

Exhibit B

ARBITRATION PROCEEDINGS
AIR LINE PILOTS' ASSOCIATION MERGER POLICY

**In the Matter of the Seniority Integration
Arbitration Between**

THE PILOTS OF CONTINENTAL AIRLINES

- And -

THE PILOTS OF UNITED AIR LINES

ARBITRATION BOARD

Dana Edward Eischen
Roger P. Kaplan
Dennis R. Nolan

Appearances

For the Continental Pilot Merger Committee: KATZ & RANZMAN, PLLC
By Daniel M. Katz
 Gregory R. Shoemaker
 Grant E. Mulkey

For the United Pilot Merger Committee: BREDHOFF & KAISER, PLLC
By: Jeffrey R. Freund
 Roger Pollack
 Ozvaldo Vazquez

Also Present

CAL Pilot Merger Committee

Captain Jim Brucia, Chair
Captain Scott Butcher
Captain Tony Montalto
First Officer Neal Schwartz

UAL Pilot Merger Committee

First Officer Jeffrey Ruark , Chair
Captain William Bales
Captain Stephen Gillen
First Officer Dan Madruga

I. PRELIMINARY STATEMENT

These proceedings arise out of the May 3, 2010 announcement that Continental Airlines Inc. (“Continental” or “CAL”) and United Air Lines Inc. (“United” or UAL”) agreed to merge. At all times pertinent to this case, pilots employed by each constituent carrier and by the merged carrier have been and are represented by the Air Line Pilots Association, International (“ALPA” or “Association”), under terms and conditions of employment set forth in various collective bargaining agreements between ALPA and the respective carriers. This arbitration was conducted in accordance with the currently controlling ALPA Merger Policy and several related agreements by and between the CAL Master Executive Committee (“CAL MEC”) and the UAL Master Executive Committee (“UAL MEC”), accepted and approved by ALPA. (See Appendix 1, attached).

Evidentiary hearings were held in Washington, D.C. during April, May and June, at which the respective Committees were represented by Counsel and offered full opportunity to submit oral and documentary evidence, including direct testimony and expert opinions, all subject to cross-examination and rebuttal. The evidentiary record was closed following receipt of the stenographic transcript and post-hearing briefs dated July 19, 2013. Thereafter, the Arbitration Board convened in Executive Session and, after careful consideration of the record and extensive consultation, we render this Opinion and Award. The Technical Assistance Team created jointly by the Committees provided this Board with expert technological help by running numerous calculations at our direction and verifying the mathematical accuracy of the output. We express our sincere gratitude for that invaluable assistance but emphasize that the role of TAT was limited only to those described calculations.

6. Should there be insufficient bidders from one premerger pilot group for any position in the allocated group of positions under paragraph 5 above, the filling of the position will be governed by the ISL. A pilot thereby awarded a position will, for purposes of processing future displacements under the collective bargaining agreement, be considered as junior to all pilots from the premerger pilot group entitled to the position. Notwithstanding the awarding of positions pursuant to this insufficient bidders provision, the restrictions set out in paragraph 5 above shall continue to apply during the terms specified in paragraph 5 above.

7. Until the first bid period 5 years following the implementation of the ISL, premerger UