company's financial statements as of December 31 (in millions):

	2020				2019			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 11,269	$ 11,269	$ —	$ —	$ 2,762	$ 2,762	$ —	$ —
Restricted cash - current (Note 1)	255	255	—	—	—	—	—	—
Restricted cash - non-current (Note 1)	218	218	—	—	106	106	—	—
Short-term investments:								
Corporate debt	330	—	330	—	1,045	—	1,045	—
Asset-backed securities	51	—	51	—	690	—	690	—
U.S. government and agency notes	33	—	33	—	124	—	124	—
Certificates of deposit placed through an account registry service	—	—	—	—	35	—	35	—
Other fixed-income securities	—	—	—	—	95	—	95	—
Other investments measured at NAV	—	—	—	—	193	—	—	—
Long-term investments:								
Equity securities	205	205	—	—	385	385	—	—
AVH Derivative Assets	—	—	—	—	24	—	—	24
Other assets	36	—	—	36	—	—	—	—

Short-term investments - The short-term investments shown in the table above are classified as available-for-sale, with the exception of investments measured at NAV. As of December 31, 2020, corporate debt securities have remaining maturities of approximately two years or less, asset-backed securities have remaining maturities of less than one year to approximately 14 years, and U.S. government and agency notes have maturities of less than one year.

Equity securities - Equity securities represent United's investment in Azul, consisting of approximately 8% of Azul's outstanding preferred shares (representing approximately 2% of the total capital stock of Azul). The Company recorded $180 million in losses and $136 million in gains, respectively, for the years ended December 31, 2020 and 2019 for changes to the fair market value of its equity investment in Azul in Unrealized gains (losses) on investments, net in the Company's statements of consolidated operations. The carrying value of our investment in Azul was $205 million at December 31, 2020.

AVH Derivative Assets - As part of the BRW Term Loan Agreement and related agreements with Kingsland, United obtained AVH share call options and AVH share appreciation rights and entered into an AVH share-based upside sharing agreement (collectively, the "AVH Derivative Assets"). The AVH Derivative Assets are recorded at fair value as Other assets on the Company's balance sheet and are included in the table above. The Company recorded $24 million in losses and $13 million in

gains, respectively, for the years ended December 31, 2020 and 2019 for changes in the fair value of the AVH Derivative Assets in Unrealized gains (losses) on investments, net in the Company's statements of consolidated operations.

Other assets - The other assets represent warrants provided to United for the purchase of membership units (Class B Units) in Alclear Holdings, LLC ("CLEAR"). The Company records these warrants at fair value.

Investments presented in the table above have the same fair value as their carrying value.

Other fair value information - The table below presents the carrying values and estimated fair values of financial instruments not presented in the tables above as of December 31 (in millions). Carrying amounts include any related discounts, premiums and issuance costs:

	2020					2019				
	Carrying Amount	Fair Value				Carrying Amount	Fair Value			
		Total	Level 1	Level 2	Level 3		Total	Level 1	Level 2	Level 3
Long-term debt	$ 26,747	$ 27,441	$ —	$ 21,985	$ 5,456	$ 14,552	$ 15,203	$ —	$ 11,398	$ 3,805

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

Description	Fair Value Methodology
Cash and cash equivalents	The carrying amounts approximate fair value because of the short-term maturity of these assets.
Short-term investments, other than Other investments measured at NAV, Equity securities and Restricted cash (current and non-current)	Fair value is based on (a) the trading prices of the investment or similar instruments, (b) an income approach, which uses valuation techniques to convert future amounts into a single present amount based on current market expectations about those future amounts when observable trading prices are not available, or (c) broker quotes obtained by third-party valuation services.
Other investments measured at NAV	In accordance with the relevant accounting standards, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position. The investments measured using NAV are shares of mutual funds that invest in fixed-income instruments including bonds, debt securities, and other similar instruments issued by various U.S. and non-U.S. public- or private-sector entities. The Company can redeem its shares at any time at NAV subject to a three-day settlement period.
AVH Derivative Assets	Fair values are calculated using a Monte Carlo simulation approach. Unobservable inputs include expected volatility, expected dividend yield and control and acquisition premiums.
Other assets	Fair value is determined utilizing the Black-Scholes options pricing model.
Long-term debt	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 or assets.

Investments in Regional Carriers. United holds investments in several regional carriers that fly for the Company as United Express under its CPAs. The combined carrying value of the investments was approximately $139 million as of December 31, 2020. United accounts for each investment using the equity method. Each investment and United's ownership stake are listed below.

- Republic Airways Holdings Inc. ("Republic"). United holds a 19% minority interest in Republic. Republic is the parent company of Republic Airways Inc. Republic currently operates 66 regional aircraft under a CPA that has terms through 2029.
- ManaAir, LLC ("ManaAir"). United holds a 49.9% minority ownership stake in ManaAir. ManaAir is the parent company of ExpressJet Airlines LLC ("ExpressJet"). The Company terminated its CPA with ExpressJet. ExpressJet flew its last commercial flight, on behalf of United, on September 30, 2020.
- Champlain Enterprises, LLC ("Champlain"). United owns a 40% minority ownership stake in Champlain. Champlain does business as CommutAir ("CommutAir"). As of December 31, 2020, CommutAir operated 49 regional aircraft and is expected to operate additional ERJ 145 regional jets that were formerly part of the ExpressJet fleet.

Other Investments. United holds other investments that are recorded at cost less impairment, adjusted for observable price changes in orderly transactions for an identical or similar investment of the same issuer. As of December 31, 2020, United held these major investments:

- Fulcrum BioEnergy, Inc. ("Fulcrum"). United owns approximately 7% of the preferred shares (representing approximately 6% of the total capital stock) of Fulcrum, a company that is developing a process for transforming municipal solid waste into transportation fuels, including jet fuel and diesel. As of December 31, 2020, the carrying value of United's investment was $51 million.
- CLEAR. United owns less than 1% of the Class B Units of CLEAR, a technology-enabled experience company that owns and operates a secure identity platform. Using biometrics, CLEAR enables touchless identification at airport checkpoints and other venues. As of December 31, 2020, the carrying value of United's investment was approximately $9 million.

NOTE 10 - DEBT

(In millions)	**Maturity Dates**	**Interest Rate(s) at December 31, 2020**	**At December 31,**	
			2020	**2019**
Secured				
Aircraft notes (a)	2021 — 2032	0.73 % — 9.80 %	$ 14,538	$ 11,585
MileagePlus Senior Secured Notes	2027	6.50 %	3,800	—
MileagePlus Term Loan Facility (a)	2027	5.49 %	3,000	—
Revolving Credit Facility (a)	2022	1.49 %	1,000	—
CARES Act Term Loan Facility (a)	2025	3.24 %	520	—
Term Loan Facility (a)	2024	2.49 %	1,444	1,459
Unsecured				
Notes	2022 — 2025	4.25 % — 5.00 %	1,050	1,350
PSP Note	2030	1.00 %	1,501	—
Other unsecured debt	2023 — 2029	4.00 % — 5.75 %	448	339
			27,301	14,733
Less: unamortized debt discount, premiums and debt issuance costs			(554)	(181)
Less: current portion of long-term debt			(1,911)	(1,407)
Long-term debt, net			$ 24,836	$ 13,145

(a) Financing includes variable rate debt based on LIBOR (or another index rate), generally subject to a floor, plus a specified margin ranging from 0.49% to 5.25%.

The table below presents the Company's contractual principal payments (not including debt discount or debt issuance costs) at December 31, 2020 under then-outstanding long-term debt agreements in each of the next five calendar years (in millions):

2021	$ 1,911
2022	3,852
2023	2,699
2024	5,132
2025	3,739
After 2025	9,968
	$ 27,301

PSP Note. During 2020, pursuant to the PSP Agreement and in connection with Treasury providing the Company with total funding of approximately $5.1 billion under the Payroll Support Program of the CARES Act, UAL issued a promissory note to Treasury evidencing senior unsecured indebtedness of UAL of approximately $1.5 billion.

The PSP Note is guaranteed by United and will mature on April 20, 2030, ten years after the initial issuance. If any subsidiary of UAL (other than United) guarantees other unsecured indebtedness of UAL with a principal balance in excess of a specified

amount, or if certain subsidiaries are formed or acquired, then such subsidiary shall be required to guarantee the obligations of UAL under the PSP Note. UAL may, at its option, prepay the PSP Note, at any time, and from time to time, at par. UAL is required to prepay the PSP Note upon the occurrence of certain change of control triggering events. The PSP Note does not require any amortization and is to be repaid in full on the maturity date.

Interest on the PSP Note is payable semi-annually in arrears on the last business day of March and September of each year beginning on September 30, 2020 at a rate of 1.00% in years one through five, and at the Secured Overnight Financing Rate (SOFR) plus 2.00% in years six through ten.

MileagePlus Financing. On July 2, 2020, MPH and Mileage Plus Intellectual Property Assets, Ltd., an indirect wholly-owned subsidiary of MPH ("MIPA" and, together with MPH, the "Issuers") issued $3.8 billion aggregate principal amount of their 6.50% Senior Secured Notes due 2027 (the "Notes"). The Notes have a fixed annual interest rate of 6.50%, which will be paid in cash, quarterly in arrears on March 20, June 20, September 20 and December 20 of each year, beginning on September 21, 2020 (each a "Payment Date"). Concurrently with the issuance of the Notes, the Issuers entered into a credit agreement that provides for a term loan facility in an aggregate principal amount of up to $3.0 billion (the "MP Term Loan Facility"). On July 2, 2020, the Issuers borrowed $3.0 billion in aggregate principal amount under the MP Term Loan Facility. Loans outstanding under the MP Term Loan Facility will bear interest at a variable rate equal to LIBOR (but not less than 1.00% per annum), plus a margin of 5.25% per annum, payable on each Payment Date. The principal on the Notes and the MP Term Loan Facility will be repaid in quarterly installments on each Payment Date, beginning on September 20, 2022. The scheduled maturity date of the Notes and of the MP Term Loan Facility is June 20, 2027. The Issuers lent the proceeds of the Notes and of the MP Term Loan Facility to United, after depositing a portion of such proceeds in reserve accounts to cover future interest payments. The Notes and the loans under the MP Term Loan Facility are guaranteed by UAL, United and certain other subsidiaries of UAL. The Notes and the loans under the MP Term Loan Facility are secured by first-priority security interests in substantially all of the assets of the Issuers, other than excluded property and subject to certain permitted liens, including specified cash accounts that include the accounts into which MileagePlus revenues are or will be paid by United's marketing partners and by United.

CARES Act Credit Agreement. On September 28, 2020, the Company entered into a Loan and Guarantee Agreement (the "CARES Act Credit Agreement"), among United, as borrower, UAL, as parent and guarantor, the subsidiaries of UAL other than United party thereto from time to time, as guarantors, Treasury, as lender, and The Bank of New York Mellon, as administrative and collateral agent. The CARES Act Credit Agreement provides for a CARES Act Term Loan Facility of up to approximately $7.5 billion pursuant to the Loan Program established under Section 4003(b)(1) of the CARES Act. The loans under the CARES Act Term Loan Facility may be disbursed in up to three disbursements on or before May 28, 2021. On September 28, 2020, United borrowed an amount equal to $520 million under the CARES Act Term Loan Facility. The principal amount must be repaid in a single installment on the maturity date on September 26, 2025. United may prepay all or a portion of the CARES Act Term Loan Facility from time to time, at par plus accrued and unpaid interest on the amount prepaid. Borrowings under the CARES Act Credit Agreement bear interest at a variable rate equal to LIBOR (but not less than 0%), plus a margin of 3.00% per annum. The obligations of United under the CARES Act Credit Agreement are secured by liens (i) on certain route authorities of United and certain related slots and gate leaseholds and other related assets, (ii) certain aircraft and (iii) certain flight simulators and related assets.

Revolving Credit Facility. As of December 31, 2020, United had $1.0 billion available under the revolving credit facility of the Credit Agreement. The Credit Agreement provides for a term loan facility (the "Term Loan Facility") and a revolving credit facility (the "Revolving Credit Facility"). To maximize United's flexibility under a debt incurrence covenant contained in two of United's financings, on July 2, 2020, United took the proactive step of borrowing $1.0 billion under the Revolving Credit Facility, which leaves $1.0 billion available for borrowing under such agreement by United at any time until April 1, 2022. Borrowings under the Revolving Credit Facility bear interest at a variable rate equal to LIBOR (but not less than 0% per annum), plus a margin of 2.25% per annum, or (at United's election) another rate based on certain market interest rates, plus a margin of 1.25% per annum. United pays a commitment fee equal to 0.75% per annum on the undrawn amount available under the Revolving Credit Facility.

Used Aircraft Bridge Loan. On March 9, 2020, the Company entered into a Term Loan Credit and Guaranty Agreement (the "Used Aircraft Credit Agreement"), among United, as borrower, UAL, as parent and guarantor, the subsidiaries of UAL other than United party thereto from time to time, as guarantors, the lenders party thereto from time to time and JP Morgan Chase Bank N.A., as administrative agent. United borrowed the full amount of $2 billion under the Used Aircraft Credit Agreement (the "Used Aircraft Facility"). The obligations of United under the Used Aircraft Bridge Loan were secured by liens on certain aircraft of United. The principal amount of the Used Aircraft Facility plus accrued interest was paid in full on October 28, 2020.

Spare Parts Bridge Loan. On March 20, 2020, the Company entered into a Term Loan Credit and Guaranty Agreement (the "Spare Parts Credit Agreement"), among United, as borrower, UAL, as parent and guarantor, the subsidiaries of UAL other than

United party thereto from time to time, as guarantors, the lenders party thereto from time to time and Goldman Sachs Bank USA, as administrative agent. United borrowed the full amount of $500 million under the Spare Parts Credit Agreement (the "Spare Parts Bridge Loan"). The obligations of United under the Spare Parts Bridge Loan were secured by liens on certain aircraft spare parts of United. The principal amount of the Spare Parts Bridge Loan plus accrued interest was paid in full on October 28, 2020.

Spare Engines Bridge Loan. On April 7, 2020, the Company entered into a Term Loan Credit and Guaranty Agreement (the "Spare Engines Credit Agreement"), among United, as borrower, UAL, as parent and guarantor, the subsidiaries of UAL other than United party thereto from time to time, as guarantors, the lenders party thereto from time to time and Bank of America, N.A., as administrative agent. United borrowed the full amount of $250 million under the Spare Engines Credit Agreement (the "Spare Engines Bridge Loan"). The obligations of United under the Spare Engines Bridge Loan were secured by liens on certain aircraft spare engines of United. The principal amount of the Spare Engines Bridge Loan plus accrued interest was paid in full on October 28, 2020.

SRG Bridge Loan. On June 30, 2020, the Company entered into a $200 million Term Loan Credit and Guaranty Agreement (the "SRG Bridge Loan"), among United, as borrower, UAL, as parent and guarantor, and Barclays Bank PLC, as administrative agent. The obligations of United under the SRG Bridge Loan were secured by liens on certain routes of United between cities in the U.S. and Europe, Israel, South America, and Mexico. United borrowed the full amount of the SRG Bridge Loan on July 1, 2020 and repaid it in full on September 29, 2020.

Aircraft Notes. As of December 31, 2020, United had $12.1 billion principal amount of equipment notes outstanding issued under enhanced equipment trust certificates ("EETC") financings included in notes payable in the table of outstanding debt above. Generally, the structure of these EETC financings consists of pass-through trusts created by United to issue pass-through certificates, which represent fractional undivided interests in the respective pass-through trusts and are not obligations of United. The proceeds of the issuance of the pass-through certificates are used to purchase equipment notes which are issued by United and secured by aircraft and, in certain structures, spare engines and spare parts. United is responsible for the payment obligations under the equipment notes. In certain EETC structures, proceeds received from the sale of pass-through certificates are initially held by a depositary in escrow for the benefit of the certificate holders until United issues equipment notes to the trust, which purchases such notes with a portion of the escrowed funds. These escrowed funds are not guaranteed by United and are not reported as debt on United's consolidated balance sheet because the proceeds held by the depositary are not United's assets.

In September 2019, October 2020 and February 2021, United created new EETC pass-through trusts, each of which issued pass-through certificates. The proceeds from the issuance of the pass-through certificates were used to purchase equipment notes issued by United and secured by aircraft and, in the case of the EETC entered into in October 2020, also by spare engines and spare parts. The Company records the debt obligation upon issuance of the equipment notes rather than upon the initial issuance of the pass-through certificates. Certain details of the pass-through trusts with proceeds received from issuance of debt in 2020 are as follows (in millions, except stated interest rate):

EETC Issuance Date	Class	Principal	Final expected distribution date	Stated interest rate	Total proceeds received from issuance of debt during 2020	Total debt recorded as of December 31, 2020
September 2019	AA	$ 702	May 2032	2.70%	$ 189	$ 702
September 2019	A	287	May 2028	2.90%	77	287
September 2019	B	232	May 2028	3.50%	62	232
October 2020	A	3,000	October 2027	5.88%	3,000	3,000
February 2021	B	600	January 2026	4.88%	—	—
		$ 4,821			$ 3,328	$ 4,221

In 2020, United borrowed approximately $691 million aggregate principal amount from various financial institutions to finance the purchase of several aircraft delivered in 2020. The notes evidencing these borrowings, which are secured by the related aircraft, mature in 2032 and have interest rates comprised of LIBOR plus a specified margin.

In November 2019, at the request of United, the California Municipal Finance Authority issued its approximately $295 million special facility revenue bonds and loaned the proceeds of such bonds to United pursuant to a loan agreement to finance the costs of construction of an aircraft maintenance and ground service equipment complex at Los Angeles International Airport. The bonds bear interest at 4% per annum, payable semiannually, commencing July 15, 2020 through the July 15, 2029 maturity

date. As security for United's obligations under the loan agreement, United also entered into a leasehold mortgage which grants to the trustee of the bonds (acting on behalf of the bondholders) a lien on United's interest in the leased premises and any improvements thereon owned by or leased to United. As of December 31, 2020, United had recorded approximately $159 million related to this debt.

PSP2 Note. During the first quarter of 2021, UAL issued the PSP2 Note to Treasury evidencing senior unsecured indebtedness of UAL. The principal amount of the PSP2 Note will increase to 30% of any disbursement made by Treasury to United under the PSP2 Agreement after the initial issuance date to approximately $753 million aggregate principal amount after all disbursements. The PSP2 Note is guaranteed by United, and will mature ten years after issuance on January 15, 2031 (the "Maturity Date"). If any subsidiary of UAL (other than United) guarantees other unsecured indebtedness of UAL with a principal balance in excess of a specified amount, then such subsidiary shall be required to guarantee the obligations of UAL under the PSP2 Note. UAL may, at its option, prepay the PSP2 Note, at any time, and from time to time, at par. UAL is required to prepay the PSP2 Note upon the occurrence of certain change of control triggering events. The PSP2 Note does not require any amortization, and is to be repaid in full on the Maturity Date. Interest on the PSP2 Note is payable semi-annually in arrears on the last business day of March and September of each year, beginning on March 31, 2021, at a rate of 1.00% in years 1 through 5, and at the Secured Overnight Financing Rate (SOFR) plus 2.00% in years 6 through 10.

As of December 31, 2020, UAL and United were in compliance with their respective debt covenants. The collateral, covenants and cross default provisions of the Company's principal debt instruments that contain such provisions are summarized in the table below:

Debt Instrument	Collateral, Covenants and Cross Default Provisions
Various equipment notes and other notes payable	Secured by certain aircraft, spare engines and spare parts. The indentures contain events of default that are customary for aircraft financings, including in certain cases cross default to other related aircraft.
Credit Agreement	Secured by certain of United's international route authorities, specified take-off and landing slots at certain airports and certain other assets. The Credit Agreement requires the Company to maintain at least $2.0 billion of unrestricted liquidity at all times, which includes unrestricted cash, short-term investments and any undrawn amounts under any revolving credit facility, and to maintain a minimum ratio of appraised value of collateral to the outstanding obligations under the Credit Agreement of 1.6 to 1.0 at all times. The Credit Agreement contains covenants that, among other things, restrict the ability of UAL and its restricted subsidiaries (as defined in the Credit Agreement) to make investments and to pay dividends on or repurchase stock. The Credit Agreement contains events of default customary for this type of financing, including a cross payment default and cross acceleration provision to certain other material indebtedness of the Company.
CARES Act Credit Agreement	Secured by liens on (i) certain route authorities of United and certain related slots and gate leaseholds and other related assets, (ii) certain aircraft and (iii) certain flight simulators and related assets. The CARES Act Credit Agreement requires the Company to maintain at least $2.0 billion of unrestricted liquidity at all times, which includes, among other things, unrestricted cash, certain short-term investments and any undrawn amounts under any revolving credit facility or under the CARES Act Credit Agreement, and to maintain a minimum ratio of appraised value of collateral to the outstanding obligations under the CARES Act Credit Agreement of 1.6 to 1.0. The CARES Act Credit Agreement contains covenants that, among other things, (i) restrict the ability of UAL and its subsidiaries to make investments and to pay dividends on or repurchase stock, (ii) require United to maintain certain levels of scheduled service and (iii) create certain limitations on executive compensation. The CARES Act Credit Agreement contains events of default customary for this type of financing, including a cross payment default and cross acceleration provision to certain other material indebtedness of the Company.
MileagePlus Notes and Term Loan Facility	Secured by first-priority security interests in substantially all of the assets of the Issuers, other than excluded property and subject to certain permitted liens, including security interests in specified cash accounts that include the accounts into which MileagePlus revenues are or will be paid by United's marketing partners and by United.
PSP and PSP2 Notes	The PSP Note and the PSP2 Note represent senior unsecured indebtedness of UAL. The PSP Note and the PSP2 Note are guaranteed by United. If any subsidiary of UAL (other than United) guarantees other unsecured indebtedness of UAL with a principal balance in excess of a specified amount, then such subsidiary shall be required to guarantee the obligations of UAL under the PSP Note and the PSP2 Note.
Unsecured notes	The indentures for these notes contain covenants that, among other things, restrict the ability of the Company and its restricted subsidiaries (as defined in the indentures) to incur additional indebtedness and pay dividends on or repurchase stock, although the Company currently has ample ability under these restrictions to repurchase stock under the Company's share repurchase programs.

NOTE 11 - LEASES AND CAPACITY PURCHASE AGREEMENTS

United leases aircraft, airport passenger terminal space, aircraft hangars and related maintenance facilities, cargo terminals, other airport facilities, other commercial real estate, office and computer equipment and vehicles, among other items. Certain of these leases include provisions for variable lease payments which are based on several factors, including, but not limited to, relative leased square footage, available seat miles, enplaned passengers, passenger facility charges, terminal equipment usage

fees, departures, and airports' annual operating budgets. Due to the variable nature of the rates, these leases are not recorded on our balance sheet as a right-of-use asset and lease liability.

For leases with terms greater than 12 months, we record the related right-of-use asset and lease liability at the present value of fixed lease payments over the lease term. To the extent a lease agreement includes an extension option that is reasonably certain to be exercised, we have recognized those amounts as part of our right-of-use assets and lease liabilities. Leases with an initial term of 12 months or less with purchase options or extension options that are not reasonably certain to be exercised are not recorded on the balance sheet; we recognize lease expense for these leases on a straight-line basis over the term of the lease. We combine lease and non-lease components, such as common area maintenance costs, in calculating the right-of-use assets and lease liabilities for all asset groups except for our CPAs, which contain embedded leases for regional aircraft. In addition to the lease component cost for regional aircraft, our CPAs also include non-lease components primarily related to the regional carriers' operating costs incurred in providing regional aircraft services. We allocate consideration for the lease components and non-lease components of each CPA based on their relative standalone values.

Lease Cost. The Company's lease cost for the years ended December 31 included the following components (in millions):

	2020	2019	2018
Operating lease cost	$ 933	$ 1,038	$ 1,213
Variable and short-term lease cost	1,968	2,548	2,569
Amortization of finance lease assets	88	68	75
Interest on finance lease liabilities	16	85	44
Sublease income	(23)	(32)	(38)
Total lease cost	$ 2,982	$ 3,707	$ 3,863

Lease terms and commitments. United's leases include aircraft leases for aircraft that are directly leased by United and aircraft that are operated by regional carriers on United's behalf under CPAs (but excluding aircraft owned by United) and non-aircraft leases. Aircraft operating leases relate to leases of 104 mainline and 290 regional aircraft while finance leases relate to leases of 37 mainline and 45 regional aircraft. United's aircraft leases have remaining lease terms of 1 month to 12 years with expiration dates ranging from 2021 through 2032. Under the terms of most aircraft leases, United has the right to purchase the aircraft at the end of the lease term, in some cases at fair market value, and in others, at a percentage of cost.

Non-aircraft leases have remaining lease terms of 1 month to 32 years, with expiration dates ranging from 2021 through 2053.

The table below summarizes the Company's scheduled future minimum lease payments under operating and finance leases, recorded on the balance sheet, as of December 31, 2020 (in millions):

	Operating Leases	Finance Leases
2021	$ 847	$ 198
2022	693	59
2023	723	51
2024	704	47
2025	585	35
After 2025	3,979	64
Minimum lease payments	7,531	454
Imputed interest	(1,933)	(48)
Present value of minimum lease payments	5,598	406
Less: current maturities of lease obligations	(612)	(182)
Long-term lease obligations	$ 4,986	$ 224

As of December 31, 2020, we have additional leases of approximately $740 million for several mainline aircraft, regional jets under a CPA and airport facilities and office space leases that have not yet commenced. These leases will commence in 2021 with lease terms of up to 12 years.

In 2020, United entered into agreements with third parties to finance through sale and leaseback transactions new Boeing model 787-9 aircraft and Boeing model 737 MAX aircraft subject to purchase agreements between United and Boeing. In connection with the delivery of each aircraft from Boeing, United assigned its right to purchase such aircraft to the buyer, and simultaneous

with the buyer's purchase from Boeing, United entered into a long-term lease for such aircraft with the buyer as lessor. Fifteen Boeing model aircraft were delivered in 2020 under these transactions (and each is presently subject to a long-term lease to United). Remaining aircraft in the agreements are scheduled to be delivered in 2021. Upon delivery of aircraft in these sale and leaseback transactions in 2020, the Company accounted for 11 of these aircraft, which have a repurchase option at a price other than fair value, as part of Flight equipment on the Company's balance sheet and the related obligation recorded in Other current liabilities and Other financial liabilities from sale-leasebacks (noncurrent) since they do not qualify for sale recognition. The remaining four aircraft that qualified for sale recognition were recorded as Operating lease right-of-use assets and Current/Long-term obligations under operating leases on the Company's balance sheet after recognition of related gains on such sale. See Note 14 of this report for additional information.

Our lease agreements do not provide a readily determinable implicit rate nor is it available to us from our lessors. Instead, we estimate United's incremental borrowing rate based on information available at lease commencement in order to discount lease payments to present value. The table below presents additional information related to our leases as of December 31:

	2020	2019
Weighted-average remaining lease term - operating leases	11 years	11 years
Weighted-average remaining lease term - finance leases	4 years	6 years
Weighted-average discount rate - operating leases	5.1 %	5.2 %
Weighted-average discount rate - finance leases	4.4 %	5.7 %

The table below presents supplemental cash flow information related to leases during the year ended December 31 (in millions):

	2020	2019	2018
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating leases	$ 788	$ 902	$ 1,078
Operating cash flows for finance leases	20	70	53
Financing cash flows for finance leases	66	151	79

Regional CPAs. United has contractual relationships with various regional carriers to provide regional aircraft service branded as United Express. Under these CPAs, the Company pays the regional carriers contractually agreed fees (carrier costs) for operating these flights plus a variable rate adjustment based on agreed performance metrics, subject to annual adjustments. The fees are based on specific rates multiplied by specific operating statistics (e.g., block hours, departures), as well as fixed monthly amounts. Under these CPAs, the Company is also responsible for all fuel costs incurred, as well as landing fees and other costs, which are either passed through by the regional carrier to the Company without any markup or directly incurred by the Company. In some cases, the Company owns some or all of the aircraft subject to the CPA and leases such aircraft to the regional carrier. United's CPAs are for 475 regional aircraft as of December 31, 2020, and the CPAs have terms expiring through 2033. Aircraft operated under CPAs include aircraft leased directly from the regional carriers and those owned by United and operated by the regional carriers. See Part I, Item 2. Properties, of this report for additional information.

In July 2020, the Company announced its plans to consolidate its Embraer ERJ 145 ("ERJ 145") operations into a single regional partner. As a result, the Company terminated its CPA with ExpressJet. ExpressJet flew its last commercial flight, on behalf of United, on September 30, 2020. Additionally, United transferred all of its ERJ 145 operations over to CommutAir as United's sole regional partner of this aircraft type.

United recorded approximately $0.6 billion, $1.0 billion and $1.0 billion in expenses related to its CPAs with its regional carriers in which United is a minority shareholder, for the years ended December 31, 2020, 2019 and 2018, respectively. There were approximately $68 million and $69 million in accounts payable due to these companies as of December 31, 2020 and December 31, 2019, respectively. There were no material accounts receivables due from these companies as of December 31, 2020 and December 31, 2019. The CPAs with these related parties were executed in the ordinary course of business.

Our future commitments under our CPAs are dependent on numerous variables, and are, therefore, difficult to predict. The most important of these variables is the number of scheduled block hours. Although we are not required to purchase a minimum number of block hours under certain of our CPAs, we have set forth below estimates of our future payments under the CPAs based on our assumptions. United's estimates of its future payments under all of the CPAs do not include the portion of the underlying obligation for any aircraft leased to a regional carrier or deemed to be leased from other regional carriers and facility rent that are disclosed as part of operating leases above. For purposes of calculating these estimates, we have assumed (1) the number of block hours flown is based on our anticipated level of flight activity or at any contractual minimum utilization levels if applicable, whichever is higher, (2) that we will reduce the fleet as rapidly as contractually allowed under each CPA, (3) that

aircraft utilization, stage length and load factors will remain constant, (4) that each carrier's operational performance will remain at recent historic levels and (5) an annual projected inflation rate. These amounts exclude variable pass-through costs such as fuel and landing fees, among others. Based on these assumptions as of December 31, 2020, our future payments through the end of the terms of our CPAs are presented in the table below (in billions):

2021	$ 1.8
2022	1.8
2023	1.7
2024	1.5
2025	1.2
After 2025	3.1
	$ 11.1

The actual amounts we pay to our regional operators under CPAs could differ materially from these estimates. For example, a 10% increase or decrease in scheduled block hours for all of United's regional operators (whether as a result of changes in average daily utilization or otherwise) in 2021 would result in a corresponding change in annual cash obligations under the CPAs of approximately $85 million.

NOTE 12 - VARIABLE INTEREST ENTITIES ("VIE")

Variable interests are contractual, ownership or other monetary interests in an entity that change with fluctuations in the fair value of the entity's net assets exclusive of variable interests. A VIE can arise from items such as lease agreements, loan arrangements, guarantees or service contracts. An entity is a VIE if (a) the entity lacks sufficient equity or (b) the entity's equity holders lack power or the obligation and right as equity holders to absorb the entity's expected losses or to receive its expected residual returns.

If an entity is determined to be a VIE, the entity must be consolidated by the primary beneficiary. The primary beneficiary is the holder of the variable interests that has the power to direct the activities of a VIE that (i) most significantly impact the VIE's economic performance and (ii) has the obligation to absorb losses of or the right to receive benefits from the VIE that could potentially be significant to the VIE. Therefore, the Company must identify which activities most significantly impact the VIE's economic performance and determine whether it, or another party, has the power to direct those activities.

Airport Leases. United is the lessee of real property under long-term operating leases at a number of airports where we are also the guarantor of approximately $1.9 billion of tax-exempt special facilities revenue bonds and interest thereon as of December 31, 2020. These leases are typically with municipalities or other governmental entities, which are excluded from the consolidation requirements concerning a VIE. To the extent United's leases and related guarantees are with a separate legal entity other than a governmental entity, United is not the primary beneficiary because the lease terms are consistent with market terms at the inception of the lease and the lease does not include a residual value guarantee, fixed-price purchase option, or similar feature. See Note 13 of this report for more information regarding United's guarantee of the tax-exempt special facilities revenue bonds.

EETCs. United evaluated whether the pass-through trusts formed for its EETC financings, treated as either debt or aircraft operating leases, are VIEs required to be consolidated by United under applicable accounting guidance, and determined that the pass-through trusts are VIEs. Based on United's analysis as described below, United determined that it does not have a variable interest in the pass-through trusts.

The primary risk of the pass-through trusts is credit risk (i.e. the risk that United, the issuer of the equipment notes, may be unable to make its principal and interest payments). The primary purpose of the pass-through trust structure is to enhance the credit worthiness of United's debt obligation through certain bankruptcy protection provisions, a liquidity facility (in certain of the EETC structures) and improved loan-to-value ratios for more senior debt classes. These credit enhancements lower United's total borrowing cost. Pass-through trusts are established to receive principal and interest payments on the equipment notes purchased by the pass-through trusts from United and remit these proceeds to the pass-through trusts' certificate holders.

United does not invest in or obtain a financial interest in the pass-through trusts. Rather, United has an obligation to make interest and principal payments on its equipment notes held by the pass-through trusts. United does not intend to have any voting or non-voting equity interest in the pass-through trusts or to absorb variability from the pass-through trusts. Based on this analysis, the Company determined that it is not required to consolidate the pass-through trusts.

BRW. Synergy's wholly-owned affiliate, BRW, is a special purpose entity created to be the borrower of the BRW Term Loan. BRW is also the owner of the collateral that secures the BRW Term Loan. BRW is a VIE and United holds variable interests in BRW including the BRW Term Loan. However, United is not the primary beneficiary of BRW because it does not hold BRW equity and does not have management rights at BRW and therefore does not have the power to direct the activities that most significantly impact BRW's economic performance. In connection with the delivery by United of a notice of default to BRW, Kingsland was granted, in accordance with the agreements related to the BRW Term Loan Agreement, authority to manage BRW.

AVH. United concluded that AVH is a VIE and that United holds a variable interest through the AVH DIP Loan and a call option on BRW's AVH shares. However, United is not the primary beneficiary because it does not hold a material number of shares of AVH and does not have the power through the AVH DIP Loan Agreement or any other agreement to direct the activities that most significantly impact AVH's economic performance. Further, AVH is currently in Chapter 11 bankruptcy and as such the bankruptcy court is viewed as having power to direct the activities that most significantly impact AVH's economic performance. See Note 9 of this report for more information about the AVH call options.

ManaAir. United concluded that ManaAir is a VIE as of December 31, 2020. United holds a variable interest in ManaAir in the form of equity interest, but United is not the primary beneficiary because it does not have power to direct the activities that most significantly impact ManaAir's economic performance.

Champlain. United concluded that Champlain is a VIE as of December 31, 2020. United holds variable interests in Champlain in the form of equity interest and a loan to Champlain, but United is not the primary beneficiary because it does not have power to direct the activities that most significantly impact Champlain's economic performance.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Commitments. As of December 31, 2020 (adjusted to include the effects of the February 26, 2021 agreement with The Boeing Company ("Boeing") discussed below), United had firm commitments and options to purchase aircraft from Boeing, Airbus S.A.S. ("Airbus") and Embraer S.A. ("Embraer") presented in the table below:

		Scheduled Aircraft Deliveries		
Aircraft Type	**Number of Firm Commitments (a)**	**2021**	**2022**	**After 2022**
Airbus A321XLR	50	—	—	50
Airbus A350	45	—	—	45
Boeing 737 MAX	188	21	40	127
Boeing 787	11	11	—	—
Embraer E175	4	4	—	—

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

On February 26, 2021, the Company entered into an agreement with The Boeing Company ("Boeing") for a firm order of 25 Boeing 737 MAX aircraft for delivery in 2023, and to reschedule the delivery of 40 previously ordered Boeing 737 MAX aircraft to 2022 and 5 Boeing 737 MAX aircraft into 2023.

The aircraft listed in the table above are scheduled for delivery through 2030. To the extent the Company and the aircraft manufacturers with which the Company has existing orders for new aircraft agree to modify the contracts governing those orders, the amount and timing of the Company's future capital commitments could change.

In March 2020, the Company entered into a confidential settlement with Boeing with respect to compensation for financial damages incurred in 2019 due to the grounding of the Boeing 737 MAX aircraft. In June 2020, the Company entered into an amended and restated confidential agreement with Boeing which provides for the settlement of additional items related to aircraft delivery and updates the scheduled delivery for substantially all undelivered Boeing 737 MAX aircraft. The compensation to the Company under the amended and restated settlement agreement is in the form of credit memos to be issued upon the satisfaction of certain conditions related to aircraft deliveries. The Company is accounting for this settlement as a reduction to the cost basis of future firm order Boeing 737 MAX aircraft deliveries and previously-delivered Boeing 737 MAX aircraft, which will reduce future depreciation expense associated with these aircraft.

United also has an agreement to purchase 11 used Boeing 737-700 aircraft with expected delivery dates in 2021. In addition, United has an agreement to purchase 17 used Airbus A319 aircraft, which it intends to sell, with expected delivery dates in 2021 and 2022.

The table below summarizes United's commitments as of December 31, 2020 (adjusted to include the effects of the February 26, 2021 agreement with Boeing), which include aircraft and related spare engines, aircraft improvements and all non-aircraft capital commitments (in billions):

2021	$	4.9
2022		2.9
2023		2.8
2024		1.6
2025		2.0
After 2025		10.1
	$	24.3

Legal and Environmental. The Company has certain contingencies resulting from litigation and claims incident to the ordinary course of business. As of December 31, 2020, management believes, after considering a number of factors, including (but not limited to) the information currently available, the views of legal counsel, the nature of contingencies to which the Company is subject and prior experience, that the ultimate disposition of the litigation and claims will not materially affect the Company's consolidated financial position or results of operations. The Company records liabilities for legal and environmental claims when a loss is probable and reasonably estimable. These amounts are recorded based on the Company's assessments of the likelihood of their eventual disposition.

Guarantees and Indemnifications. In the normal course of business, the Company enters into numerous real estate leasing and aircraft financing arrangements that have various guarantees included in the contracts. These guarantees are primarily in the form of indemnities under which the Company typically indemnifies the lessors and any tax/financing parties against liabilities that arise out of or relate to the use, operation or maintenance of the leased premises or financed aircraft. Currently, the Company believes that any future payments required under these guarantees or indemnities would be immaterial, as most liabilities and related indemnities are covered by insurance (subject to deductibles). Additionally, certain real estate leases include indemnities for any environmental liability that may arise out of or relate to the use of the leased premises.

As of December 31, 2020, 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 these obligations are accounted for as operating leases recognized on the Company's balance sheet with the associated expense recorded on a straight-line basis over the expected lease term. The obligations associated with these tax-exempt special facilities revenue bonds are included in our lease commitments disclosed in Note 11 of this report. All of these bonds are due between 2023 and 2038.

In connection with funding the BRW Term Loan Agreement, the Company entered into an agreement with Kingsland, pursuant to which, in return for Kingsland's pledge of its 144.8 million common shares of AVH (which are eligible to be converted into the same number of preferred shares, which may be deposited with the depositary for AVH's ADRs, the class of AVH securities that trades on the NYSE, in exchange for 18.1 million ADRs) and its consent to BRW's pledge of its AVH common shares to United under the BRW Term Loan Agreement and related agreements, United (1) granted to Kingsland the right to put its AVH common shares to United at market price on the fifth anniversary of the BRW Term Loan Agreement or upon certain sales of AVH common shares owned by BRW, including upon a foreclosure of United's security interest or any completed liquidation or dissolution of AVH, and (2) guaranteed BRW's obligation to pay Kingsland the difference (which amount, if paid by United, any such sale, as applicable, is less than $12 per ADR on the NYSE, for an aggregate maximum possible combined put payment and guarantee amount on the fifth anniversary of $217 million. Due to AVH's financial uncertainty due to its high level of leverage and the fact that the airline had ceased operations due to the COVID-19 pandemic, the Company recorded the full amount under this guarantee as a liability. In November 2020, the Company posted $217 million as cash collateral for a standby letter of credit in favor of Citibank, N.A. that serves as security for a loan from Citibank to Kingsland. Any drawings under the letter of credit would offset the Company's maximum possible put and guarantee payment to Kingsland by an equal amount. The posting of this collateral, and any potential credit against the Company's put and guarantee payment, are entirely related to the original transactions entered in 2018 and do not represent any new or incremental investment.

As of December 31, 2020, United is the guarantor of $119 million of aircraft mortgage debt issued by one of United's regional carriers. The aircraft mortgage debt is subject to similar increased cost provisions as described below for the Company's debt, and the Company would potentially be responsible for those costs under the guarantees.

As of December 31, 2020, United had $380 million of surety bonds securing various insurance related obligations with expiration dates through 2024.

Increased Cost Provisions. In United's financing transactions that include loans in which United is the borrower, United 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 with respect to which the interest rate is based on LIBOR, for certain other increased costs that the lenders incur in carrying these loans as a result of any change in law, subject, in most cases, to obligations of the lenders to take certain limited steps to mitigate the requirement for, or the amount of, such increased costs. At December 31, 2020, the Company had $9.8 billion of floating 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 $8.3 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.

Fuel Consortia. United participates in numerous fuel consortia with other air carriers at major airports to reduce the costs of fuel distribution and storage. Interline agreements govern the rights and responsibilities of the consortia members and provide for the allocation of the overall costs to operate the consortia based on usage. The consortia (and in limited cases, the participating carriers) have entered into long-term agreements to lease certain airport fuel storage and distribution facilities that are typically financed through tax-exempt bonds, either special facilities lease revenue bonds or general airport revenue bonds, issued by various local municipalities. In general, each consortium lease agreement requires the consortium to make lease payments in amounts sufficient to pay the maturing principal and interest payments on the bonds. As of December 31, 2020, approximately $2.3 billion principal amount of such bonds were secured by significant fuel facility leases in which United participates, as to which United and each of the signatory airlines has provided indirect guarantees of the debt. As of December 31, 2020, the Company's contingent exposure was approximately $293 million principal amount of such bonds based on its recent consortia participation. The Company's contingent exposure could increase if the participation of other air carriers decreases. The guarantees will expire when the tax-exempt bonds are paid in full, which ranges from 2022 to 2051. The Company did not record a liability at the time these indirect guarantees were made.

Regional Capacity Purchase. As of December 31, 2020, United had 303 call options to purchase regional jet aircraft being operated by certain of its regional carriers with contract dates extending until 2029. These call options are exercisable upon wrongful termination or breach of contract, among other conditions.

Credit Card Processing Agreements. The Company has agreements with financial institutions that process customer credit card transactions for the sale of air travel and other services. Under certain of the Company's credit card processing agreements, the financial institutions in certain circumstances have the right to require that the Company maintain a reserve equal to a portion of advance ticket sales that has been processed by that financial institution, but for which the Company has not yet provided the air transportation. Such financial institutions may require additional cash or other collateral reserves to be established or additional withholding of payments related to receivables collected if the Company does not maintain certain minimum levels of unrestricted cash, cash equivalents and short-term investments (collectively, "Unrestricted Liquidity"). The Company's current level of Unrestricted Liquidity is substantially in excess of these minimum levels.

Labor Negotiations. As of December 31, 2020, United, including its subsidiaries, had approximately 74,400 employees. Approximately 84% of United's employees were represented by various U.S. labor organizations. On February 1, 2019, the collective bargaining agreement with the Air Line Pilots Association ("ALPA"), the labor union representing United's pilots, became amendable. The Company and ALPA are in negotiations for an amended agreement. On September 28, 2020, United's pilots approved an agreement to avoid furloughs, at least until June 2021. The agreement offered, among other things, an early separation option for certain eligible pilots.

The Company and UNITE HERE, the labor union representing United's Catering Operations employees, started negotiations for a first collective bargaining agreement in March 2019.

In December 2020, the Company reviewed the provision of the collective bargaining agreement with the International Brotherhood of Teamsters ("IBT") for alignment with contract terms with other airlines' workgroups. This review provided a base pay rate increase for employees covered under this agreement.

NOTE 14 - SPECIAL CHARGES AND UNREALIZED (GAINS) LOSSES ON INVESTMENTS

Special charges and unrealized gains and losses on investments in the statements of consolidated operations consisted of the following for the years ended December 31 (in millions):

Operating:	2020	2019	2018
CARES Act grant	$ (3,536)	$ —	$ —
Severance and benefit costs	575	16	41
Impairment of assets	318	171	377
Termination of an engine maintenance service agreement	—	—	64
(Gains) losses on sale of assets and other special charges	27	59	5
Total operating special charges (credit)	(2,616)	246	487
Nonoperating credit loss on BRW Term Loan and related guarantee	697	—	—
Nonoperating special termination benefits and settlement losses	687	—	—
Nonoperating unrealized (gains) losses on investments	194	(153)	5
Total nonoperating special charges and unrealized (gains) losses on investments	1,578	(153)	5
Total operating and nonoperating special charges (credit) and unrealized (gains) losses on investments	(1,038)	93	492
Income tax expense (benefit), net of valuation allowance	404	(21)	(110)
Income tax adjustments (Note 6)	—	—	(5)
Total operating and nonoperating special charges (credit) and unrealized (gains) losses on investments, net of income taxes	$ (634)	$ 72	$ 377

2020

CARES Act grant. During 2020, the Company received approximately $5.1 billion in funding pursuant to the Payroll Support Program under the CARES Act, which consisted of a $3.6 billion grant and a $1.5 billion unsecured loan. The Company recorded $66 million for warrants issued to Treasury, within stockholders' equity, as an offset to the grant income. For 2020, we recognized the $3.5 billion grant as a credit to Special charges (credit).

Severance and benefit costs. In July 2020, the Company started the involuntary furlough process by issuing WARN Act notices to approximately 36,000 of its employees. Since then, the Company worked to reduce the total number of furloughs to approximately 13,000 employees by working closely with its union partners, introducing new voluntary options selected by approximately 9,000 employees and proposing creative solutions that would save jobs. This workforce reduction is part of the Company's strategic realignment of its business and new organizational structure as a result of the impacts of the COVID-19 pandemic on the Company's operations and cost structure. The Company recorded $575 million during 2020 related to the workforce reduction, employee severance, pay continuance from voluntary retirements, and benefits-related costs (and additional costs associated with special termination benefits and settlement losses discussed below under "Nonoperating special termination benefits and settlement losses"). See also Note 7 of this report for further information.

Impairment of assets. United assesses its goodwill and intangible assets for potential impairment on an annual basis as of October 1, and on an interim basis if there are indicators that an impairment of goodwill or the intangible assets may have occurred. For goodwill and certain of its intangible assets, including the Company's China routes, London-Heathrow slots, alliances and the United trade name and logo, the Company performed a quantitative assessment which involved determining the fair value of the asset and comparing that amount to the asset's carrying value and, in the case of goodwill, comparing the Company's fair value to its carrying value. For all other intangible assets, the Company performed a qualitative assessment of whether it was more likely than not that an impairment had occurred. To determine fair value, the Company used discounted cash flow methods appropriate for each asset. Key inputs into the models included forecasted capacity, revenues, fuel costs, other operating costs and an overall discount rate. The assumptions used for future projections include that demand will likely remain suppressed through 2021. These assumptions are inherently uncertain as they relate to future events and circumstances. The Company performed intangible asset impairment reviews throughout the year.

In light of the ongoing impact of the COVID-19 pandemic on both the U.S. and global economies, the significant, sustained impact on the demand for travel and government policies that restrict air travel, the exact timing of the recovery from the COVID-19 pandemic, and the speed at which such recovery could occur, continues to remain uncertain and could result in

additional impairment charges in the future. We expect to continue to modify our cost management structure and capacity as the timing of demand recovery becomes more certain.

As a result of the impairment assessments, the Company recorded impairment charges of $130 million during 2020 for its China routes which was primarily caused by the COVID-19 pandemic, the Company's subsequent suspension of flights to China and a further delay in the expected return of full capacity to the China markets. The Company's China routes are subject to China slot usage rules and U.S. Department of Transportation frequency use requirements. For the summer and winter 2020 seasons, both governments issued relief from these rules. The Company, therefore, has been able to reduce its mainland China service without violating the governments' rules. The Company is advocating for a continuation of this relief through the summer 2021 season.

United assesses its long-lived assets whenever there are indicators that an impairment of the assets may have occurred. During 2020, in response to decreased demand caused by the COVID-19 pandemic, the Company temporarily grounded certain of its mainline fleet, some of which continue to be temporarily grounded. United performed forecasted cash flow analyses and determined that the carrying value of the tested fleets is recoverable from future cash flows expected to be generated by those fleets. To determine whether impairments exist for active and temporarily parked mainline aircraft, we group assets at the fleet-type level. In the fourth quarter of 2020, the Company permanently grounded 11 of its Boeing 757-200 aircraft. The Company's decision was influenced by the FAA's rescission of the order that grounded the Boeing 737MAX aircraft in March of 2019. As a result of the cash flow analysis for the 11 permanently-grounded aircraft, we recorded $94 million of impairments related to those aircraft and the related engines and spare parts.

During 2020, the Company recorded an impairment of $38 million of the right-of-use asset associated with the embedded aircraft lease in one of our CPAs. We measure cash flows at the contract level with our CPA partners. This impairment was primarily due to the impact to cash flows from the pandemic and the relatively short remaining term under the CPA.

During 2020, the Company also recorded $56 million of impairments related to various cancelled facility, aircraft induction and information technology capital projects. The decisions driving these impairments were the result of the COVID-19 pandemic's impact on our operations.

To the extent we make future decisions to permanently ground any of our fleet, or our estimates of future cash flows generated by our fleet change, we may be required to record impairment charges in future periods.

The aircraft and intangible asset impairments described above required Level 3 fair value inputs including the maintenance condition of the aircraft (for impaired aircraft) and future assumptions about profit margin and our weighted average cost of capital (for the China route intangible).

Nonoperating special termination benefits and settlement losses. During 2020, the Company recorded $687 million of settlement losses related to the Company's primary defined benefit pension plan covering certain U.S. non-pilot employees, and special termination benefits offered, under furlough and voluntary separation programs. See Note 7 of this report for additional information.

Nonoperating unrealized gains (losses) on investments, net. During 2020, the Company recorded losses of $170 million primarily for changes in the fair value of its investment in Azul. Also during 2020, the Company recorded losses of $24 million for the decrease in fair value of the AVH Derivative Assets.

Nonoperating credit loss on BRW Term Loan and related guarantee. During 2020, the Company recorded a $697 million expected credit loss allowance for the BRW Term Loan and related guarantee. AVH is currently in bankruptcy. See Notes 8 and 13 of this report for additional information.

2019

During 2019, the Company recorded a special non-cash impairment charge of $90 million associated with its Hong Kong routes. The Company determined the fair value of the Hong Kong routes using a variation of the income approach known as the excess earnings method, which discounts an asset's projected future net cash flows to determine the current fair value.

During 2019, the Company recorded a $43 million impairment primarily for surplus Boeing 767 aircraft engines removed from operations, an $18 million charge primarily for the write-off of unexercised aircraft purchase options, and $20 million in other aircraft impairments.

During 2019, the Company recorded $14 million of management severance and $2 million of severance and benefit costs related to a voluntary early-out program for its technicians and related employees represented by the IBT. In the first quarter of 2017, approximately 1,000 technicians and related employees elected to voluntarily separate from the Company and received a

severance payment, with a maximum value of $100,000 per participant, based on years of service, with retirement dates through early 2019.

During 2019, the Company recorded charges of $25 million related to contract terminations, $18 million for the settlement of certain legal matters, $14 million for costs related to the transition of fleet types within a regional carrier contract and $2 million of other charges.

During 2019, the Company recorded gains of $140 million for the change in market value of certain of its equity investments, primarily Azul, and $13 million for the change in fair value of the AVH Derivative Assets.

2018

During 2018, the Company recorded a special non-cash impairment charge of $206 million associated with its Hong Kong routes as a result of its annual intangible assets impairment review. The Company determined the fair value of the Hong Kong routes using a variation of the income approach as described above for the 2019 Hong Kong impairment.

In May 2018, the Brazil–United States open skies agreement was ratified, which provides air carriers with unrestricted access between the United States and Brazil. The Company determined that the approval of the open skies agreement impaired the entire value of its Brazil route authorities because the agreement removes all limitations or reciprocity requirements for flights between the United States and Brazil. Accordingly, the Company recorded a $105 million special charge to write off the entire value of the intangible asset associated with its Brazil routes. Also during 2018, the Company recorded $66 million of fair value adjustments related to aircraft purchased off lease, write-offs of unexercised aircraft purchase options and other impairments related to certain fleet types and international slots no longer in use.

During 2018, the Company recorded $22 million of severance and benefit costs related to the voluntary early-out program for its technicians and related employees represented by the IBT as described above. Also during 2018, the Company recorded other management severance of $19 million.

During 2018, the Company recorded a one-time termination charge of $64 million related to one of its engine maintenance service agreements.

During 2018, the Company recorded gains of $28 million for the change in market value of certain of its equity investments, primarily Azul. Also, the Company recorded losses of $33 million for the change in fair value of the AVH Derivative Assets.

NOTE 15 - SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

	Quarter Ended			
(In millions, except per share amounts)	**March 31**	**June 30**	**September 30**	**December 31**
2020				
Operating revenue	$ 7,979	$ 1,475	$ 2,489	$ 3,412
Loss from operations	(972)	(1,637)	(1,615)	(2,135)
Net loss	(1,704)	(1,627)	(1,841)	(1,897)
Basic and diluted loss per share	(6.86)	(5.79)	(6.33)	(6.39)
2019				
Operating revenue	$ 9,589	$ 11,402	$ 11,380	$ 10,888
Income from operations	495	1,472	1,473	861
Net income	292	1,052	1,024	641
Basic earnings per share	1.09	4.03	4.01	2.54
Diluted earnings per share	1.09	4.02	3.99	2.53

UAL'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. UAL's quarterly results were impacted by the following significant items (in millions):

	Quarter Ended			
	March 31	June 30	September 30	December 31
2020				
CARES Act grant	$ —	$ (1,589)	$ (1,494)	$ (453)
Impairment of assets	50	80	51	137
Severance and benefit costs	—	63	350	162
(Gains) losses on sale of assets and other special charges	13	(3)	12	5
Total operating special charges (credit)	63	(1,449)	(1,081)	(149)
Nonoperating special termination benefits and settlement losses	—	231	415	41
Nonoperating unrealized (gains) losses on investments	319	(9)	(15)	(101)
Nonoperating credit loss on BRW Term Loan and related guarantee	697	—	—	—
Total nonoperating special charges and unrealized (gains) losses on investments	1,016	222	400	(60)
Total operating and nonoperating special charges (credit) and unrealized (gains) losses on investments	1,079	(1,227)	(681)	(209)
Income tax expense (benefit), net of valuation allowance	(14)	241	148	29
Total operating and nonoperating special charges (credit) and unrealized (gains) losses on investments, net of income taxes	$ 1,065	$ (986)	$ (533)	$ (180)
2019				
Impairment of assets	$ 8	$ 61	$ —	$ 102
Severance and benefit costs	6	6	2	2
(Gains) losses on sale of assets and other special charges	4	4	25	26
Total operating special charges	18	71	27	130
Nonoperating unrealized (gains) losses on investments	(17)	(34)	(21)	(81)
Total special charges and unrealized (gains) losses on investments	1	37	6	49
Income tax benefit related to special charges and unrealized (gains) losses on investments	—	(8)	(2)	(11)
Total special charges and unrealized (gains) losses on investments, net of income tax	$ 1	$ 29	$ 4	$ 38

See Note 14 of this report for additional information related to these items.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Control and Procedures

UAL and United each maintain controls and procedures that are designed to ensure that information required to be disclosed in the reports filed or submitted by UAL and United to the SEC is recorded, processed, summarized and reported, within the time periods specified by the SEC's rules and forms, and is accumulated and communicated to management including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The management of UAL and United, including the Chief Executive Officer and Chief Financial Officer, performed an evaluation to conclude with reasonable assurance that UAL's and United's disclosure controls and procedures were designed and operating effectively to report the information each company is required to disclose in the reports they file with the SEC on a timely basis. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer of UAL and United have concluded that as of December 31, 2020, disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting during the Quarter Ended December 31, 2020

During the three months ended December 31, 2020, there was no change in UAL's or United's internal control over financial reporting that materially affected, or is reasonably likely to materially affect, their internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of United Airlines Holdings, Inc.

Opinion on Internal Control over Financial Reporting

We have audited United Airlines Holdings, Inc.'s (the "Company") internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements as of and for the year ended December 31, 2020 of the Company and our report dated March 1, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management Report on Internal Control over Financial Reporting in Item 9A. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Chicago, Illinois
March 1, 2021

United Airlines Holdings, Inc. Management Report on Internal Control Over Financial Reporting

March 1, 2021

To the Stockholders of United Airlines Holdings, Inc.

Chicago, Illinois

The management of United Airlines Holdings, Inc. ("UAL") is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Our internal control over financial reporting is designed 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. Because of its inherent limitations, our internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the design and operating effectiveness of our internal control over financial reporting as of December 31, 2020. In making this assessment, management used the framework set forth in Internal Control—Integrated Framework (2013 Framework) issued by the Committee of the Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our internal control over financial reporting was effective as of December 31, 2020.

Our independent registered public accounting firm, Ernst & Young LLP, who audited UAL's consolidated financial statements included in this Form 10-K, has issued a report on UAL's internal control over financial reporting, which is included herein.

United Airlines, Inc. Management Report on Internal Control Over Financial Reporting

March 1, 2021

To the Stockholder of United Airlines, Inc.

Chicago, Illinois

The management of United Airlines, Inc. ("United") is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). United's internal control over financial reporting is designed 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. Because of its inherent limitations, United's internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including United's Chief Executive Officer and Chief Financial Officer, United conducted an evaluation of the design and operating effectiveness of its internal control over financial reporting as of December 31, 2020. In making this assessment, management used the framework set forth in Internal Control—Integrated Framework (2013 Framework) issued by the Committee of the Sponsoring Organizations of the Treadway Commission. Based on this evaluation, United's Chief Executive Officer and Chief Financial Officer concluded that its internal control over financial reporting was effective as of December 31, 2020.

This annual report does not include an attestation report of United's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by United's registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit United to provide only management's report in this annual report.

ITEM 9B. OTHER INFORMATION.

2021 Executive Compensation Program

On February 25, 2021, the Compensation Committee (the "Committee") of the Board of Directors of United Airlines Holdings, Inc. (the "Company") approved the Company's 2021 executive compensation program ("2021 Program"). The 2021 Program is designed to be aligned with the Company's recovery efforts from the COVID-19 pandemic and the related impacts on the global economy and the travel industry in particular. As described further below, the recovery design of the 2021 Program includes short-term and long-term incentive awards. The 2021 Program maintains salary and compensation levels linked to short-term performance goals but significantly reduces the intended levels of long-term equity incentives granted to our executives in order to comply with the compensation limits of the CARES Act (as described below). As a result of this reduction in long-term equity incentives, the compensation component levels under the 2021 Program differ as compared to our traditional and intended compensation levels.

As previously disclosed, in April 2020, the Company entered into a Payroll Support Program Agreement (the "First PSP Agreement") with the United States Department of the Treasury (the "U.S. Treasury Department") under the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"); in September 2020, the Company entered into a loan agreement with the U.S. Treasury Department (the "Term Loan Facility") pursuant to the loan program established under the CARES Act; and, in January 2021, the Company and the U.S. Treasury Department entered into the Payroll Support Program Extension Agreement (together with the First PSP Agreement, the "PSP Agreement"). As a condition of the PSP Agreement and the Term Loan Facility, the Company is subject to restrictions on the amount of total compensation that it can provide to certain employees, including each of the Company's named executive officers. These compensation restrictions continue until the later of (i) October 1, 2022 and (ii) one year after full repayment of all loans under the Term Loan Facility, which has a maturity date of September 26, 2025 (such period is referred to herein as the "CARES Act restricted period").

The annual total target compensation levels for our executives are set with reference to market practices of a peer group of companies and the benchmarking results are balanced with additional factors, such as each executive's experience, knowledge, skills, roles, and contributions to the Company. The Committee also considers internal pay parity among our executives. As a result of the CARES Act limitations on executive compensation, the Company is prohibited from providing our executives the full value of the intended compensation levels during the CARES Act restricted period. The 2021 Program is designed to motivate and retain our executives while complying with the compensation limits under the CARES Act.

The compensation packages of our executives also were significantly reduced during 2020. As previously disclosed, Scott Kirby, our CEO, and Brett Hart, our President, each waived 100% of his 2020 base salary for portions of 2020 in recognition of the impact of the COVID-19 pandemic on the Company's business, and to lead by example. In addition, no payments were made under our 2020 Annual Incentive Program ("AIP"). The total salary amounts waived during 2020 were as follows (including reference to the percent of total annual salary that was waived for 2020): Mr. Kirby—$784,470 (82%) Mr. Hart—$545,737 (70%); and Mr. Gerald Laderman (our Executive Vice President and Chief Financial Officer)—$151,057 (21%). The target level of the 2020 AIP awards, for which no payments were made, were as follows: Mr. Kirby—$2,500,000; Mr. Hart—$1,356,250; and Mr. Laderman—$758,500.

Short-term Incentives. On February 25, 2021, the Committee authorized short-term performance-based restricted stock unit ("RSU") awards ("Recovery Performance RSUs") under the Company's 2017 Incentive Compensation Plan (the "2017 Plan") in lieu of the cash-based payment structure of the 2020 AIP. Under the Recovery Performance RSUs, the Committee established short-term performance goals based on financial and customer satisfaction metrics that are deemed critical to the Company's success as it emerges from the worst crisis in the history of the aviation industry. The equity design of the Recovery Performance RSUs places emphasis on Company stock price performance and is designed to further support alignment of interests between our executives and stockholders.

The Recovery Performance RSUs may be granted to officers and employees of United Airlines, Inc. ("United") or any subsidiary of United. Generally, a recipient of a Recovery Performance RSU award must remain continuously employed from the date of grant through the last day of the performance period in order to be eligible for vesting of the award. However, if the recipient's employment is terminated by reason of death or disability, then the award will vest on a pro-rated basis (based on the number of days worked during the performance period and assuming achievement of the target level).

Long-term Equity Incentives. The Committee sets the intended long-term equity compensation levels as an element of the annual total target compensation package based on the peer benchmarking results and other factors referenced above. However, in designing the 2021 Program, the Committee determined that it was appropriate to implement the required CARES Act compensation limits through reductions to the target grant level of the long-term equity awards. The 2021 reductions to the long-term equity awards to comply with the CARES Act limits are detailed in the table below.

Name	Intended LTI Equity Award Level	Actual LTI Equity Award Level (1)	Reduction For CARES Act Limit
J. Scott Kirby	$10,000,000	$6,230,000	$3,770,000
Brett J. Hart	$5,812,500	$1,256,000	$4,556,500
Gerald Laderman	$2,718,750	$1,665,000	$1,053,750

The entire 2021 LTI equity award for Mr. Hart and a portion of the 2021 LTI equity award ($1,574,000) for Mr. Kirby will not be granted until a later date in accordance with the requirements of the CARES Act, which counts and restricts total compensation on a rolling 12-month basis.

As noted above, in order to support continued alignment with the Company's stockholders, the short-term incentive component is being delivered entirely in equity. In addition, while the short-term component of the 2021 Program emphasizes performance goals deemed critical to the Company's emergence from the COVID-19 pandemic, the 2021 long-term incentive retains the time-vested equity component included in the Company's long-term incentive design in prior years. The time-vested equity component enhances stability of the long-term incentive by reducing volatility (as compared to performance-based awards), which is expected to enhance retention value, while assuring that a significant portion of compensation is directly linked to the Company's stock price performance.

Vesting of the time-vested RSUs is subject to the employee's continued employment with the Company or its subsidiaries from the date of grant through each vesting date (except as otherwise provided by the Committee or as provided in the 2017 Plan). The time-vested awards under the 2021 Program generally vest in six-month increments over a two-year period (on August 31st and February 28th). The Committee established this vesting schedule in consideration of the significant reduction in the long-term equity incentives under the 2021 Program as compared to the intended levels under the Company's traditional total compensation design. In addition, this vesting schedule is balanced by the extended vesting period of the long-term contingent cash awards (described below), which include a vesting condition that may extend for more than five years.

Consistent with our prior long-term incentive design, if the employee remains continuously employed by the Company or an affiliate from the date of grant until the date upon which a qualifying event (which is generally a termination of employment within two years following a change of control of the Company under circumstances entitling the employee to a cash severance payment) occurs, then on the date of such qualifying event the employee's rights with respect to all RSUs that are not then vested will become vested and all restrictions on such RSUs will lapse. Further, if the employee's employment is terminated by reason of death or disability, then all RSUs that are not then vested will fully vest.

Long-term Contingent Cash Awards. On February 25, 2021, the Committee also approved long-term contingent cash awards (the "Long-Term Cash Awards") in recognition of the Company's need to reward and retain its management team as it continues to navigate the Company's responses to the COVID-19 pandemic. The Committee approved Long-Term Cash Awards to Messrs. Kirby, Hart, and Laderman with a contingent payment opportunity equal to three times the executive's base salary level at the time of grant. Under the terms of the Long-Term Cash Awards, payment of the award is contingent upon the recipient's continued employment with the Company through the later of (i) three years from the date of award or (ii) the expiration of the CARES Act restricted period. If the recipient's employment is terminated by reason of death or disability, then the Long-Term Cash Award is payable in full to the recipient or his or her estate.

In making the determination to grant the Long-Term Cash Awards, the Committee considered concerns related to the need to retain and reward our management team throughout the current crisis, considerations related to compensation benchmarking and internal and external pay parity, and management's voluntary waivers of significant salary amounts in 2020. The Long-Term Cash Awards are intended to enhance our ability to retain our management team during this time of unprecedented challenges for the Company and the airline industry as a whole, particularly as our management team has marketable skills that are highly valued and transferable to other companies, including companies in industries that have not been as adversely impacted by COVID-19.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Certain information required by this item with respect to UAL is incorporated by reference from UAL's definitive proxy statement for its 2021 Annual Meeting of Stockholders under the captions "Election of Directors" and "Corporate Governance." Information regarding the executive officers of UAL is presented in Part I, Item 1 of this report. There are no family relationships among the executive officers or the directors of UAL. The executive officers are elected by UAL's Board of Directors each year and hold office until the next annual meeting of stockholders, until their successors are elected and qualified, or until their earlier death, resignation or removal.

Information required by this item with respect to United is omitted pursuant to General Instruction I(2)(c) of Form 10-K.

Code of Ethics. The Company has a code of ethics, the "Code of Ethics and Business Conduct," for its directors, officers and employees. The code serves as a "Code of Ethics" as defined by SEC regulations, and as a "Code of Conduct" under Nasdaq Listing Rule 5610. The code is available on the Company's investor relations website at ir.united.com. Waivers granted to certain officers from compliance with or future amendments to the code will be disclosed on the Company's investor relations website in accordance with Item 5.05 of Form 8-K.

ITEM 11. EXECUTIVE COMPENSATION.

Information required by this item with respect to UAL is incorporated by reference from UAL's definitive proxy statement for its 2021 Annual Meeting of Stockholders under the captions "Executive Compensation," "2020 Director Compensation" and "Corporate Governance—Compensation Committee Interlocks and Insider Participation."

Information required by this item with respect to United is omitted pursuant to General Instruction I(2)(c) of Form 10-K.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Information required by this item with respect to UAL is incorporated by reference from UAL's definitive proxy statement for its 2021 Annual Meeting of Stockholders under the caption "Beneficial Ownership of Securities."

Information required by this item with respect to United is omitted pursuant to General Instruction I(2)(c) of Form 10-K.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

Information required by this item with respect to UAL is incorporated by reference from UAL's definitive proxy statement for its 2021 Annual Meeting of Stockholders under the captions "Corporate Governance—Certain Relationships and Related Transactions," "Corporate Governance—Committees of the Board" and "Corporate Governance—Director Independence."

Information required by this item with respect to United is omitted pursuant to General Instruction I(2)(c) of Form 10-K.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The Audit Committee of the UAL Board of Directors has adopted a policy on pre-approval of services of the Company's independent registered public accounting firm. As a wholly-owned subsidiary of UAL, United's audit services are determined by UAL. The policy provides that the Audit Committee shall pre-approve all audit and non-audit services to be provided to UAL and its subsidiaries and affiliates by its independent auditors. The process by which this is carried out is as follows:

For recurring services, the Audit Committee reviews and pre-approves the independent registered public accounting firm's annual audit services in conjunction with the annual appointment of the outside auditors. The reviewed materials include a description of the services along with related fees. The Audit Committee also reviews and pre-approves other classes of recurring services along with fee thresholds for pre-approved services. In the event that the additional services are required prior to the next scheduled Audit Committee meeting, pre-approvals of additional services follow the process described below.

Any requests for audit, audit related, tax and other services not contemplated with the recurring services approval described above must be submitted to the Audit Committee for specific pre-approval and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings. However, the authority to grant specific preapproval between meetings, as necessary, has been delegated to the Chair of the Audit Committee. The Chair must update the Audit Committee at the next regularly scheduled meeting of any services that were granted specific pre-approval.

On a periodic basis, the Audit Committee reviews the status of services and fees incurred year-to-date and a list of newly pre-approved services since its last regularly scheduled meeting. The Audit Committee has considered whether the 2020 and 2019 non-audit services provided by Ernst & Young LLP, the Company's independent registered public accounting firm, are compatible with maintaining auditor independence.

All of the services in 2020 and 2019 under the Audit Fees, Audit Related Fees, Tax Fees and All Other Fees categories below have been approved by the Audit Committee pursuant to paragraph (c)(7) of Rule 2-01 of Regulation S-X of the Exchange Act.

The aggregate fees billed for professional services rendered by the Company's independent auditors in 2020 and 2019 are as follows (in thousands):

Service	2020	2019
Audit Fees	$ 6,000	$ 4,323
Audit Related Fees	302	403
Tax fees	170	174
Total Fees	$ 6,472	$ 4,900

Note: UAL and United amounts are the same.

Audit Fees. For 2020 and 2019, audit fees consist primarily of the audit and quarterly reviews of the consolidated financial statements and the audit of the effectiveness of internal control over financial reporting of United Airlines Holdings, Inc. and its wholly-owned subsidiaries. Audit fees also include the audit of the consolidated financial statements of United, attestation services required by statute or regulation, comfort letters, consents, assistance with and review of documents filed with the SEC, and accounting and financial reporting consultations and research work necessary to comply with generally accepted auditing standards.

Audit Related Fees. For 2020, fees for audit-related services primarily consisted of audits and/or agreed upon audit procedures related to prior years' audits of subsidiaries of the Company.

For 2019, fees for audit-related services primarily consisted of accounting consultations for proposed or future transactions and identifying and testing changes in the internal control environment prior to the implementation of the new revenue accounting system, which went into effect during the third quarter of 2019.

Tax Fees. Tax fees for 2020 and 2019 relate to professional services provided for research and consultations regarding tax accounting and tax compliance matters and review of U.S. and international tax impacts of certain transactions, exclusive of tax services rendered in connection with the audit.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) List of documents filed as part of this report:

(1) *Financial Statements*. The financial statements required by this item are listed in Part II, Item 8, *Financial Statements and Supplementary Data* herein.

(2) *Financial Statement Schedules.* The financial statement schedule required by this item is listed below and included in this report after the signature page hereto.

Schedule II-Valuation and Qualifying Accounts for the years ended December 31, 2020, 2019 and 2018.

All other schedules are omitted because they are not applicable, not required or the required information is shown in the consolidated financial statements or notes thereto.

(b) *Exhibits.* The exhibits required by this item are provided in the Exhibit Index.

ITEM 16. FORM 10-K SUMMARY.

None.

EXHIBIT INDEX

Exhibit No.	Registrant	Exhibit
		Articles of Incorporation and Bylaws
3.1	UAL	Amended and Restated Certificate of Incorporation of United Airlines Holdings, Inc. (filed as Exhibit 3.1 to UAL's Form 8-K filed June 27, 2019, Commission file number 1-6033, and incorporated herein by reference)
3.2	UAL	Amended and Restated Bylaws of United Airlines Holdings, Inc. (filed as Exhibit 3.2 to UAL's Form 8-K filed June 27, 2019, Commission file number 1-6033, and incorporated herein by reference)
3.3	UAL	Certificate of Designation of the Series A Junior Participating Serial Preferred Stock of the Company, dated December 4, 2020 (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on December 7, 2020)
3.4	United	Amended and Restated Certificate of Incorporation of United Airlines, Inc. (filed as Exhibit 3.1 to UAL's Form 8-K filed April 3, 2013, Commission file number 1-6033, and incorporated herein by reference)
3.5	United	Amended and Restated By-laws of United Airlines, Inc. (filed as Exhibit 3.2 to UAL's Form 8-K filed April 3, 2013, Commission file number 1-6033, and incorporated herein by reference)
		Instruments Defining Rights of Security Holders, Including Indentures
4.1	UAL United	Indenture, dated as of May 7, 2013, among United Continental Holdings, Inc., United Airlines, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee (filed as Exhibit 4.1 to UAL's Form 8-K filed on May 10, 2013, Commission file number 1-6033, and incorporated herein by reference)
4.2	UAL United	Third Supplemental Indenture, dated as of January 26, 2017, among United Continental Holdings, Inc., United Airlines, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, providing for the issuance of 5.000% Senior Notes due 2024 (filed as Exhibit 4.2 to UAL's Form 8-K filed January 27, 2017, Commission file number 1-6033, and incorporated herein by reference)
4.3	UAL United	Form of 5.000% Senior Notes due 2024 (filed as Exhibit A to Exhibit 4.2 to UAL's Form 8-K filed January 27, 2017, Commission file number 1-6033, and incorporated herein by reference)

4.4	UAL United	Form of Notation of Note Guarantee (filed as Exhibit B to Exhibit 4.2 to UAL's Form 8-K filed January 27, 2017, Commission file number 1-6033, and incorporated herein by reference)
4.5	UAL United	Fourth Supplemental Indenture, dated as of September 29, 2017, among United Continental Holdings, Inc., United Airlines, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee, providing for the issuance of 4.250% Senior Notes due 2022 (filed as Exhibit 4.2 to UAL's Form 8-K filed October 4, 2017, Commission file number 1-6033, and incorporated herein by reference)
4.6	UAL United	Form of 4.250% Senior Notes due 2022 (filed as Exhibit A to Exhibit 4.2 to UAL's Form 8-K filed October 4, 2017, Commission file number 1-6033, and incorporated herein by reference)
4.70	UAL United	Form of Notation of Note Guarantee (filed as Exhibit B to Exhibit 4.2 to UAL's Form 8-K filed October 4, 2017, Commission file number 1-6033, and incorporated herein by reference)
4.8	UAL United	Fifth Supplemental Indenture, dated as of May 9, 2019, among United Continental Holdings, Inc., United Airlines, Inc. and The Bank of New York Mellon Trust Company, N.A., as Trustee (filed as Exhibit 4.2 to UAL's Form 8-K filed May 10, 2019, Commission file number 1-6033, and incorporated herein by reference)
4.9	UAL United	Form of 4.875% Senior Notes due 2025 (filed as Exhibit A to Exhibit 4.2 to UAL's Form 8-K filed May 10, 2019, Commission file number 1-6033, and incorporated herein by reference)
4.10	UAL United	Form of Notation of Note Guarantee (filed as Exhibit B to Exhibit 4.2 to UAL's Form 8-K filed May 10, 2019, Commission file number 1-6033, and incorporated herein by reference)
4.11	UAL United	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
4.12	UAL United	Promissory Note, dated as of April 20, 2020, among UAL, United, as guarantor, and the United States Department of the Treasury (filed as Exhibit 4.1 to UAL's Form 8-K filed April 23, 2020, and incorporated herein by reference)
4.13	UAL	Warrant Agreement (including Form of Warrant), dated as of April 20, 2020, between UAL and the United States Department of the Treasury (filed as Exhibit 4.2 to UAL's Form 8-K filed April 23, 2020, and incorporated herein by reference)
4.14	UAL United	Indenture (including Form of 6.50% Senior Secured Notes due 2027), dated as of July 2, 2020, by and among Mileage Plus Holdings, LLC, Mileage Plus Intellectual Property Assets, Ltd., the guarantors named therein and Wilmington Trust, National Association, as trustee and collateral custodian, governing the 6.50% Senior Secured Notes due 2027 (filed as Exhibit 4.1 to UAL's Form 8-K filed July 2, 2020, and incorporated herein by reference)
4.15	UAL United	Warrant Agreement, dated as of September 28, 2020, between UAL and The United States Department of the Treasury (filed as Exhibit 4.1 to UAL's Form 8-K filed September 30, 2020 and incorporated herein by reference)
4.16	UAL	Form of Warrant (filed as Exhibit 4.2 to UAL's Form 8-K filed September 30, 2020 and incorporated herein by reference)
4.17	UAL	Tax Benefits Preservation Plan, dated as of December 4, 2020, by and between the Company and Computershare Trust Company, N.A., as rights agent (which includes the Form of Rights Certificate as Exhibit B thereto) (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form 8-A, filed with the Securities and Exchange Commission on December 7, 2020)
4.18	UAL	Amendment No. 1 to Tax Benefits Preservation Plan
		Material Contracts
†10.1	UAL	Agreement, dated April 19, 2016, by and among PAR Capital Management, Inc., Altimeter Capital Management, LP, United Continental Holdings, Inc. and the other signatories listed on the signature page thereto (filed as Exhibit 10.1 to UAL's Form 8-K filed April 20, 2016, Commission file number 1-6033, and incorporated herein by reference)
†10.2	UAL	United Airlines Holdings, Inc. Profit Sharing Plan (amended and restated effective January 1, 2019) (filed as Exhibit 10.2 to UAL's Form 10-K for the year ended December 31, 2019 Commission file number 1-6033, and incorporated herein by reference)

†10.3	UAL United	Employment Agreement, dated December 31, 2015, among United Continental Holdings, Inc., United Airlines, Inc. and Oscar Munoz (filed as Exhibit 10.1 to UAL's Form 8-K/A filed January 7, 2016, Commission file number 1-6033, and incorporated herein by reference)
†10.4	UAL United	Amendment to Employment Agreement, dated April 19, 2016, by and among United Continental Holdings, Inc., United Airlines, Inc. and Oscar Munoz (filed as Exhibit 10.1 to UAL's Form 8-K filed April 20, 2016, Commission file number 1-6033, and incorporated herein by reference)
†10.5	UAL United	Second Amendment to Employment Agreement, dated April 21, 2017, by and among United Continental Holdings, Inc., United Airlines, Inc. and Oscar Munoz (filed as Exhibit 10.1 to UAL's Current Report on Form 8-K filed on April 21, 2017, Commission file number 1-6033, and incorporated herein by reference)
†10.6	UAL United	Transition Agreement, dated as of December 4, 2019, by and among United Airlines Holdings, Inc., United Airlines, Inc. and Oscar Munoz (filed as Exhibit 10.1 to UAL's Current Report on Form 8-K filed on December 6, 2019, Commission file number 1-6033, and incorporated herein by reference)
†10.7	UAL United	SERP Agreement, dated as of October 1, 2010, by and among United Continental Holdings, Inc., Continental Airlines, Inc. and Gerald Laderman (filed as Exhibit 10.2 to UAL's Form 10-Q for the quarter ended September 30, 2015, Commission file number 1-6033, and incorporated herein by reference)
†10.8	UAL United	Stock Option Award Notice, dated as of December 4, 2019, to J. Scott Kirby pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan (filed as Exhibit 10.2 to UAL's Current Report on Form 8-K filed on December 6, 2019, Commission file number 1-6033, and incorporated herein by reference)
†10.9	UAL	Form of Stock Option Award Notice pursuant to the United Continental Holdings, Inc. 2008 Incentive Compensation Plan (filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended September 30, 2016, Commission file number 1-6033, and incorporated herein by reference)
†10.10	UAL	Description of Benefits for Officers of United Airlines Holdings, Inc. and United Airlines, Inc. (filed as Exhibit 10.11 to UAL's Form 10-K for the year ended December 31, 2019 Commission file number 1-6033, and incorporated herein by reference)
†10.11	UAL	United Continental Holdings, Inc. Officer Travel Policy (filed as Exhibit 10.24 to UAL's Form 10-K for the year ended December 31, 2010, Commission file number 1-6033, and incorporated herein by reference)
†10.12	UAL	United Continental Holdings, Inc. 2008 Incentive Compensation Plan (filed as Annex A to UAL Corporation's 2013 Definitive Proxy Statement filed on April 26, 2013, Commission file number 1-6033, and incorporated herein by reference) (now named the United Continental Holdings, Inc. 2008 Incentive Compensation Plan)
†10.13	UAL	First Amendment to the United Continental Holdings, Inc. 2008 Incentive Compensation Plan (changing the name to United Continental Holdings, Inc. 2008 Incentive Compensation Plan) (filed as Annex A to UAL's Definitive Proxy Statement filed on April 26, 2013, Commission file number 1-6033, and incorporated herein by reference)
†10.14	UAL	Second Amendment to the United Continental Holdings, Inc. 2008 Incentive Compensation Plan (filed as Exhibit 10.19 to UAL's Form 10-K for the year ended December 31, 2016, Commission file number 1-6033, and incorporated herein by reference)
†10.15	UAL	Form of Stock Option Award Notice pursuant to the United Continental Holdings, Inc. 2008 Incentive Compensation Plan (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended June 30, 2008, Commission file number 1-6033, and incorporated herein by reference)
†10.16	UAL	United Air Lines, Inc. Management Cash Direct & Cash Match Program (amended and restated effective January 1, 2016) (filed as Exhibit 10.28 to UAL's Form 10-K for the year ended December 31, 2018 Commission file number 1-6033, and incorporated herein by reference)
†10.17	UAL	United Continental Holdings, Inc. Executive Severance Plan (effective October 1, 2014) (filed as Exhibit 10.1 to UAL's Form 8-K filed June 20, 2014, Commission file number 1-6033, and incorporated herein by reference)
†10.18	UAL	United Continental Holdings, Inc. 2017 Incentive Compensation Plan (filed as Exhibit 10.1 to UAL's Form 8-K filed on May 30, 2017, Commission file number 1-6033, and incorporated herein by reference)

†10.19	UAL	United Continental Holdings, Inc. Annual Incentive Program (cash settled form of award) (adopted pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan) (filed as Exhibit 10.63 to UAL's Form 10-K for the year ended December 31, 2017, Commission file number 1-6033, and incorporated herein by reference)
†10.20	UAL	Form of Annual Incentive Program Award Notice pursuant to the United Continental Holdings, Inc. Annual Incentive Program (adopted pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan) (filed as Exhibit 10.64 to UAL's Form 10-K for the year ended December 31, 2017, Commission file number 1-6033, and incorporated herein by reference)
†10.21	UAL	Form of Performance-Based RSU Award Notice pursuant to the United Continental Holdings, Inc. Performance-Based RSU Program (for performance periods beginning on or after January 1, 2020) (filed as Exhibit 10.35 to UAL's Form 10-K for the year ended December 31, 2019 Commission file number 1-6033, and incorporated herein by reference)
†10.22	UAL	Form of Performance-Based RSU Award Notice (adopted pursuant to the United Continental Holdings, Inc. 2017 Incentive Compensation Plan)
†10.23	UAL	Form of Long-term Contingent Cash Award Notice
†10.24	UAL	Description of Compensation and Benefits for United Airlines Holdings, Inc. Non-Employee Directors (filed as Exhibit 10.36 to UAL's Form 10-K for the year ended December 31, 2019 Commission file number 1-6033, and incorporated herein by reference)
†10.25	UAL	United Continental Holdings, Inc. 2006 Director Equity Incentive Plan (as amended and restated, effective February 20, 2014, filed as Annex A to UAL's Definitive Proxy Statement filed April 25, 2014, Commission file number 1-6033, and incorporated herein by reference)
†10.26	UAL	First Amendment to the United Continental Holdings, Inc. 2006 Director Equity Incentive Plan (as amended and restated on February 20, 2014) (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended March 31, 2017, Commission file number 1-6033, and incorporated herein by reference)
†10.27	UAL	Form of Share Unit Award Notice pursuant to the United Continental Holdings, Inc. 2006 Director Equity Incentive Plan (for awards granted on or after June 2011) (filed as Exhibit 10.9 to UAL's Form 10-Q for the quarter ended June 30, 2014, Commission file number 1-6033, and incorporated herein by reference)
†10.28	UAL	Letter Agreement dated March 10, 2020 among Oscar Munoz, UAL and United related to salary waiver (filed as Exhibit 10.2 to UAL's Form 10-Q for the quarter ended March 31, 2020, Commission file number 1-6033, and incorporated herein by reference)
†10.29	UAL	Letter Agreement dated March 10, 2020 among J. Scott Kirby, UAL and United related to salary waiver (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended March 31, 2020, Commission file number 1-6033, and incorporated herein by reference)
†10.30	UAL	Letter Agreement dated April 29, 2020 among J. Scott Kirby, UAL and United related to salary waiver (filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended June 30, 2020, Commission file number 1-6033, and incorporated herein by reference)
†10.31	UAL	Letter Agreement dated May 21, 2020 among Brett J. Hart, UAL and United related to salary waiver (filed as Exhibit 10.2 to UAL's Form 10-Q for the quarter ended June 30, 2020, Commission file number 1-6033, and incorporated herein by reference)
^10.32	UAL United	Amended and Restated A350-900 Purchase Agreement, dated September 1, 2017, including letter agreements related thereto, between Airbus S.A.S. and United Airlines, Inc. (filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended September 30, 2017, Commission file number 1-6033, and incorporated herein by reference)
^10.33	UAL United	Amendment No. 1, dated as of July 18, 2019, to the Amended and Restated A350-900 Purchase Agreement, dated as of September 1, 2017, including letter agreements related thereto, between Airbus S.A.S. and United Airlines, Inc. (filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended September 30, 2019, Commission file number 1-6033, and incorporated herein by reference)
^10.34	UAL United	Amendment No. 2, dated as of December 3, 2019, to the Amended and Restated A350-900 Purchase Agreement, dated as of September 1, 2017, including letter agreements related thereto, between Airbus S.A.S. and United Airlines, Inc. (filed as Exhibit 10.42 to UAL's Form 10-K for the year ended December 31, 2019 Commission file number 1-6033, and incorporated herein by reference)

^10.35	UAL United	Aircraft General Terms Agreement, dated October 10, 1997, by and among Continental and Boeing (filed as Exhibit 10.15 to Continental's Form 10-K for the year ended December 31, 1997, Commission File Number 1-10323, and incorporated herein by reference)
^10.36	UAL United	Purchase Agreement No. PA-03776, dated July 12, 2012, between The Boeing Company and United Continental Holdings, Inc. (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended September 30, 2012, Commission file number 1-6033, and incorporated herein by reference)
^10.37	UAL United	Supplemental Agreement No. 1 to Purchase Agreement No. 03776, dated June 17, 2013 (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended June 30, 2013, Commission file number 1-6033, and incorporated herein by reference)
^10.38	UAL United	Purchase Agreement Assignment to Purchase Agreement No. 03776, dated October 23, 2013, between United Continental Holdings, Inc. and United Airlines, Inc. (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended September 30, 2013, Commission file number 1-6033, and incorporated herein by reference)
^10.39	UAL United	Supplemental Agreement No. 2 to Purchase Agreement No. 03776, dated January 14, 2015 (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended March 31, 2015, Commission file number 1-6033, and incorporated herein by reference)
^10.40	UAL United	Supplemental Agreement No. 3 to Purchase Agreement No. 03776, dated May 26, 2015 (filed as Exhibit 10.4 to UAL's Form 10-Q for the quarter ended June 30, 2015, Commission file number 1-6033, and incorporated herein by reference)
^10.41	UAL United	Supplemental Agreement No. 4 to Purchase Agreement No. 03776, dated June 12, 2015 (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended June 30, 2015, Commission file number 1-6033, and incorporated herein by reference)
^10.42	UAL United	Supplemental Agreement No. 5 to Purchase Agreement No. 03776, dated January 20, 2016, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended March 31, 2016, Commission file number 1-6033, and incorporated herein by reference)
^10.43	UAL United	Supplemental Agreement No. 6 to Purchase Agreement No. 03776, dated February 8, 2016, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended March 31, 2016, Commission file number 1-6033, and incorporated herein by reference)
^10.44	UAL United	Supplemental Agreement No. 7 to Purchase Agreement No. 03776, dated December 27, 2016, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.183 to UAL's Form 10-K for the year ended December 31, 2016, Commission file number 1-6033, and incorporated herein by reference)
^10.45	UAL United	Supplemental Agreement No. 8, including exhibits and side letters, to Purchase Agreement No. 03776, dated June 7, 2017, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended June 30, 2017, Commission file number 1-6033, and incorporated herein by reference)
^10.46	UAL United	Supplemental Agreement No. 9, including exhibits and side letters, to Purchase Agreement No. 03776, dated June 15, 2017, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.4 to UAL's Form 10-Q for the quarter ended June 30, 2017, Commission file number 1-6033, and incorporated herein by reference)
^10.47	UAL United	Supplemental Agreement No. 10, including exhibits and side letters, to Purchase Agreement No. 03776, dated as of May 15, 2018, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.2 to UAL's Form 10-Q for the quarter ended June 30, 2018, Commission file number 1-6033, and incorporated herein by reference)
^10.48	UAL United	Supplemental Agreement No. 11, including exhibits and side letters, to Purchase Agreement No. 03776, dated as of September 25, 2018, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended September 30, 2018, Commission file number 1-6033, and incorporated herein by reference)
^10.49	UAL United	Supplemental Agreement No. 12, including exhibits and side letters, to Purchase Agreement No. 03776, dated as of December 12, 2018, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.152 to UAL's Form 10-K for the year ended December 31, 2018, Commission file number 1-6033, and incorporated herein by reference)

^10.50	UAL United	Supplemental Agreement No. 13 to Purchase Agreement No. 03776, dated as of March 20, 2020, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.7 to UAL's Form 10-Q for the quarter ended March 31, 2020, Commission file number 1-6033, and incorporated herein by reference)
^10.51	UAL United	Supplemental Agreement No. 14 to Purchase Agreement No. 03776, dated as of June 30, 2020, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended June 30, 2020, Commission file number 1-6033, and incorporated herein by reference)
^10.52	UAL United	Letter Agreement No. 6-1162-KKT-080, dated July 12, 2012, among Boeing, United Continental Holdings, Inc., United Air Lines, Inc., and Continental Airlines, Inc. (filed as Exhibit 10.4 to UAL's Form 10-Q for the quarter ended September 30, 2012, Commission file number 1-6033, and incorporated herein by reference)
^10.53	UAL United	Purchase Agreement No. 3860, dated September 27, 2012, between Boeing and United Air Lines, Inc. (filed as Exhibit 10.6 to UAL's Form 10-Q for the quarter ended September 30, 2012, Commission file number 1-6033, and incorporated herein by reference)
^10.54	UAL United	Supplemental Agreement No. 1 to Purchase Agreement No. 3860, dated June 17, 2013 (filed as Exhibit 10.6 to UAL's Form 10-Q for the quarter ended June 30, 2013, Commission file number 1-6033, and incorporated herein by reference)
^10.55	UAL United	Supplemental Agreement No. 2 to Purchase Agreement No. 3860, dated December 16, 2013 (filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended June 30, 2014, Commission file number 1-6033, and incorporated herein by reference)
^10.56	UAL United	Supplemental Agreement No. 3 to Purchase Agreement No. 3860, dated as of July 22, 2014 (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended September 30, 2014, Commission file number 1-6033, and incorporated herein by reference)
^10.57	UAL United	Supplemental Agreement No. 4 to Purchase Agreement No. 3860, dated as of January 14, 2015 (filed as Exhibit 10.6 to UAL's Form 10-Q for the quarter ended March 31, 2015, Commission file number 1-6033, and incorporated herein by reference)
^10.58	UAL United	Supplemental Agreement No. 5 to Purchase Agreement No. 3860, dated as of April 30, 2015 (filed as Exhibit 10.8 to UAL's Form 10-Q for the quarter ended June 30, 2015, Commission file number 1-6033, and incorporated herein by reference)
^10.59	UAL United	Supplemental Agreement No. 6 to Purchase Agreement No. 3860, dated as of December 31, 2015 (filed as Exhibit 10.178 to UAL's Form 10-K for the year ended December 31, 2015, Commission file number 1-6033, and incorporated herein by reference)
^10.60	UAL United	Supplemental Agreement No. 7 to Purchase Agreement No. 3860, dated March 7, 2016, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended March 31, 2016, Commission file number 1-6033, and incorporated herein by reference)
^10.61	UAL United	Letter Agreement to Purchase Agreement No. 3860, dated May 5, 2016, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended June 30, 2016, Commission file number 1-6033, and incorporated herein by reference)
^10.62	UAL United	Supplemental Agreement No. 8, including exhibits and side letters, to Purchase Agreement No. 3860, Dated June 15, 2017, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.5 to UAL's Form 10-Q for the quarter ended June 30, 2017, Commission file number 1-6033, and incorporated herein by reference)
^10.63	UAL United	Letter Agreement No. UAL-LA-1604287 to Purchase Agreement Nos. 3776, 3784 and 3860, dated December 27, 2016, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.194 to UAL's Form 10-K for the year ended December 31, 2016, Commission file number 1-6033, and incorporated herein by reference)
^10.64	UAL United	Supplemental Agreement No. 9, including exhibits and side letters, to Purchase Agreement No. 3860, dated as of May 31, 2018, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.3 to UAL's Form 10-Q for the quarter ended June 30, 2018, Commission file number 1-6033, and incorporated herein by reference)
^10.65	UAL United	Supplemental Agreement No. 10, including exhibits and side letters, to Purchase Agreement No. 3860, dated as of November 1, 2018, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.166 to UAL's Form 10-K for the year ended December 31, 2018, Commission file number 1-6033, and incorporated herein by reference)

^10.66	UAL United	Supplemental Agreement No. 11, including exhibits and side letters, to Purchase Agreement No. 3860, dated as of December 12, 2018, between The Boeing Company and United Airlines, Inc. (filed as Exhibit 10.167 to UAL's Form 10-K for the year ended December 31, 2018, Commission file number 1-6033, and incorporated herein by reference)
10.67	UAL United	Amended and Restated Credit and Guaranty Agreement, dated as of March 29, 2017, among United Airlines, Inc., as borrower, United Continental Holdings, Inc., as parent and a guarantor, the subsidiaries of United Continental Holdings, Inc. from time to time party thereto other than the borrower party thereto from time to time, as guarantors, the lenders from time to time party thereto and JPMorgan Chase Bank, N.A., as administrative agent (filed as Exhibit 10.1 to UAL's Form 8-K filed April 3, 2017, Commission file number 1-6033, and incorporated herein by reference)
10.68	UAL United	First Amendment, dated as of November 15, 2017, to Amended and Restated Credit Guaranty Agreement (filed as Exhibit 10.219 to UAL's Form 10-K for the year ended December 31, 2017, Commission file number 1-6033, and incorporated herein by reference)
10.69	UAL United	Second Amendment, dated as of May 16, 2018, to Amended and Restated Credit Guaranty Agreement filed as Exhibit 10.1 to UAL's Form 10-Q for the quarter ended June 30, 2018, Commission file number 1-6033, and incorporated herein by reference)
10.70	UAL United	Payroll Support Program Agreement, dated as of April 20, 2020, between United and the United States Department of the Treasury (filed as Exhibit 10.1 to UAL's Form 8-K filed April 23, 2020, and incorporated herein by reference)
*10.71	UAL United	Credit Agreement, dated as of July 2, 2020, by and among Mileage Plus Holdings, LLC, Mileage Plus Intellectual Property Assets, Ltd., the guarantors named therein, the lenders named therein, the lead arrangers named therein, Goldman Sachs Bank USA, as administrative agent, and Wilmington Trust, National Association, as master collateral agent and collateral administrator (filed as Exhibit 10.1 to UAL's Form 8-K filed July 2, 2020, and incorporated herein by reference)
10.72	UAL United	Loan and Guarantee Agreement, among United, as borrower, UAL, as parent and guarantor, the subsidiaries of UAL other than United party thereto from time to time, as guarantors, The United States Department of the Treasury, as lender, and The Bank of New York Mellon, as administrative agent and collateral agent (filed as Exhibit 10.1 to UAL's Form 8-K filed September 30, 2020 and incorporated herein by reference)
*10.73	UAL United	Restatement Agreement, dated as of November 6, 2020, to that certain Loan and Guarantee Agreement, dated as of September 28, 2020, among United Airlines, Inc., United Airlines Holdings, Inc., the guarantors party thereto from time to time, The United States Department of the Treasury, as initial lender, and the Bank of New York Mellon, as administrative agent and collateral agent (and including the Loan and Guarantee Agreement dated as of September 28, 2020, and as amended and restated as of November 6, 2020, among United Airlines, Inc., as Borrower, the guarantors party thereto from time to time, The United States Department of the Treasury and The Bank of New York Mellon, as administrative agent)
10.74	UAL United	Second Amendment to Loan and Guarantee Agreement, dated as of December 8, 2020, to the Loan and Guarantee Agreement, among United Airlines, Inc., United Airlines Holdings, Inc., the guarantors party thereto, the United State Department of the Treasury, as initial lender and a lender, and The Bank of New York Treasury, as administrative agent
		List of Subsidiaries
21	UAL United	List of United Airlines Holdings, Inc. and United Airlines, Inc. Subsidiaries
		Consents of Experts and Counsel
23.1	UAL	Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP) for United Airlines Holdings, Inc.
23.2	United	Consent of Independent Registered Public Accounting Firm (Ernst & Young LLP) for United Airlines, Inc.
		Rule 13a-14(a)/15d-14(a) Certifications
31.1	UAL	Certification of the Principal Executive Officer of United Airlines 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 Airlines 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)
		Section 1350 Certifications
32.1	UAL	Certification of the Chief Executive Officer and Chief Financial Officer of United Airlines 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)
		Interactive Data File
101	UAL United	The following financial statements from the combined Annual Report of UAL and United on Form 10-K for the year ended December 31, 2020, formatted in Inline XBRL: (i) Statements of Consolidated Operations, (ii) Statements of Consolidated Comprehensive Income (Loss), (iii) Consolidated Balance Sheets, (iv) Statements of Consolidated Cash Flows, (v) Statements of Consolidated Stockholders' Equity (Deficit) and (vi) Combined Notes to Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	UAL United	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

† Indicates management contract or compensatory plan or arrangement. Pursuant to Item 601(b)(10), United is permitted to omit certain compensation-related exhibits from this report and therefore only UAL is identified as the registrant for purposes of those items.

^ Portions of the referenced exhibit have been omitted pursuant to Item 601(b) of Regulation S-K.

* Exhibits and schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K and will be furnished on a supplemental basis to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

UNITED AIRLINES HOLDINGS, INC.
UNITED AIRLINES, INC.
(Registrants)

By: /s/ Gerald Laderman
Gerald Laderman
Executive Vice President and Chief Financial Officer

Date: March 1, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of United Airlines Holdings, Inc. and in the capacities and on the date indicated.

Signature	Capacity
/s/ J. Scott Kirby J. Scott Kirby	Chief Executive Officer, Director (Principal Executive Officer)
/s/ Gerald Laderman Gerald Laderman	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Chris Kenny Chris Kenny	Vice President and Controller (Principal Accounting Officer)
/s/ Carolyn Corvi Carolyn Corvi	Director
/s/ Barney Harford Barney Harford	Director
/s/ Michele J. Hooper Michele J. Hooper	Director
/s/ Todd M. Insler Todd M. Insler	Director
/s/ Walter Isaacson Walter Isaacson	Director

/s/ James A.C. Kennedy — Director
James A.C. Kennedy

/s/ Oscar Munoz — Director
Oscar Munoz

/s/ Sito Pantoja — Director
Sito Pantoja

/s/ Edward M. Philip — Director
Edward M. Philip

/s/ Edward L. Shapiro — Director
Edward L. Shapiro

/s/ David J. Vitale — Director
David J. Vitale

/s/ James M. Whitehurst — Director
James M. Whitehurst

Date: March 1, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of United Airlines, Inc. and in the capacities and on the date indicated.

Signature	Capacity
/s/ J. Scott Kirby J. Scott Kirby	Chief Executive Officer, Director (Principal Executive Officer)
/s/ Gerald Laderman Gerald Laderman	Executive Vice President and Chief Financial Officer, Director (Principal Financial Officer)
/s/ Chris Kenny Chris Kenny	Vice President and Controller (Principal Accounting Officer)
/s/ Brett J. Hart Brett J. Hart	Director

Date: March 1, 2021

Schedule II
Valuation and Qualifying Accounts
For the Years Ended December 31, 2020, 2019 and 2018

(In millions) Description	Balance at Beginning of Period	Additions Charged to Costs and Expenses	Deductions	Other	Balance at End of Period
Allowance for credit losses - receivables:					
2020	$ 9	$ 70	$ 16	$ 15	$ 78
2019	8	17	16	—	9
2018	7	17	16	—	8
Obsolescence allowance—spare parts:					
2020	$ 425	$ 88	$ 35	$ —	$ 478
2019	412	76	63	—	425
2018	354	73	15	—	412
Allowance for credit losses - notes receivable:					
2020	$ —	$ 518	$ —	$ 4	$ 522
Valuation allowance for deferred tax assets:					
2020	$ 58	$ 197	$ 8	$ —	$ 247
2019	59	—	1	—	58
2018	63	2	6	—	59

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

United Airlines Holdings, Inc., ("UAL," "we," "us" or "our") has two classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, par value $0.01 per share ("Common Stock"), and the rights (each, a "Right" and, collectively, the "Rights") to purchase from UAL one one-thousandth of a share of Series A Junior Participating Serial Preferred Stock, without par value ("Series A Preferred Stock").

UAL is authorized to issue up to 1,000,000,000 shares of Common Stock and 250,000,000 shares of preferred stock, without par value ("Serial Preferred Stock"). UAL is also authorized to issue and has issued one share of Class Pilot MEC Junior Preferred Stock, par value $0.01 per share, and one share of Class IAM Junior Preferred Stock, par value $0.01 per share.

The general terms and provisions of our Common Stock and Rights are summarized below. It may not contain all the information that is important to you. For additional information, you should refer to the provisions of our Amended and Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), our Amended and Restated Bylaws (the "Bylaws") and the Tax Benefits Preservation Plan, dated as of December 4, 2020 and as amended on January 21, 2021 (the "Tax Benefits Preservation Plan"), by and between UAL and Computershare Trust Company, N.A., as rights agent (and any successor agent, the "Rights Agent"), each of which is an exhibit to the Annual Report on Form 10-K to which this description is an exhibit and is incorporated herein by reference. Please also refer to the applicable provisions of the Delaware General Corporation Law ("DGCL") for additional information.

DESCRIPTION OF COMMON STOCK

Listing

Our Common Stock is listed on The Nasdaq Stock Market LLC under the symbol "UAL."

Dividends

The holders of shares of Common Stock will be entitled to receive dividends, if and when declared payable, from time to time by the UAL board of directors (the "Board").

Liquidation

Upon any liquidation, dissolution or winding up of UAL, after all securities ranking prior to the Common Stock, including any shares of UAL's Serial Preferred Stock, Class Pilot MEC Junior Preferred Stock and Class IAM Junior Preferred Stock, have been paid in full that to which they are entitled, the holders of the then outstanding shares of Common Stock will be entitled to receive, pro rata, the remaining assets of UAL available for distribution to its stockholders.

Voting Rights

Each outstanding share of Common Stock will entitle the holder thereof to one vote on each matter submitted to a vote at a meeting of stockholders. At meetings of stockholders, holders of Common Stock vote together as a single class with holders of UAL's Class Pilot MEC Junior Preferred Stock and Class IAM Junior

Preferred Stock on all matters except the election of directors to the Board. Except as otherwise required by the Certificate of Incorporation, each director shall be elected by vote of a majority of the votes cast with respect to that director's election. However, if the number of director nominees exceeds the number of directors to be elected at any meeting of stockholders as of the date that is 10 days prior to the date UAL files its definitive proxy statement with the SEC, then each director shall be elected by a plurality of the votes cast and entitled to vote on the election of directors. The affirmative vote of holders of shares of UAL's capital stock representing a majority of the votes present in person or by proxy at the meeting and entitled to be cast on the matter will be required to approve any other matters.

Absence of Other Rights

Shares of Common Stock are not convertible into, or exchangeable for, any other class or series of capital stock. Holders of Common Stock have no preemptive or other rights to subscribe for or purchase additional securities of UAL. The Certificate of Incorporation contains no sinking fund provisions or redemption provisions with respect to the Common Stock. Shares of Common Stock are not subject to calls or assessments. No personal liability will attach to holders under the laws of the State of Delaware (UAL's state of incorporation) or of the State of Illinois (the state in which UAL's principal place of business is located). There is no classification of the Board.

DESCRIPTION OF PREFERRED STOCK PURCHASE RIGHTS

Rights to Purchase Preferred Stock

In connection with the Tax Benefits Preservation Plan, the Board declared a dividend of one Right to stockholders of record at the close of business on December 14, 2020 (the "Record Date"). Each Right entitles its holder, under the circumstances described below, to purchase from UAL one one-thousandth of a share of Series A Preferred Stock, at an exercise price of $250.00 per Right, subject to adjustment.

The Rights attach to any shares of Common Stock that were outstanding as of the Record Date or becomes outstanding after the Record Date and prior to the earlier of the Distribution Time (as defined below) and the Expiration Time (as defined below), and in certain other circumstances described in the Tax Benefits Preservation Plan.

Until the Distribution Time, the Rights are associated with Common Stock and evidenced by Common Stock certificates or, in the case of uncertificated shares of Common Stock, the book-entry account that evidences record ownership of such shares, which contains a notation incorporating the Tax Benefits Preservation Plan by reference, and the Rights are transferable with and only with the underlying shares of Common Stock.

Separation and Distribution of Rights; Exercisability

Subject to certain exceptions, the Rights become exercisable and trade separately from Common Stock only upon the "Distribution Time," which occurs upon the earlier of:

- the close of business on the tenth (10th) day after the "Stock Acquisition Date" (which is defined as (a) the first date of public announcement that any person or group has become an "Acquiring Person," which is defined as a person or group that, together with its affiliates and associates, beneficially owns 4.9% or more of the outstanding shares of Common Stock (with certain exceptions, including those described below) or (b) such other date, as determined by the Board, on which a person or group has become an Acquiring Person) or

- the close of business on the tenth (10th) business day (or such later date as may be determined by the Board prior to such time as any person or group becomes an Acquiring Person) after the

commencement of a tender offer or exchange offer that, if consummated, would result in a person or group becoming an Acquiring Person.

The Board may determine that any person is an Acquiring Person if such person becomes the beneficial owner of 4.9% of the then-outstanding shares of Common Stock under the regulations promulgated under the Internal Revenue Code of 1986, as amended (the "Code").

An Acquiring Person does not include:

- UAL or any subsidiary of UAL;
- any officer, director or employee of UAL or any subsidiary of UAL in his or her capacity as such;
- any employee benefit plan of UAL or of any subsidiary of UAL or any entity or trustee holding (or acting in a fiduciary capacity in respect of) shares of capital stock of UAL for or pursuant to the terms of any such plan or for the purpose of funding other employee benefits for employees of UAL or any subsidiary of UAL;
- any person or group, together with its affiliates and associates, whose beneficial ownership of 4.9% or more of the then-outstanding shares of Common Stock will not jeopardize or endanger the availability to UAL of any net operating loss ("NOL") or other tax attribute, as determined by the Board in its sole discretion prior to the time any person becomes an Acquiring Person (provided that such person will be an Acquiring Person if the Board subsequently makes a contrary determination in its sole discretion, regardless of the reason for such contrary determination); or
- any person or group that, together with its affiliates and associates, as of immediately prior to the first public announcement of the adoption of the Tax Benefits Preservation Plan, beneficially owns 4.9% or more of the outstanding shares of Common Stock so long as such person or group continues to beneficially own at least 4.9% of the outstanding shares of Common Stock and does not acquire shares of Common Stock to beneficially own an amount equal to or greater than the greater of 4.9% and the sum of the lowest beneficial ownership of such person or group since the public announcement of the adoption of the Tax Benefits Preservation Plan plus one share of Common Stock.

In addition, the Tax Benefits Preservation Plan provides that no person or group will become an Acquiring Person as a result of share purchases or issuances directly from UAL or through an underwritten offering approved by the Board. Also, a person or group will not be an Acquiring Person if the Board determines that such person or group has become an Acquiring Person inadvertently and such person or group as promptly as practicable divests a sufficient number of shares so that such person or group would no longer be an Acquiring Person. There are also certain exceptions for an "investment advisor" to mutual funds or a trustee of trusts qualified under Section 401(a) of the Code sponsored by unrelated corporations, unless the Board determines, in its reasonable discretion, that such investment advisor or trustee is deemed to beneficially own 4.9% or more of the shares of Common Stock then outstanding under specified regulations promulgated under the Code.

Certain synthetic interests in securities created by derivative positions, whether or not such interests are considered to be ownership of the underlying Common Stock or are reportable for purposes of Regulation 13D of the Exchange Act are treated as beneficial ownership of the number of shares of Common Stock equivalent to the economic exposure created by the derivative position, to the extent actual shares of Common Stock are directly or indirectly held by counterparties to the derivatives contracts. In addition, for purposes of the Tax Benefits Preservation Plan, a person or group is deemed to beneficially own shares that such person is deemed to directly, indirectly or constructively own (as determined for purposes of Section 382 of the Code or the regulations promulgated under the Code), and Warrants and Warrant Shares (as each is defined in the Warrant Agreement, dated

as of April 20, 2020, between UAL and the United States Department of the Treasury, the Warrant Agreement, dated as of September 28, 2020, between UAL and the United States Department of the Treasury, and the Warrant Agreement, dated as of January 15, 2021, between UAL and the United states Department of the Treasury) are disregarded for purposes of determining beneficial ownership.

Expiration Time

The Rights will expire on the earliest to occur of (a) the close of business on December 4, 2023 (the "Final Expiration Time"), (b) the time at which the Rights are redeemed or exchanged by UAL (as described below), (c) the close of business on the first business day following the certification of the voting results of UAL's 2021 annual meeting of stockholders, if stockholder approval of the Tax Benefits Preservation Plan has not been obtained at such meeting, (d) upon the closing of any merger or other acquisition transaction involving UAL pursuant to a merger or other acquisition agreement that has been approved by the Board before any person or group becomes an Acquiring Person or (e) the time at which the Board determines that the NOLs and certain other tax attributes are utilized in all material respects or that an ownership change under Section 382 of the Code would not adversely impact in any material respect the time period in which UAL could use the NOLs and other tax attributes or materially impair the amount of NOLs and other tax attributes that could be used by UAL in any particular time period, for applicable tax purposes (the earliest of (a), (b), (c), (d) and (e) being herein referred to as the "Expiration Time").

Flip-in Event

In the event that any person or group (other than certain exempt persons) becomes an Acquiring Person (a "Flip-in Event"), each holder of a Right (other than such Acquiring Person, any of its affiliates or associates or certain transferees of such Acquiring Person or of any such affiliate or associate, whose Rights automatically become null and void) will have the right to receive, upon exercise, Common Stock having a value equal to two times the exercise price of the Right.

For example, at an exercise price of $250.00 per Right, each Right not owned by an Acquiring Person (or by certain related parties) following a Flip-in Event would entitle its holder to purchase $500.00 worth of Common Stock for $250.00. Assuming that Common Stock had a per share value of $50.00 at that time, the holder of each valid Right would be entitled to purchase ten shares of Common Stock for $250.00.

Flip-over Event

In the event that, at any time following the Stock Acquisition Date, any of the following occurs (each, a "Flip-over Event"):

- UAL consolidates with, or merges with and into, any other entity, and UAL is not the continuing or surviving entity;
- any entity engages in a share exchange with or consolidates with, or merges with or into, UAL, and UAL is the continuing or surviving entity and, in connection with such share exchange, consolidation or merger, all or part of the outstanding shares of Common Stock are changed into or exchanged for stock or other securities of any other entity or cash or any other property; or
- UAL sells or otherwise transfers, in one transaction or a series of related transactions, 50% or more of UAL's assets, cash flow or earning power, each holder of a Right (except Rights which previously have been voided as described above) will have the right to receive, upon exercise, common stock of the acquiring company having a value equal to two times the exercise price of the Right.

Preferred Stock Provisions

Each share of Series A Preferred Stock, if issued: will not be redeemable, will entitle the holder thereof, when, as and if declared, to quarterly dividend payments equal to the greater of $1,000 per share and 1,000 times the amount of all cash dividends plus 1,000 times the amount of non-cash dividends or other distributions paid on one share of Common Stock, will entitle the holder thereof to receive $1,000 plus accrued and unpaid dividends per share upon liquidation and, if shares of Common Stock are exchanged via merger, consolidation or a similar transaction, will entitle the holder thereof to a per share payment equal to the payment made on 1,000 shares of Common Stock.

Anti-Dilution Adjustments

The exercise price payable, and the number of shares of Series A Preferred Stock or other securities or property issuable, upon exercise of the Rights are subject to adjustment from time to time to prevent dilution:

- in the event of a stock dividend on, or a subdivision, combination or reclassification of, the Series A Preferred Stock,
- if holders of the Series A Preferred Stock are granted certain rights, options or warrants to subscribe for Series A Preferred Stock or convertible securities at less than the current market price of the Series A Preferred Stock or
- upon the distribution to holders of the Series A Preferred Stock of evidences of indebtedness or assets (excluding regular quarterly cash dividends) or of subscription rights or warrants (other than those referred to above).

With certain exceptions, no adjustment in the exercise price will be required until cumulative adjustments amount to at least 1% of the exercise price. No fractional shares of Series A Preferred Stock will be issued and, in lieu thereof, an adjustment in cash will be made based on the market price of the Series A Preferred Stock on the last trading day prior to the date of exercise.

Redemption; Exchange

At any time prior to the earlier of (i) the close of business on the tenth (10th) day following the Stock Acquisition Date or (ii) the Final Expiration Time, UAL may redeem the Rights in whole, but not in part, at a price of $0.001 per Right (subject to adjustment and payable in cash, Common Stock or other consideration deemed appropriate by the Board). Immediately upon the action of the Board authorizing any redemption or at such later time as the Board may establish for the effectiveness of the redemption, the Rights will terminate and the only right of the holders of Rights will be to receive the redemption price.

At any time after any Acquiring Person, together with all of its affiliates and associates, becomes the beneficial owner of fifty percent (50%) or more of the outstanding shares of Common Stock, UAL may exchange the Rights (other than Rights owned by the Acquiring Person, any of its affiliates or associates or certain transferees of Acquiring Person or of any such affiliate or associate, whose Rights will have become null and void), in whole or in part, at an exchange ratio of one share of Common Stock, or one one-thousandth of a share of Series A Preferred Stock (or of a share of a class or series of Serial Preferred Stock having equivalent rights, preferences and privileges), per Right (subject to adjustment).

Exemption Requests

A person desiring to effect a transaction that might result in such person becoming a beneficial owner of 4.9% or more of the then-outstanding shares of Common Stock may, by following the procedures outlined in the Tax Benefits Preservation Plan, request that the Board determine that such person would not be an Acquiring Person. In such case, the Board may grant the exemption notwithstanding the effect on UAL's NOLs and other tax attributes, if the Board determines that such approval is in the best interests of UAL. The Board may impose any conditions that it deems reasonable and appropriate in connection with any such determination, including restrictions on the ability of the requesting person to transfer shares acquired by it in the transaction requiring approval.

Amendment of the Tax Benefits Preservation Plan

UAL and the Rights Agent may from time to time amend or supplement the Tax Benefits Preservation Plan without the consent of the holders of the Rights. However, on or after the Stock Acquisition Date, no amendment can materially adversely affect the interests of the holders of the Rights (other than the Acquiring Person, any of its affiliates or associates or certain transferees of Acquiring Person or of any such affiliate or associate).

Miscellaneous

While the distribution of the Rights is not taxable to stockholders or to UAL, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Common Stock (or other consideration) or for common stock of the acquiring company or in the event of the redemption of the Rights as described above.

Foreign Ownership Limitation

The Certificate of Incorporation limits the total number of shares of equity securities held by all persons who fail to qualify as citizens of the United States to having no more than 24.9% of the voting power of all outstanding equity securities of UAL.

Certain Anti-Takeover Effects

General. Certain provisions of our Certificate of Incorporation, our Bylaws, the Tax Benefits Preservation Plan and the DGCL could make it more difficult to consummate an acquisition of control of us by means of a tender offer, a proxy fight, open market purchases or otherwise in a transaction not approved by our Board. The summary of the provisions set forth below does not purport to be complete and is qualified in its entirety by reference to our Certificate of Incorporation, our Bylaws, the Tax Benefits Preservation Plan and the DGCL.

Undesignated Preferred Stock. Our ability to issue undesignated Serial Preferred Stock makes it possible for the Board to issue Serial Preferred Stock with super voting, dividend or other special rights or preferences on a discriminatory basis that could impede the success of any attempt to acquire UAL. This may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control or management of UAL.

No Stockholder Action by Written Consent. The Certificate of Incorporation provides that any action required or permitted to be taken by UAL stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by consent in writing by such stockholders.

Requirements for Advance Notification of Stockholder Meetings, Nominations and Proposals. The Bylaws provide that special meetings of the stockholders may be called only (i) by both the Chief Executive Officer and the Chairman of the Board, (ii) by the Board or (iii) subject to certain requirements set forth in the Bylaws, upon the written request of one or more stockholders of record of UAL that together have continuously held, for their own

account or on behalf of others, beneficial ownership of at least a 25% aggregate "net long position" (as defined in the Bylaws) of the outstanding shares of Common Stock for at least one year prior to the date such request is delivered to UAL.

The Bylaws establish advance notice procedures with respect to stockholder proposals for annual meetings and the nomination of candidates for election as directors to the Board (other than nominations pursuant to the terms of the Class Pilot MEC Junior Preferred Stock, the Class IAM Junior Preferred Stock or nominations made by or at the direction of the Board or a committee of the Board). In order for any matter to be "properly brought" before a meeting, a stockholder will have to comply with advance notice requirements and provide UAL with certain information. Additionally, vacancies and newly created directorships may be filled by a vote of a majority of the directors then in office, even though less than a quorum. The Bylaws allow the Chief Executive Officer or Chairman, or his or her designee, to preside at a meeting to adopt rules and regulations for the conduct of meetings which may have the effect of precluding the conduct of certain business at a meeting if the rules and regulations are not followed. These provisions may also defer, delay or discourage a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of UAL.

Proxy Access. The Bylaws contain a proxy access right provision to permit a stockholder or group of up to 20 stockholders satisfying specified eligibility requirements to include director nominees in UAL's proxy materials for annual meetings of stockholders. The maximum number of stockholder nominees permitted under these proxy access provisions is the greater of two or 20% of the Board elected by the holders of Common Stock. To be eligible to use these proxy access provisions, such stockholder (or group) must, among other requirements:

- have continuously owned 3% or more of the outstanding shares of Common Stock throughout the three-year period preceding the date of the nomination notice, and continue to own at least 3% or more of the outstanding shares of Common Stock through the date of the annual meeting;

- represent that such stockholder (or group) did not acquire, and is not holding, such shares of Common Stock for the purpose, or with the effect, of influencing or changing control of UAL; and

- provide a written notice requesting the inclusion of director nominees in UAL's proxy materials and provide other required information to UAL not earlier than the close of business on the 150th day and not later than the close of business on the 120th day prior to the anniversary of the mailing date of UAL's proxy statement for the prior year's annual meeting of stockholders (with adjustments if the date for the upcoming annual meeting of stockholders is more than 30 days before or after the anniversary date of the prior year's annual meeting).

The foregoing proxy access right is subject to additional eligibility, procedural and disclosure requirements set forth in the Bylaws.

Business Combinations. We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. Section 203 prevents certain Delaware corporations from engaging, under certain circumstances, in a "business combination" (as defined therein), which includes, among other things, a merger or sale of more than 10% of the corporation's assets, with any interested stockholder for three years following the date that the stockholder became an interested stockholder. An interested stockholder is a stockholder who acquired 15% or more of the corporation's outstanding voting stock or an affiliate or associate of such person.

Tax Benefits Preservation Plan. The Tax Benefits Preservation Plan could have certain anti-takeover effects because the Rights provided to holders of our Common Stock under the Tax Benefits Preservation Plan will cause substantial dilution to an Acquiring Person. While the Tax Benefits Preservation Plan is intended to preserve our current ability to utilize NOLs and certain other tax attributes, it effectively deters current and future purchasers from accumulating more than 4.9% of UAL's securities, which could delay or discourage attempts that our stockholders may consider favorable. The Tax Benefits Preservation Plan should not interfere with any merger or other business combination approved by the Board.

Exhibit 4.18

AMENDMENT NO. 1 TO TAX BENEFITS PRESERVATION PLAN

This Amendment No. 1 to Tax Benefits Preservation Plan (this "***Amendment***"), dated as of January 21, 2021, by and between United Airlines Holdings, Inc., a Delaware corporation (the "***Company***"), and Computershare Trust Company, N.A., a federally chartered trust company, as rights agent (the "***Rights Agent***"), amends that certain Tax Benefits Preservation Plan, dated as of December 4, 2020, by and between the Company and the Rights Agent (the "***Rights Agreement***"). All capitalized terms used but not defined herein shall have the meanings given to such terms in the Rights Agreement.

WHEREAS, the Board has determined that it is desirable to amend the Rights Agreement as set forth herein;

WHEREAS, subject to certain limited exceptions, Section 27 of the Rights Agreement provides that the Company may, in its sole and absolute discretion, and the Rights Agent shall if the Company so directs, amend any provision of the Rights Agreement in any respect without the approval of any holders of the Rights;

WHEREAS, this Amendment is permitted by Section 27 of the Rights Agreement; and

WHEREAS, pursuant to Section 27 of the Rights Agreement, the Company hereby directs that the Rights Agreement shall be amended as set forth in this Amendment.

NOW THEREFORE, in consideration of the foregoing premises and mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Rights Agent hereby agree as follows:

Section 1. Amendment to Section 1. The definition of "Warrant Agreements" set forth in Section 1 of the Rights Agreement is hereby amended and restated in its entirety as follows:

> "***Warrant Agreements***" shall mean (i) that certain Warrant Agreement, dated as of April 20, 2020, between the Company and the United States Department of the Treasury, (ii) that certain Warrant Agreement, dated as of September 28, 2020, between the Company and the United States Department of the Treasury and (iii) that certain Warrant Agreement, dated as of January 15, 2021, between the Company and the United States Department of the Treasury, as each such agreement may be amended from time to time in accordance with its terms.

Section 2. Effective Date; Certification. This Amendment shall be deemed effective as of the date first written above, as if executed on such date. The duly authorized officer of the Company executing this Amendment hereby certifies to the Rights Agent that the amendment to the Rights Agreement set forth in this Amendment is in compliance with Section 27 of the Rights

Agreement and the certification contained in this Section 2 shall constitute the certification required by Section 27 of the Rights Agreement.

Section 3. Governing Law. This Amendment shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be governed by and construed in accordance with the laws of such State applicable to contracts to be made and performed entirely within such State.

Section 4. Severability. If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Amendment shall remain in full force and effect and shall in no way be affected, impaired or invalidated. If any such excluded term, provision, covenant or restriction shall affect the rights, immunities, duties or obligations of the Rights Agent in an adverse manner, then the Rights Agent shall be entitled to resign immediately upon written notice to the Company.

Section 5. Counterparts. This Amendment may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. Delivery of an executed signature page of this Amendment by facsimile or other customary means of electronic transmission (e.g., “pdf”) shall be as effective as delivery of a manually executed counterpart hereof.

Section 6. No Modification. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Rights Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect.

Section 7. Headings. The headings of the sections of this Amendment have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date and year first above written.

UNITED AIRLINES HOLDINGS, INC.

By: /s/ Gerald Laderman
Name: Gerald Laderman
Title: Executive Vice President and Chief Financial Officer

COMPUTERSHARE TRUST COMPANY, N.A.

By: /s/ Fred Papenmeier
Name: Fred Papenmeier
Title: Vice President & Manager

PERFORMANCE-BASED RSU AWARD NOTICE
[20__]

This Performance-Based RSU Award Notice (this "Award Notice"), dated as of the date of grant as reflected in your **[third party administrator]** account (the "Grant Date"), sets forth the terms and conditions of an award of performance-based restricted stock units ("RSUs") that is subject to the terms and conditions specified herein and that is granted to you by United Airlines Holdings, Inc., a Delaware corporation (the "Company"), under the United Continental Holdings, Inc. 2017 Incentive Compensation Plan (as amended from time to time, the "Plan") with respect to the performance period commencing on January 1, 20**[__]** and ending on December 31, 20**[__]** (the "Performance Period").

SECTION 1. The Plan; Number of RSUs; Performance Criteria and Performance Goals; CARES Act.

(a) The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated into this Award Notice. In the event of any conflict between the terms of the Plan and the terms of this Award Notice, the terms of the Plan shall govern except to the extent that (i) any term herein is required to comply with the CARES Act (as defined below) or (ii) any term in the Plan is required to be modified to comply with the CARES Act.

(b) Number of RSUs; Performance Criteria and Performance Goals. The RSUs subject to this Award are granted at the stretch level as required by the terms of the Plan. The number of RSUs will be reflected in your **[third party administrator]** account as of the Grant Date at the target level. The total number of RSUs granted at the stretch level is calculated as the target level of RSUs multiplied by **[___]**. The RSUs will vest in accordance with the Performance Criteria and Performance Goals established by the Committee for the Performance Period, which are as set forth in Exhibit A.

(c) CARES Act. The Company, United Airlines, Inc. ("United"), and United employees have benefited from U.S. government support provided by the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the "CARES Act") and subsequent payroll support and loan programs. Under the CARES Act, United and certain employees are subject to restrictions, including compensation limits applicable to employees whose 2019 total compensation exceeded $425,000. Additional compensation limits apply to employees with 2019 total compensation in excess of $3 million, and compensation limits also apply to employees with compensation over the specified limits during subsequent reference time periods. The Company and United have designed employee compensation programs to comply with the requirements of the CARES Act and the related payroll support and loan programs. Notwithstanding the foregoing, if this Award is deemed to violate requirements of the CARES Act and the related payroll support and loan programs, this Award shall be void to the extent necessary to comply with such requirements.

SECTION 2. Vesting and Settlement.

(a) Vesting. Subject to the terms and conditions of this Award Notice and the provisions of the Plan, your RSUs shall vest on the last day of the Performance Period (except as set forth on Exhibit A or as otherwise determined by the Committee in its sole discretion) in accordance with achievement of the Performance Criteria and related Performance Goals as set forth on Exhibit A, provided that you must be actively employed by the Company or an Affiliate on the last day of the Performance Period, except as set forth on Exhibit A or as otherwise determined by the Committee in its sole discretion. In the event that the performance-based vesting criteria results in a fractional share, the fractional share will be rounded up to the next whole share.

(b) Settlement of RSUs. The RSUs granted to you pursuant to this Award will be settled in Shares. The Company shall deliver to you, no later than March 15th following the end of the Performance Period, one Share for each RSU that becomes vested in accordance with the terms of this Award Notice and Exhibit A. Upon settlement, a number of RSUs equal to the number of Shares represented thereby shall be extinguished and such number of RSUs will no longer be considered to be held by you for any purpose.

SECTION 3. Forfeiture of RSUs. Unless the Committee determines otherwise, and except as otherwise provided in Exhibit A, if the vesting of the RSUs awarded to you pursuant to this Award Notice has not occurred prior to the date of your Termination of Employment, your rights with respect to such RSUs shall immediately terminate upon your Termination of Employment, and you will be entitled to no further payments or benefits with respect thereto.

SECTION 4. Voting Rights; Dividend Equivalents. You do not have any of the rights of a stockholder with respect to the RSUs granted to you pursuant to this Award Notice until Shares with respect to such RSUs are delivered to you upon settlement in accordance with Section 2. Further, you do not have the right to vote or to receive any dividends or any dividend equivalents relating to such dividends declared or paid on the Shares with respect to the RSUs granted to you pursuant to this Award until Shares with respect to such RSUs are delivered to you upon settlement in accordance with Section 2.

SECTION 5. Non-Transferability of RSUs. Unless otherwise provided by the Committee in its discretion and notwithstanding clause (ii) of Section 10(a) of the Plan, prior to the date that they become vested, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered by you, otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company, provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

SECTION 6. Data Privacy. You hereby explicitly consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this Award Notice by

and among, as applicable, the Company, its Affiliates and its Subsidiaries for the exclusive purpose of implementing, administering and managing your participation in the Plan. You understand that the Company (and/or your local employer, if applicable) holds certain personal information about you, which information may include, but is not limited to, your name, home address and telephone number, date of birth, email address, family size, marital status, sex, beneficiary information, emergency contacts, passport/visa information, age, language skills, driver's license information, nationality, resume, wage history, employment references, social insurance number or other identification number, salary, job title, employment or severance contract details, current wage and benefit information, personal bank account number, tax related information, plan or benefit enrollment forms and elections, option or benefit statements, any shares of stock or directorships in the Company, details of all shares (if any) granted, canceled, purchased, vested, unvested or outstanding for purpose of managing and administering the Plan ("Data"). You understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You authorize the recipients to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data as may be required to a broker or other third party with whom you may elect to deposit any proceeds acquired. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing Human Resources. You understand, however, that refusing or withdrawing your consent may affect your ability to participate in the Plan. For more information on the consequences of your refusal to consent or withdrawal of consent, you understand that you may contact Human Resources.

SECTION 7. Tax Withholding and Consents.

(a) Tax Withholding. The delivery of Shares pursuant to Section 2(b) of this Award Notice is conditioned on satisfaction of any applicable withholding taxes in accordance with Section 10(d) of the Plan. The Company will withhold from the number of Shares otherwise deliverable to you pursuant to Section 2(b) a number of Shares (or, to the extent applicable, such other securities) having a Fair Market Value equal to such withholding liability; provided that you may elect alternatively to satisfy your tax withholding obligation, in whole or in part, by any of the following means: (i) a cash payment to the Company or (ii) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of previously owned whole Shares having an aggregate Fair Market Value equal to such withholding liability. Notwithstanding the foregoing, the Company shall be authorized to take such actions as the Company may deem necessary (including, without limitation, in accordance with applicable law, withholding amounts from any compensation or other amounts owing from the Company to you) to satisfy all obligations for the payment of such taxes. Subject to the terms of the Plan and as a condition of the Award, you acknowledge that, regardless of any action taken by the Company, or if different, your employer, the ultimate liability for all applicable Federal, state, local or

foreign income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), is and remains your responsibility and may exceed the amount actually withheld by the Company, or if different, your employer. You further acknowledge that the Company and/or your employer (1) make no representations or undertaking regarding the treatment of any Tax-Related Items in connection with any aspect of the Award, including but not limited to, the grant, vesting or settlement of the Award; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, you acknowledge that the Company and/or the employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Consents. Your rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including, without limitation, your consenting to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

SECTION 8. Successors and Assigns of the Company. The terms and conditions of this Award Notice shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 9. Committee Discretion. Pursuant to Section 3(e) of the Plan, the Committee may delegate to one or more senior officers of the Company the authority to make grants of Awards and all necessary and appropriate decisions and determinations with respect thereto. The Committee, and any officer to whom the Committee has delegated authority pursuant to the Plan, shall have full and plenary discretion with respect to any actions to be taken or determinations to be made pursuant to the Plan and this Award Notice, and any such determinations shall be final, binding and conclusive. Any references in this Award Notice to the Committee shall be deemed to include any officer to whom the Committee has delegated authority pursuant to the Plan.

SECTION 10. Amendment of this Award Notice. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Notice prospectively or retroactively; provided, however, that, except as set forth in Section 10(e) of the Plan relating to Section 409A of the Code, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely impair your rights under this Award Notice shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Notice and the RSUs shall be subject to the provisions of Section 7(c) of the Plan relating to the adjustment of Awards upon the occurrence of certain unusual, infrequently occurring or nonrecurring events).

SECTION 11. Priority of Interpretation. To the extent permitted by the Plan, in the event of any conflict between the terms of this Award Notice and the terms of any plan, program, agreement or arrangement of the Company or any of its Subsidiaries applicable to you, the terms of such plan, program, agreement or arrangement shall govern.

SECTION 12. Miscellaneous.

(a) Continuation of Employment; Not a Contract of Employment; No Acquired Rights. This Award Notice shall not confer upon you any right to continuation of employment by the Company, its Affiliates, and/or its Subsidiaries, nor shall this Award Notice interfere in any way with the Company's, its Affiliates', and/or its Subsidiaries' right to terminate your employment at any time, except to the extent expressly provided otherwise in a written agreement between you and the Company, an Affiliate or Subsidiary or as prohibited by law.

(b) Not a Part of Salary. In accepting the grant of an Award under the Plan, you acknowledge that: (i) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, suspended or terminated by the Company at any time, as provided in the Plan and this Award Notice; (ii) the grant of the RSUs is voluntary and occasional and does not create any contractual or other right to receive future grants of RSUs, or benefits in lieu of RSUs, even if RSUs have been granted repeatedly in the past; (iii) all decisions with respect to future grants, if any, will be at the sole discretion of the Company; (iv) your participation in the Plan is voluntary; (v) the RSUs and any Shares received upon vesting of the RSUs is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (vi) the grant of RSUs is provided for future services to the Company and its Affiliates and is not under any circumstances to be considered compensation for past services; (vii) in the event that you are an employee of the Company, Affiliate or Subsidiary, the grant will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the grant will not be interpreted to form an employment contract with the Affiliate or Subsidiary that is your employer; (viii) the future value of the Shares is unknown and cannot be predicted with certainty; (ix) no claim or entitlement to compensation or damages arises from forfeiture or termination of the RSUs or diminution in value of the RSUs and you irrevocably release the Company, its Affiliates and its Subsidiaries from any such claim that may arise; and (x) in the event of the termination of your employment, your right to receive RSUs and vest in RSUs and/or receive Shares under the Plan, if any, will terminate in accordance with the terms of the Plan and this Award Notice and will not be extended by any notice period mandated under local law; furthermore, your right to vest in the RSUs after such termination of employment, if any, will be measured by the date of termination of your active employment and will not be extended by any notice period mandated under local law.

(c) Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to the RSUs or other awards granted to you under the Plan by electronic means. You hereby consent to receive such documents by electronic delivery and agree to

participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party-designated by the Company.

(d) Foreign Indemnity. You agree to indemnify the Company for your portion of any social insurance obligations or taxes arising under any foreign law with respect to the grant or settlement of this Award.

(e) Not a Public Offering in Non-U.S. Jurisdictions. If you are resident or employed outside of the United States, neither the grant of the RSUs under the Plan nor the issuance of Shares upon vesting of the RSUs is intended to be a public offering of securities in your country of residence (and country of employment, if different). The Company has not submitted any registration statement, prospectus or other filings to the local securities authorities in jurisdictions outside of the United States unless otherwise required under local law.

(f) English Language. If you are resident and/or employed outside of the United States, you acknowledge and agree that it is your express intent that the Award Notice, the Plan and all other documents, notices and legal proceedings entered into, given or instituted pursuant to the RSUs, be drawn up in English. If you have received the Award Notice, the Plan or any other documents related to the RSUs translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version will control.

(g) Section 409A. This Award is intended to comply with the requirements of Section 409A of the Code, and shall be interpreted and construed consistently with such intent. The payments to you pursuant to this Award Notice are also intended to be exempt from Section 409A of the Code to the maximum extent possible as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4)), and for such purposes, each payment under this Award Agreement shall be considered a separate payment. In the event the terms of this Award Notice would subject you to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and you shall cooperate diligently to amend the terms of this Award Notice to avoid such 409A Penalties, to the extent possible; provided that in no event shall the Company be responsible for any 409A Penalties that arise in connection with any amounts payable under this Award Notice. To the extent any amounts under this Award Notice are payable by reference to your termination of employment, such term shall be deemed to refer to your "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Award Notice, to the extent any payments hereunder constitutes nonqualified deferred compensation, within the meaning of Section 409A of the Code, then (A) each such payment which is conditioned upon your execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, shall be paid or provided in the later of the two taxable years and (B) if you are a specified employee (within the meaning of Section 409A of the Code) as of the date of your separation from service, each such payment that is payable upon your separation from service and would have been paid prior to the six-month anniversary of your separation from service, shall be delayed until the earlier to occur of (i) the first business day following the six-month anniversary of the separation from service and (ii) the date of your death.

(h) Compliance with Local Law. If you are resident or employed outside of the United States, as a condition to the grant of RSUs, you agree to repatriate all payments attributable to the cash acquired under the Plan, if any, in accordance with local foreign exchange rules and regulations in your country of residence (and country of employment, if different). In addition, you agree to take any and all actions, and consent to any and all actions taken by the Company and the Company's Affiliates and Subsidiaries, as may be required to allow the Company and the Company's Affiliates and Subsidiaries to comply with local laws, rules and regulations in your country of residence (and country of employment, if different). Finally, you agree to take any and all actions as may be required to comply with your personal legal and tax obligations under local laws, rules and regulations in your country of residence (and country of employment, if different).

(i) Requirements of Law. The grant of RSUs under the Plan, and the issuance of Shares upon the vesting of the RSUs shall be subject to, and conditioned upon, satisfaction of all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(j) Governing Law. All questions concerning the construction, validity and interpretation of this Award Notice and the Plan shall be governed and construed according to the laws of the State of Delaware, without regard to the application of the conflicts of laws provisions thereof. Any disputes regarding this Award or the Plan shall be brought only in the state or federal courts of the State of Delaware.

(k) Additional Requirements. The Company reserves the right to impose other requirements on the RSUs, and your participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and regulations, or to facilitate the administration of the Award and the Plan. Such requirements may include (but are not limited to) requiring you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

(l) Additional Information. If you have any questions regarding this Award Notice, please contact **[CONTACT INFORMATION]**, or your HR Partner. If you wish to obtain a copy of the Plan or a list of names and addresses of any potential recipients of the Data please contact **[CONTACT INFORMATION]**.

EXHIBIT A

Performance Criteria and Performance Goals

1. Performance Criteria and Performance Goals. Achievement of a Performance Goal for the Performance Period means that the performance achieved by the Company with respect to the Performance Period equals or exceeds the Entry Level, Target Level or Stretch Level goal established by the Committee for the related Performance Criteria (metric) established by the Committee, which are as follows:

[_____ Performance Criteria] [and Related Performance Goals:

Entry Level means **[PERFORMANCE CRITERIA AND ENTRY LEVEL]**;
Target Level means **[PERFORMANCE CRITERIA AND TARGET LEVEL]**; and
Stretch Level means **[PERFORMANCE CRITERIA AND STRETCH LEVEL.]**[1]

If a Change of Control occurs during the Performance Period, then the Performance Goal for each Performance Criteria for the Performance Period will be deemed to have been achieved at the Target Level and pro-rated in accordance with Section 4 below.

2. Achievement of Performance.

(a) ***Award Payment Level***. If the Performance Criteria for the Performance Period reaches a performance level that equals or exceeds the Entry Level and you have remained continuously employed by the Company or a Subsidiary through the end of the Performance Period, then the total number of RSUs that will vest with respect to this Award will be an amount equal to (i) the target number of RSUs subject to your Award and applicable with respect to such Performance Criteria *multiplied by* (ii) your Vested Percentage for the Performance Period applicable to such Performance Criteria as set forth in clause (b) below.

(b) ***Vested Percentage***. Your Vested Percentage with respect to the Performance Period will be determined in accordance with the following table(s)[2] (straight line interpolation will be used between levels):

Level of [INSERT PERFORMANCE CRITERIA] Achieved	**Vested Percentage**
Entry	__%
Target	__%
Stretch (or higher)	__%

[1] Duplicate this section of the Award Exhibit for each Performance Criteria established by the Committee. Details of the Entry Level Goal, Target Level Goal, and Stretch Level Goal for each such Performance Criteria may be included in the Award Exhibit or communicated separately to the Award recipient.
[2] Insert table to reflect the applicable opportunity levels for each Performance Criteria established by the Committee.

3. Termination due to Death or Disability. In the event your employment terminates by reason of death or termination by the Company due to Disability during the Performance Period, then (i) the Performance Goals specified in Section 2 shall be deemed to be achieved at a level equal to the Target Level and (ii) you or your estate (as the case may be) shall vest in the target number of RSUs on a pro-rated basis, calculated based on a fraction, the numerator of which is the number of days during the Performance Period and ending on the date of your termination of employment due to death or termination by the Company due to Disability, and the denominator of which is 365. The pro-rated RSUs shall be distributed to you or your estate (as the case may be) within 60 days following such termination due to death or Disability.

4. Vesting upon a Change of Control. If a Change of Control occurs and you are employed by the Company or a subsidiary on the day immediately preceding the Change of Control, then (i) the Performance Goals specified above shall be deemed to be achieved at the Change of Control Level and (ii) you shall vest in the number of RSUs determined based on the Change of Control Level on a pro-rated basis, calculated based on a fraction, the numerator of which is the number of days from the first day of the Performance Period and ending on the date of the Change of Control and the denominator of which is 365. The pro-rated RSUs shall be distributed to you or your estate (as the case may be) within 60 days following the end of the Performance Period, subject to your continued employment through the expiration of the Performance Period unless terminated under circumstances entitling you to severance under the terms of the severance policy applicable to you as of the Grant Date.

LONG-TERM CONTINGENT CASH AWARD NOTICE

This Long-term Contingent Cash Award Notice (this "Award Notice") sets forth the terms and conditions of a long-term contingent cash award (the "Award"), dated as of the date of grant as reflected in your **[third party administrator]** account (the "Grant Date"), that is granted to you by United Airlines Holdings, Inc., a Delaware corporation (the "Company").

SECTION 1. Long-term Contingent Cash Award; CARES Act.

(a) Long-term Contingent Cash Award. If you remain continuously employed by the Company or any Subsidiary through the later of (i) [_] and (ii) the expiration of the CARES Act Restriction Period (the later of (i) and (ii), the "Vesting Date"), then you shall be entitled to receive a cash payment for the amount reflected as your Award in your account with **[third party administrator]** as of the Grant Date (the "Cash Payment"). The Cash Payment shall be payable to you by the Company (or any of its Subsidiaries) in a single cash payment within 60 days following the Vesting Date, subject to the terms of this Award Notice.

(b) CARES Act. The Company, United Airlines, Inc. ("United"), and United employees have benefited from U.S. government support provided by the CARES Act and subsequent payroll support and loan programs. Under the CARES Act, United and certain employees are subject to restrictions, including compensation limits applicable to employees whose 2019 total compensation exceeded $425,000. Additional compensation limits apply to employees with 2019 total compensation in excess of $3 million, and compensation limits also apply to employees with compensation over the specified limits during subsequent reference time periods. The Company and United have designed their compensation programs to comply with the requirements of the CARES Act and the related payroll support and loan programs. Notwithstanding the foregoing, if this Award is deemed to violate requirements of the CARES Act and the related payroll support and loan programs, this Award shall be void to the extent necessary to comply with such requirements.

SECTION 2. Forfeiture of Award; Death or Disability. If your termination of employment has occurred prior to the Vesting Date, your rights with respect to this Award shall immediately terminate upon your termination of employment, and you will not be entitled to the Cash Payment. Notwithstanding the foregoing or any other provision of this Award Notice to the contrary and subject to compliance with the CARES Act, if your employment is terminated due to your death or by the Company due to Disability prior to the Vesting Date, then you shall be entitled to receive the Cash Award, subject, in the case of your termination by the Company due to Disability, to your execution and non-revocation of a release of claims in a form acceptable to the Company (the "Release") no later than the 52nd day following such termination or such earlier date as set forth in the Release (the "Release Expiration Date"). The Cash Award payable in connection with this Section, if any, shall be payable in a single cash payment as soon as reasonably practicable after the Release Expiration Date but in any event no later than 60 days following your death or termination of employment.

SECTION 3. Continuation of Employment; Not a Contract of Employment; No Acquired Rights. This Award Notice shall not confer upon you any right to continuation of employment by the Company and/or its Subsidiaries, nor shall this Award Notice interfere in any way with the Company's and/or its Subsidiaries' right to terminate your employment at any time, except to the extent expressly provided otherwise in a written agreement between you and the Company and/or its Subsidiaries or as prohibited by law.

SECTION 4. Clawback. Notwithstanding any provision in this Award Notice to the contrary, the payment provided under this Award Notice shall be subject to a clawback to the extent necessary to comply with applicable law including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act or any Securities and Exchange Commission rule, or to comply with any Company clawback policy in effect as of the Grant Date or adopted thereafter.

SECTION 5. Tax Withholding. The Company shall have the right to withhold from the Cash Payment all applicable federal, state, local and other taxes as required by law. Notwithstanding the foregoing, the Company shall be authorized to take such actions as the Company may deem necessary (including, without limitation, in accordance with applicable law, withholding amounts from any compensation or other amounts owing from the Company to you) to satisfy all obligations for the payment of such taxes. As a condition of the Award, you acknowledge that, regardless of any action taken by the Company, or if different, your employer, the ultimate liability for all applicable Federal, state, local or foreign income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to this Award and legally applicable to you, is and remains your responsibility and may exceed the amount actually withheld by the Company, or if different, your employer.

SECTION 6. Section 409A. Payments under this Award Notice are intended to be exempt from Section 409A of the Code to the maximum extent possible as short-term deferrals pursuant to Treasury regulation 1.409A-1(b)(4), and this Award Notice shall be interpreted and construed consistent with such intent. In the event the terms of this Award Notice would subject you to taxes or penalties under Section 409A of the Code ("409A Penalties"), the Company and you shall cooperate diligently to amend the terms of this Award Notice to avoid such 409A Penalties, to the extent possible; provided that in no event shall the Company be responsible for any 409A Penalties that arise in connection with any amounts payable under this Award Notice. To the extent any amounts under this Award Notice are payable by reference to your termination of employment, such term shall be deemed to refer to your "separation from service," within the meaning of Section 409A of the Code.

SECTION 7. Definitions. As used herein, the following terms shall have the meanings set forth below:

(a) "*CARES Act" means the* Coronavirus Aid, Relief, and Economic Security Act of 2020, as amended from time to time, or any successor statue thereto.

(b) *"CARES Act Restriction Period"* means the period during which the Company is subject to the compensation payment restrictions described in Section 1, which, as of the Grant Date, is the later of (i) October 1, 2022 (or, such later date as required by the CARES Act and the related payroll support and loan programs) or (ii) the date that is one-year after the Company's Term Loan Facility is paid in full.

(c) *"Code"* means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and the regulations promulgated thereunder.

(d) "*Disability*" means a disability that would entitle you to receive disability income benefits pursuant to the long-term disability plan of the Company or any Subsidiary then covering you or, if no such plan exists or is applicable to you, the permanent and total disability of you within the meaning of Section 22(e)(3) of the Code.

(e) *"Subsidiary"* means any entity in which the Company, directly or indirectly, possesses fifty percent (50%) or more of the total combined voting power of all classes of its stock.

(f) "*Term Loan Facility*" means the loan agreement entered into on September 28, 2020, among the Company, United Airlines, Inc., and the U.S. Treasury Department ("Treasury") under the CARES Act, including any amendments or supplements to such agreement.

SECTION 8. Miscellaneous.

(a) Not a Part of Salary. In accepting the Award, you acknowledge that: (i) the Award is granted voluntarily by the Company and is an occasional award that does not create any contractual or other right to receive any future grant; (ii) all decisions with respect to future grants, if any, will be at the sole discretion of the Company; (iii) the Award is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (iv) the Award is provided for future services to the Company and/or its Subsidiaries and is not under any circumstances to be considered compensation for past services; (v) in the event that you are an employee of the Company or any Subsidiary, the grant will not be interpreted to form an employment contract or relationship with the Company or any Subsidiary that is your employer; (vi) no claim or entitlement to compensation or damages arises from forfeiture or termination of the Award and you irrevocably release the Company and its Subsidiaries from any such claim that may arise; and (vii) in the event of the termination of your employment, your right to receive the Cash Payment will terminate in accordance with the terms of this Award Notice and will not be extended by any notice period mandated under local law.

(b) Electronic Delivery. The Company may, in its sole discretion, deliver any documents related to this Award by electronic means. You hereby consent to receive such

documents by electronic delivery through an on-line or electronic system established and maintained by the Company or a third party-designated by the Company.

(c) Compliance with Applicable Law. Notwithstanding any provision in this Award Notice to the contrary, this Award Notice and the Cash Payment shall be subject to, and conditioned upon, satisfaction of all applicable laws, rules, and regulations and, without limiting the foregoing, the Award provided to you under this Award Notice shall be void to the extent the Award or the Cash Payment violate applicable law or the CARES Act requirements described in Section 1.

(d) Governing Law. All questions concerning the construction, validity and interpretation of this Award Notice shall be governed and construed according to the laws of the State of Delaware, without regard to the application of the conflicts of laws provisions thereof. Any disputes regarding this Award or the Plan shall be brought only in the state or federal courts of the State of Delaware.

(e) Additional Information. If you have any questions regarding this Award Notice, please contact **[CONTACT INFORMATION]**, or your HR Partner.

RESTATEMENT AGREEMENT

RESTATEMENT AGREEMENT, dated as of November 6, 2020 (this "Restatement Agreement"), to that certain Loan and Guarantee Agreement, dated as of September 28, 2020 (the "Existing Loan and Guarantee Agreement", and as amended and restated by this Restatement Agreement, and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement"), among UNITED AIRLINES, INC., a corporation organized under the laws of Delaware (the "Borrower"), UNITED AIRLINES HOLDINGS, INC., a corporation organized under the laws of Delaware (the "Parent"), the Guarantors party hereto from time to time, the UNITED STATES DEPARTMENT OF THE TREASURY ("Treasury"), as Initial Lender and THE BANK OF NEW YORK MELLON, as Administrative Agent and as Collateral Agent. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Loan and Guarantee Agreement.

W I T N E S S E T H:

WHEREAS, the Parent, the Borrower, Treasury and the Agents are each party to the Existing Loan and Guarantee Agreement;

WHEREAS, the Borrower has requested that Treasury extend additional Commitments to the Borrower (the "Additional Commitments") as is permissible under the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136 (Mar. 27, 2020), as the same may be amended form time to time (the "CARES Act") to the Borrower, and Treasury is willing to do so on the terms and conditions set forth herein;

WHEREAS, pursuant to Section 4003(h)(1) of the CARES Act, for purposes of the Code, the Loans made pursuant to the Commitments (as increased by the Additional Commitments being provided hereby) shall be treated as indebtedness and as having been issued for their aggregate stated principal amount, and the interest payable pursuant to Section 2.09(a) of the Loan and Guarantee Agreement shall be treated as qualified stated interest;

WHEREAS, Loans made pursuant to the Commitments (as increased by the Additional Commitments being provided hereby) will be secured by Liens on the Collateral securing the existing Obligations, together with Liens on any Additional Collateral, subject to the distribution priorities set forth in the Loan and Guarantee Agreement;

WHEREAS, pursuant to Section 11.02 of the Loan and Guarantee Agreement, the Borrower has requested amendments to the Existing Loan and Guarantee Agreement as set forth in this Restatement Agreement; and

WHEREAS, Treasury has agreed to amend the Existing Loan and Guarantee Agreement as more particularly set forth in this Restatement Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. **Additional Commitments.** Treasury hereby agrees to provide Additional Commitments to the Borrower on the Restatement Effective Date on the terms set forth herein and in the Loan and Guarantee Agreement and the other Loan Documents, and subject to the conditions set forth below, in an aggregate principal amount, together with the Closing Date Commitment, not to exceed the amount of the Commitments as defined in the Loan and Guarantee Agreement (as amended hereby). The Additional Commitments shall be deemed to be "Commitments" under and as defined in the Loan and Guarantee Agreement (as amended hereby) for all purposes of the Loan and Guarantee Agreement and the other Loan Documents, and shall be secured by the applicable Liens granted to the Collateral Agent for the benefit of the Secured Parties and entitled to the benefits of the applicable Security Documents.

Section 2. **Amendments.** Effective as of the Restatement Effective Date, (a) the Existing Loan and Guarantee Agreement is hereby amended and restated, in its entirety, to be in the form attached as Annex A hereto and (b) all of the other Schedules and Exhibits to the Existing Loan and Guarantee Agreement remain in the forms attached to the Existing Loan and Guarantee Agreement.

Section 3. **Representations and Warranties.** The Credit Parties represent and warrant to the Administrative Agent, the Collateral Agent and the Lenders as of the Restatement Effective Date that:

(a) The execution, delivery and performance by each Credit Party of this Restatement Agreement and each other Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which each Credit Party is a party or affecting each Credit Party or the material properties of any Credit Party or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which any Credit Party or its property is subject or (c) violate any Law, except to the extent such violation could not reasonably be expected to have a Material Adverse Effect.

(b) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, each Credit Party of this Restatement Agreement or any other Loan Document, except for (i) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect and (ii) filings and consents contemplated by the Security Documents or Section 5.14 of the Loan and Guarantee Agreement.

(c) This Restatement Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each

Credit Party set forth on the signature pages to this Restatement Agreement. This Restatement Agreement constitutes, and each other Loan Document when so delivered will constitute, the legal, valid and binding obligation of each Credit Party hereto enforceable against such Credit Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting the creditors' rights generally and by general principles of equity.

(d) No Default exists under the Loan and Guarantee Agreement.

(e) All representations and warranties contained in the Loan and Guarantee Agreement and the other Loan Documents are true and correct in all material respects as of the date hereof, except to the extent that (A) such representations or warranties are qualified by a materiality standard, in which case they are true and correct in all respects, and (B) such representations or warranties expressly relate to an earlier date (in which case such representations and warranties are true and correct in all material respects as of such earlier date).

Section 4. Conditions Precedent to Effectiveness. The effectiveness of this Restatement Agreement and the Additional Commitments provided hereby are subject to the satisfaction (or waiver in accordance with Section 11.02 of the Loan and Guarantee Agreement) of the following conditions (and, in the case of each document specified in this Section to be received by the Initial Lender (and the applicable Agent or Agents), such document shall be in form and substance satisfactory to the Initial Lender and/or the applicable Agent or Agents) (the date on which such conditions are satisfied or waived being the "Restatement Effective Date") when:

(a) Executed Counterparts. The Initial Lender and the Agents shall have received from each Credit Party hereto a counterpart of this Restatement Agreement and a Pledge Amendment and Supplement, substantially in the form attached hereto as Annex B (the "Pledge Amendment and Supplement") pursuant to which the Borrower will pledge the Additional Collateral described on the Schedule thereto (such Additional Collateral, the "Upsize SGR Collateral"), each signed on behalf of such Credit Party. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Restatement Agreement or the Pledge Amendment and Supplement by telecopy or other electronic means, or confirmation of the execution of this Restatement Agreement and the Pledge Amendment and Supplement on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of this Restatement Agreement and the Pledge Amendment and Supplement.

(b) Certificates. The Initial Lender and any applicable Agent shall have received such customary certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Credit Parties as the Lenders may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with the Loan Documents;

(c) Organizational Documents. The Initial Lender shall have received customary resolutions or evidence of corporate authorization, secretary's certificates and such other documents and certificates (including Organizational Documents and good standing certificates) as the Initial Lender may request relating to the organization, existence and good standing of each Credit Party and any other legal matters relating to the Credit Parties, the Loan Documents or the transactions contemplated thereby.

(d) Opinion of Counsel to Credit Parties. The Initial Lender and the applicable Agent or Agents shall have received all opinions of counsel (including opinions of counsel covering the creation and perfection, or the continuing creation and perfection, of the security interests on Collateral, consistent with the opinions delivered on the Closing Date, and including substantially similar opinions with respect to any Additional Collateral) to the Credit Parties that is acceptable to the Initial Lender, addressed to the Initial Lender and the applicable Agent or Agents and dated as of the Restatement Effective Date, in form and substance satisfactory to the Initial Lender and the applicable Agent (and the Parent hereby instructs such counsel to deliver such opinions to such Persons).

(e) Expenses. The Borrower shall have paid all reasonable fees, expenses (including the reasonable fees and expenses of legal counsel) and other amounts due to the Initial Lender, the Administrative Agent and the Collateral Agent (to the extent that statements for such expenses shall have been delivered to the Borrower on or prior to the Restatement Effective Date); provided that such expenses payable by the Borrower may be offset against the proceeds of any Loans funded on the Restatement Effective Date.

(f) Officer's Certificate. The Initial Lender shall have received a certificate executed by a Responsible Officer of the Parent and the Borrower confirming (i) that the representations and warranties contained in Section 3 of this Restatement Agreement are true and correct on and as of the Restatement Effective Date, (ii) that the information provided in the Loan Application Form submitted by the Borrower was true and correct on and as of the date of delivery thereof, (iii) the satisfaction of Sections 4(j) and (l) herein as of the Restatement Effective Date, (iv) the satisfaction of all other conditions precedent to the Restatement Effective Date described in this Section 4 and (v) that no Default or Event of Default exists or will result from the terms of this Restatement Agreement on the Restatement Effective Date.

(g) Appraisals. The Initial Lender shall have received Appraisals of Additional Collateral (including the Upsize SGR Collateral) satisfactory in form and substance and performed by an Eligible Appraiser dated as of a date no earlier than thirty (30) days prior to the Restatement Effective Date.

(h) Consents and Authorizations. Each Credit Party shall have obtained all consents and authorizations from Governmental Authorities and all consents of other Persons (including shareholder approvals, if applicable) that are necessary or advisable in connection with this Restatement Agreement, any Loan Document, any of the transactions contemplated hereby or thereby or the continuing operations of the Credit Parties and each of

the foregoing shall be in full force and effect and in form and substance satisfactory to the Initial Lender.

(i) Lien Searches. The Initial Lender shall have received (i) UCC and other applicable lien searches, including tax and judgment liens searches, conducted in the jurisdictions and offices where such liens on material assets of the Credit Parties are required to be filed or recorded, in each case, as of the date that such lien searches were last conducted pursuant to the Loan and Guarantee Agreement and (ii) to the extent any Additional Collateral consists of (x) Aircraft and Engine Assets (as defined in the Pledge and Security Agreement), aircraft registry lien searches conducted with the FAA and the International Registry or (y) Spare Part Assets (as defined in the Pledge and Security Agreement), registry lien searches conducted with the FAA (with reference to each Designated Spare Parts Location set forth on Schedule 2.1 of the Pledge and Security Agreement), in each case, reflecting the absence of Liens on the assets of the Credit Parties, other than Permitted Liens or Liens to be discharged on or prior to the Restatement Effective Date pursuant to documentation satisfactory to the Initial Lender.

(j) Specified Appraised Value. On the Restatement Effective Date (and after giving pro forma effect to the pledge of any Additional Collateral on that date), the Specified Appraised Value shall be equal to or greater than $7,160,000,000.

(k) Solvency Certificate. The Initial Lender shall have received a certificate of the chief financial officer or treasurer (or other comparable officer) of the Parent certifying that the Borrower and its Subsidiaries (taken as a whole) are, and will be immediately after giving effect to the Restatement Agreement, Solvent.

(l) No Material Adverse Effects. Since the Closing Date, (i) there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect and (ii) none of the Credit Parties has made a Disposition of any assets of the type that would be included in the Collateral other than as would have been permitted under the Loan and Guarantee Agreement.

(m) Audits. On the Restatement Effective Date, the opinion of the independent public accountants (after giving effect to any reissuance or revision of such opinion) on the most recent audited consolidated financial statements delivered by the Parent pursuant to Section 5.01(a) of the Loan and Guarantee Agreement shall not include a “going concern” qualification under GAAP as in effect on the date of this Restatement Agreement or, if there is a change in the relevant provisions of GAAP thereafter, any like qualification or exception under GAAP after giving effect to such change; and

(n) Perfection Certificate. The Initial Lender and the Agents shall have received from each Credit Party hereto an amended and restated Perfection Certificate or supplement thereof, updated to include all Additional Collateral (including the Upsize SGR Collateral), signed on behalf of such Credit Party. Notwithstanding anything herein to the contrary, delivery of an executed signature page of an amended and restated Perfection Certificate or supplement thereof by telecopy or other electronic means, or confirmation of the

execution of an amended and restated Perfection Certificate or supplement thereof on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of an amended and restated Perfection Certificate or supplement thereof.

(o) Perfection of Liens on Collateral. On or prior to the Restatement Effective Date, in connection with the execution of the Pledge Amendment and Supplement, the Perfection Requirement (as defined in the Pledge and Security Agreement) shall have been satisfied and all of the perfection steps thereunder shall have been completed, and copies or evidence, if available, of any relevant filings, recordings and other perfection documentation shall have been provided to the Initial Lender, the Administrative Agent and the Collateral Agent.

Section 5. Miscellaneous.

(a) Fees. The Borrower shall pay all fees required to be paid to the Administrative Agent, the Collateral Agent and the Lenders and all expenses (including fees and expenses of counsel) required to be paid to the Administrative Agent, Collateral Agent and the Lenders, in each case as required by and in accordance with the terms of the Loan and Guarantee Agreement, as they are due and payable in connection with this Restatement Agreement.

(b) Continued Effectiveness. Notwithstanding anything contained herein, the terms of this Restatement Agreement shall not constitute a novation or termination of the Existing Loan and Guarantee Agreement or any other Loan Documents and are not intended to and do not serve to effect a novation or termination of the obligations outstanding under the Existing Loan and Guarantee Agreement or instruments guaranteeing or securing the same, which instruments shall remain and continue in full force and effect.

(c) Governing Law; Jurisdiction, Etc. THIS RESTATEMENT AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE FEDERAL LAW OF THE UNITED STATES IF AND TO THE EXTENT SUCH LAW IS APPLICABLE, AND OTHERWISE IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

(d) **WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH CREDIT PARTY AND EACH LENDER HEREBY UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY CIVIL LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

(e) Entire Agreement. This Restatement Agreement, the Loan and Guarantee Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and

understandings, oral or written, relating to the subject matter hereof. The Borrower and the Agents hereby designate this Restatement Agreement as a Loan Document.

(f) Counterparts. This Restatement Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Restatement Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(g) Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Restatement Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Successors and Assigns. When this Restatement Agreement has been executed by the Parent, the Borrower, the Agents and the Lenders party hereto, this Restatement Agreement shall thereafter be binding upon and inure to the benefit of the parties and their respective successors and assigns, in accordance with the terms of the Loan and Guarantee Agreement.

(i) Severability. If any provision of this Restatement Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Restatement Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(j) Headings. The headings of this Restatement Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(k) Direction to Agents. The Lenders party hereto hereby authorize and direct the Administrative Agent and the Collateral Agent to execute and deliver this Restatement Agreement.

(l) Release by Credit Parties. Each Credit Party hereto hereby acknowledges and agrees that it has no actual knowledge of any defenses or claims against any Lender, the Agents, any of their respective Affiliates or any of their respective officers, directors, employees, attorneys, representatives, predecessors, successors or assigns with

respect to the Obligations, and that if such Credit Party now has, or ever did have, any defenses or claims with respect to the Obligations against any Lender, the Agents, any of the respective Affiliates or any of their respective officers, directors, employees, attorneys, representatives, predecessors, successors, or assigns, whether known or unknown, at law or in equity, from the beginning of the world through this date and through the time of effectiveness of this Restatement Agreement, all of them are hereby expressly **WAIVED**, and the Borrower hereby **RELEASES** each Lender, each Agent, their respective Affiliates and their respective officers, directors, employees, attorneys, representatives, predecessors, successors and assigns from any liability therefor.

(m) No Liability of Agents. The Agents assume no responsibility for, and shall be entitled to rely on, without any obligation to ascertain or investigate, the correctness of the recitals and statements contained herein. The Agents shall not be liable or responsible in any manner whatsoever for, or in respect of, the validity or sufficiency of this Restatement Agreement.

Section 6. Reaffirmation.

(a) Each Credit Party hereto hereby consents to the execution, delivery and performance of this Restatement Agreement and agrees that each reference to "the Loan and Guarantee Agreement," "this Agreement," "hereunder," "hereof" or words of like import referring to the Loan and Guarantee Agreement in the Loan Documents shall, on and after the Restatement Effective Date, be deemed to be a reference to the Loan and Guarantee Agreement, as amended and restated by this Restatement Agreement.

(b) Each Credit Party hereto hereby reaffirms all of its respective obligations and liabilities under the Loan Documents to which it is a party, as such obligations and liabilities have been amended by this Restatement Agreement, and acknowledges and agrees that such obligations and liabilities remain in full force and effect.

(c) Each Credit Party hereto hereby irrevocably and unconditionally ratifies each Loan Document to which it is a party (as such Loan Documents are amended to and including the date hereof) and ratifies and reaffirms such Credit Party's guarantee and grant of liens and security interests under the Security Documents and confirms that the guarantees, liens and security interests granted thereunder continue to secure the Obligations, including, without limitation, any additional Obligations resulting from or incurred pursuant to the Loan and Guarantee Agreement.

[*Remainder of this page intentionally left blank*.]

IN WITNESS WHEREOF, the undersigned have caused this Restatement Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

UNITED AIRLINES, INC.,
as Borrower

By: /s/ Gerald Laderman
Name: Gerald Laderman
Title: Executive Vice President and Chief Financial Officer

UNITED AIRLINES HOLDINGS, INC.,
as Parent

By: /s/ Gerald Laderman
Name: Gerald Laderman
Title: Executive Vice President and Chief Financial Officer

CALFINCO INC.,
as Guarantor

By: /s/ Gerald Laderman
Name: Gerald Laderman
Title: Executive Vice President

COVIA LLC,
as Guarantor

By: /s/ Gerald Laderman
Name: Gerald Laderman
Title: Executive Vice President

UNITED STATES DEPARTMENT OF THE TREASURY, as the Initial Lender and a Lender

By: /s/ Brent McIntosh
Name: Brent McIntosh
Title: Under Secretary for International Affairs

THE BANK OF NEW YORK MELLON, as Administrative Agent

By: /s/ Bret S. Derman
Name: Bret S. Derman
Title: Vice President

THE BANK OF NEW YORK MELLON, as Collateral Agent

By: /s/ Bret S. Derman
Name: Bret S. Derman
Title: Vice President

Form of Amended and Restated Loan and Guarantee Agreement

LOAN AND GUARANTEE AGREEMENT

dated as of

September 28, 2020,

and as amended and restated as of

November 6, 2020

among

UNITED AIRLINES, INC., as Borrower,

the Guarantors party hereto from time to time,

THE UNITED STATES DEPARTMENT OF THE TREASURY,

and

THE BANK OF NEW YORK MELLON,

as Administrative Agent and Collateral Agent

TABLE OF CONTENTS

SCHEDULES

SCHEDULE 3.05 - Financial Statements
SCHEDULE 3.17 - Subsidiaries
SCHEDULE 5.14 - Post-Closing Matters
SCHEDULE 6.05(i) - Restricted Payments
SCHEDULE 6.06 - Investments
SCHEDULE 6.07 - Affiliate Transactions

EXHIBITS

EXHIBIT A - Assignment and Assumption
EXHIBIT B-1 - Form of U.S. Tax Compliance Certificate
EXHIBIT B-2 - Form of U.S. Tax Compliance Certificate
EXHIBIT B-3 - Form of U.S. Tax Compliance Certificate
EXHIBIT B-4 - Form of U.S. Tax Compliance Certificate
EXHIBIT C - Form of Note
EXHIBIT D - Form of Borrowing Request

LOAN AND GUARANTEE AGREEMENT dated as of September 28, 2020 (as amended and restated by the Restatement Agreement, this "Agreement"), among UNITED AIRLINES, INC., a corporation organized under the laws of Delaware (the "Borrower"), UNITED AIRLINES HOLDINGS, INC., a corporation organized under the laws of Delaware (the "Parent"), the Guarantors party hereto from time to time, the UNITED STATES DEPARTMENT OF THE TREASURY ("Treasury") and THE BANK OF NEW YORK MELLON as Administrative Agent and Collateral Agent.

WHEREAS, the Borrower has requested that the Initial Lender (as defined below) extend credit as is permissible under the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136 (Mar. 27, 2020), as the same may be amended form time to time (the "CARES Act") to the Borrower, and the Initial Lender is willing to do so on the terms and conditions set forth herein; and

WHEREAS, pursuant to Section 4003(h)(1) of the CARES Act, for purposes of the Code (as defined below) the Loans (as defined below) shall be treated as indebtedness and as having been issued for their aggregate stated principal amount, and the interest payable pursuant to Section 2.09(a) shall be treated as qualified stated interest.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Additional Collateral" shall mean (a) cash and Cash Equivalents pledged to the Collateral Agent for the benefit of the Secured Parties under the Security Documents (and subject to an account control agreement in form and substance satisfactory to the Appropriate Party), (b) airframes, aircraft, engines and Spare Parts, registered, habitually located, or located in a designated location, respectively, in the United States and that are eligible for the benefits of Section 1110 of the Bankruptcy Code, 11 U.S.C. § 1110 or otherwise acceptable to the Required Lenders (provided that any airframe must be less than 20 years old at the time of its designation as Additional Collateral), (c) the Upsize SGR Collateral and any other Route Authorities for routes with at least one end point located in the United States and all Slots and Gate Leaseholds related from time to time thereto or otherwise acceptable to the Required Lenders, (d) real property, (e) ground support equipment, (f) flight simulators and (g) any other assets acceptable to the Required Lenders, and all of which assets shall (i) (other than Additional Collateral of the type described in clause (a)) be valued by a new Appraisal at the time the Parent designates such assets as Additional Collateral, (ii) as of any date of addition of such assets as Collateral, be subject, to the extent purported to be created by the applicable Security Document, to a perfected first priority Lien and/or mortgage (or comparable Lien), in favor of the Collateral Agent for the benefit of the Secured Parties and otherwise subject only to Permitted Liens (excluding those referred to in clause (4) of the definition of "Permitted Lien"), (iii) pledged to the Collateral Agent for the benefit of the Secured Parties pursuant to security agreement(s) or mortgage(s), as applicable, in a form satisfactory to the Appropriate Party and (iv) at the time of their designation as Additional Collateral, be accompanied by a legal opinion in form satisfactory to the Appropriate Party; provided that, in accordance with Section 8.06, the Collateral Agent may designate a sub-agent to accept the security interest in any Additional Collateral for the benefit of the Secured Parties; provided further that, with respect to Additional Collateral of the type described in clauses (c), (d) and (g), the Borrower agrees to notify the Collateral Agent as promptly as practicable of any new categories of assets which are expected to be designated as Additional Collateral or any new jurisdictions in which any asset is to be secured or located; provided

further that, with respect to Additional Collateral of the type described in clause (d), (e) or (f), (i) such assets are acceptable to the Required Lenders, (ii) the Borrower shall have delivered Appraisals acceptable in form and substance to the Required Lenders with respect to such assets, (iii) such assets are subject to a loan to value framework acceptable to the Required Lenders, (iv) such assets are pledged pursuant to documentation acceptable in form and substance to the Required Lenders and (v) the benefits of pledging such assets outweigh the associated cost, burden, difficulty or other consequences, as determined by the Required Lenders in their sole discretion.

"Adjusted LIBO Rate" means, as to any Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period divided by (b) one minus the Eurodollar Reserve Percentage.

"Administrative Account" means the account opened with the Administrative Agent in the name of the Initial Lender as notified to the Borrower and the Initial Lender, or such other account as the Administrative Agent shall advise the Borrower and each Lender from time to time.

"Administrative Agency Fee Letter" means any fee letter entered into between the Borrower, the Administrative Agent and the Collateral Agent, or with any successor administrative agent or collateral agent, in its capacity as administrative agent and in its capacity as collateral agent under any of the Loan Documents.

"Administrative Agent" means The Bank of New York Mellon, in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by or otherwise acceptable to the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means any Person that directly or indirectly controls, is controlled by, or is under common control with, any other Person. For purposes of this definition, "control" of a Person shall mean having the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by ownership of voting equity, by contract, or otherwise.

"Agent Parties" has the meaning specified in Section 11.01(d)(ii).

"Agent Responsible Officer" means, when used with respect to an Agent, any vice president, assistant vice president, assistant treasurer or trust officer in the corporate trust and agency administration of the Agent or any other officer of the Agent customarily performing functions similar to those performed by any of the above-designated officers, and, in each case, who shall have direct responsibility for the administration of this Agreement and also means, with respect to a particular agency matter, any other officer to whom such matter is referred because of his or her knowledge of and familiarity with the particular subject.

"Agents" means any of the Administrative Agent and the Collateral Agent.

"Agreement" has the meaning specified in introductory paragraph hereof.

"Air Carrier" has the meaning such term has under Section 40102 of Title 49, United States Code.

"Alternate Base Rate" means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50% and (c) the Adjusted LIBO Rate for a one-month term in effect on such day (taking into account any LIBO Rate floor under the definition of "Adjusted LIBO Rate") plus 1.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or such Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or such Adjusted LIBO Rate, respectively.

"AML Laws" means (a) the USA Patriot Act of 2001 (Pub. L. No. 107-56), (b) the U.S. Money Laundering Control Act of 1986, as amended, (c) the Bank Secrecy Act, 31 U.S.C. sections 5301 et seq., (d) Laundering of Monetary Instruments, 18 U.S.C. section 1956, (e) Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, 18 U.S.C. section 1957, (f) the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations (Title 31 Part 103 of the US Code of Federal Regulations), or (g) any other applicable money laundering or financial recordkeeping Laws.

"Applicable Law" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Outstanding Amount of Loans of all Lenders represented by the aggregate Outstanding Amount of Loans of such Lender at such time.

"Applicable Rate" means 3.00%.

"Appraisal" means any appraisal specifying a value in Dollars (and not a range of values), dated as of the delivery thereof, prepared by an Eligible Appraiser that certifies, at the time of determination, in reasonable detail the Appraised Value of Eligible Collateral; provided that any methodology, form of presentation, and all assumptions must be acceptable to the Appropriate Party; provided further that the methodology, form of presentation and assumptions in the Appraisal delivered on the Closing Date pursuant to Section 4.01(i) shall be satisfactory for any subsequent Appraisal with respect to the same category and specific type of Eligible Collateral.

"Appraised Value" means, as of any date, (a) the specific value in Dollars (and not a range of values) of any property constituting Eligible Collateral (other than cash and Cash Equivalents) as reflected in the most recent Appraisal, (b) with respect to any cash pledged or being pledged at such time as Collateral, 160% of the face amount and (c) with respect to any Cash Equivalents pledged or being pledged at such time as Collateral, 100% of the fair market value thereof as determined by the Parent in accordance with customary financial market practices determined no earlier than 45 days prior to such date; provided that (i) if no Appraisal relating to such Eligible Collateral has been delivered to the Collateral Agent prior to such date, the Appraised Value of such Eligible Collateral shall be deemed to be zero and (ii) in the case of any such property consisting of ground support equipment, the Appraised Value shall be deemed to be 50% of the value set forth in the most recent Appraisal.

"Appropriate Party" means (i) while the Initial Lender holds any Commitment or Loan, the Initial Lender and (ii) if the Initial Lender is no longer a Lender, the Administrative Agent (acting at the direction of the Required Lenders).

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 11.04), and accepted by the Administrative Agent, in substantially the form of Exhibit A or any other form approved by the Administrative Agent.

"Attributable Indebtedness" means, as of any date of determination, (a) in respect of any Capitalized Lease Obligations of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, any tenor for such Benchmark or payment period for interest calculated with reference to such Benchmark, as applicable, that is or may be used for determining the length of an Interest Period pursuant to this Agreement as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to clause (d) of Section 2.10.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by an applicable Resolution Authority in respect of any liability of any Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing Law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Benchmark" means, initially, USD LIBO Rate; provided that if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred with respect to USD LIBO Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.10(a).

"Benchmark Replacement" means, for any Available Tenor, the first alternative set forth in the order below that can be determined by the Required Lenders for the applicable Benchmark Replacement Date:

(1) the sum of: (a) Term SOFR and (b) the related Benchmark Replacement Adjustment;

(2) the sum of: (a) Daily Simple SOFR and (b) the related Benchmark Replacement Adjustment;

(3) the sum of: (a) the alternate benchmark rate that has been selected by (y) so long as the Initial Lender is a Lender, the Initial Lender and (z) otherwise, the Required Lenders and the Borrower, in each case, as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for U.S. dollar-denominated

syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment;

provided that, in the case of clause (1), such Unadjusted Benchmark Replacement is displayed on a screen or other information service that publishes such rate from time to time as selected by the Required Lenders in their reasonable discretion and such screen is administratively acceptable as determined by the Administrative Agent in its reasonable discretion. If the Benchmark Replacement as determined pursuant to clause (1), (2) or (3) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents; provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then- current Benchmark with an Unadjusted Benchmark Replacement for any applicable Interest Period and Available Tenor for any setting of such Unadjusted Benchmark Replacement:

(1) for purposes of clauses (1) and (2) of the definition of "Benchmark Replacement," the first alternative set forth in the order below that can be determined by the Required Lenders:

    (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that has been selected or recommended by the Relevant Governmental Body for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for the applicable Corresponding Tenor;

    (b) the spread adjustment (which may be a positive or negative value or zero) as of the Reference Time such Benchmark Replacement is first set for such Interest Period that would apply to the fallback rate for a derivative transaction referencing the ISDA Definitions to be effective upon an index cessation event with respect to such Benchmark for the applicable Corresponding Tenor; and

(2) for purposes of clause (3) of the definition of "Benchmark Replacement," the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by (y) so long as the Initial Lender is a Lender, the Initial Lender and (z) otherwise, the Required Lenders and the Borrower, in each case, for the applicable Corresponding Tenor giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body on the applicable Benchmark Replacement Date or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar- denominated syndicated credit facilities;

provided that, in the case of clause (1) above, such adjustment is displayed on a screen or other information service that publishes such Benchmark Replacement Adjustment from time to time as selected by the Required Lenders in their reasonable discretion and such screen is administratively acceptable as determined by the Administrative Agent in its reasonable discretion; provided that, any such Benchmark Replacement Adjustment shall be administratively feasible as determined by the Administrative Agent in its reasonable discretion.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Alternate Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent (after consultation with the Required Lenders) decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent (after consultation with the Required Lenders) decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent (after consultation with the Required Lenders) determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent (after consultation with the Required Lenders) decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents). The Required Lenders shall cooperate in good faith with the Administrative Agent so that the Administrative Agent may determine such Benchmark Replacement Conforming Changes.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

(1) in the case of clause (1) or (2) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof);

(2) in the case of clause (3) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein; or

(3) in the case of an Early Opt-in Election, (y) so long as the Initial Lender is a Lender, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Administrative Agent and (z) otherwise, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Administrative Agent, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

For the avoidance of doubt, (i) if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination and (ii) the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (1) or (2) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(1) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or

publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(2) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date pursuant to clauses (1) or (2) of that definition has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.10 and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.10.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Borrower" has the meaning specified in introductory paragraph hereof.

"Borrower Materials" has the meaning specified in Section 11.01(e).

"Borrowing" means a borrowing of Loans.

"Borrowing Request" means a request for a Borrowing in substantially the form of Exhibit D or any other form approved by the Administrative Agent.

"Business Day" means any day on which Treasury and the Federal Reserve Bank of New York are both open for business that is not a Saturday, Sunday or other day that is a legal holiday under the laws of the State of New York or is a day on which banking institutions in such state are authorized or required by Law to close; provided that, when used in connection with a Loan, the term "Business Day" means any such day that is also a day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

"Capital Markets Offering" means any offering of "securities" (as defined under the Securities Act and, including, for the avoidance of doubt, any offering of pass-through certificates by any pass-through trust established by the Parent or any of its Subsidiaries) in (a) a public offering registered under the Securities Act, or (b) an offering not required to be registered under the Securities Act (including, without limitation, a private placement under Section 4(a)(2) of the Securities Act, an exempt offering pursuant to Rule 144A and/or Regulation S of the Securities Act and an offering of exempt securities).

"Capitalized Lease Obligations" means, at the time any determination thereof is to be made, the amount of the liability in respect of a Capitalized Lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP; provided that all leases of such Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance of the ASU shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations for other purposes.

"Capitalized Leases" means all leases that have been or should be, in accordance with GAAP as in effect on the Closing Date, recorded as capitalized leases; provided that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof accounted for as a liability in accordance with GAAP; provided, further, that all leases of such Person that are or would have been treated as operating leases for purposes of GAAP prior to the issuance of the ASU shall continue to be accounted for as operating leases for purposes of all financial definitions and calculations for purposes of this Agreement (whether or not such operating lease obligations were in effect on such date) notwithstanding the fact that such obligations are required in accordance with the ASU (on a prospective or retroactive basis or otherwise) to be treated as capitalized lease obligations for other purposes.

"CARES Act" has the meaning specified in the preamble to this Agreement.

"Cash Equivalents" means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of acquisition thereof;

(b) investments in commercial paper maturing within one year from the date of acquisition thereof and having, at such date of acquisition, a rating of at least A-2 from S&P or at least P-2 from Moody's;

(c) investments in certificates of deposit, banker's acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank

organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than $250,000,000;

(d) money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA and Aaa (or equivalent rating) by at least two (2) Credit Rating Agencies and (iii) have portfolio assets of at least $5,000,000,000;

(e) deposits available for withdrawal on demand with commercial banks organized in the United States having capital and surplus in excess of $100,000,000; and

(f) other short-term liquid investments held by the Parent and the Subsidiaries as of the Closing Date in accordance with their normal investment policies and practices for cash management.

"CCR Certificate" has the meaning specified in Section 6.17(b).

"CCR Certificate Delivery Date" has the meaning specified in Section 6.17(b).

"CCR Reference Date" has the meaning specified in Section 6.17(b).

"CFC" means a controlled foreign corporation within the meaning of Section 957 of the Code.

"CFC Holdco" means any Domestic Subsidiary that has no material assets other than Equity Interests of one or more Foreign Subsidiaries that are CFCs.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means the occurrence of any of the following: (a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower and its Subsidiaries, or if the Borrower is a direct or indirect Subsidiary of the Parent, the Parent and its Subsidiaries, taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the Exchange Act)); (b) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" (as defined above)) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Borrower or the Parent, as applicable, (measured by voting power rather than number of shares), other than (i) any such transaction where the Voting Stock of the Borrower or the Parent, as applicable, (measured by voting power rather than number of shares) outstanding immediately prior to such transaction constitutes or is converted into or exchanged for at least a majority of the outstanding shares of the Voting Stock of such Beneficial Owner (measured by voting power rather than number of shares), or (ii) the consummation of any merger or consolidation of the Borrower or the Parent, as applicable, with or into any Person (including any "person" (as defined above)) which owns or operates (directly or

indirectly through a contractual arrangement) a Permitted Business (a "Permitted Person") or a Subsidiary of a Permitted Person, in each case, if immediately after such transaction no Person (including any "person" (as defined above)) is the Beneficial Owner, directly or indirectly, of more than 50% of the total Voting Stock of such Permitted Person (measured by voting power rather than number of shares); (c) if the Borrower is a direct or indirect Subsidiary of the Parent, the Parent ceasing to own, directly or indirectly, 100% of the Equity Interests of the Borrower; (d) the adoption of a plan relating to the liquidation or dissolution of the Borrower or the Parent or (e) the occurrence of a "change of control", "change in control" or similar event under any Material Indebtedness of the Borrower, the Parent or any parent entity of the foregoing.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied.

"Closing Date Commitment" means the commitment of the Initial Lender on the Closing Date to make Loans in the amount of $5,170,000,000, as such commitment may have been reduced or terminated pursuant to Section 2.07.

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" has the meaning assigned to such term in the Pledge and Security Agreement.

"Collateral Agent" means The Bank of New York Mellon, in its capacity as collateral agent under any of the Loan Documents, or any successor collateral agent.

"Collateral Coverage Ratio" means, as of any date of determination, the ratio of (i) the Appraised Value of the Eligible Collateral as of the date of the Appraisal most recently delivered pursuant to Section 5.16 (or in the case of cash and Cash Equivalents, as of such date of determination) to (ii) the aggregate principal amount of all Loans and Commitments outstanding as of such date; provided that for the purposes of calculating clause (i) above, (x) no more than 25% of the Appraised Value of the Eligible Collateral may correspond to ground support equipment, (y) any amounts held in the Collateral Proceeds Account shall not be included and (z) the Appraised Value of any SGR Assets (as defined in the Pledge and Security Agreement) corresponding to Scheduled Services that do not have one end point in the United States and one end point in a country other than the United States shall not be included.

"Collateral Proceeds Account" means a deposit account in the name of the Borrower that is subject to an agreement, in form and substance satisfactory to the Appropriate Party, establishing Control (as defined in the Pledge and Security Agreement) of such account by the Collateral Agent.

"Commitment" means the commitment of the Initial Lender to make Loans in the amount of $7,160,000,000, as such commitment may be reduced, increased or terminated pursuant to Section 2.07.

"Communications" has the meaning specified in Section 11.01(d)(ii).

"Competitor" means (i) any Person operating an Air Carrier or a commercial passenger air carrier business and (ii) any Affiliate of any Person described in clause (i) (other than any Affiliate of such Person as a result of common control by a Governmental Authority or instrumentality thereof and any Affiliate of such Person under common control with such Person which Affiliate is not actively involved in the management and/or operations of such Person).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings analogous thereto.

"Convertible Indebtedness" means Indebtedness of the Parent that is convertible into common Equity Interests of the Parent (and cash in lieu of fractional shares) and/or cash (in an amount determined by reference to the price of such common Equity Interests).

"Corresponding Tenor" with respect to any Available Tenor means, as applicable, either a tenor (including overnight) or an interest payment period having approximately the same length (disregarding business day adjustment) as such Available Tenor.

"Credit Parties" means the Borrower and the Guarantors.

"Credit Rating" means a rating as determined by a Credit Rating Agency of the Parent's non-credit-enhanced, senior unsecured long-term indebtedness.

"Credit Rating Agency" means a nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer's ability to make debt payments.

"Daily Simple SOFR" means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Required Lenders in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining "Daily Simple SOFR" for business loans; provided, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Required Lenders may establish another convention in its reasonable discretion, subject to the determination by the Administrative Agent of the administrative feasibility of such convention.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate (before as well as after judgment) equal to the applicable interest rate plus 2.00% per annum.

"Disposition" or "Dispose" means the sale, transfer (including through a plan of division), license, lease or other disposition of any property by any Person (including (i) any sale and leaseback transaction, any issuance of Equity Interests by a Subsidiary of such Person and (ii) with respect to Intellectual Property, any covenant not to sue, release, abandonment, lapse, forfeiture, dedication to the public or other similar disposition of Intellectual Property), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Equity Interest" means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one (91) days after the Maturity Date; provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Parent or any Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Parent or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Dollar" and "$" mean lawful money of the United States.

"Domestic Subsidiary" means any Subsidiary that is organized under the Laws of the United States of America, any state thereof, or the District of Columbia.

"DOT" means the U.S. Department of Transportation.

"Early Opt-in Election" means, if the then-current Benchmark is USD LIBO Rate, the occurrence of:

(1) (x) so long as the Initial Lender is a Lender, the Initial Lender and (y) otherwise, the Required Lenders, in each case notifying to the Administrative Agent that the Initial Lender or the Required Lenders have determined that at least five currently outstanding U.S. dollar-denominated syndicated credit facilities at such time contain (as a result of amendment or as originally executed) a SOFR-based rate (including SOFR, a term SOFR or any other rate based upon SOFR) as a benchmark rate (and such syndicated credit facilities are identified in such notice and are publicly available for review), and

(2) (x) so long as the Initial Lender is a Lender, the election by the Initial Lender and (y) otherwise, the joint election by the Required Lenders and the Borrower to trigger a fallback from USD LIBO Rate and, in each case, the provision to the Administrative Agent and the other Lenders of written notice of such election.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Eligible Appraiser" means (a) with respect to aircraft or engines: Morten Beyer & Agnew, International Bureau of Aviation, Ascend Worldwide Group, ICF International Inc., BK Associates, Inc., Aircraft Information Services Inc., AVITAS, Inc., PAC Appraisal Inc., Aviation Specialists Group, Aviation Asset Management Inc. or IBA Group Ltd., (b) with respect to slots, gates or routes: Morten Beyer & Agnew, ICF International Inc., PAC Appraisal Inc. or BK Associates, Inc., (c) with respect to parts, Morten Beyer & Agnew, ICF International Inc., Sage-Popovich, Inc., PAC Appraisal Inc., Aviation Asset Management Inc. or Alton Aviation Consultancy LLC, (d) with respect to any other type of property, Deloitte & Touche LLP, Andersen Tax LLC, BBC Aviation Enterprises Aviation Advisors Group, LLC, PricewaterhouseCoopers, CBRE Group Inc. and Jones Lang LaSalle Incorporated, and (e) any independent appraisal firm appointed by the Borrower and acceptable to the Appropriate Party.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 11.04(b)(iii), 11.04(b)(v) and 11.04(b)(vi) (subject to such consents, if any, as may be required under Section 11.04(b)(iii)); provided that no Competitor shall be an Eligible Assignee.

"Eligible Collateral" means, as of any date, all Collateral on which the Collateral Agent has, as of such date, to the extent purported to be created by the applicable Security Document, a valid and perfected first priority Lien and/or mortgage (or comparable Lien) for the benefit of the Secured Parties and which is otherwise subject only to Permitted Liens and satisfies the requirements set out in the Loan Documents for such type of Collateral.

"Environmental Laws" means any and all federal, state, local, and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

"Environmental Liability" means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination (other than Convertible Indebtedness or any other debt security that is convertible into or exchangeable for Equity Interests of such Person and the Warrants).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with any Credit Party within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by any Credit Party or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by any Credit Party or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by any Credit Party or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Credit Party or any ERISA Affiliate; (j) the engagement by any Credit Party or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon any Credit Party pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurodollar Reserve Percentage" means, for any day during any Interest Period, the reserve percentage in effect on such day, whether or not applicable to any Lender, under regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D). The Adjusted LIBO Rate for each outstanding Loan shall be adjusted automatically as of the effective date of any change in the Eurodollar Reserve Percentage.

"Event of Default" has the meaning specified in Article VII.

"Excluded Assets" has the meaning assigned to such term in the Pledge and Security Agreement.

"Excluded Subsidiary" means any Subsidiary of the Parent (other than the Borrower) that (i) is not wholly-owned, directly or indirectly, by the Parent, (ii) is a captive insurance company, (iii) is an Immaterial Subsidiary, (iv) is a Receivables Subsidiary or (v) is a Foreign Subsidiary or a CFC Holdco existing on the Closing Date; provided that, notwithstanding the foregoing, (1) a Subsidiary will not be an Excluded Subsidiary if it (x) owns assets that are intended to be included in the Collateral, (y) owns individually, or in the aggregate with other Subsidiaries (including any Subsidiary that would otherwise

qualify as an Excluded Subsidiary), a majority of the Equity Interests of any Subsidiary that owns any assets that are intended to be included in the Collateral or (z) guarantees Material Indebtedness of the Parent or any of its Subsidiaries (other than any acquired Subsidiary that guarantees assumed Indebtedness of a Person acquired pursuant to an acquisition permitted under this Agreement that is existing at the time of such acquisition or investment; provided that such Indebtedness was not created in contemplation of or in connection with such acquisition and the amount of such Indebtedness is not increased), provided further that, notwithstanding the foregoing, United Ground Express, Inc. and each of the MPH Companies shall at all times constitute Excluded Subsidiaries.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loans (other than pursuant to an assignment request by the Borrower under Section 2.19(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.16(g) and (d) any withholding Taxes imposed under FATCA.

"Export Control Laws" means any applicable export control Laws including the International Traffic in Arms Regulations (22 C.F.R. 120 et seq.) and the Export Administration Regulations (15 C.F.R. 730 et seq.).

"FAA" means the United States Federal Aviation Administration and any successor thereto.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" has the meaning specified in Section 3.15(b).

"Federal Funds Effective Rate" means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day's Federal funds transactions by depositary institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Finance Entity" means any Person created or formed by or at the direction of the Parent or any of its Subsidiaries for the purpose of financing aircraft and aircraft related assets and related pre-delivery payment obligations of Parent or such Subsidiaries that; provided, that, such (i) Person holds no

material assets other than the aircraft or aircraft related assets to be financed or assets pursuant to which related pre-delivery payment obligations arise, (ii) financing is in the ordinary course of business of the Parent and its Subsidiaries or otherwise customary for airlines based in the United States and (iii) Person holds no assets constituting, or otherwise intended to be included in, Collateral.

"Financial Officer" means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"Fitch" means Fitch Ratings and any successor to its rating agency business.

"Floor" means the benchmark rate floor, if any, provided in this Agreement initially (as of the execution of this Agreement, the modification, amendment or renewal of this Agreement or otherwise) with respect to USD LIBO Rate. As of the Closing Date, the Floor shall be 0%.

"Foreign Lender" means any Lender that is not a U.S. Person.

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Parent or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

"Foreign Subsidiary" means any Subsidiary that is not a Domestic Subsidiary.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means, subject to Section 1.03, United States generally accepted accounting principles as in effect from time to time; provided that if at any time any change in GAAP would affect the computation of any financial ratio or financial requirement, or compliance with any covenant, set forth in any Loan Document, the Required Lenders and the Borrower will negotiate in good faith to amend such ratio, requirement or covenant to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that until so amended, (a) such ratio, requirement or covenant will continue to be computed in accordance with GAAP prior to such change therein and (b) the Borrower will provide to the Administrative Agent and the Lenders reconciliation statements to the extent requested.

"Gate Leasehold" has the meaning assigned to such term in the Pledge and Security Agreement.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or

level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guaranteed Obligations" has the meaning specified in Section 9.01.

"Guarantor" means the Parent and each other Guarantor listed on the signature page to this Agreement and any other Person that Guarantees the Obligations under this Agreement and any other Loan Document.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances or wastes of any nature regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

"Immaterial Subsidiaries" means one or more Subsidiaries, for which (a) the assets of all such Subsidiaries constitute, in the aggregate, no more than 7.50% of the total assets of the Parent and its Subsidiaries on a consolidated basis (determined as of the last day of the most recent fiscal quarter of Parent for which financial statements are available), and (b) the revenues of all such Subsidiaries account for, in the aggregate, no more than 7.50% of the total revenues of the Parent and its Subsidiaries on a consolidated basis for the four (4) fiscal quarter period ending on the last day of the most recent fiscal quarter of Parent for which financial statements are available; provided that (x) a Subsidiary will not be an Immaterial Subsidiary if it (i) directly or indirectly guarantees, or pledges any property or assets to secure, any Obligations, (ii) owns any assets that are intended to be included in the Collateral or is party to any agreements that constitute (or would constitute) Collateral or (iii) owns a majority of the Equity Interests of any Subsidiary that owns any assets that are intended to be included in the Collateral and (y) the Borrower shall not be an Immaterial Subsidiary.

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person arising under (i) letters of credit (including standby and commercial), bankers' acceptances and bank guaranties and (ii) surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness of any Person for purposes of clause (e) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 11.03(b).

"Information" has the meaning specified in Section 11.12.

"Initial Lender" means Treasury or its designees (but, for the avoidance of doubt, excluding any assignee of the Loans).

"Intellectual Property" has the meaning assigned to such term in the Pledge and Security Agreement.

"Interest Payment Date" means the first Business Day following the 14th day of each March, June, September and December (beginning with September 15, 2021), and the Maturity Date.

"Interest Period" means, as to any Borrowing, (a) for the initial Interest Period, the period commencing on the date of such Borrowing and ending on the next succeeding Interest Payment Date and (b) for each Interest Period thereafter, the period commencing on the last day of the next preceding Interest Period and ending on the next succeeding Interest Payment Date.

"International Registry" has the meaning assigned to such term in the Pledge and Security Agreement.

"Interpolated Rate" means, at any time, the rate per annum determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the rate as displayed on the Bloomberg "LIBOR01" screen page (or any successor or replacement screen on such service; in each case the "Screen Rate") for the longest period (for which that Screen Rate is available) that is shorter than three (3) months and (b) the Screen Rate for the shortest period (for which that Screen Rate is available)

that is equal to or exceeds three (3) months, in each case, at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (h) of the definition of "Indebtedness" in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

"IRS" means the United States Internal Revenue Service.

"ISDA Definitions" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time by the International Swaps and Derivatives Association, Inc. or such successor thereto.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lenders" means the Initial Lender and any other Person that shall have become party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"LIBO Rate" means, the greater of (a) the rate appearing on the Bloomberg "LIBOR01" screen page (or any successor or replacement screen on such service) at approximately 11:00 a.m., London time, two (2) Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity of three (3) months; provided that (i) if such rate is not available at such time for any reason, then the "LIBO Rate" shall be the Interpolated Rate, and (ii) if the Interpolated Rate is not available (except as set forth in Section 2.10), the "LIBO Rate" shall be the LIBO Rate for the immediately preceding Interest Period, two (2) Business Days prior to the commencement of such Interest Period and (b) 0%.

"Lien" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, any option or other agreement to sell or give a security interest in an asset, or preference, priority, or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity" means the sum of (i) all unrestricted cash and Cash Equivalents of Parent and its Subsidiaries, (ii) cash or Cash Equivalents of the Parent and its Subsidiaries restricted in favor of the Obligations or in connection with the Payroll Support Program Agreement (other than any amounts held in the Collateral Proceeds Account), (iii) the aggregate principal amount committed and available to be drawn by the Parent and its Subsidiaries (taking into account all borrowing base limitations or other restrictions) under all revolving credit facilities of the Parent and its Subsidiaries, (iv) any remaining aggregate principal amount committed and available to be drawn (taking into account any applicable restrictions) by the Parent and its Subsidiaries in respect of the Loans and (v) the scheduled net proceeds (after giving effect to any expected repayment of existing Indebtedness using such proceeds) of any Capital Markets Offering of the Parent or any of its Subsidiaries that has priced but has not yet closed (until the earliest of the closing thereof, the termination thereof without closing or the date that falls five (5) Business Days after the initial scheduled closing date thereof).

"Loan" means a loan made by a Lender to the Borrower pursuant to this Agreement.

"Loan Application Form" means the application form and any related materials submitted by the Borrower to the Initial Lender in connection with an application for the Loans under Division A, Title IV, Subtitle A of the CARES Act.

"Loan Documents" means, collectively, this Agreement, any Security Document, any promissory notes issued pursuant to Section 2.11(b) and any other documents entered into in connection herewith (including an Administrative Agency Fee Letter, if any).

"Margin Stock" means margin stock within the meaning of Regulations T, U and X.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Parent and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of the Borrower or any Credit Party to perform its Obligations, (ii) the legality, validity, binding effect or enforceability against the Borrower or any Credit Party of any Loan Document to which it is a party or the validity, perfection and first priority of the Liens on the Collateral in favor of the Collateral Agent taken as a whole or with respect to a substantial portion of the Collateral, or (iii) the rights, remedies and benefits available to, or conferred upon, the Lenders or the Agents under any Loan Documents; provided that the impacts of the COVID-19 disease outbreak will be disregarded for purposes of clauses (a) of this definition to the extent (i) publicly disclosed in any SEC filing of the Parent or otherwise provided to the Initial Lender prior to the Closing Date and (ii) the scope of such adverse effect is no greater than that which has been disclosed as of the Closing Date.

"Material Indebtedness" means Indebtedness of the Parent or any of its Subsidiaries (other than the Loans) outstanding under the same agreement in a principal amount exceeding $220,000,000.

"Material Subsidiary" means any Subsidiary that is not an Immaterial Subsidiary.

"Maturity Date" means the date that is five (5) years after the Closing Date (except that, if such date is not a Business Day, the Maturity Date shall be the preceding Business Day).

"Maximum Rate" has the meaning specified in Section 11.14.

"Moody's" means Moody's Investors Service, Inc. and any successor to its rating agency business.

"MPH Companies" means each of (i) Mileage Plus Holdings, LLC ("MPH"), a Delaware limited liability company, (ii) each Subsidiary of MPH and (iii) each entity formed in connection with the Madrid Protocol Holding Structure (as defined in the MPH Facility) and, if applicable, the Alternative Madrid Structure (as defined in the MPH Facility).

"MPH Facility" means, collectively, (i) that certain Term Loan Credit and Guaranty Agreement dated as of July 2, 2020, among, *inter alios*, MPH and Mileage Plus Intellectual Property Assets, Ltd. ("MIPA"), as borrowers, United Airlines Holdings, Inc. and United Airlines, Inc., as guarantors, the MPH Companies from time to time party thereto as guarantors, the lenders from time to time party thereto, Goldman Sachs Bank USA, as administrative agent, and Wilmington Trust, National Association, as collateral administrator and (ii) that certain Indenture dated as of July 2, 2020, among, *inter alios*, MPH and MIPA, as issuers, United Airlines Holdings, Inc. and United Airlines, Inc., as guarantors, the MPH Companies from time to time party thereto as guarantors and Wilmington Trust, National Association, as trustee and collateral custodian, in each case, including any modifications, replacements, renewals, refinancings or extensions thereof.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which any Credit Party or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five (5) plan years has made or been obligated to make contributions, or has any liability.

"Multiple Employer Plan" means a Plan with respect to which any Credit Party or any ERISA Affiliate is a contributing sponsor, and that has two (2) or more contributing sponsors at least two (2) of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Proceeds" means in connection with any Disposition or Recovery Event, the aggregate cash and Cash Equivalents received by the Parent or any of its Subsidiaries in respect of a Disposition of Collateral (including, without limitation, any cash or Cash Equivalents received in respect of or upon the Disposition of any non-cash consideration received in any such Disposition of Collateral) or Recovery Event, net of the direct costs and expenses relating to such Disposition and incurred by the Parent or a Subsidiary (including the sale or disposition of such non-cash consideration) or any such Recovery Event, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Disposition or Recovery Event, taxes paid or reasonably estimated to be payable as a result of the Disposition or Recovery Event, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 11.02 and (b) has been approved by the Required Lenders.

"Note" means the promissory note executed by the Borrower pursuant to Section 2.11(b).

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, each Credit Party arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or required to be performed, or to become due or to be performed, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Credit Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Borrower or any other Credit Party under any Loan Document, (b) the obligation of any Credit Party to reimburse any amount in respect of

any of the foregoing that the Lenders, in each case in their sole discretion, may elect to pay or advance on behalf of any Credit Party and (c) the obligation of any Credit Party or any of its Subsidiaries to take any action or refrain from taking any action as required by the covenants and other provisions contained in this Agreement and any other Loan Document.

"Obligee Guarantor" has the meaning specified in Section 9.06.

"Organizational Documents" means (a) as to any corporation, the charter or certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction), (b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in the Loans or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19(b)).

"Outstanding Amount" means, with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Parent" has the meaning specified in introductory paragraph hereof.

"Participant" has the meaning specified in Section 11.04(d).

"Participant Register" has the meaning specified in Section 11.04(d).

"Payroll Support Program Agreement" means that certain Payroll Support Program Agreement dated as of April 20, 2020, between the Borrower and Treasury.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Act" means the Pension Protection Act of 2006.

"Pension Funding Rules" means the rules of the Code and ERISA (as modified by the CARES Act) regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

"Pension Plan" means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by any Credit Party or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

"Perfection Requirement" has the meaning specified in the Pledge and Security Agreement.

"Permitted Bond Hedge Transaction" means any call or capped call option (or substantively equivalent derivative transaction) on the Parent's common Equity Interests purchased by the Parent in connection with the issuance of any Convertible Indebtedness; provided that the purchase price for such Permitted Bond Hedge Transaction does not exceed the net proceeds received by the Parent from the sale of such Convertible Indebtedness issued in connection with the Permitted Bond Hedge Transaction.

"Permitted Business" means any business that is the same as, or reasonably related, ancillary, supportive or complementary to, the business in which the Parent and its Subsidiaries are engaged on the date of this Agreement.

"Permitted Liens" means:

(1) Liens created for the benefit of (or to secure the payment and performance of) the Obligations or any Guaranteed Obligations;

(2) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(3) Liens imposed by law, including carriers', vendors', materialmen's, warehousemen's, landlord's, mechanics', repairmen's, employees' or other like Liens, in each case, incurred in the ordinary course of business;

(4) Liens arising by operation of law in connection with judgments, attachments or awards which do not constitute an Event of Default hereunder;

(5) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(6) [Reserved];

(7) to the extent applicable, salvage or similar rights of insurers, in each case as it relates to Collateral; and

(8) Liens expressly permitted by the Pledge and Security Agreement.

"Permitted Refinancing" means with respect to any Person, any refinancings, renewals, or extensions of any Indebtedness of such Person so long as: (a) such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums paid thereon and the fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto; (b) such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity

(measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended, nor are they on terms or conditions that, taken as a whole, are or could reasonably be expected to be materially adverse to the interests of the Lenders; (c) if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that are at least as favorable to the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness; (d) the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended and (e) to the extent the Indebtedness that is refinanced, renewed, or extended is unsecured, the Indebtedness resulting from such refinancing, renewal or extension must be unsecured.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of the Parent or any Subsidiary, or any such plan to which the Parent or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which any Credit Party has any liability.

"Platform" means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

"Pledge and Security Agreement" means the Pledge and Security Agreement executed and delivered by the Borrower and each Guarantor on the Closing Date in form and substance acceptable to the Initial Lender and the Collateral Agent, as amended and supplemented pursuant to that certain Pledge Amendment and Supplement, dated as of November 6, 2020, by the Borrower and the Bank of New York Mellon, as Collateral Agent, and as it may be further amended, supplemented, restated or otherwise modified from time to time. For the avoidance of doubt, the terms of the "Pledge and Security Agreement" shall include the terms of all Applicable Annexes (as defined in the Pledge and Security Agreement).

"Post-Closing Pledge Condition" has the meaning specified in Section 2.07.

"Prepayment Notice" means a notice by the Borrower to prepay Loans, which shall be in such form as the Appropriate Party may approve.

"Prime Rate" means the rate of interest per annum last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Required Lenders) or any similar release by the Federal Reserve Board (as determined by the Required Lenders). Any change in the Prime Rate shall take effect at the opening of business on the day such change is publicly announced or quoted as being effective.

"Proceeds" means "proceeds," as defined in Article 9 of the UCC.

"PSP Warrant Agreement" means that certain warrant agreement, dated as of April 20, 2020 between Parent and Treasury.

"Public Lender" has the meaning specified in Section 11.01(e).

"Receivables Subsidiary" means (x) a Wholly-Owned Subsidiary of the Parent formed for the purpose of and which engages in no activities other than in connection with the financing or securitization of accounts receivables (a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (1) is guaranteed by the Parent by any Subsidiary of the Parent, and excluding any guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings, (2) is recourse to or obligates the Parent or any Subsidiary of the Parent in any way other than pursuant to Standard Securitization Undertakings or (3) subjects any property or asset of the Parent or any Subsidiary of the Parent (other than accounts receivable and related assets) or any property or asset of the type that is intended to be include in the Collateral, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings, (b) with which neither the Parent nor any Subsidiary of the Parent (other than another Receivables Subsidiary) has any material contract, agreement, arrangement or understanding (other than pursuant to the related financing of accounts receivable) other than on terms no less favorable to the Parent or such Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Parent and (c) with which neither the Parent nor any Subsidiary of the Parent has any obligation to maintain or preserve such Subsidiary's financial condition, other than a minimum capitalization in customary amounts, or to cause such Subsidiary to achieve certain levels of operating results or (y) any Subsidiary of a Receivables Subsidiary. For the avoidance of doubt, the Parent and any Subsidiary of the Parent may enter into Standard Securitization Undertakings for the benefit of a Receivables Subsidiary.

"Recipient" means (a) the Administrative Agent, (b) the Collateral Agent or (c) any Lender, as applicable.

"Recovery Event" means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any Collateral or any Event of Loss (as defined in the Pledge and Security Agreement).

"Reference Time" with respect to any setting of the then-current Benchmark means (1) if such Benchmark is USD LIBO Rate, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such setting, and (2) if such Benchmark is not USD LIBO Rate, the time determined by the Required Lenders in their reasonable discretion, provided that such time is determined to be administratively feasible by the Administrative Agent.

"Register" has the meaning specified in Section 11.04(c).

"Regulation D" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation T" means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the thirty (30)-day notice period has been waived.

"Required Lenders" means, at any time, Lenders having Loans representing more than 50% of the aggregate Outstanding Amount of Loans of all Lenders at such time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means (a) the chief executive officer, president, executive vice president or a Financial Officer of the Borrower or such Credit Party, as applicable, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.01, any vice president, secretary or assistant secretary of the Borrower or such Credit Party and (c) solely for purposes of Borrowing Requests, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article II, any other officer or employee of the Borrower so designated from time to time by one of the officers described in clause (a) in a notice to the Administrative Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Administrative Agent). Any document delivered hereunder that is signed by a Responsible Officer of the a Credit Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of such Credit Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Credit Party.

"Restatement Agreement" means that certain Restatement Agreement, dated as of November 6, 2020, to this Agreement, between the Borrower, the Parent, the Guarantors party thereto from time to time, Treasury and the Bank of New York Mellon, as Administrative Agent and Collateral Agent.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Route Authority" has the meaning assigned to such term in the Pledge and Security Agreement.

"S&P" means S&P Global Ratings, and any successor to its rating agency business.

"Sanctioned Country" has the meaning specified in Section 3.15(a).

"Sanctioned Person" has the meaning specified in Section 3.15(a).

"Sanctions" has the meaning specified in Section 3.15(a).

"Screen Rate" has the meaning specified in the definition of the term "Interpolated Rate".

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Parties" has the meaning assigned to such term in the Pledge and Security Agreement.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Document" means the Pledge and Security Agreement and any security or pledge agreement, mortgage, hypothecation or other agreement, instrument or document relating to collateral for the Loans (including any short form agreements, supplements, control agreements, collateral access agreements and registrations executed or made) that may exist at any time and from time to time, as amended from time to time.

"Slot" has the meaning assigned to such term in the Pledge and Security Agreement.

"SOFR" means, with respect to any Business Day, a rate per annum equal to the secured overnight financing rate for such Business Day published by the SOFR Administrator on the SOFR Administrator's Website at approximately 8:00 a.m. (New York City time) on the immediately succeeding Business Day.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Administrator's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. For the avoidance of doubt, a Person shall not fail to be Solvent on any date solely as a result of such person's audit having a "going concern" or like qualification, exception or explanatory paragraph or any qualification, exception or explanatory paragraph as to the scope of such audit solely due to the COVID-19 disease outbreak.

"Spare Parts" has the meaning assigned to such term in the Pledge and Security Agreement.

"Specified Appraised Value" means, as of any date of determination, the sum of (i) fifty percent (50%) of the Appraised Value of the Eligible Collateral (excluding any Upsize SGR Collateral) plus (ii) thirty seven and ½ percent (37.5%) of the Appraised Value of the Eligible Collateral constituting Upsize SGR Collateral, in each case determined as of the date of the Appraisal most recently delivered pursuant to Section 5.16 (or (A) in the case of cash and Cash Equivalents, as of such date of determination, (B) in the case of any Upsize SGR Collateral, until an Appraisal has been delivered pursuant to Section 5.16, as of the date of the Appraisal delivered on the Restatement Effective Date (as defined in the Restatement Agreement) and (C) in the case of any assets pledged to satisfy the Post-Closing Pledge Condition, until an Appraisal has been delivered pursuant to Section 5.16, as of the date of

the Appraisal most recently delivered); provided that (x) no more than 25% of the Specified Appraised Value may correspond to ground support equipment, (y) any amounts held in the Collateral Proceeds Account shall not be included in the Specified Appraised Value and (z) the Appraised Value of any SGR Assets (as defined in the Pledge and Security Agreement) corresponding to Scheduled Services that do not have one end point in the United States and one end point in a country other than the United States shall not be included in the Specified Appraised Value.

"Specified Facility" means, that certain Amended and Restated Credit and Guaranty Agreement dated as of March 29, 2017, among, *inter alios*, the Borrower, as borrower, the Parent, as guarantor, the Subsidiaries of the Parent from time to time party thereto as guarantors, the lenders from time to time party thereto, and JPMorgan Chase bank, N.A., as administrative agent, including any modifications, replacements, renewals, refinancings or extensions thereof.

"Specified SGR Assets" means any SGR Assets (as defined in the Pledge and Security Agreement) corresponding to Scheduled Services having an end point in any of DCA, LGA, China, Hong Kong or Japan (other than Scheduled Services between Tamuning, Guam and any of Fukuoka, Japan; Osaka, Japan; Nagoya, Japan or Tokyo, Japan).

"Standard Securitization Undertakings" means all representations, warranties, covenants, indemnities, performance Guarantees and servicing obligations entered into by the Parent or any Subsidiary (other than a Receivables Subsidiary), which are customary in connection with any financing of accounts receivable.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Parent.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations

provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means, for the applicable Corresponding Tenor as of the applicable Reference Time, the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Trade Date" means the date on which an assigning Lender enters into a binding agreement to sell and assign all or a portion of its rights and obligations under this Agreement to another Person.

"Treasury" has the meaning specified in the preamble to this Agreement.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Uniform Commercial Code" and "UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York or, when the context implies, the Uniform Commercial Code as in effect from time to time in any other applicable jurisdiction.

"United States" and "U.S." mean the United States of America, including all states, commonwealths and unincorporated territories forming part thereof.

"Upsize SGR Collateral" means, collectively, the SGR Assets (as defined in the Pledge and Security Agreement) constituting Collateral described on the schedule to that certain Pledge Amendment and Supplement, dated as of November 6, 2020, by the Borrower and The Bank of New York Mellon, as Collateral Agent.

"USD LIBO Rate" means the LIBO Rate for U.S. dollars.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.16(g).

"Voting Stock" of any specified Person as of any date means the equity interests of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"Warrant Agreement" means the warrant agreement, dated as of the date hereof between Parent and Treasury, pursuant to which Parent agrees to issue Warrants to Treasury upon each Borrowing.

"Warrants" means, collectively, those certain warrants issued to Treasury under the Warrant Agreement or the PSP Warrant Agreement.

"Wholly-Owned" means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (a) director's qualifying shares and (b) shares issued to foreign nationals to the extent required by Applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Withholding Agent" means the Borrower and the Administrative Agent or other person making or transferring to any Lender any payment on behalf of the Borrower.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of such Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those power .

SECTION 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." The word "or" is not exclusive. The word "year" shall refer (i) in the case of a leap year, to a year of three hundred sixty-six (366) days, and (ii) otherwise, to a year of three hundred sixty-five (365) days. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have

the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.03 Accounting Terms; Changes in GAAP.

(a) Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Parent to the Lenders pursuant to Sections 5.01(a) and 5.01(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation. Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Parent and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) Changes in GAAP. If the Borrower notifies the Administrative Agent (who will forward such notification to the Lenders) that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn, the Required Lenders shall have notified the Borrower (with a copy to the Administrative Agent) of their objection to such amendment or such provision shall have been amended in accordance herewith.

SECTION 1.04 Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the rates in the definition of "LIBO Rate" or with respect to any comparable or successor rate thereto.

SECTION 1.05 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II.

COMMITMENTS AND BORROWINGS

SECTION 2.01 Commitments. Subject to the terms and conditions set forth herein, the Initial Lender agrees to make the Loans to the Borrower in one or more installments on or after the Closing Date in an aggregate principal amount not to exceed the Initial Lender's Commitment. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed.

SECTION 2.02 Loans and Borrowings.

(a) Borrowings. The Borrower shall request the initial Borrowing of the Loans on the Closing Date and may request one or more subsequent Borrowings of the Loans; provided that the Borrower shall request no more than three (3) total Borrowings.

(b) Minimum Amounts. Each Borrowing shall be in an aggregate amount of $520,000,000 or a larger multiple of $5,000,000; provided that the final Borrowing may be in an amount equal to the aggregate remaining outstanding Commitment available to the Borrower under the terms and conditions of this Agreement.

(c) Funding of Borrowings. Each Lender shall make the amount of each Borrowing to be made by it hereunder available to the Administrative Agent by wire transfer of immediately available funds to the Administrative Account not later than 12:00 noon (New York City time) on the proposed date thereof. The Administrative Agent will make all such funds so received available to the Borrower in like funds, by wire transfer of such funds in accordance with the instructions provided in the applicable Borrowing Request; provided that if all such requested funds are not received by the Administrative Agent by 12:00 noon (New York City time) on the proposed date for such Borrowing, the Administrative Agent shall distribute such funds on the next succeeding Business Day.

SECTION 2.03 Borrowing Requests.

(a) Notice by Borrower. In order to request a Borrowing, the Borrower shall notify the Administrative Agent of such request in writing not later than 11:00 a.m. (New York City time) (i) with respect to the initial Borrowing under this Agreement, three (3) Business Days prior to the date of the requested Borrowing and (ii) for each subsequent Borrowing, five (5) Business Days before such Borrowing. Each such notice shall be irrevocable and shall be in the form of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower. The Administrative Agent shall promptly advise the applicable Lenders of any Borrowing Request given pursuant to this Section 2.03(a) (and the contents thereof), and of each Lender's portion of the requested Borrowing.

(b) Content of Borrowing Requests. Each Borrowing Request for a Borrowing pursuant to this Section shall specify the following information in compliance with Section 2.02: (i) the aggregate amount of the requested Borrowing; (ii) the date of such Borrowing (which shall be a Business Day); and (iii) the location and number of the Borrower's account to which funds are to be disbursed.

SECTION 2.04 [Reserved].
SECTION 2.05 [Reserved].

SECTION 2.06 Prepayments.

(a) Optional Prepayments. The Borrower may, upon written notice to the Administrative Agent, at any time and from time to time prepay the Loans in whole or in part without premium or penalty, subject to the requirements of this Section. Partial prepayments of the Loans shall be in a minimum aggregate principal amount of $1,000,000 or a whole multiple of $100,000 in excess thereof. Notwithstanding anything herein to the contrary, the Borrower may at any time elect to prepay the loans with funds contained in the Collateral Proceeds Account.

(b) Mandatory Prepayments.

(i) Dispositions of Collateral. Within three (3) Business Days of the receipt by the Parent or any of its Subsidiaries of any Net Proceeds from a Disposition of Collateral not permitted by Section 6.04, the Borrower shall prepay the Loans in an amount equal to 100% of such Net Proceeds.

(ii) Recovery Events. Within three (3) Business Days of the receipt by the Parent or any of its Subsidiaries of any Net Proceeds from a Recovery Event in respect of Collateral, the

Borrower shall either (x) prepay the Loans in an amount equal to 100% of such Net Proceeds or (y) deposit such Net Proceeds into the Collateral Proceeds Account for such purpose and thereafter such Net Proceeds shall be applied (to the extent not otherwise applied pursuant to the immediately succeeding proviso) to prepay the Loans; provided that (I) the Borrower may use such Net Proceeds to (A) replace the assets which are the subject of such Recovery Event with assets that are of the same type of Collateral, or (B) repair the assets which are the subject of such Recovery Event, in each case, within 270 days after such deposit is made, (II) all such Net Proceeds amount may, at the option of the Borrower at any time, be applied to repay the Loans, and (III) upon the occurrence of an Event of Default, the amount of any such deposit may be applied by the Administrative Agent to repay the Loans.

(iii) Certain Debt Issuances. Immediately upon receipt by the Parent or any of its Subsidiaries of any proceeds from the incurrence of any Indebtedness that is secured by Liens on the Collateral (other than Permitted Liens), the Borrower shall prepay the Loans in an amount equal to 100% of any such proceeds from any such Indebtedness.

(iv) Change of Control. Immediately upon the occurrence of a Change of Control, the Borrower shall prepay the Loans in an amount equal to 100% of the aggregate outstanding principal amount of Loans.

(c) Notices. Each such notice pursuant to this Section shall be in the form of a written Prepayment Notice, appropriately completed and signed by a Responsible Officer of the Borrower, and must be received by the Administrative Agent not later than 11:00 a.m. (New York City time) three (3) Business Days before the date of prepayment (which delivery may initially be by electronic communication including fax or email and shall be followed by an original authentic counterpart thereof) . Each Prepayment Notice shall specify (x) the prepayment date and (y) the principal amount of the Loans or portion thereof to be prepaid. Each Prepayment Notice shall be irrevocable.

(d) Payments. Any prepayment of the Loans pursuant to this Section 2.06 shall be accompanied by accrued interest on the principal amount prepaid as set forth in Section 2.09(c).

SECTION 2.07 Reduction and Termination or Increase of Commitments. The Initial Lender's Commitment shall (x) automatically and permanently be reduced by the amount of any Borrowing of a Loan and (y) automatically and permanently terminate on March 26, 2021. The Borrower may, upon not less than three (3) Business Days' notice to the Initial Lender and the Administrative Agent, terminate the Commitment or, from time to time, reduce the Commitment. Any such reduction in the Commitment shall be in an amount equal to $1,000,000 or a whole multiple thereof, and shall permanently reduce the Commitment. If, on or prior to December 4, 2020 (or such later date as approved in writing by the Initial Lender), the Credit Parties have pledged the assets listed on Schedule 2.07 hereto in favor of the Collateral Agent for the benefit of the Secured Parties pursuant to documentation acceptable in form and substance to the Initial Lender and created, in favor of the Collateral Agent for the benefit of the Secured Parties, a legal, valid and enforceable first priority perfected security interests in such assets (the "Post-Closing Pledge Condition"), the Commitment shall automatically increase to the lesser of (x) $7,500,000,000 minus (without duplication) the amount of any Loans outstanding and the amount of any Commitments terminated pursuant to this Section 2.07 as of the date of the satisfaction of the Post-Closing Pledge Condition and (y) $7,160,000,000 minus (without duplication) the amount of any Loans outstanding and the amount of any Commitments terminated pursuant to this Section 2.07 as of the date of the satisfaction of the Post-Closing Pledge Condition plus the Specified Appraised Value of the assets pledged and perfected pursuant to the Post-Closing Pledge Condition (it being agreed that (1) none of the assets listed in either section (i) or section (ii) of Schedule 2.07 shall be pledged to satisfy the Post-Closing Pledge Condition unless all assets listed in such section are pledged and perfected (*provided* that, for the avoidance of doubt, all of the assets listed in such section (i) or section (ii) may be so pledged even if the assets listed in the other section of Schedule 2.07 are not pledged), (2) any assets pledged to satisfy

the Post-Closing Pledge Condition shall be acceptable to the Initial Lender at the time of such pledge, (3) all assets pledged to satisfy the Post-Closing Pledge Condition shall be pledged concurrently and (4) the Credit Parties shall deliver to the Administrative Agent and Collateral Agent a certificate executed by a Responsible Officer of the Parent and the Borrower stating the Specified Appraised Value of the assets pledged and perfected pursuant to the Post-Closing Pledge Condition and attaching the Appraisal for such assets).

SECTION 2.08 Repayment of Loans. The Borrower shall repay to the Administrative Agent for the ratable account of the Lenders the aggregate principal amount of all Loans outstanding on the Maturity Date.

SECTION 2.09 Interest.

(a) Interest Rates. Subject to paragraph (b) of this Section, the Loans shall bear interest at a rate per annum equal to the Adjusted LIBO Rate plus the Applicable Rate.

(b) Default Interest. If any amount payable by the Borrower under this Agreement or any other Loan Document (including principal of any Loan, interest, fees and other amount) is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a rate per annum equal to the applicable Default Rate. Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all Loans outstanding hereunder at a rate per annum equal to the applicable Default Rate.

(c) Payment Dates. Accrued interest on each Loan shall be payable in arrears on or before 12:00 noon (New York City time) on each Interest Payment Date applicable thereto and at such other times as may be specified herein; provided that (i) interest accrued pursuant to paragraph (b) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan (including mandatory prepayments under Section 2.06(b)), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(d) Interest Computation. All interest hereunder shall be computed on the basis of a year of three hundred sixty (360) days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.10 Benchmark Replacement Setting.

(a) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any setting of the then-current Benchmark, as notified by the Required Lenders to the Administrative Agent in writing, then (x) if a Benchmark Replacement is determined in accordance with clause (1) or (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (3) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders and the Administrative Agent by the Required Lenders without any amendment to, or further action or consent of any other party to, this

Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders.

(b) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the Administrative Agent (after consultation with the Required Lenders) will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) Notices; Standards for Decisions and Determinations. The Initial Lender or the Required Lenders, as the case may be, will promptly notify the Administrative Agent, which will then promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date, (ii) the implementation of any Benchmark Replacement, (iii) the removal or reinstatement of any tenor of a Benchmark pursuant to clause (d) below and (iv) the commencement or conclusion of any Benchmark Unavailability Period. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by any Lender (or group of Lenders) or the Administrative Agent, if applicable, pursuant to this Section 2.10, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.10. Notwithstanding anything in this Agreement to the contrary, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, any determination made by it in connection with the adoption of Benchmark Replacement Conforming Changes or for the impact of such Benchmark Replacement Conforming Changes, nor for the failure to adopt any Benchmark Replacement Conforming Changes due to the failure of the Required Lenders to cooperate in good faith in connection with the determination of any Benchmark Replacement Conforming Changes.

(d) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR or USD LIBO Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is or will be no longer representative, then the definition of “Interest Period” may be modified for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) used by the Administrative Agent or (B) is not, or is no longer, subject to an announcement that it is or will no longer be representative for a Benchmark (including a Benchmark Replacement), then the definition of “Interest Period” may be modified for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) Benchmark Unavailability Period. During any Benchmark Unavailability Period, all calculations of interest by reference to a LIBO Rate hereunder shall instead be made by reference to the Alternate Base Rate.

SECTION 2.11 Evidence of Debt.

(a) Maintenance of Records. The Administrative Agent shall maintain the Register in accordance with Section 11.04(c). The entries made in the records maintained pursuant to this paragraph (a) shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of the Administrative Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrower under this Agreement and the other Loan Documents.

(b) Promissory Notes. The Borrower shall prepare, execute and deliver to such Lender a promissory note of the Borrower payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and a form attached as Exhibit C hereto, which shall evidence such Lender's Loan.

SECTION 2.12 Payments Generally.

(a) Payments by Borrower. All payments to be made by the Borrower hereunder and the other Loan Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all such payments shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, to the Administrative Account in immediately available funds not later than 12:00 noon (New York City time) on the date specified herein. All amounts received by a Lender or the Administrative Agent after such time on any date shall be deemed to have been received on the next succeeding Business Day and any applicable interest or fees shall continue to accrue. The Administrative Agent will promptly distribute to each Lender its ratable share (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's applicable lending office (or otherwise distribute such payment in like funds as received to the Person or Persons entitled thereto as provided herein). If any payment to be made by the Borrower shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder or under any other Loan Document shall be made in Dollars.

(b) Application of Insufficient Payments. Subject to Section 7.02, if at any time insufficient funds are received by and available to the Lenders or the Administrative Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and other amounts then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, but shall not be obligated to distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Notwithstanding the foregoing, the Administrative Agent is not required to make any payment to the Lenders until it is in possession of cleared funds from the Borrower.

(d) Deductions by Administrative Agent. If any Lender (other than the Initial Lender) shall fail to make any payment required to be made by it pursuant to Section 2.13 or 11.03(c), then the Administrative Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender for the benefit of the Administrative Agent to satisfy such Lender's obligations to the Administrative Agent until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and for application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Administrative Agent in its discretion.

(e) Several Obligations of Lenders. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 11.03(c) are several and not joint. The failure of any Lender to make any Loan or to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 11.03(c).

SECTION 2.13 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this paragraph shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

SECTION 2.14 Compensation for Losses. In the event of (a) the payment of any principal of the Loans other than on the last day of an Interest Period (including as a result of an Event of Default), (b) the failure to borrow or prepay the Loans (or any portion thereof) on the date specified in any notice delivered pursuant hereto, or (c) the assignment of the Loans (or any portion thereof) other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.19(b), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. Such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, for the date that would have been the applicable Interest Period), over (ii) the amount of interest that would accrue on such

principal amount for such period at the interest rate that such Lender would bid were it to bid, at the commencement of such period, for dollar deposits of a comparable amount and period from other banks in the London interbank eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate promptly after receipt thereof.

SECTION 2.15 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted LIBO Rate);

(ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Lender or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making or maintaining any Loan or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) [Reserved].

(c) Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in paragraph (a) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 2.16 Taxes.

(a) Defined Terms. For purposes of this Section, the term "Applicable Law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made. Borrower acknowledges and agrees that, absent a Change in Law, Borrower is not required to withhold or deduct from any such payments to the Initial Lender on account of any U.S. federal withholding taxes or Taxes imposed pursuant to FATCA.

(c) Payment of Other Taxes by Borrower. The Borrower shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Initial Lender, the Required Lenders or the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Borrower. The Borrower shall indemnify each Recipient, within thirty (30) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent if such Lender is not the Initial Lender), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender (other than the Initial Lender) shall severally indemnify the Administrative Agent, within thirty (30) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 11.04(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any such Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender (other than the Initial Lender) hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to such Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Evidence of Payments. As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Status of Lenders. (i) Any Lender (other than the Initial Lender) that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower

or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower (or, if such Lender is not the Initial Lender, the Administrative Agent) as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender (other than the Initial Lender), if reasonably requested by the Borrower (or the Administrative Agent), shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower (or the Administrative Agent) as will enable the Borrower (or the Administrative Agent) to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing,

(A) any Lender (other than the Initial Lender) that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI (or any successor forms) and, in the case of an Agent, a withholding certificate that satisfies the requirements of Treasury Regulation Sections 1.1441-1(b)(2)(iv) and 1.1441-1(e)(3)(v) as applicable to a U.S. branch that has agreed to be treated as a U.S. Person for withholding tax purposes;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender (other than the Initial Lender) under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so. Notwithstanding anything to the contrary in this Agreement, the Initial Lender shall be entitled to the benefits of this Section 2.16 and all related provisions under this Agreement without regard to whether it provides any documentation described in Section 2.16(g).

(h) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying

party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.17 [Reserved].

SECTION 2.18 [Reserved].

SECTION 2.19 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 2.15, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.15 or 2.16, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 2.15, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with paragraph (a) of this Section, or if any Lender is a Non-Consenting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.15 or Section 2.16) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i) the Borrower shall have paid to the Administrative Agent the assignment fee (if any) specified in Section 11.04;

(ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 2.14) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii) in the case of any such assignment resulting from a claim for compensation under Section 2.15 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments thereafter;

(iv) such assignment does not conflict with Applicable Law; and

(v) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES

The Credit Parties represent and warrant to the Administrative Agent, the Collateral Agent and the Lenders on the Closing Date and on the date of each Borrowing that:

SECTION 3.01 Existence, Qualification and Power. Each of the Credit Parties and their respective Material Subsidiaries (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in each case referred to in clause (a) (other than with respect to any Credit Party), (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.02 Authorization; No Contravention. The execution, delivery and performance by each Credit Party of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which each Credit Party is a party or affecting each Credit Party or the material properties of any Credit Party or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which any Credit Party or its property is subject or (c) violate any Law, except to the extent such violation could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, each Credit Party of this Agreement or any other Loan Document, except for (i) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect, and (ii) filings and consents contemplated by the Security Documents or Section 5.14.

SECTION 3.04 Execution and Delivery; Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Credit Party. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of each Credit Party, enforceable against each Credit Party in accordance with its terms, except

as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

SECTION 3.05 Financial Statements; No Material Adverse Change.

(a) Financial Statements. The financial statements described in Schedule 3.05 were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b) No Material Adverse Change. Since the date of the most recent audited balance sheet included in the financial statements described in Schedule 3.05, there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

SECTION 3.06 Litigation. Except for those matters which have been publicly disclosed in any SEC filing of the Parent filed prior to the Closing Date, there are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of any Credit Party, threatened, at Law, in equity, in arbitration or before any Governmental Authority, by or against any Credit Party or any of its Subsidiaries or against any of their properties or revenues that (a) either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or (b) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby.

SECTION 3.07 Contractual Obligations; No Default. None of the Credit Parties and their respective Subsidiaries is in default under or with respect to any Contractual Obligation that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

SECTION 3.08 Property. Ownership of Properties and Collateral. Each of the Credit Parties and their respective Subsidiaries has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. Each Credit Party has good title to the Collateral owned by it, free and clear of all Liens other than Permitted Liens.

SECTION 3.09 Taxes. The Credit Parties and their respective Subsidiaries have filed all federal, state and other tax returns and reports required to be filed, and have paid all federal, state and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with GAAP or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.10 Disclosure. (a) The Credit Parties and their respective Subsidiaries have disclosed to the Administrative Agent, the Collateral Agent and the Lenders all agreements, instruments and corporate or other restrictions to which they are subject, and all other matters known to them, that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. The Loan Application Form, reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of the Credit Parties and their respective Subsidiaries to any Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, do not contain any material misstatement of fact or omit to state any

material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected or pro forma financial information, the Credit Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from actual results and that such variances may be material) and (b) as of the Closing Date, the information included in the Beneficial Ownership Certification is true and correct in all respects.

SECTION 3.11 Compliance with Laws. Each of the Credit Parties and their respective Subsidiaries is in compliance with the requirements of all Laws (including Environmental Laws) and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.12 ERISA Compliance.

(a) Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter, opinion letter or advisory letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the knowledge of any Credit Party, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the knowledge of any Credit Party, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(c) No ERISA Event has occurred, and neither any Credit Party nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(d) Except as would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect, the present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount.

(e) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect. Neither the Parent nor any Subsidiary has incurred any obligation in connection with the termination of or withdrawal from any Foreign Plan that, either individually or in the aggregate, would reasonably be expected to have individually or in the aggregate, a Material Adverse Effect. Except as would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect, the present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of the Parent or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is

reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

SECTION 3.13 Environmental Matters. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, none of the Credit Parties and their respective Subsidiaries (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) has received notice of any claim, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of the Parent, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability with respect thereto.

SECTION 3.14 Investment Company Act. None of the Credit Parties is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.15 Sanctions; Export Controls; Anti-Corruption; AML Laws.

(a) None of the Credit Parties and their respective Subsidiaries and no director, officer, or affiliate of the foregoing is a Person that is: (i) the subject of any sanctions administered or enforced by the United States (including, but not limited to, those administered by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, and the U.S. Department of Commerce's Bureau of Industry and Security) ("Sanctions"), (ii) organized or resident in a country or territory that is the subject of country-wide or region-wide Sanctions (including, currently, Crimea, Cuba, Iran, North Korea, and Syria) (each a "Sanctioned Country") or located in a Sanctioned Country except to the extent authorized under Sanctions or (iii) a Person with whom dealings are restricted or prohibited by Sanctions as a result of a relationship of ownership or control with a Person listed in (i) or (ii) (each of (i), (ii) and (iii) is a "Sanctioned Person").

(b) For the period beginning eight (8) years prior to the date hereof, each of the Credit Parties and their respective Subsidiaries and their respective directors, officers and employees and, to the knowledge of the Credit Parties, such respective affiliates, have been, in all material respects, in compliance with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA") and any other applicable anti-bribery or anti-corruption laws and regulations (collectively with the FCPA, the "Anticorruption Laws") and all applicable Sanctions, Export Control Laws, and AML Laws.

SECTION 3.16 Solvency. The Borrower and its Subsidiaries are Solvent on a consolidated basis after giving effect to the borrowing of the Loans.

SECTION 3.17 Subsidiaries. Schedule 3.17 sets forth the name of, and the ownership interests of the Parent and each of its Subsidiaries and indicates which of such Subsidiaries are Excluded Subsidiaries as of the date hereof.

SECTION 3.18 Senior Indebtedness. The Loans, the Obligations and the Guaranteed Obligations constitute "senior indebtedness" (or any other similar or comparable term) under and as defined in the

documentation governing any Indebtedness of the Credit Parties that is subordinated in right of payment to any other Indebtedness thereof.

SECTION 3.19 Insurance Matters. The properties of the Credit Parties are insured pursuant to Section 5.06 hereof. Each insurance policy required to be maintained by the Credit Parties pursuant to Section 5.06 is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

SECTION 3.20 Labor Matters. Except as would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect, (a) there are no strikes, lockouts, slowdowns or other material labor disputes against any Credit Party or any of its Subsidiary thereof pending or, to the knowledge of the Credit Parties, threatened, (b) the Credit Parties and their respective Subsidiaries have complied with all applicable federal, state, local and foreign Laws relating to the employment (or termination thereof), the hours worked by and payments made to employees of the Parent and its Subsidiaries comply with the Fair Labor Standards Act and any other applicable federal, state, local or foreign Law dealing with such matters and (c) all payments due from the Credit Parties and their respective Subsidiaries, or for which any claim may be made against the Credit Parties and their respective Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or properly accrued in accordance with GAAP as a liability on the books of the Parent or such Subsidiary. There are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against the Credit Parties or their respective Subsidiaries pending or, to the knowledge of the Credit Parties, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of the Credit Parties and their respective Subsidiaries that would, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect.

SECTION 3.21 Insolvency Proceedings. None of the Credit Parties has taken, and none of the Credit Parties is currently evaluating taking, any action to seek relief or commence proceedings under any Debtor Relief Law in any applicable jurisdiction.

SECTION 3.22 Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.23 Liens. There are no Liens of any nature whatsoever on any Collateral other than Liens permitted under Section 6.02 hereof.

SECTION 3.24 Perfected Security Interests.

(a) As of the Closing Date (or such later date as permitted under Section 5.14) and as of the date of each Borrowing, the Security Documents, taken as a whole, are effective to create in favor of the Collateral Agent for the benefit of the Secured Parties a legal, valid and enforceable first priority security interest in all of the Collateral to the extent purported to be created thereby.

(b) As of the Closing Date (or such later date as permitted under Section 5.14) and as of the date of each Borrowing, each Credit Party has or shall have satisfied the Perfection Requirement with respect to the Collateral.

SECTION 3.25 US Citizenship. The Borrower is a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies.

SECTION 3.26 Air Carrier Status. The Borrower is an "air carrier" within the meaning of Section 40102 of Title 49, holds a certificate under Section 41102 of Title 49 and, during the time period from April 1, 2019 to September 30, 2019, derived more than 50% of its air transportation revenue from the transportation of passengers. The Borrower holds an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Borrower possesses all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents which relate to the operation of the routes flown by it and the conduct of its business and operations as currently conducted, except where failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

ARTICLE IV.

CONDITIONS

SECTION 4.01 Closing Date and Initial Borrowing. The effectiveness of this Agreement and the funding of the initial Borrowing hereunder are subject to the satisfaction (or waiver in accordance with Section 11.02) of the following conditions (and, in the case of each document specified in this Section to be received by the Initial Lender (and the applicable Agent or Agents), such document shall be in form and substance satisfactory to the Initial Lender and/or the applicable Agent or Agents):

(a) Executed Counterparts. The Initial Lender and the Agents shall have received from each party hereto a counterpart of this Agreement, any Security Documents to which it is a party and the Note, each signed on behalf of such party. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Agreement or any Security Documents by telecopy or other electronic means, or confirmation of the execution of this Agreement on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Certificates. The Initial Lender and any applicable Agent shall have received such customary certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Credit Parties as the Lenders may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with the Loan Documents;

(c) Organizational Documents. The Initial Lender shall have received customary resolutions or evidence of corporate authorization, secretary's certificates and such other documents and certificates (including Organizational Documents and good standing certificates) as the Initial Lender may request relating to the organization, existence and good standing of each Credit Party and any other legal matters relating to the Credit Parties, the Loan Documents or the transactions contemplated thereby.

(d) Opinion of Counsel to Credit Parties. The Initial Lender and the applicable Agent or Agents shall have received all opinions of counsel (including any additional opinions of counsel as required under any Security Document) to the Credit Parties that is acceptable to the Initial Lender, addressed to the Initial Lender and the applicable Agent or Agents and dated the Closing Date, in form and substance satisfactory to the Initial Lender and the applicable Agent (and the Parent hereby instructs such counsel to deliver such opinions to such Persons).

(e) Beneficial Ownership Regulation Information. At least five (5) days prior to the Closing Date, the Borrower shall deliver to the Initial Lender a Beneficial Ownership Certification.

(f) Expenses. The Borrower shall have paid all reasonable fees, expenses (including the fees and expenses of legal counsel) and other amounts due to the Initial Lender, the Administrative Agent and the Collateral Agent (to the extent that statements for such expenses shall have been delivered to the Borrower on or prior to the Closing Date); provided that such expenses payable by the Borrower may be offset against the proceeds of the Loans funded on the Closing Date.

(g) Officer's Certificate. The Initial Lender shall have received a certificate executed by a Responsible Officer of the Parent and the Borrower confirming (i) that the representations and warranties contained in Article III of this Agreement are true and correct on and as of the Closing Date, (ii) that the information provided in the Loan Application Form submitted by the Borrower was true and correct on and as of the date of delivery thereof, (iii) the satisfaction of such condition and (iv) that no Default or Event of Default exists or will result from the borrowing of the Loans on the Closing Date.

(h) Other Documents. The Initial Lender and the Agents shall have received such other documents as it may request.

(i) Appraisals. The Initial Lender shall have received Appraisals satisfactory in form and substance and performed by an Eligible Appraiser dated as of a date no earlier than thirty (30) days prior to the Closing Date.

(j) Security Interests. Each Credit Party shall have, and caused its Subsidiaries to, take any action and execute and deliver, or cause to be executed and delivered, any agreement, document or instrument required in order to create a valid, perfected first priority security interest in the Collateral in favor of the Collateral Agent for the benefit of the Secured Parties (including delivery of UCC financing statements in appropriate form for filing under the UCC and entering into control agreements). Each Credit Party shall have satisfied, and caused its Subsidiaries to satisfy, the Perfection Requirement with respect to the Collateral. In addition, the Credit Parties shall have delivered a completed Perfection Certificate (as defined in the Pledge and Security Agreement).

(k) Consents and Authorizations. Each Credit Party shall have obtained all consents and authorizations from Governmental Authorities and all consents of other Persons (including shareholder approvals, if applicable) that are necessary or advisable in connection with this Agreement, any Loan Document, any of the transactions contemplated hereby or thereby or the continuing operations of the Credit Parties and each of the foregoing shall be in full force and effect and in form and substance satisfactory to the Initial Lender.

(l) Lien Searches. The Initial Lender shall have received (i) UCC and other lien searches conducted in the jurisdictions and offices where liens on material assets of the Credit Parties are required to be filed or recorded and (ii) to the extent Collateral consists of (x) Aircraft and Engine Assets (as defined in the Pledge and Security Agreement), aircraft registry lien searches conducted with the FAA and the International Registry, and (y) Spare Part Assets (as defined in the Pledge and Security Agreement), registry lien searches conducted with the FAA (with reference to each Designated Spare Parts Location set forth on Schedule 2.1 of the Pledge and Security Agreement), in each case, reflecting the absence of Liens on the assets of the Credit Parties other than Permitted Liens or Liens to be discharged on or prior to the Closing Date pursuant to documentation satisfactory to the Initial Lender.

(m) Collateral Coverage Ratio. On the Closing Date (and after giving pro forma effect to any Borrowings on such date), the Collateral Coverage Ratio shall not be less than 2.0 to 1.0.

(n) Solvency Certificate. The Initial Lender shall have received a certificate of the chief financial officer or treasurer (or other comparable officer) of the Parent certifying that the Borrower and its Subsidiaries (taken as a whole) are, and will be immediately after giving effect to any Loans borrowed on the Closing Date, Solvent.

(o) Warrant Agreement. Treasury and Parent shall have entered into the Warrant Agreement.

(p) Other Matters. Since June 29, 2020, (i) there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect and (ii) none of the Credit Parties has made a Disposition of any assets constituting Collateral had this Agreement been in effect at such time other than as (x) would have been permitted under Section 6.04(e) or (h) and (y) Dispositions, other than sales, of Slots and Gate Leaseholds, in the ordinary course of business and consistent with past practice, which would have been permitted by Section 6.04 had this Agreement been in effect at such time (and, for the avoidance of doubt, without reliance on a release of Collateral under Section 6.17(b)(iii)).

SECTION 4.02 Each Borrowing. The funding by the Lenders of each Borrowing (including the Borrowing to be requested on the Closing Date) is additionally subject to the satisfaction of the following conditions:

(a) the Administrative Agent shall have received a written Borrowing Request in accordance with the requirements of Section 2.03(a), with a copy to the Initial Lender (solely to the extent the Initial Lender is a Lender at the time of such Borrowing);

(b) the representations and warranties of the Credit Parties set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Borrowing (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date);

(c) no Default shall have occurred and be continuing or would result from such Borrowing or from the application of proceeds thereof;

(d) on the date of the funding of such Borrowing (and after giving pro forma effect thereto and the pledge of any Additional Collateral), (a) the sum of (i) the aggregate principal amount of such Borrowing *plus* (ii) the aggregate principal amount of all Loans and Commitments (each excluding the aggregate principal amount of such Borrowing) outstanding as of such date shall not exceed (b) the Specified Appraised Value, as evidenced by a certificate of a Responsible Officer of the Parent;

(e) on the date of such Borrowing, the opinion of the independent public accountants (after giving effect to any reissuance or revision of such opinion) on the most recent audited consolidated financial statements delivered by the Parent pursuant to Section 5.01(a) shall not include a "going concern" qualification under GAAP as in effect on the date of this Agreement or, if there is a change in the relevant provisions of GAAP thereafter, any like qualification or exception under GAAP after giving effect to such change;

(f) on or prior to the date of such Borrowing, each Credit Party shall have satisfied the Perfection Requirement with respect to the Collateral; and

(g) until the Post-Closing Pledge Condition is satisfied, on the date of the funding of such Borrowing (and after giving pro forma effect thereto), the aggregate principal amount of Loans outstanding as of such date shall not exceed $7,160,000,000.

Each Borrowing Request by the Borrower hereunder and each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on and as of the date of the applicable Borrowing as to the matters specified in clauses (b) and (c) above in this Section.

ARTICLE V.

AFFIRMATIVE COVENANTS

Until all the later of (i) the date on which all of the Obligations shall have been paid in full and (ii) such later date specified in this Agreement, the Credit Parties covenant and agree with the Lenders that:

SECTION 5.01 Financial Statements. The Parent will furnish to the Administrative Agent and each Lender:

(a) as soon as available, and in any event within ninety (90) days after the end of each fiscal year of the Parent (or, if earlier, five (5) days after the date required to be filed with the SEC) (commencing with the fiscal year ended prior to the Closing Date), a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited and accompanied by a report and opinion of independent public accountants of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards (and shall not be subject to any "going concern" or like qualification (other than a qualification solely resulting from (x) the impending maturity of any Indebtedness or (y) any prospective or actual default under any financial covenant), exception or explanatory paragraph or any qualification, exception or explanatory paragraph as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) as soon as available, but in any event within forty-five (45) days after the end of each of the first three (3) fiscal quarters of each fiscal year of the Parent (or, if earlier, five (5) days after the date required to be filed with the SEC) (commencing with the first of such fiscal quarters ended prior to the Closing Date), a consolidated balance sheet of the Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations, shareholders' equity and cash flows for such fiscal quarter and for the portion of the Parent's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, certified by a Financial Officer of the Parent as fairly presenting in all material respects the financial condition, results of operations, shareholders' equity and cash flows of the Parent and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject only to normal year-end audit adjustments and the absence of notes;

(c) for so long as the Initial Lender is the only Lender, as soon as available, but in any event no later than seventy-five (75) days after the beginning of each fiscal year of the Parent, forecasts prepared by management of the Parent and a summary of material assumptions used to prepare such forecasts, in form satisfactory to the Initial Lender, including projected consolidated balance sheets and statements of income or operations and cash flows of the Parent and its Subsidiaries on a quarterly basis for such fiscal year; and

(d) solely at the request of the Appropriate Party (which shall be no more than quarterly), at a time mutually agreed with the Appropriate Party and the Parent, participate in a conference call for Lenders to discuss the financial condition and results of operations of the Parent and its Subsidiaries and any forecasts which have been delivered pursuant to this Section 5.01.

SECTION 5.02 Certificates; Other Information. The Parent will deliver to the Administrative Agent and each Lender:

(a) [reserved];

(b) concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed certificate signed by a Responsible Officer of the Parent certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto;

(c) [reserved];

(d) promptly after the furnishing thereof, copies of any notice of default or potential default or other material written notice received by the Parent or any Subsidiary from, or furnished by the Parent or any Subsidiary to, any holder of Material Indebtedness of the Parent or any Subsidiary;

(e) promptly after receipt thereof by any Credit Party or any Subsidiary thereof, copies of each material notice or other material written correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding material financial or other material operational results of any Credit Party or any Subsidiary thereof;

(f) [reserved];

(g) promptly following any request therefor, (i) such other information regarding the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Credit Party or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent, the Initial Lender or any other Lender (acting through the Administrative Agent) may from time to time request; or (ii) beneficial ownership information and documentation reasonably requested by the Administrative Agent or any Lender from time to time for purposes of ensuring compliance with Sanctions and AML Laws. For purposes of determining whether or not a representation with respect to any indirect ownership is true or a covenant is being complied with under this Section, the Parent shall not be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the ownership of assets by a collective investment fund that holds assets for employee benefit plans or retirement arrangements; and

(h) concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed certificate signed by a Responsible Officer of the Borrower certifying as to its compliance with Article X of this Agreement.

Documents required to be delivered pursuant to Section 5.01(a) or (b) or Section 5.02(c), (d) or (e) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on the Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (A) upon written request by the Administrative Agent, the Parent shall deliver paper copies of such documents to the Administrative Agent or any Lender upon its request to the Parent to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B) the Parent shall notify the Administrative Agent and each Lender (by facsimile or electronic mail) of the posting of any such documents and provide to the Lenders by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above.

SECTION 5.03 Notices. The Parent will promptly notify the Administrative Agent and each Lender of:

(a) promptly after any Responsible Officer of Parent or any of its Subsidiaries obtains knowledge thereof, the occurrence of any Default;

(b) the filing or commencement of any action, suit, investigation or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent or any Controlled Affiliate thereof, including pursuant to any applicable Environmental Laws, that could reasonably be expected to be adversely determined, and, if so determined, could reasonably be expected to have a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to have a Material Adverse Effect;

(d) notice of any action arising under any Environmental Law or of any noncompliance by any Credit Party or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(e) to the extent not publicly disclosed pursuant to an SEC filing of the Parent, any material change in accounting or financial reporting practices by the Parent, any Credit Party or any Subsidiary;

(f) any change in the Credit Ratings from a Credit Rating Agency with negative implications, or the cessation by a Credit Rating Agency of, or its intent to cease, rating the Borrower's or the Parent's debt; and

(g) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Parent setting forth the details of the occurrence requiring such notice and stating what action the Parent has taken and proposes to take with respect thereto.

SECTION 5.04 Preservation of Existence, Etc. Each Credit Party will, and will cause each of its Subsidiaries to, (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 6.03 or 6.04; (b) take all reasonable action to maintain all rights, licenses, permits, privileges and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

SECTION 5.05 Maintenance of Properties. Each Credit Party will, and will cause each of its Subsidiaries to, (a) maintain, preserve and protect all of its properties and equipment necessary in the operation of its business in good working order and condition (ordinary wear and tear excepted) and (b) make all necessary repairs thereto and renewals and replacements thereof, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.06 Maintenance of Insurance. Subject to any additional requirements under any Security Document, each Credit Party will maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as Parent and its Subsidiaries; provided that, insurance in respect of Collateral shall be maintained with such third

party insurance companies except to the extent expressly permitted in the Pledge and Security Agreement) as are customarily carried under similar circumstances by such Persons.

SECTION 5.07 Payment of Obligations. Each Credit Party will pay, discharge or otherwise satisfy as the same shall become due and payable, all of its obligations and liabilities, including Tax liabilities, except to the extent (a) the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Parent or such Credit Party or (b) the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.08 Compliance with Laws. Each Credit Party will, and will cause each of its Subsidiaries to, comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.09 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, each Credit Party will, and will cause each of its Subsidiaries to, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required for the facilities or operations of the Parent or any of its Subsidiaries, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of the Parent or any of its Subsidiaries.

SECTION 5.10 Books and Records. Each Credit Party will maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Parent or such Subsidiary, as the case may be.

SECTION 5.11 Inspection Rights. Each Credit Party will, and, to the extent relevant for inspections of Collateral will cause each of its Subsidiaries to, permit representatives, agents and independent contractors of the Administrative Agent, the Initial Lender and the Special Inspector General for Pandemic Recovery to visit and inspect any of its properties (including all Collateral), to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of the Parent and at such reasonable times during normal business hours and as often as may be reasonably requested; provided that, other than with respect to such visits and inspections during the continuation of an Event of Default or by the Initial Lender or the Special Inspector General for Pandemic Recovery, (a) only the Administrative Agent (or its representatives, agents and independent contractors) at the direction of a Lender may exercise rights under this Section and (b) the Administrative Agent (or its representatives, agents and independent contractors) shall not exercise such rights more often than two (2) times during any calendar year; provided, further, that when an Event of Default exists the Administrative Agent, any Lender or the Special Inspector General for Pandemic Recovery (or any of their respective representatives, agents or independent contractors) may do any of the foregoing under this Section at the expense of the Parent and at any time during normal business hours and without advance notice.

SECTION 5.12 Sanctions; Export Controls; Anti-Corruption Laws and AML Laws. Each Credit Party and its Subsidiaries will remain in compliance in all material respects with applicable Sanctions, Export Control Laws, Anticorruption Laws, and AML Laws. Until all Obligations have been paid in full, neither any Credit Party; any Subsidiary of a Credit Party; nor any director or officer of any Credit Party or any Subsidiary of a

Credit Party shall become a Sanctioned Person or a Person that is organized or resident in a Sanctioned Country or located in a Sanctioned Country except to the extent authorized under Sanctions.

SECTION 5.13 Guarantors; Additional Collateral.

(a) The Guarantors listed on the signature page to this Agreement hereby Guarantee the Guaranteed Obligations as set forth in Article IX . If any Subsidiary (other than an Excluded Subsidiary) is formed or acquired after the Closing Date, if any Subsidiary ceases to be an Excluded Subsidiary or if required in connection with the addition of Additional Collateral, then the Parent will cause such Subsidiary, promptly (in any event, within thirty (30) days of such Subsidiary being formed or acquired or of such Subsidiary ceasing to be an Excluded Subsidiary) (i) to become a Guarantor of the Loans pursuant to joinder documentation reasonably acceptable to the Appropriate Party and on the terms and conditions set forth in Article IX, (ii) to become a party to each applicable Security Document and all other agreements, instruments or documents that create or purport to create and perfect a first priority Lien (subject to Permitted Liens) in favor of the Collateral Agent for the benefit of the Secured Parties in its assets that are of a type that are intended to be included in the Collateral (other than any Excluded Assets), subject to and in accordance with the terms, conditions and provisions of the Loan Documents, (iii) to satisfy the Perfection Requirement, (iv) to deliver a secretary's certificate of such Subsidiary, in form and substance reasonably acceptable to the Appropriate Party, with appropriate insertions and attachments, and (v) to deliver legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, satisfactory to the Appropriate Party.

(b) If the Parent or any Subsidiary desires, or is required pursuant to the terms of this Agreement, to add Additional Collateral or, if any Subsidiary acquires any existing Collateral from a Grantor (as defined in the Pledge and Security Agreement) that it is required pursuant to the terms of this Agreement to maintain as Collateral, in each case, after the Closing Date, the Parent shall, in each case at its own expense, promptly (in any event, unless any other time period is specified in this Agreement or any other Loan Document within thirty (30) days of the relevant date) (i) cause any such Subsidiary to become a Grantor (to the extent such Subsidiary is not already a Grantor) pursuant to joinder documentation acceptable to the Appropriate Party and on the terms and conditions set forth in the relevant Security Documents, (ii) cause any such Subsidiary to become a party to each applicable Security Document and all other agreements, instruments or documents that create or purport to create and perfect a first priority Lien (subject to Permitted Liens) in favor of the Collateral Agent for the benefit of the Secured Parties applicable to such Collateral, in form and substance satisfactory to the Appropriate Party (it being understood that in the case of any Additional Collateral of a type, or in a jurisdiction, that has not been theretofore included in the Collateral, such Additional Collateral may be subject to such additional terms and conditions as requested by the Appropriate Party), (iii) promptly execute and deliver (or cause such Subsidiary to execute and deliver) to the Collateral Agent such documents and take such actions to create, grant, establish, preserve and perfect the first priority Liens (subject to Permitted Liens) (including to obtain any release or termination of Liens not permitted under the definition of "Additional Collateral" in Section 1.01 or under Section 6.02 and to satisfy all Perfection Requirements, including the filing of UCC financing statements, filings with the FAA and registrations with the International Registry, as applicable) in favor of the Collateral Agent for the benefit of the Secured Parties on such assets of the Parent or such Subsidiary, as applicable, to secure the Obligations to the extent required under the applicable Security Documents or reasonably requested by the Appropriate Party, and to ensure that such Collateral shall be subject to no other Liens other than Permitted Liens and (iv) if requested by the Appropriate Party, deliver (or cause such Subsidiary to deliver) legal opinions to the Collateral Agent, for the benefit of the Secured Parties, relating to the matters described above, which opinions shall be in form and substance, and from counsel, satisfactory to the Appropriate Party.

SECTION 5.14 Post-Closing Matters. As promptly as practicable, and in any event within the time periods after the Closing Date specified on Schedule 5.14 or such later date as the Initial Lender may agree to

in writing in its sole discretion, the Parent shall deliver the documents or take the actions specified on Schedule 5.14 that would have been required to be delivered or taken on the Closing Date.

SECTION 5.15 Further Assurances. In each case subject to the terms, conditions and limitations in the Loan Documents, (a) each Credit Party shall remain in compliance with the Perfection Requirement with respect to all Collateral (including any assets, rights and properties that (x) become Collateral after the Closing Date and (y) any permitted replacement or substitute assets, rights and properties thereof (including any Additional Collateral) and (b) each Credit Party shall, promptly and at its expense, execute any and all further documents and instruments and take all further actions, that may be required or advisable under applicable law or that the Initial Lender, the Administrative Agent or the Collateral Agent may request, in order to create, grant, establish, preserve, protect, renew or perfect the validity, perfection or first priority of the Liens and security interests created or intended to be created by the Security Documents, in each case to the extent required under this Agreement or the Security Documents (including with respect to any additions to the Collateral (including any Additional Collateral) or replacements, substitutes or proceeds thereof or with respect to any other property or assets hereafter acquired by any Credit Party that are of a type that are intended to be included in the Collateral).

SECTION 5.16 Delivery of Appraisals. The Parent shall (1) within ten (10) Business Days prior to the last Business Day of March and September of each year, beginning with March 31, 2021 and (2) promptly (but in any event within thirty (30) days) following request by the Administrative Agent (acting at the direction of the Required Lenders) if an Event of Default has occurred and is occurring, deliver to the Administrative Agent one or more Appraisals determining the Appraised Value of the Collateral. In addition, on the date upon which any Additional Collateral is pledged as Collateral to the Collateral Agent for the benefit of the Secured Parties to secure the Obligations, but only with respect to such Additional Collateral, the Parent shall deliver to the Administrative Agent one or more Appraisals determining the Appraised Value of such Additional Collateral.

SECTION 5.17 Ratings. At any time when the Initial Lender is a Lender, the Borrower shall, upon request by the Initial Lender, use its reasonable best efforts to obtain a public rating in respect of the Loans by any two of S&P, Moody's and Fitch in connection with any contemplated assignment of, or participation in, the Loans.

SECTION 5.18 Regulatory Matters.

(a) US Citizenship. The Borrower will at all times maintain its status as a "citizen of the United States" as defined in Section 40102(a)(15) of Title 49 and as that statutory provision has been interpreted by the DOT pursuant to its policies.

(b) Air Carrier Status. The Borrower will at all times maintain its status as an "air carrier" within the meaning of Section 40102 of Title 49 and holds a certificate under Section 41102 of Title 49. The Borrower will at all times possess an air carrier operating certificate issued pursuant to Chapter 447 of Title 49. The Borrower will at all times possess all necessary certificates, franchises, licenses, permits, rights, designations, authorizations, exemptions, concessions, frequencies and consents which relate to the operation of the routes flown by it and the conduct of its business and operations as currently conducted, except where failure to do so, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

ARTICLE VI.

NEGATIVE COVENANTS

Until all the later of (i) the date on which all of the Obligations shall have been paid in full and (ii) such later date specified in this Agreement, the Credit Parties covenant and agree with the Lenders that:

SECTION 6.01 [Reserved].

SECTION 6.02 Liens. Parent will not, and will not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien upon any property or assets constituting Collateral, whether now owned or hereafter acquired, except for Permitted Liens.

SECTION 6.03 Fundamental Changes. Parent will not, and will not permit any of its Subsidiaries to, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Borrower; provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries; provided that (x) when any Wholly-Owned Subsidiary is merging with another Subsidiary, a Wholly-Owned Subsidiary shall be the continuing or surviving Person and (y) when any Subsidiary that is a Credit Party is merging with another Subsidiary, then such other Subsidiary shall be a Credit Party;

(b) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Parent or to another Subsidiary; provided that (x) if the transferor in such a transaction is a Wholly-Owned Subsidiary, then the transferee shall either be the Parent or another Wholly-Owned Subsidiary and (y) if the transferor in such a transaction is a Credit Party, then the transferee shall be a Credit Party;

(c) the Parent and its Subsidiaries may make Dispositions permitted by Section 6.04;

(d) any Investment permitted by Section 6.06 may be structured as a merger, consolidation or amalgamation;

(e) any Subsidiary may dissolve, liquidate or wind up its affairs if it owns no material assets, engages in no business and otherwise has no activities other than activities related to the maintenance of its existence and good standing; and

(f) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise), provided that such assets do not constitute all or substantially all of the consolidated assets of the Parent and its Subsidiaries.

SECTION 6.04 Dispositions. Parent will not, and will not permit any of its Subsidiaries to, sell or otherwise make any Disposition of Collateral or enter into any agreement to make any sale or other Disposition of Collateral (in each case, including, without limitation by way of any sale or other Disposition of any Guarantor), except, subject to Article X and so long as no Default shall have occurred and be continuing at the time of any action described below, or would result therefrom:

(a) [reserved];

(b) Dispositions of Collateral among the Credit Parties (including any Person that shall become a Credit Party simultaneous with such Disposition in the manner contemplated by Section 5.13); provided that:

(i) such Collateral remains at all times subject to a Lien with the same priority and level of perfection as was the case immediately prior to such Disposition (and otherwise subject only to Permitted Liens) in favor of the Collateral Agent for the benefit of the Secured Parties following such Disposition;

(ii) concurrently therewith, the Credit Parties shall execute any documents and take any actions reasonably required to create, grant, establish, preserve or perfect such Lien in accordance with the other provisions of this Agreement or the Security Documents;

(iii) if requested by the Appropriate Party, concurrently therewith, the Appropriate Party shall receive an opinion of counsel to the applicable Credit Party (x) in the case of Collateral that consists of Route Authorities, Slots and/or Gate Leaseholds, as to the creation and perfection under Article 9 of the UCC of the Lien of the security agreement or mortgage, as applicable, and subject to assumptions and qualifications (including as provided in the opinion(s) delivered on the Closing Date), and (y) in the case of any other Collateral, as to the creation and perfection of the Lien of such security agreement or mortgage, as applicable, in form and substance satisfactory to the Appropriate Party; and

(iv) concurrently with any Disposition of Collateral to any Person that shall become a Credit Party simultaneous with such Disposition in the manner contemplated by Section 5.13, such Person shall have complied with the requirements of Section 5.13.

(c) to the extent constituting a Disposition of Collateral, the incurrence of Liens that are permitted to be incurred pursuant to Section 6.02;

(d) Disposition of cash or Cash Equivalents in exchange for other cash or Cash Equivalents constituting Collateral and having reasonably equivalent value therefor;

(e) the abandonment or Disposition of assets no longer useful or used in the business; provided that such abandonment or Disposition is (A) in the ordinary course of business and (B) with respect to assets that are not material to the business of the Parent and the Subsidiaries taken as a whole;

(f) [reserved];

(g) any Disposition of property resulting from an event of loss with respect to any aircraft, airframe, engine, spare engine or Spare Parts if the Credit Party is replacing such aircraft, airframe, engine, spare engine or Spare Parts in accordance with the terms of the Loan Documents; and

(h) any Disposition of Collateral permitted by any of the Security Documents.

SECTION 6.05 Restricted Payments. Parent will not, and will not permit any of its Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except, that, subject to additional restrictions set forth in Article X, so long as no Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may make Restricted Payments to the Parent and any other Person that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of such Equity Interests in respect of which such Restricted Payment is being made;

(b) the Parent and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person;

(c) the Parent and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new common Equity Interests;

(d) the Parent and each Subsidiary may pay withholding or similar taxes payable by any future, present or former employee, director or officer (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) in connection with any repurchases of Equity Interests or the exercise of stock options;

(e) the repurchase of Equity Interests or other securities deemed to occur upon (A) the exercise of stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities, to the extent such Equity Interests or other securities represent a portion of the exercise price of those stock options, warrants or other securities convertible or exchangeable into Equity Interests or any other securities or (B) the withholding of a portion of Equity Interests issued to employees and other participants under an equity compensation program of the Parent or its Subsidiaries to cover withholding tax obligations of such persons in respect of such issuance;

(f) payments of cash, dividends, distributions, advances, common stock or other Restricted Payments by the Parent or any of its Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (A) the exercise of options or warrants, (B) the conversion or exchange of capital stock of any such Person or (C) the conversion or exchange of Indebtedness or hybrid securities into capital stock of any such Person;

(g) the Parent may make cash payments in connection with any conversion or exchange of Convertible Indebtedness in amount equal to the sum of (i) the principal amount of such Convertible Indebtedness and (ii) the proceeds of any payments received by the Parent or any of its Subsidiaries pursuant to the exercise, settlement or termination of any related Permitted Bond Hedge Transaction;

(h) the Parent may make payments in connection with a Permitted Bond Hedge Transaction (i) by delivery of shares of the Parent's Equity Interests upon net share settlement thereof or (ii) by (A) set-off against the related Permitted Bond Hedge Transaction and (B) payment of an early termination amount thereof in common Equity Interests of the Parent upon any early termination thereof; and

(i) Restricted Payments not to exceed the amount allowable pursuant to Schedule 6.05(i).

SECTION 6.06 Investments. Parent will not, and will not permit any of its Subsidiaries to, make any Investments, except:

(a) Investments held by the Parent or such Subsidiary in the form of cash or Cash Equivalents;

(b) (i) Investments in Subsidiaries in existence on the Closing Date, (ii) other Investments in existence on the Closing Date and listed in Section I to Schedule 6.06 and (iii) other Investments described on Section II of Schedule 6.06, and, in each case, any refinancing, refunding, renewal or extension of any such Investment that does not increase the amount thereof;

(c) advances to officers, directors and employees of the Parent and its Subsidiaries in an aggregate amount not exceeding, at any time outstanding, an amount that is customary and consistent with past practice, for travel, entertainment, relocation and similar ordinary business purposes;

(d) (v) Investments of the Parent in the Borrower or any other Credit Party, (w) Investments of any Subsidiary in the Parent or any other Credit Party, (x) Investments made between Subsidiaries that are not Credit Parties, (y) Investments of any MPH Company in a Credit Party, and (z) to the extent required by, or for compliance with the obligations under, the MPH Facility (including Investments pursuant to the IP Agreements or the Intercompany Agreements (each as defined in the MPH Facility)), Investments of any Credit Party in an MPH Company; provided that any such Investments made pursuant to this clause (d) (other than those made pursuant to subclause (y)), in the form of intercompany indebtedness incurred by a Credit Party and owed to a Subsidiary that is not a Credit Party shall be subordinated to the Obligations and the Guaranteed Obligations on customary terms (it being understood and agreed that any Investments permitted under this clause (d) in the form of intercompany indebtedness that are not already subordinated on such terms as of the Closing Date shall not be required to be so subordinated until the date that is thirty (30) days after the Closing Date);

(e) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(f) Investments consisting of the indorsement by the Parent or any Subsidiary of negotiable instruments payable to such Person for deposit or collection in the ordinary course of business;

(g) to the extent constituting an Investment, transactions otherwise permitted by Sections 6.03 and 6.05;

(h) any Investments received in compromise or resolution of (i) obligations of trade creditors or customers that were incurred in the ordinary course of business of Parent or any of its Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (ii) litigation, arbitration or other disputes;

(i) Investments represented by obligations in respect of Swap Contracts that are not speculative in nature and that are entered into to hedge or mitigate risks to which the Parent or any of its Subsidiaries has (or will have) actual exposure (other than those in respect of the Equity Interests or Indebtedness of the Parent or any of its Subsidiaries);

(j) accounts receivable arising in the ordinary course of business;

(k) any guarantee of Indebtedness of Parent or any Subsidiary of Parent, other than any guarantee of Indebtedness secured by Liens that would not be permitted under Section 6.02;

(l) Investments to the extent that payment for such Investment is made with the capital stock of the Parent;

(m) Investments having an aggregate fair market value (measured on the date each such Investment was made and without giving effect to subsequent changes in value other than a reduction for all returns of principal in cash and capital dividends in cash), when taken together with all Investments made pursuant to this clause (n) that are at the time outstanding, not to exceed 30% of the total consolidated assets of the Parent and its Subsidiaries at the time of such Investment;

(n) Permitted Bond Hedge Transactions to the extent constituting Investments; and

(o) Investments in Finance Entities in the ordinary course of business of the Parent and its Subsidiaries or that are otherwise customary for airlines based in the United States.

SECTION 6.07 Transactions with Affiliates. Parent will not, and will not permit any of its Subsidiaries to, enter into any transaction of any kind involving aggregate payments or consideration in excess of $50,000,000 with any Affiliate of the Parent, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Parent or such Subsidiary as would be obtainable by the Parent or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate, subject to delivery of (x) with respect to any transaction or series of related transactions involving aggregate consideration in excess of $100,000,000, a certificate of a Responsible Officer of the Parent certifying as to compliance with the foregoing and (y) with respect to any transaction or series of related transactions involving aggregate consideration in excess of $150,000,000, an opinion as to the fairness to the Parent or such Subsidiary of such transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing (provided that this clause (y) shall not apply to any transaction between or among the Parent or any of its Subsidiaries and any Finance Entities); provided that, subject to Article X, the foregoing restriction shall not apply to:

(a) transactions between or among the Parent and any Wholly-Owned Subsidiaries; provided that, for purposes of this clause (a), any MPH Company that would constitute a Wholly-Owned Subsidiary except as a result of nominal shares issued in connection with special purpose vehicle structures established in connection with the MPH Facility will be deemed to be a Wholly-Owned Subsidiary,

(b) Restricted Payments permitted by Section 6.05,

(c) Investments permitted by Section 6.06(b), or (c) or (d),

(d) transactions described in Schedule 6.07,

(e) any employment agreement, confidentiality agreement, non-competition agreement, incentive plan, employee stock option agreement, long-term incentive plan, profit sharing plan, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Parent or any of its Subsidiaries in the ordinary course of business and payments pursuant thereto, and

(f) payment of fees, compensation, reimbursements of expenses (pursuant to indemnity arrangements or otherwise) and reasonable and customary indemnities provided to or on behalf of officers, directors, employees or consultants of the Parent or any of its Subsidiaries.

SECTION 6.08 [Reserved].

SECTION 6.09 [Reserved].

SECTION 6.10 Changes in Nature of Business. Parent will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than those businesses conducted by the Parent and its Subsidiaries on the date hereof or any business reasonably related or incidental thereto or representing a reasonable expansion thereof.

SECTION 6.11 Sanctions; AML Laws. Parent will not, and will not permit any of its Subsidiaries to, directly or knowingly indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person to fund any activities or

business of or with any Person in a manner that would result in a violation of Sanctions or AML Laws by any Person.

SECTION 6.12 Amendments to Organizational Documents. Parent will not, and will not permit any of its Subsidiaries to amend, modify, or grant any waiver or release under or terminate in any manner, any Organizational Documents in any manner materially adverse to, or which would impair the rights of, the Lenders.

SECTION 6.13 [Reserved]

SECTION 6.14 Prepayments of Junior Indebtedness. Parent will not, and will not permit any of its Subsidiaries to, make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment, sinking fund payment or maturity, any Indebtedness secured by junior Liens on the Collateral or that is subordinated in right of payment to the Obligations, in each case other than in connection with a Permitted Refinancing of such Indebtedness.

SECTION 6.15 Lobbying. Parent will not, and will not permit any of its Subsidiaries to, directly, or to the Parent or such Subsidiary's knowledge, indirectly, use the proceeds of the Loans, or lend, contribute, or otherwise make available such proceeds to any other Person (i) for publicity or propaganda purposes designated to support or defeat legislation pending before the U.S. Congress or (ii) to fund any activities that would constitute "lobbying activities" as defined under 2 U.S.C. § 1602. The Parent shall, and shall cause its subsidiaries to, comply with the provisions of 31 U.S.C. § 1352, as amended, and with the regulations at 31 CFR Part 21.

SECTION 6.16 Use of Proceeds. Parent will not, and will not permit any of its Subsidiaries to, use the proceeds of the Loans for any purpose other than for general corporate purposes and operating expenses (including payroll, rent, utilities, materials and supplies, repair and maintenance, and scheduled interest payments on other Indebtedness incurred before February 15, 2020), in each case in compliance with all applicable law to the extent permitted by the CARES Act; provided however that the proceeds of the Loans shall not be used for any non-operating expenses (including capital expenses, delinquent taxes and payments of principal on other Indebtedness), unless the Parent can demonstrate, to the satisfaction of the Initial Lender, that payment of any such non-operating expense is necessary to optimize the continued operations of the Parent's business and does not merely constitute a transfer of risk from an existing creditor or investor to the Federal taxpayer.

SECTION 6.17 Financial Covenants.

(a) Liquidity. The Parent will not permit the aggregate amount of Liquidity at the close of any Business Day to be less than $2,000,000,000.

(b) Collateral Coverage Ratio.

(i) Within ten (10) Business Days after (x) the last day of March and September of each year (beginning with March 2021) or (y) any date on which an Appraisal is delivered pursuant to clause (2) of Section 5.16 (each such date in clauses (x) and (y), a "CCR Reference Date" and the tenth Business Day after a CCR Reference Date, a "CCR Certificate Delivery Date"), the Parent shall deliver to the Administrative Agent a certificate of a Responsible Officer of the Parent containing a calculation of the Collateral Coverage Ratio (a "CCR Certificate").

(ii) If the Collateral Coverage Ratio with respect to any CCR Reference Date is less than 1.60 to 1.00, the Borrower shall, no later than ten (10) Business Days after the applicable CCR Certificate Delivery Date, (x) prepay any outstanding Loans such that following such prepayment, the Collateral Coverage Ratio with respect to such CCR Reference Date, recalculated by subtracting any such

prepaid portion of the Loans, shall be no less than 1.60 to 1.00 and/or (y) designate Additional Collateral as additional Eligible Collateral and comply with Sections 5.13 and 5.15, collectively, in an amount such that following such designation, the Collateral Coverage Ratio with respect to such CCR Reference Date, recalculated by adding such Additional Collateral, shall be no less than 1.60 to 1.00.

(iii) At the Parent's request, the Lien on any Collateral will be released, provided, in each case, that the following conditions are satisfied or waived: (a) no Event of Default shall have occurred and be continuing, (b) either (x) after giving effect to such release, the Collateral Coverage Ratio is not less than 2.00 to 1.00 (or in the case of a swap or exchange of existing Additional Collateral with new Additional Collateral, less than 1.60 to 1.00) or (y) the Parent shall prepay or cause to be prepaid the Loans and/or shall designate Eligible Collateral as Additional Collateral and comply with Sections 5.13 and 5.15, collectively, in an amount necessary to cause the Collateral Coverage Ratio to not be less than 2.00 to 1.00 (or in the case of a swap or exchange of existing Additional Collateral with new Additional Collateral, less than 1.60 to 1.00); *provided* that this clause (b) shall not be a condition to the release of any Specified SGR Assets if such SGR Assets are pledged to secure the Specified Facility substantially concurrently with such release and (c) the Parent shall deliver a certificate to the Appropriate Party executed by a Responsible Officer demonstrating compliance with this Section 6.17(b)(iii).

ARTICLE VII.

EVENTS OF DEFAULT

SECTION 7.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan, or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of two (2) or more Business Days;

(c) any representation or warranty made or deemed made by or on behalf of any Credit Party, including those made prior to the Closing Date, in or in connection with this Agreement, the Loan Application Form or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement, the Loan Application Form or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement, the Loan Application Form or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect) when made or deemed made;

(d) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in Section 5.03(a), 5.04 (with respect to the Borrower's existence) or in Article VI or Article X;

(e) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause

(a), (b) or (d) of this Section) and such failure shall continue unremedied for a period of thirty (30) or more days after notice thereof by the Administrative Agent or the Initial Lender to the Parent;

(f) (i) Any Credit Party or any Subsidiary thereof shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness (other than Indebtedness under this Agreement) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument governing such Material Indebtedness; or (ii) any Credit Party or any Subsidiary thereof shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event results in the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) causing such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (in the case of a default, automatically or otherwise), or causing an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (f)(ii) shall not apply to secured Indebtedness that becomes due as a result of (x) the voluntary sale or transfer (or disposition of property as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such Indebtedness or (y) an event which triggers a mandatory prepayment, repurchase, defeasement or redemption or "Early Amortization Event" (as defined in the MPH Facility) under the MPH Facility, so long as such event does not constitute a default hereunder or under the MPH Facility and such Indebtedness is repaid when required under the MPH Facility;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of any Credit Party or any Material Subsidiary thereof or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for any Credit Party or any Material Subsidiary thereof or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for a period of sixty (60) or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) any Credit Party or any Material Subsidiary thereof shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent or any of its Subsidiaries or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i) any Credit Party or any Material Subsidiary thereof shall become unable, admit in writing its inability or fail generally to pay its debts as they become due;

(j) there is entered against any Credit Party or any Material Subsidiary thereof (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding $220,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of

thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

(k) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Credit Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect;

(l) [reserved];

(m) any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or any Credit Party or any other Person who is a party to any Loan Document contests in writing the validity or enforceability of any provision of any Loan Document; or any Credit Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

(n) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted in writing by any Credit Party not to be, a legal, valid and perfected Lien on any material portion of the Collateral (individually or in the aggregate), with the priority required by the applicable Security Documents, except (i) as a result of the sale or other Disposition of the applicable Collateral to a Person that is not a Credit Party in a transaction not prohibited under the Loan Documents or (ii) as a result of either Agent's failure to maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Security Documents or (iii) as a result of acts or omissions with respect to possessory collateral held by the Collateral Agent pursuant to this Agreement; or

(o) any Guarantee of any Obligations by any Credit Party under any Loan Document shall cease to be in full force in effect (other than in accordance with the terms of the Loan Documents);

then, and in every such event (other than an event described in clause (g) or (h) of this Section), and at any time thereafter during the continuance of such event, the Initial Lender may, and the Administrative Agent may, and at the request of the Required Lenders or the Initial Lender shall, by notice to the Borrower, take any or all of the following actions, at the same or different times:

(i) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Credit Parties accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and the other Credit Parties; and

(ii) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and Applicable Law;

provided that, in case of any event described in clause (g) or (h) of this Section, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Credit Parties.

SECTION 7.02 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Initial Lender

and the Administrative Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations shall be applied by the Administrative Agent as follows:

(i) first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 11.03 and amounts payable under an Administrative Agency Fee Letter (if any)) payable to the Administrative Agent and the Collateral Agent in their respective capacities as such;

(ii) second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees and disbursements and other charges of counsel payable under Section 11.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii) third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

(iv) fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iv) payable to them;

(v) fifth, to the payment in full of all other Obligations, in each case ratably among the Administrative Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(vi) finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ARTICLE VIII.

AGENCY

SECTION 8.01 Appointment and Authority. Each Lender hereby irrevocably appoints The Bank of New York Mellon to act on its behalf as the Administrative Agent and as the Collateral Agent hereunder and under the other Loan Documents and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental or related thereto; provided that notwithstanding anything in this Article VIII or this Agreement to the contrary, the terms and conditions of the relationship between the Initial Lender and the Agents shall be governed by a separate agreement between the Initial Lender and the Agents. The Borrower and the Guarantors acknowledge and agree that the Agents are Agents of the Lenders and not of the Borrower or the Guarantors. In connection with an assignment of the Loans by the Initial Lender, upon the Administrative Agent's request, the Borrower and the Agents shall enter into an Administrative Agency Fee Letter. The provisions of this Article are solely for the benefit of the Agents and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to (i) execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the other Loan Documents and (ii) negotiate, enforce or settle

any claim, action or proceeding affecting the Lenders in their capacity as such, at the direction of the Required Lenders, which negotiation, enforcement or settlement will be binding upon each Lender.

SECTION 8.02 Collateral Matters. Each of the Lenders hereby irrevocably appoints and authorizes the Collateral Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Credit Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto and to enter into and perform the other Loan Documents.

SECTION 8.03 Removal or Resignation of Administrative Agent. While the Initial Lender is a Lender, the Administrative Agent may be removed or give notice of its resignation subject to any conditions as separately agreed between the Initial Lender and the Administrative Agent. Any such resignation as Administrative Agent pursuant to this Section 8.03 shall also constitute its resignation as the Collateral Agent; provided that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed. Upon such removal or receipt of any such notice of resignation, the Initial Lender shall have the right to appoint a successor. After the Initial Lender is no longer a Lender, either Agent may resign at any time by notifying the Lenders and the Borrower in writing, and either Agent may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Borrower and such Agent and signed by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right, with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default), to appoint a successor. If no successor shall have been so appointed by the Required Lenders (with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default)) and shall have accepted such appointment within 30 days after (i) the retiring Agent gives notice of its resignation or (ii) the Required Lenders deliver removal instructions, then the retiring or removed Agent may, on behalf of the Lenders (with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default)), appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. If no successor Agent has been appointed pursuant to the immediately preceding sentence, such Agent's resignation or removal shall become effective and the Required Lenders shall thereafter perform all the duties of such Agent hereunder and/or under any other Loan Document until such time, if any, as the Required Lenders (with the consent of the Borrower (which consent shall not be required during the continuance of an Event of Default)) appoint a successor Administrative Agent and/or Collateral Agent, as the case may be. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of its predecessor Agent, and its predecessor Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while acting as Agent.

SECTION 8.04 Exculpatory Provisions.

(a) The Agents shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents or as separately agreed between the Initial Lender and the Agents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing:

(i) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, except that The Bank of New York Mellon shall always have a fiduciary duty to Treasury while serving as its Agent in accordance with the provisions of the separate writing between The Bank of New York Mellon and Treasury;

(ii) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that such Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); and

(iii) except as expressly set forth herein and in the other Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity.

(b) Neither Agent shall be required to expend or risk its own funds or otherwise incur liability in the performance of any of its duties hereunder or under any other Loan Document or in the exercise of any of its rights or powers. Notwithstanding anything in any Loan Document to the contrary, prior to taking any action under this Agreement or any other Loan Document, each Agent shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses in connection with taking such action. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Sections 7.01 and 11.02) or in the absence of its own gross negligence or willful misconduct as determined by the final non-appealable judgment of a court of competent jurisdiction. Notwithstanding the foregoing, no action nor any omission to act, taken by either Agent at the direction of the Required Lenders (or such other number of percentage of Lenders as shall be expressly provided for herein or in the other Loan Documents) shall constitute gross negligence or willful misconduct. Neither Agent shall be deemed to have knowledge of any Default unless and until written notice thereof, conspicuously labeled as a “notice of default” and specifically describing such Default, is given to an Agent Responsible Officer by the Borrower or a Lender.

(c) Neither Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

(d) In no event shall either Agent be responsible or liable for any failure or delay in the performance of its obligations hereunder or under any other Loan Document arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, epidemics, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services (it being understood that such Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances).

(e) Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it in good faith to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it in good faith to have been made by the proper

Person, and shall not incur any liability for relying thereon. Delivery of reports, information and documents to an Agent is for informational purposes only and an Agent's receipt of the foregoing will not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Borrower's compliance with any of its covenants hereunder. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in reliance on the advice of any such counsel, accountants or experts. Any funds held by an Agent shall, unless otherwise agreed in writing with the Borrower, be held uninvested in a non-interest bearing account.

(f) Neither Agent shall have any obligation to calculate or confirm the calculation of any financial covenant contained herein.

(g) Notwithstanding anything to the contrary in any Loan Document, neither Agent shall be responsible for the existence, genuineness or value of any of the Collateral; for filing any financing or continuation statements or recording any documents or instruments in any public office or otherwise perfecting or maintaining the perfection of any security interest in the Collateral (except, in the case of possessory Collateral, for the Collateral Agent maintaining possession of any such Collateral received by it in accordance with the terms of the Loan Documents); for the validity, perfection, priority or enforceability of the Liens in any of the Collateral; for the validity or sufficiency of the Collateral or any agreement or assignment contained therein; for the validity of the title of any grantor to the Collateral; for insuring the Collateral; or for the payment of taxes, charges or assessments on the Collateral. The Collateral Agent agrees that it will check any possessory Collateral received by it against any itemized list in the Pledge and Security Agreement of Collateral to be delivered to it in accordance with the Pledge and Security Agreement.

SECTION 8.05 Reliance by Agents. Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, opinion, consent, statement, instrument, document or other writing believed by it in good faith to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it in good faith to have been made by the proper Person, and shall not incur any liability for relying thereon. Delivery of reports, information and documents to an Agent is for informational purposes only and an Agent's receipt of the foregoing will not constitute actual or constructive knowledge or notice of any information contained therein or determinable from information contained therein, including the Borrower's compliance with any of its covenants hereunder. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.06 Delegation of Duties. Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents or attorneys appointed by it and will not be responsible for the misconduct or negligence of any agent appointed with due care. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties.

SECTION 8.07 Non-Reliance on Agents and Other Lenders. Each Lender (other than the Initial Lender) acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender (other than the Initial Lender) also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based

upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

SECTION 8.08 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Credit Party, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Lenders and the Agents under Section 11.03) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agents and their respective agents and counsel, and any other amounts due the Agents under the Loan Documents. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

ARTICLE IX.

GUARANTEE

SECTION 9.01 Guarantee of the Obligations. Each Guarantor jointly and severally hereby irrevocably and unconditionally guarantees to the Secured Parties, the due and punctual payment in full and performance of all Obligations (or such lesser amount as agreed by the Required Lenders in their sole discretion with respect to Obligations owed to the Lenders) when the same shall become due or required to be performed, whether at stated maturity, by required prepayment, declaration, acceleration, performance, demand or otherwise (including amounts that would become and any performance that would have been required to be taken due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "Guaranteed Obligations").

SECTION 9.02 Payment or Performance by a Guarantor. Each Guarantor hereby jointly and severally agrees, in furtherance of the foregoing and the other terms of this Article IX and not in limitation of any other right which the Secured Parties may have at law or in equity against any Guarantor by virtue hereof, that upon the failure of the Borrower to pay or perform any of the Guaranteed Obligations when and as the same shall become due or required to be performed, whether at stated maturity, by required prepayment, declaration, acceleration,

demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), such Guarantor will pay, or cause to be paid, in cash, or perform, or cause to be performed, to the Secured Parties an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for the Borrower's becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed or required to be performed to the Secured Parties as aforesaid.

SECTION 9.03 Liability of Guarantors Absolute. Each Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment and performance in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Guarantor agrees as follows:

(a) this Guarantee is a guarantee of payment and performance when due and not merely of collection;

(b) either Agent and any of the other Secured Parties may enforce this Guarantee upon the occurrence of an Event of Default notwithstanding the existence of any dispute between the Borrower and the Secured Parties with respect to the existence of such Event of Default;

(c) a separate action or actions may be brought and prosecuted against such Guarantor whether or not any action is brought against the Borrower or any other Guarantors and whether or not Borrower or such Guarantors are joined in any such action or actions;

(d) payment or performance by any Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any other Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid or performed;

(e) the Required Lenders, upon such terms as they deem appropriate, without notice or demand and without affecting the validity or enforceability hereof or giving rise to any reduction, limitation, impairment, discharge or termination of any Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment or performance of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or subordinate the payment of the same to the payment of any other obligations; (iii) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment or performance of the Guaranteed Obligations, any other guarantees of the Guaranteed Obligations, or any other obligation of any Person (including any other Guarantor) with respect to the Guaranteed Obligations; and (iv) enforce its rights and remedies even though such action may operate to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against the Borrower or any security for the Guaranteed Obligations; and

(f) this Guarantee and the obligations of each Guarantor hereunder shall be legal, valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment or performance in full of the Guaranteed Obligations), including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Guaranteed Obligations, any impossibility in the performance of any of the Guaranteed Obligations, or otherwise. Without limiting the generality of the foregoing, except for the payment and performance in full of the Guaranteed Obligations and to the fullest extent permitted by Applicable Law, the obligations of each Guarantor

hereunder shall not be discharged or impaired or otherwise affected by: (i) any failure, delay or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy with respect to the Guaranteed Obligations, or with respect to any security for the payment and performance of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions hereof or any other Loan Document; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the Lender's consent to the change, reorganization or termination of the corporate structure or existence of the Borrower or any of its Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (v) the release of, or any impairment of or failure to perfect or continue perfection of or protect a security interest in, any collateral which secures any of the Guaranteed Obligations; (vi) any defenses, setoffs or counterclaims which the Borrower or any Guarantor may allege or assert against either Agent or the Lenders in respect of the Guaranteed Obligations, including failure of consideration, lack of authority, validity or enforceability, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; (vii) any change in the corporate existence, structure or ownership of any Credit Party, or any insolvency, bankruptcy, reorganization, examinership or other similar proceeding affecting any Credit Party or its assets or any resulting release or discharge of any of the Guaranteed Obligations; (viii) the fact that any Person that, pursuant to the Loan Documents, was required to become a party hereto may not have executed or is not effectually bound by this Agreement, whether or not this fact is known to the Secured Parties; (ix) any action permitted or authorized hereunder; (x) any other circumstance, or any existence of or reliance on any representation by the Agents, any Secured Party or any other Person, that might otherwise constitute a defense to, or a legal or equitable discharge of, the Borrower, any Guarantor or any other guarantor or surety; and (xi) any other event or circumstance that might in any manner vary the risk of any Guarantor as an obligor in respect of the Guaranteed Obligations.

SECTION 9.04 Waivers by Guarantors. Each Guarantor hereby waives, for the benefit of the Lender: (a) any right to require the Lender, as a condition of payment or performance by such Guarantor, to (i) proceed against Borrower, any Guarantor or any other Person; (ii) proceed against or exhaust any security in favor of the Lender; or (iii) pursue any other remedy in the power of the Agents or Secured Parties whatsoever or (b) presentment to, demand for payment or performance from and protest to the Borrower or any Guarantor or notice of acceptance; and (c) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof. The Agents and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure or exercise any other right or remedy available to them against the Borrower or any other Credit Party without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full. To the fullest extent permitted by Applicable Law, each Credit Party waives any defense arising out of any such election even though such election operates, pursuant to Applicable Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Credit Party against the Borrower or any other Credit Party, as the case may be, or any security.

SECTION 9.05 Guarantors' Rights of Subrogation, Contribution, etc. Until the Guaranteed Obligations shall have been paid in full, each Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Guarantor now has or may hereafter have against the Borrower or any other Guarantor or any of its assets in connection with this Guarantee or the performance by such Guarantor of its obligations hereunder, including without limitation (a) any right of subrogation, reimbursement or indemnification that such Guarantor now has or may hereafter have against the Borrower with respect to the Guaranteed Obligations, (b) any right to enforce, or to participate in, any claim, right or remedy that the Agents or the Secured Parties now has or may hereafter have against the Borrower, and (c) any benefit of, and any right to participate in, any collateral or security now or hereafter held by the Agents or the Secured Parties. In addition, until the Guaranteed Obligations shall have been paid in full, each Guarantor shall withhold exercise of any right of contribution such Guarantor may have against any other guarantor (including any other Guarantor) of the Guaranteed Obligations. If any amount shall be paid to

any Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and paid in full, such amount shall be held in trust for the Secured Parties and shall forthwith be paid over to the Secured Parties to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

SECTION 9.06 Subordination. Any Indebtedness of the Borrower or any Guarantor now or hereafter and all rights of indemnity, contribution or subrogation under Applicable Law or otherwise held by any Guarantor (the "Obligee Guarantor") are hereby subordinated in right of payment or performance to the Guaranteed Obligations until the Guaranteed Obligations is paid and performed in full. Any amount in respect of such indebtedness or rights collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for the Secured Parties and shall forthwith be paid over to the Secured Parties to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

SECTION 9.07 Continuing Guarantee. This Guarantee is a continuing guarantee and shall remain in effect until all of the Guaranteed Obligations shall have been paid and performed in full. Each Guarantor hereby irrevocably waives any right to revoke this Guarantee as to future transactions giving rise to any Guaranteed Obligations.

SECTION 9.08 Financial Condition of the Borrower. The Loans may be made to the Borrower without notice to or authorization from any Guarantor regardless of the financial or other condition of the Borrower at the time of such grant. Each Guarantor has adequate means to obtain information from the Borrower on a continuing basis concerning the financial condition of the Borrower and its ability to perform its obligations under the Loan Documents, and each Guarantor assumes the responsibility for being and keeping informed of the financial condition of the Borrower and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations.

SECTION 9.09 Reinstatement. In the event that all or any portion of the Guaranteed Obligations are paid by the Borrower or any Guarantor, the obligations of any other Guarantor hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from the Secured Parties as a preference, fraudulent transfer or otherwise must be so recovered or returned, and any such payments and amounts which are so rescinded, recovered or returned shall constitute Guaranteed Obligations for all purposes hereunder.

SECTION 9.10 Discharge of Guarantees. If, in compliance with the terms and provisions of the Loan Documents, (x) all of the Equity Interests of any Guarantor that is a Subsidiary of the Parent or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) to any Person (other than to the Parent or to any other Subsidiary of Parent), the Guarantee of such Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any beneficiary or any other Person effective as of the time of such asset sale or (y) a Guarantor becomes an Excluded Subsidiary (other than as a result of a Guarantor becoming a non-Wholly Owned Subsidiary), the Borrower may request the release of the Guarantee of such Guarantor, whereupon the Guarantee of such Guarantor shall be discharged and released.

ARTICLE X.

CARES ACT REQUIREMENTS

Notwithstanding anything in this Agreement to the contrary, the Credit Parties, on behalf of themselves and their Affiliates, represent, warrant, and agree with the Lenders that:

SECTION 10.01 CARES Act Compliance. Each Credit Party and its Subsidiaries are in compliance, and will at all times comply, with all applicable requirements under Title IV of the CARES Act, including any applicable requirements pertaining to the Borrower's eligibility to receive the Loans. The Parent, the Borrower and their Subsidiaries will provide any information requested by the Initial Lender or Agents to assess the Borrower's compliance with applicable requirements under Title IV of the CARES Act, its obligations under this Article X or its eligibility to receive the Loans under the CARES Act. The Borrower is not a "covered entity" as defined in Section 4019 of the CARES Act.

SECTION 10.02 Dividends and Buybacks

(a) Until the date that is twelve (12) months after the date on which the Loans are no longer outstanding, neither any Borrower Air Carrier nor any of its Affiliates (other than an Affiliate that is a natural person) shall, in any transaction, purchase an equity security of any Borrower Air Carrier or of any direct or indirect parent company of a Borrower Air Carrier or of any Subsidiary of the Parent that, in each case, is listed on a national securities exchange, except to the extent required under a contractual obligation in effect as of the date of enactment of the CARES Act.

(b) Until the date that is twelve (12) months after the date on which the Loans are no longer outstanding, no Borrower Air Carrier shall pay dividends, or make any other capital distributions, with respect to the common stock of any Borrower Air Carrier.

SECTION 10.03 Maintenance of Employment Levels. Until September 30, 2020, each Borrower Air Carrier shall maintain its employment levels as of March 24, 2020, to the extent practicable, and in any case shall not reduce its employment levels by more than ten percent (10%) from the levels on March 24, 2020.

SECTION 10.04 United States Business. Each Borrower Air Carrier is created or organized in the United States or under the laws of the United States and has significant operations in and a majority of its employees based in the United States.

SECTION 10.05 Limitations on Certain Compensation.

(a) Beginning on the Closing Date, and ending on the date that is one (1) year after the date on which the Loans are no longer outstanding, each Borrower Air Carrier and its Affiliates shall not pay any of each Borrower Air Carrier's Corporate Officers or Employees whose Total Compensation exceeded $425,000 in calendar year 2019 or the Subsequent Reference Period (other than an Employee whose compensation is determined through an existing collective bargaining agreement entered into before March 1, 2020):

(i) Total Compensation which exceeds, during any twelve (12) consecutive months of the period beginning on the Closing Date and ending on the date that is one (1) year after the date on which the Loans are no longer outstanding, the Total Compensation the Corporate Officer or Employee received in calendar year 2019 or the Subsequent Reference Period; or

(ii) Severance Pay or Other Benefits in connection with a termination of employment with any Borrower Air Carrier which exceed twice the maximum Total Compensation received by such Corporate Officer or Employee in calendar year 2019 or the Subsequent Reference Period.

(b) Beginning on the Closing Date, and ending on the date that is one (1) year after the date on which the Loans are no longer outstanding, each Borrower Air Carrier and its Affiliates shall not pay any of each Borrower Air Carrier's Corporate Officers or Employees whose Total Compensation exceeded $3,000,000 in calendar year 2019 or the Subsequent Reference Period, Total Compensation which exceeds, during any twelve (12) consecutive months of such period, in excess of the sum of:

(i) $3,000,000; and

(ii) Fifty percent (50%) of the excess over $3,000,000 of the Total Compensation received by such Corporate Officer or Employee in calendar year 2019 or the Subsequent Reference Period.

(c) For purposes of determining applicable amounts under this Section with respect to any Corporate Officer or Employee who was employed by any Borrower Air Carrier or any of their Affiliates for less than all of calendar year 2019, the amount of Total Compensation in calendar year 2019 shall mean such Corporate Officer's or Employee's Total Compensation on an annualized basis.

SECTION 10.06 Continuation of Certain Air Service. Until March 1, 2022, each Borrower Air Carrier shall comply with any applicable requirement issued by the Secretary of Transportation under section 4005 of the CARES Act to maintain scheduled air transportation service to any point served by any Borrower Air Carrier before March 1, 2020. The Borrower acknowledges that neither Treasury, nor any other actor, department, or agency of the Federal Government, shall condition the issuance of any loan under this Loan Agreement on the Borrower's implementation of measures to enter into negotiations with the certified bargaining representative of a craft or class of employees of the Borrower Air Carrier under the Railway Labor Act (45 U.S.C. 151 et seq.) or the National Labor Relations Act (29 U.S.C. 151 et seq.), regarding pay or other terms and conditions of employment.

SECTION 10.07 Treasury Access. Provide Treasury, the Treasury Inspector General, the Special Inspector General for Pandemic Recovery, and such other entities as authorized by Treasury timely and unrestricted access to all documents, papers, or other records, including electronic records, of the Borrower related to the Loans, to enable Treasury, the Treasury Inspector General, and the Special Inspector General for Pandemic Recovery to make audits, examinations, and otherwise evaluate the Borrower's compliance with the terms of this Agreement. This right also includes timely and reasonable access to the Borrower's and its Affiliates' personnel for the purpose of interview and discussion related to such documents.

SECTION 10.08 Additional Defined Terms. As used in this Article, the following terms have the meanings specified below:

"Borrower Air Carrier" means, collectively, the Borrower, its Affiliates that are Air Carriers, and their respective heirs, executors, administrators, successors, and assigns. Notwithstanding anything to the contrary herein, for purposes of this Article X, an "Affiliate" of the Borrower shall not include any Person(s) that become affiliated with the Borrower solely by virtue of the consummation of a Change of Control transaction resulting in repayment of the Loans in full.

"Corporate Officer" means, with respect to any Borrower Air Carrier, its president; any vice president in charge of a principal business unit, division, or function (such as sales, administration or finance); any other officer who performs a policy-making function; or any other person who performs similar policy making functions for the Borrower Air Carrier. Executive officers of subsidiaries or parents of any Borrower Air Carrier may be deemed Corporate Officers of the Borrower Air Carrier if they perform such policy-making functions for the Borrower Air Carrier.

"Employee" has the meaning given to the term in section 2 of the National Labor Relations Act (29 U.S.C. 152 and includes any individual employed by an employer subject to the Railway Labor Act (45 U.S.C. 151 et seq.), and for the avoidance of doubt includes all individuals who are employed by the Borrower Air Carrier who are not Corporate Officers.

"Severance Pay or Other Benefits" means any severance payment or other similar benefits, including cash payments, health care benefits, perquisites, the enhancement or acceleration of the payment or vesting of any payment or benefit or any other in-kind benefit payable (whether in lump

sum or over time, including after March 24, 2022) by any Borrower Air Carrier or its Affiliates to a Corporate Officer or Employee in connection with any termination of such Corporate Officer's or Employee's employment (including, without limitation, resignation, severance, retirement, or constructive termination), which shall be determined and calculated in respect of any Employee or Corporate Officer of the Borrower Air Carrier in the manner prescribed in 17 CFR 229.402(j) (without regard to its limitation to the five (5) most highly compensated executives and using the actual date of termination of employment rather than the last business day of the Borrower Air Carrier's last completed fiscal year as the trigger event).

"Subsequent Reference Period" means (i) for a Corporate Officer or Employee whose employment with the Borrower Air Carrier or an Affiliate started during 2019 or later, the twelve (12) month period starting from the end of the month in which the officer or employee commenced employment, if such officer's or employee's total compensation exceeds $425,000 (or $3,000,000) during such period and (ii) for a Corporate Officer or Employee whose Total Compensation first exceeds $425,000 during a 12-month period ending after 2019, the 12-month period starting from the end of the month in which the Corporate Officer's or Employee's Total Compensation first exceeded $425,000 (or $3,000,000).

"Total Compensation" means compensation including salary, wages, bonuses, awards of stock, and any other financial benefits provided by the Borrower Air Carrier or an Affiliate, as applicable, which shall be determined and calculated for the 2019 calendar year or any applicable twelve (12)-month period in respect of any Employee or Corporate Officer of the Borrower Air Carrier in the manner prescribed under paragraph e.5 of the award term in 2 CFR part 170, App. A, but excluding any Severance Pay or Other Benefits in connection with a termination of employment.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01 Notices; Public Information.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in paragraph (b) below), all notices and other communications provided for herein shall be in writing in English and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile or email as follows:

(i) if to a Credit Party, to it at 233 South Wacker Drive, Chicago, Illinois 60606, Attention of Treasurer (Facsimile No. [-]; Telephone No. [-]; Email: [-]);

(ii) if to the Administrative Agent or the Collateral Agent, to The Bank of New York Mellon at 240 Greenwich Street, 7th Floor, New York, NY 10286, Attention of Joanna Shapiro, Managing Director (Telephone No. [-]; Email: [-] with a copy to [-]);

(iii) if to Treasury, as the Initial Lender, to The Department of the Treasury of the United States at 1500 Pennsylvania Avenue, NW, Washington, D.C. 20220, Attention of Assistant General Counsel (Banking and Finance) (Telephone No. [-]; Email: [-]); and

(iv) if to any other Lender, to it at its address (or facsimile number or email address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received. Notices delivered through electronic communications, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including email, FpML, and Internet or intranet websites) pursuant to procedures approved by the Lenders and reasonably acceptable to the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent, the Collateral Agent, the Parent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent, the Collateral Agent or a Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) Platform.

(i) The Borrower and the Lenders agree that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform.

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Credit Parties, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Credit Parties pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(e) Public Information. The Borrower hereby acknowledges that certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be

engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of the Borrower hereunder and under the other Loan Documents (collectively, "Borrower Materials") that may be distributed to the Public Lenders and that (i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of U.S. federal and state securities Laws (provided, however, that to the extent that such Borrower Materials constitute Information, they shall be subject to Section 11.12); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information;" and (iv) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information". Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders. Notwithstanding the foregoing, financial statements and related documentation, in each case, provided pursuant to Section 5.01(a) or 5.01(b) shall be deemed to be marked "PUBLIC", unless the Parent notifies the Administrative Agent promptly that any such document contains material non-public information.

SECTION 11.02 Waivers; Amendments.

(a) No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Administrative Agent, the Collateral Agent or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right remedy, power or privilege. The rights, remedies, powers and privileges of the Administrative Agent, the Collateral Agent and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

Notwithstanding anything to the contrary contained herein or in any other Loan Document, the authority to enforce rights and remedies hereunder and under the other Loan Documents against the Credit Parties shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, (i) so long as the Initial Lender is a Lender, either the Initial Lender or, at the Initial's Lender's option, the Administrative Agent in accordance with Section 7.01 for the benefit of all the Lenders and (ii) if the Initial Lender is no longer a Lender, the Required Lenders or the Administrative Agent (acting at the direction of the Required Lenders) in accordance with Section 7.01 for the benefit of all the Lenders; provided that the foregoing shall not prohibit (i) the Administrative Agent from exercising on its own behalf the rights and remedies that inure to its benefit (solely in its capacities as Administrative Agent and as Collateral Agent) hereunder and under the other Loan Documents, (ii) any Lender from exercising setoff rights in accordance with Section 11.08 (subject to the terms of Section 2.13) or (iii) any Lender from filing proofs of claim or appearing and filing pleadings on its own behalf during the pendency of a proceeding relative to a Credit Party under any Debtor Relief Law; provided, further, that if at any time there is no Person acting as Administrative Agent hereunder and under the other Loan Documents, then (x) the Required Lenders shall have the rights otherwise provided to the Administrative Agent pursuant to Section 7.01 and (y) in addition to the matters set forth in clauses (ii) and (iii) of the preceding proviso and subject to Section 2.13, any Lender may, with the consent of the Required Lenders, enforce any rights or remedies available to it and as authorized by the Required Lenders.

(b) Amendments, Etc. Except as otherwise expressly set forth in this Agreement (including Section 2.10 and Section 8.01), no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing executed by the Borrower and the Required Lenders, and acknowledged by the Administrative Agent, or by the Borrower and the Administrative Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that no such amendment, waiver or consent shall:

(i) extend or increase any Commitment of any Lender without the written consent of such Lender;

(ii) reduce the principal of, or rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the definition of "Default Rate" or to waive the obligation of the Borrower to pay interest at the Default Rate or (y) to amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on any Loan or other Obligation or to reduce any fee payable hereunder);

(iii) postpone any date scheduled for any payment of principal of, or interest on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iv) change Section 2.12(b) or Section 2.13 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(v) waive any condition set forth in Section 4.01 without the written consent of the Initial Lender; or

(vi) change any provision of this Section or the percentage in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender;

provided, further, that no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of either of the Agents, unless in writing executed by such Agent, in each case in addition to the Borrower and the Lenders required above.

In addition, notwithstanding anything in this Section to the contrary, (i) if the Borrower shall have identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then, upon the delivery of a certificate of a Responsible Officer of the Borrower to the Administrative Agent identifying such error and directing the Administrative Agent to execute an amendment to correct such error, the Administrative Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Administrative Agent within ten (10) Business Days following receipt of notice thereof and (ii) that any Security Document may be amended, supplemented or otherwise modified with the consent of the applicable Grantor (as defined in the Pledge and Security Agreement) and the Administrative Agent to add assets (or categories of assets) to the Collateral covered by such Security Document, as contemplated by the definition of Additional Collateral, or to remove any assets or

categories of assets (including after-acquired assets of that category) from the Collateral covered by such Security Document to the extent the release thereof is permitted by Section 6.17(b)(iii).

SECTION 11.03 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable outofpocket expenses incurred by the Initial Lender, the Administrative Agent, the Collateral Agent and their Affiliates (including the reasonable fees, charges and disbursements of any counsel for the Initial Lender, the Administrative Agent or the Collateral Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of the Administrative Agent or the Collateral Agent, in connection with the preparation, negotiation, execution, delivery and administration of this Agreement, the Loan Documents, any other agreements or documents executed in connection herewith or therewith or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent, the Collateral Agent or any Lender), and shall pay all fees and time charges for attorneys who may be employees of the Administrative Agent, the Collateral Agent or any Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the Loan Documents, any other agreements or documents executed in connection herewith or therewith, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring, negotiations or enforcement in respect of this Agreement, the Loan Documents and other agreements or documents executed in connection herewith or therewith.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent and Collateral Agent (and any sub-agents thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, obligations, penalties, fines, settlements, judgments, disbursements and related costs and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), and shall indemnify and hold harmless each Indemnitee from all fees and time charges and disbursements for attorneys who may be employees of any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Parent) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Parent or any of its Subsidiaries, or any Environmental Liability related in any way to the Parent or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Parent, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee other than the Initial Lender, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee. This paragraph (b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent or Collateral Agent (or any sub-agents thereof) or any Related Party of any of the foregoing, each Lender (other than the Initial Lender) severally agrees to pay to the Administrative Agent or Collateral Agent (or any such sub-agents) or such Related Party, as the case may be, such Lender's pro rata share

(determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Applicable Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or Collateral Agent (or any such sub-agents), or against any Related Party of any of the foregoing acting for the Administrative Agent or Collateral Agent (or any such sub-agents) in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Section 2.12(e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, no Credit Party shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) Payments. All amounts due under this Section shall be payable not later than five (5) days after demand therefor; provided that the terms of this Section shall not apply to the Initial Lender.

(f) Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder and the resignation or removal of the Administrative Agent or the Collateral Agent.

SECTION 11.04 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender (and any other attempted assignment or transfer by any party hereto shall be null and void), and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of paragraph (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of paragraph (e) of this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loans at the time owing to it); provided that any such assignment by any Lender (other than the Initial Lender) shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Loans at the time owing to it or contemporaneous assignments to and/or by related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an

assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $5,000,000, unless each of the Administrative Agent and, so long as no Default or Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans assigned.

(iii) Required Consents. No consent shall be required for any assignment by the Initial Lender. The consent of the Borrower (such consent not to be unreasonably withheld, delayed or conditioned) shall be required for any assignment by any Lender other than the Initial Lender unless (x) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender or an Affiliate of a Lender; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment**.** The assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v) No Assignment to Certain Persons. No such assignment shall be made to the Borrower or any of the Borrower's Affiliates or Subsidiaries.

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person).

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 11.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender other than the Initial Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Collateral Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a Competitor, a natural person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the Collateral Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 11.03(b) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 11.02(b)(i) through (v) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under Section 2.16(g) (it being understood that the documentation required under Section 2.16(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.19 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.15 or 2.16, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.19(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 11.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the

avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 11.05 Survival. All covenants, agreements, representations and warranties made by any Credit Party herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Borrowings hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, the Collateral Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.14, 2.15, 11.03, 11.15 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 11.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a) Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b) Electronic Execution. The words “execution,” “signed,” “signature,” and words of like import in this Agreement and in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic means, or confirmation of the execution of this Agreement on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 11.07 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal,

invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 11.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the due and unpaid Obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or its respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender (other than the Initial Lender) agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 11.09 Governing Law; Jurisdiction; Etc.

(a) Governing Law. This Agreement and the other Loan Documents will be governed by and construed in accordance with the federal law of the United States if and to the extent such law is applicable, and otherwise in accordance with the law of the State of New York applicable to contracts made and to be performed entirely within such State.

(b) Jurisdiction and Venue. Each of the Credit Parties and each Lender agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia for any civil action, suit or proceeding arising out of or relating to this Agreement, the Loan Documents, or the transactions contemplated hereby or thereby.

(c) Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 11.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

SECTION 11.10 Waiver of Jury Trial. To the extent permitted by Applicable Law, each Credit Party and each Lender hereby unconditionally waives trial by jury in any civil legal action or proceeding relating to this Agreement, the Loan Documents or the transactions contemplated hereby or thereby.

SECTION 11.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 11.12 Treatment of Certain Information; Confidentiality. Each of the Agents and the Lenders (other than the Initial Lender) agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an

agreement containing provisions substantially the same as (or no less restrictive than) those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder; provided that, in each case under this clause (f)(ii), such actual or prospective party is not a Competitor; (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the Loans or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans; (h) with the consent of the Borrower or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to either Agent, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than the Borrower who did not acquire such information as a result of a breach of this Section.

For purposes of this Section, "Information" means all information received from the Parent or any of its Subsidiaries relating to the Parent or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by the Parent or any of its Subsidiaries; provided that, in the case of information received from the Parent or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 11.13 Money Laundering; Sanctions. The Borrower shall provide to the Administrative Agent, the Collateral Agent, and the Lenders information and documentation that the Lenders may reasonably request that identifies the Borrower and its Affiliates, which information may include the name and address of the Borrower and its Affiliates and other information regarding beneficial ownership of the Borrower and its Affiliates that will allow the Lenders to ensure compliance with Sanctions and the AML Laws. For purposes of determining whether or not a representation with respect to any indirect ownership is true or a covenant is being complied with under this Section 11.13, the Borrower shall not be required to make any investigation into (i) the ownership of publicly traded stock or other publicly traded securities or (ii) the ownership of assets by a collective investment fund that holds assets for employee benefit plans or retirement arrangements.

SECTION 11.14 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under Applicable Law (collectively, "charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. To the extent lawful, the interest and charges that would have been paid in respect of such Loan but were not paid as a result of the operation of this Section shall be cumulated and the interest and charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the amount collectible at the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate for each day to the date of repayment, shall have been received by such Lender. Any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Loan or refunded to the Borrower so that at no time shall the interest and charges paid or payable in respect of such Loan exceed the maximum amount collectible at the Maximum Rate.

SECTION 11.15 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Administrative Agent or any Lender, or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any

proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender (other than the Initial Lender) severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

SECTION 11.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between any Credit Party and any of their respective Subsidiaries and the Administrative Agent, the Collateral Agent or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Administrative Agent, the Collateral Agent or any Lender has advised or is advising any Credit Party or any of their respective Subsidiaries on other matters, (ii) the lending and other services regarding this Agreement provided by the Administrative Agent, the Collateral Agent and the Lenders are arm's-length commercial transactions between Credit Parties and their Affiliates, on the one hand, and the Administrative Agent, the Collateral Agent and the Lenders, on the other hand, (iii) the Credit Parties have consulted their own legal, accounting, regulatory and tax advisors to the extent that they has deemed appropriate and (iv) the Credit Parties are capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Administrative Agent, the Collateral Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Credit Parties or any of their respective Affiliates, or any other Person; (ii) none of the Administrative Agent, the Collateral Agent and the Lenders has any obligation to the Credit Parties or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Collateral Agent and the Lenders and their respective Affiliates may be engaged, in a broad range of transactions that involve interests that differ from those of the Credit Parties and their respective Affiliates, and none of the Administrative Agent, the Collateral Agent and the Lenders has any obligation to disclose any of such interests to the Credit Parties or any of their respective Affiliates. To the fullest extent permitted by Law, the Credit Parties hereby waive and release any claims that they may have against any of the Administrative Agent, the Collateral Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 11.17 Acknowledgement and Consent to Bail-In of EEA Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among the parties, each party hereto (including each Credit Party) acknowledges that any liability arising under a Loan Document of any Credit Party that is an Affected Financial Institution, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority, and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising under any Loan Documents which may be payable to it by any Credit Party that is an Affected Financial Institution; and (b) the effects of any Bail-In Action on any such liability, including (i) a reduction in full or in part or cancellation of any such liability, (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under any Loan Document, or (iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

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Form of Pledge Amendment and Supplement

SECOND AMENDMENT

TO LOAN AND GUARANTEE AGREEMENT

SECOND AMENDMENT TO LOAN AND GUARANTEE AGREEMENT, dated as of December 8, 2020 (this "Amendment"), to the Loan and Guarantee Agreement, among UNITED AIRLINES, INC., a corporation organized under the laws of Delaware (the "Borrower"), UNITED AIRLINES HOLDINGS, INC., a corporation organized under the laws of Delaware (the "Parent"), the Guarantors party thereto, the UNITED STATES DEPARTMENT OF THE TREASURY ("Treasury"), as Initial Lender and a Lender, and THE BANK OF NEW YORK MELLON, as Administrative Agent and as Collateral Agent. Capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Loan and Guarantee Agreement.

W I T N E S S E T H:

WHEREAS, Parent, the Borrower, Treasury, the Guarantors party thereto from time to time and the Agents are each party to that certain Loan and Guarantee Agreement, dated as of September 28, 2020 (as amended and restated by that certain Restatement Agreement, dated as of November 6, 2020, the "Existing Loan and Guarantee Agreement", and as amended by this Amendment, and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Loan and Guarantee Agreement");

WHEREAS, the Credit Parties have agreed to pledge the assets listed on Schedule 2.07 to the Existing Loan and Guarantee Agreement to satisfy the Post-Closing Pledge Condition (as defined in the Existing Loan and Guarantee Agreement);

WHEREAS, pursuant to Section 11.02 of the Loan and Guarantee Agreement, the Borrower has requested amendments to the Existing Loan and Guarantee Agreement in connection with satisfaction of the Post-Closing Pledge Condition, including as to the corresponding increase to the Commitment contemplated by Section 2.07 of the Existing Loan and Guarantee Agreement, as set forth in this Amendment;

WHEREAS, Treasury has agreed to amend the Existing Loan and Guarantee Agreement as more particularly set forth in this Amendment; and

WHEREAS, in connection with the foregoing, the Borrower has requested (i) amendments to that certain Pledge and Security Agreement (as defined in the Existing Loan and Guarantee Agreement) and (ii) the execution of the Collateral Proceeds Account Control Agreement in connection with the Collateral Proceeds Account, among Borrower, the Collateral Agent and Citibank, N.A. as Account Bank (the "Collateral Proceeds Account Control Agreement"); and

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendments. Effective as of the Second Amendment Effective Date, the Existing Loan and Guarantee Agreement is hereby amended as follows:

(a) Section 1.01 of the Existing Loan and Guarantee Agreement is amended by amending and restating the defined terms "Appraised Value", "Commitment", "Pledge and Security Agreement" and "Specified Appraised Value", to read as follows:

"Appraised Value" means, as of any date, (a) the specific value in Dollars (and not a range of values) of any property constituting Eligible Collateral (other than cash and Cash Equivalents) as reflected in the most recent Appraisal, (b) with respect to any cash pledged or being pledged at such time as Collateral, 160% of the face amount and (c) with respect to any Cash Equivalents pledged or being pledged at such time as Collateral, 100% of the fair market value thereof as determined by the Parent in accordance with customary financial market practices determined no earlier than 45 days prior to such date; provided that (i) if no Appraisal relating to such Eligible Collateral has been delivered to the Collateral Agent prior to such date, the Appraised Value of such Eligible Collateral shall be deemed to be zero, (ii) in the case of any such property consisting of ground support equipment, the Appraised Value shall be deemed to be 50% of the value set forth in the most recent Appraisal and (iii) in the case of the flight simulators listed on Schedule 2.07, the Appraised Value shall be deemed to be the value set forth in the most recent Appraisal minus $19,318,907.

"Commitment" means the commitment of the Initial Lender to make Loans in the amount of $7,491,000,000, as such commitment may be reduced or terminated pursuant to Section 2.07.

"Pledge and Security Agreement" means the Amended and Restated Pledge and Security Agreement executed and delivered by the Borrower and each Guarantor party thereto on December 8, 2020, in form and substance acceptable to the Initial Lender and the Collateral Agent (which agreement amended and restated that certain Pledge and Security Agreement dated as of the Closing Date), as it may be amended, supplemented, restated or otherwise modified from time to time. For the avoidance of doubt, the terms of the "Pledge and Security Agreement" shall include the terms of all Applicable Annexes (as defined in the Pledge and Security Agreement).

"Specified Appraised Value" means, as of any date of determination, the sum of (i) fifty percent (50%) of the Appraised Value of the Eligible Collateral (excluding any Upsize SGR Collateral) plus (ii) thirty seven and ½ percent (37.5%) of the Appraised Value of the Eligible Collateral constituting Upsize SGR Collateral, in each case determined as of the date of the Appraisal most recently delivered pursuant to Section 5.16 (or (A) in the case of cash and Cash Equivalents, as of such date of determination, (B) in the case of any Upsize SGR Collateral, until an Appraisal has been delivered pursuant to Section 5.16, as of the date of the Appraisal delivered on the Restatement

Effective Date (as defined in the Restatement Agreement) and (C) in the case of any other assets, until an Appraisal has been delivered pursuant to Section 5.16, as of the date of the Appraisal most recently delivered); provided that (x) no more than 25% of the Specified Appraised Value may correspond to ground support equipment, (y) any amounts held in the Collateral Proceeds Account shall not be included in the Specified Appraised Value and (z) the Appraised Value of any SGR Assets (as defined in the Pledge and Security Agreement) corresponding to Scheduled Services that do not have one end point in the United States and one end point in a country other than the United States shall not be included in the Specified Appraised Value.

(b) Section 1.01 of the Existing Loan and Guarantee Agreement is amended by deleting the defined term "Post-Closing Pledge Condition".

(c) Section 2.07 of the Existing Loan and Guarantee Agreement is amended by deleting it in its entirety and amending and restating it as follows:

SECTION 2.07 Reduction and Termination of Commitments. The Initial Lender's Commitment shall (x) automatically and permanently be reduced by the amount of any Borrowing of a Loan and (y) automatically and permanently terminate on March 26, 2021. The Borrower may, upon not less than three (3) Business Days' notice to the Initial Lender and the Administrative Agent, terminate the Commitment or, from time to time, reduce the Commitment. Any such reduction in the Commitment shall be in an amount equal to $1,000,000 or a whole multiple thereof, and shall permanently reduce the Commitment.

(d) Section 4.02(g) of the Existing Loan and Guarantee Agreement is amended by deleting it in its entirety and amending and restating it as follows:

(g) [Reserved].

Section 2. Representations and Warranties. The Credit Parties represent and warrant to the Administrative Agent, the Collateral Agent and the Lenders as of the Second Amendment Effective Date that:

(a) The execution, delivery and performance by each Credit Party of this Amendment and each other Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any material Contractual Obligation to which each Credit Party is a party or affecting each Credit Party or the material properties of any Credit Party or (ii) any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which any Credit Party or its property is subject or (c) violate any Law, except to the extent such violation could not reasonably be expected to have a Material Adverse Effect.

(b) No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, each Credit Party of this Amendment or any other Loan Document, except for (i) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect and (ii) filings and consents contemplated by the Security Documents or Section 5.14 of the Loan and Guarantee Agreement.

(c) This Amendment has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Credit Party set forth on the signature pages to this Amendment. This Amendment constitutes, and each other Loan Document when so delivered will constitute, the legal, valid and binding obligation of each Credit Party hereto enforceable against such Credit Party in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting the creditors' rights generally and by general principles of equity.

(d) No Default exists under the Loan and Guarantee Agreement.

(e) All representations and warranties contained in the Loan and Guarantee Agreement and the other Loan Documents are true and correct in all material respects as of the date hereof, except to the extent that (A) such representations or warranties are qualified by a materiality standard, in which case they are true and correct in all respects, and (B) such representations or warranties expressly relate to an earlier date (in which case such representations and warranties are true and correct in all material respects as of such earlier date).

Section 3. Conditions Precedent to Effectiveness. The effectiveness of this Amendment is subject to the satisfaction (or waiver in accordance with Section 11.02 of the Loan and Guarantee Agreement) of the following conditions (and, in the case of each document specified in this Section to be received by the Initial Lender (and the applicable Agent or Agents), such document shall be in form and substance satisfactory to the Initial Lender and/or the applicable Agent or Agents) (the date on which such conditions are satisfied or waived being the "Second Amendment Effective Date") when:

(a) Executed Counterparts. The Initial Lender and the Agents shall have received from each Credit Party hereto a counterpart of this Amendment and an amended and restated Pledge and Security Agreement, substantially in the form attached hereto as Annex A (the "Amended and Restated Pledge and Security Agreement"), each signed on behalf of such Credit Party. Notwithstanding anything herein to the contrary, delivery of an executed counterpart of a signature page of this Amendment or the Amended and Restated Pledge and Security Agreement by telecopy or other electronic means, or confirmation of the execution of this Amendment and the Amended and Restated Pledge and Security Agreement on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of this Amendment and the Amended and Restated Pledge and Security Agreement.

(b) Certificates. The Initial Lender and any applicable Agent shall have received such customary certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of the Credit Parties as the Lenders may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with the Loan Documents;

(c) Organizational Documents. The Initial Lender shall have received customary resolutions or evidence of corporate authorization, secretary's certificates and such other documents and certificates (including Organizational Documents and good standing certificates) as the Initial Lender may request relating to the organization, existence and good standing of each Credit Party and any other legal matters relating to the Credit Parties, the Loan Documents or the transactions contemplated thereby.

(d) Opinion of Counsel to Credit Parties. The Initial Lender and the applicable Agent or Agents shall have received all opinions of counsel (including opinions of counsel covering the creation and perfection, or the continuing creation and perfection, of the security interests on Collateral, consistent with the opinions delivered on the Closing Date, and including substantially similar opinions with respect to any Additional Collateral) to the Credit Parties that is acceptable to the Initial Lender, addressed to the Initial Lender and the applicable Agent or Agents and dated as of the Second Amendment Effective Date, in form and substance satisfactory to the Initial Lender and the applicable Agent (and the Parent hereby instructs such counsel to deliver such opinions to such Persons).

(e) Expenses. The Borrower shall have paid all reasonable fees, expenses (including the reasonable fees and expenses of legal counsel) and other amounts due to the Initial Lender, the Administrative Agent and the Collateral Agent (to the extent that statements for such expenses shall have been delivered to the Borrower on or prior to the Second Amendment Effective Date); provided that such expenses payable by the Borrower may be offset against the proceeds of any Loans funded on the Second Amendment Effective Date.

(f) Officer's Certificate. The Initial Lender shall have received a certificate executed by a Responsible Officer of the Parent and the Borrower confirming (i) that the representations and warranties contained in Section 3 of this Amendment are true and correct on and as of the Second Amendment Effective Date, (ii) that the information provided in the Loan Application Form submitted by the Borrower was true and correct on and as of the date of delivery thereof, (iii) the satisfaction of Sections 4(j) and (l) herein as of the Second Amendment Effective Date, (iv) the satisfaction of all other conditions precedent to the Second Amendment Effective Date described in this Section 4 and (v) that no Default or Event of Default exists or will result from the terms of this Amendment on the Second Amendment Effective Date.

(g) Appraisals. The Initial Lender shall have received Appraisals of Additional Collateral satisfactory in form and substance and performed by an Eligible Appraiser dated as of a date no earlier than thirty (30) days prior to the Second Amendment Effective Date.

(h) Consents and Authorizations. Each Credit Party shall have obtained all consents and authorizations from Governmental Authorities and all consents of other Persons (including shareholder approvals, if applicable) that are necessary or advisable in connection with this Amendment, any Loan Document, any of the transactions contemplated hereby or thereby or the continuing operations of the Credit Parties and each of the foregoing shall be in full force and effect and in form and substance satisfactory to the Initial Lender.

(i) Lien Searches. The Initial Lender shall have received (i) UCC and other applicable lien searches, including tax and judgment liens searches, conducted in the jurisdictions and offices where such liens on material assets of the Credit Parties are required to be filed or recorded, in each case, as of the date that such lien searches were last conducted pursuant to the Loan and Guarantee Agreement and (ii) to the extent any Additional Collateral consists of (x) Aircraft and Engine Assets (as defined in the Pledge and Security Agreement), aircraft registry lien searches conducted with the FAA and the International Registry or (y) Spare Part Assets (as defined in the Pledge and Security Agreement), registry lien searches conducted with the FAA (with reference to each Designated Spare Parts Location set forth on Schedule 2.1 of the Pledge and Security Agreement), in each case, reflecting the absence of Liens on the assets of the Credit Parties, other than Permitted Liens or Liens to be discharged on or prior to the Second Amendment Effective Date pursuant to documentation satisfactory to the Initial Lender.

(j) Specified Appraised Value. On the Second Amendment Effective Date (and after giving pro forma effect to the pledge of any Additional Collateral on that date), the Specified Appraised Value shall be equal to or greater than $7,491,000,000.

(k) Solvency Certificate. The Initial Lender shall have received a certificate of the chief financial officer or treasurer (or other comparable officer) of the Parent certifying that the Borrower and its Subsidiaries (taken as a whole) are, and will be immediately after giving effect to this Amendment, Solvent.

(l) No Material Adverse Effects. Since the Closing Date, (i) there has been no event or circumstance that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect and (ii) none of the Credit Parties has made a Disposition of any assets of the type that would be included in the Collateral other than as would have been permitted under the Loan and Guarantee Agreement.

(m) Audits. On the Second Amendment Effective Date, the opinion of the independent public accountants (after giving effect to any reissuance or revision of such opinion) on the most recent audited consolidated financial statements delivered by the Parent pursuant to Section 5.01(a) of the Loan and Guarantee Agreement shall not include a “going concern” qualification under GAAP as in effect on the date of this Amendment or, if there is a change in the relevant provisions of GAAP thereafter, any like qualification or exception under GAAP after giving effect to such change; and

(n) Perfection Certificate. The Initial Lender and the Agents shall have received from each Credit Party hereto an amended and restated Perfection Certificate or

supplement thereof, updated to include all Additional Collateral, signed on behalf of such Credit Party. Notwithstanding anything herein to the contrary, delivery of an executed signature page of an amended and restated Perfection Certificate or supplement thereof by telecopy or other electronic means, or confirmation of the execution of an amended and restated Perfection Certificate or supplement thereof on behalf of a party by an email from an authorized signatory of such party shall be effective as delivery of a manually executed counterpart of an amended and restated Perfection Certificate or supplement thereof.

(o) Perfection of Liens on Collateral. On or prior to the Second Amendment Effective Date, in connection with the execution of the Amended and Restated Pledge and Security Agreement, the Perfection Requirement (as defined in the Amended and Restated Pledge and Security Agreement) shall have been satisfied and all of the perfection steps thereunder shall have been completed, and copies or evidence, if available, of any relevant filings, recordings and other perfection documentation shall have been provided to the Initial Lender, the Administrative Agent and the Collateral Agent.

Section 4. Miscellaneous.

(a) Fees. The Borrower shall pay all fees required to be paid to the Administrative Agent, the Collateral Agent and the Lenders and all expenses (including fees and expenses of counsel) required to be paid to the Administrative Agent, Collateral Agent and the Lenders, in each case as required by and in accordance with the terms of the Loan and Guarantee Agreement, as they are due and payable in connection with this Amendment.

(b) Continued Effectiveness. Notwithstanding anything contained herein, the terms of this Amendment shall not constitute a novation or termination of the Existing Loan and Guarantee Agreement or any other Loan Documents and are not intended to and do not serve to effect a novation or termination of the obligations outstanding under the Existing Loan and Guarantee Agreement or instruments guaranteeing or securing the same, which instruments shall remain and continue in full force and effect.

(c) Governing Law; Jurisdiction, Etc. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE FEDERAL LAW OF THE UNITED STATES IF AND TO THE EXTENT SUCH LAW IS APPLICABLE, AND OTHERWISE IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE.

(d) **WAIVER OF JURY TRIAL. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH CREDIT PARTY AND EACH LENDER HEREBY UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY CIVIL LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT, THE LOAN DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.**

(e) Entire Agreement. This Amendment, the Loan and Guarantee Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. The Borrower and the Agents hereby designate each of this Amendment and the Amended and Restated Pledge and Security Agreement as a Loan Document.

(f) Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment.

(g) Electronic Execution. The words "execution," "signed," "signature," and words of like import in this Amendment shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

(h) Successors and Assigns. When this Amendment has been executed by the Borrower, the Agents and the Lenders party hereto, this Amendment shall thereafter be binding upon and inure to the benefit of the parties and their respective successors and assigns, in accordance with the terms of the Loan and Guarantee Agreement.

(i) Severability. If any provision of this Amendment or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(j) Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(k) Direction to Agents. The Lenders party hereto hereby authorize and direct the Administrative Agent and the Collateral Agent to execute and deliver this Amendment, and the Collateral Agent to execute and deliver the Amended and Restated Pledge and Security Agreement and the Collateral Proceeds Account Control Agreement.

(l) Release by Credit Parties. Each Credit Party hereto hereby acknowledges and agrees that it has no actual knowledge of any defenses or claims against any Lender, the Agents, any of their respective Affiliates or any of their respective officers, directors, employees, attorneys, representatives, predecessors, successors or assigns with respect to the Obligations, and that if such Credit Party now has, or ever did have, any defenses or claims with respect to the Obligations against any Lender, the Agents, any of the respective Affiliates or any of their respective officers, directors, employees, attorneys, representatives, predecessors, successors, or assigns, whether known or unknown, at law or in equity, from the beginning of the world through this date and through the time of effectiveness of this Amendment, all of them are hereby expressly **WAIVED**, and the Borrower hereby **RELEASES** each Lender, each Agent, their respective Affiliates and their respective officers, directors, employees, attorneys, representatives, predecessors, successors and assigns from any liability therefor.

(m) No Liability of Agents. The Agents assume no responsibility for, and shall be entitled to rely on, without any obligation to ascertain or investigate, the correctness of the recitals and statements contained herein. The Agents shall not be liable or responsible in any manner whatsoever for, or in respect of, the validity or sufficiency of this Amendment.

Section 5. Reaffirmation.

(a) Each Credit Party hereto hereby consents to the execution, delivery and performance of this Amendment and agrees that each reference to "the Loan and Guarantee Agreement," "this Agreement," "hereunder," "hereof" or words of like import referring to the Loan and Guarantee Agreement in the Loan Documents shall, on and after the Second Amendment Effective Date, be deemed to be a reference to the Loan and Guarantee Agreement, as amended and restated by this Amendment.

(b) Each Credit Party hereto hereby reaffirms all of its respective obligations and liabilities under the Loan Documents to which it is a party, as such obligations and liabilities have been amended by this Amendment, and acknowledges and agrees that such obligations and liabilities remain in full force and effect.

(c) Each Credit Party hereto hereby irrevocably and unconditionally ratifies each Loan Document to which it is a party (as such Loan Documents are amended to and including the date hereof) and ratifies and reaffirms such Credit Party's guarantee and grant of liens and security interests under the Security Documents and confirms that the guarantees, liens and security interests granted thereunder continue to secure the Obligations, including, without limitation, any additional Obligations resulting from or incurred pursuant to the Loan and Guarantee Agreement.

[*Remainder of this page intentionally left blank*.]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

UNITED AIRLINES, INC.,
as Borrower

By: /s/ Pamela S. Hendry
Name: Pamela S. Hendry
Title: Vice President and Treasurer

UNITED AIRLINES HOLDINGS, INC.,
as Parent

By: /s/ Pamela S. Hendry
Name: Pamela S. Hendry
Title: Vice President and Treasurer

CALFINCO INC.,
as Guarantor

By: /s/ Pamela S. Hendry
Name: Pamela S. Hendry
Title: Treasurer

COVIA LLC,
as Guarantor

By: /s/ Pamela S. Hendry
Name: Pamela S. Hendry
Title: Treasurer

UNITED STATES DEPARTMENT OF THE TREASURY, as the Initial Lender and a Lender

By: /s/ Brent McIntosh
Name: Brent McIntosh
Title: Under Secretary for International Affairs

THE BANK OF NEW YORK MELLON, as Administrative Agent

By: /s/ Bret S. Derman
Name: Bret S. Derman
Title: Vice President

THE BANK OF NEW YORK MELLON, as Collateral Agent

By: /s/ Bret S. Derman
Name: Bret S. Derman
Title: Vice President

Form of Amended and Restated Pledge and Security Agreement

Exhibit 21

United Airlines Holdings, Inc. and United Airlines, Inc. Subsidiaries

(as of March 1, 2021)

Entity	Jurisdiction of Incorporation
United Airlines Holdings, Inc.	Delaware
***Wholly-owned subsidiaries**:*	
United Airlines, Inc.	Delaware
• Air Wis Services, Inc.	Wisconsin
• Air Wisconsin, Inc.	Delaware
• Domicile Management Services, Inc. **	Delaware
• Air Micronesia, LLC.	Delaware
• CAL Cargo, S.A. de C.V.**	Mexico
• CALFINCO Inc.	Delaware
• CALFINCO Caymans Ltd.	Cayman Islands
• Century Casualty Company	Vermont
• Continental Airlines de Mexico, S.A.**	Mexico
• Continental Airlines Domain Name Limited	England
• Continental Airlines Finance Trust II	Delaware
• Continental Airlines Fuel Purchasing Group, LLC	Delaware
• Continental Airlines, Inc. Supplemental Retirement Plan for Pilots Trust Agreement	Delaware
• Continental Airlines Purchasing Holdings LLC	Delaware
• Continental Airlines Purchasing Services LLC**	Delaware
• Continental Express, Inc.	Delaware
• Covia LLC	Delaware
• Mileage Plus Holdings, LLC	Delaware
• MPH I, Inc.	Delaware
• Mileage Plus Marketing, Inc.	Delaware
• Mileage Plus, Inc.	Delaware
• Mileage Plus Intellectual Property Assets, Ltd. ***	Cayman Islands
• Mileage Plus Intellectual Property Assets Aggregator, Ltd.	Cayman Islands
• Mileage Plus Intellectual Property Assets Holdings UIP, Ltd.	Cayman Islands
• Mileage Plus Intellectual Property Assets Holdings MIP, Ltd.	Cayman Islands
• Mileage Plus Intellectual Property Assets SPV Partner, Ltd.****	Cayman Islands
• Mileage Plus Intellectual Property Assets GP S.à r.l.*****	Luxembourg
• Mileage Plus Intellectual Property Assets Lux 2 SCS*****	Luxembourg
• Mileage Plus Intellectual Property Assets Lux 1 SCS*****	Luxembourg
• Presidents Club of Guam, Inc.	Delaware
• UABSPL Holdings, Inc.	Delaware
• UAL Benefits Management, Inc.**	Delaware
• United Atlantic LP**	Delaware
• United Atlantic Services C.V.**	Netherlands
• United Atlantic Corporate LLC	Delaware
• United Atlantic Corporate Center C.V.**	Netherlands
• United Atlantic B.V.	Netherlands
• United Atlantic Services LLC	Delaware

• United Aviation Fuels Corporation	Delaware
• United Airlines Business Services Private Limited**	India
• United Ground Express, Inc.	Delaware
• United Travel Services, LLC	Delaware
• United Vacations, Inc.	Delaware
• Westwind School of Aeronautics of Phoenix, LLC	Arizona

**Subsidiaries of United Airlines Holdings, Inc. are wholly owned unless otherwise indicated*

***Domicile Management Services Inc. is 99.9% owned by Air Wis Services, Inc. and 0.1% owned by United Airlines, Inc. CAL Cargo, S.A. de C.V. is 99.99% owned by United Airlines, Inc. and .01% owned by CALFINCO Inc. Continental Airlines de Mexico, S.A. is 99.9997% owned by United Airlines, Inc. and .0003% owned by private entities. Continental Airlines Purchasing Services LLC is 99% owned by Continental Airlines Purchasing Holdings LLC and 1% owned by United Airlines, Inc. UAL Benefits Management, Inc. has 100% of its Class A Common Stock owned by United Airlines, Inc. and 100% of its Class B Common Stock owned by Health Care Services Corporation. United Atlantic LP is 99.9% owned by United Airlines, Inc. and 0.1% owned by United Atlantic Services LLC. United Atlantic Services C.V. is 99.9% owned by United Atlantic LP and 0.1% owned by United Atlantic Services LLC. United Atlantic Corporate Center C.V. is 99.9% owned by United Atlantic Services C.V. and 0.1% owned by United Atlantic Corporate LLC. United Airlines Business Services Private Limited is 99.99% owned by United Airlines, Inc. and 0.01% owned by UABSPL Holdings, Inc. on behalf of United Airlines, Inc.*
**** 1 special share in Mileage Plus Intellectual Property Assets, Ltd. is held by a third party share trustee*
***** Mileage Plus Intellectual Property Assets SPV Partner, Ltd. is a wholly owned subsidiary of Mileage Plus Intellectual Property Assets, Ltd.*
****** Mileage Plus Intellectual Property Assets Lux 1 SCS is 4.76% owned by Mileage Plus Intellectual Property Assets GP S.à r.l. and 95.23% owned by Mileage Plus Intellectual Property Assets Lux 2 SCS, which itself is 4.76% owned by Mileage Plus Intellectual Property Assets GP S.à r.l. and 95.23% owned by Mileage Plus Intellectual Property Assets, Ltd.*

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form 8-A No. 001-06033),

(2) Registration Statement (Form S-3 No. 333-250153),

(3) Registration Statement (Form S-4 No. 333-167801),

(4) Registration Statement (Form S-8 No. 333-197815),

(5) Registration Statement (Form S-8 No. 333-151778),

(6) Registration Statement (Form S-8 No. 333-131434), and

(7) Registration Statement (Form S-8 No. 333-218637);

of our reports dated March 1, 2021, with respect to the consolidated financial statements of United Airlines Holdings, Inc. and the effectiveness of internal control over financial reporting of United Airlines Holdings, Inc., included in this Annual Report (Form 10-K) of United Airlines Holdings, Inc. for the year ended December 31, 2020.

/s/ Ernst & Young LLP

Chicago, Illinois
March 1, 2021

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement (Form S-3 No. 333-250153-01) and in the related Prospectus of our report dated March 1, 2021, with respect to the consolidated financial statements of United Airlines, Inc., included in this Annual Report (Form 10-K) of United Airlines, Inc. for the year ended December 31, 2020.

/s/ Ernst & Young LLP

Chicago, Illinois
March 1, 2021

Exhibit 31.1

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, J. Scott Kirby, certify that:

(1) I have reviewed this annual report on Form 10-K for the period ended December 31, 2020 of United Airlines 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 (the Company's fourth fiscal quarter in the case of an annual report) 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/ J. Scott Kirby

J. Scott Kirby
Chief Executive Officer

Date: March 1, 2021

Exhibit 31.2

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 annual report on Form 10-K for the period ended December 31, 2020 of United Airlines 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 (the Company's fourth fiscal quarter in the case of an annual report) 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
Executive Vice President and Chief Financial Officer

Date: March 1, 2021

Exhibit 31.3

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, J. Scott Kirby, certify that:

(1) I have reviewed this annual report on Form 10-K for the period ended December 31, 2020 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 (the Company's fourth fiscal quarter in the case of an annual report) 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/ J. Scott Kirby

J. Scott Kirby
Chief Executive Officer

Date: March 1, 2021

Exhibit 31.4

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 annual report on Form 10-K for the period ended December 31, 2020 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 (the Company's fourth fiscal quarter in the case of an annual report) 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
Executive Vice President and Chief Financial Officer

Date: March 1, 2021

Exhibit 32.1

Certification of United Airlines 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 annual report on Form 10-K for the period ended December 31, 2020 of United Airlines 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 Airlines Holdings, Inc.

Date: March 1, 2021

/s/ J. Scott Kirby
J. Scott Kirby
Chief Executive Officer

/s/ Gerald Laderman
Gerald Laderman
Executive Vice President and Chief Financial Officer

Exhibit 32.2

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 annual report on Form 10-K for the period ended December 31, 2020 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: March 1, 2021

/s/ J. Scott Kirby
J. Scott Kirby
Chief Executive Officer

/s/ Gerald Laderman
Gerald Laderman
Executive Vice President and Chief Financial Officer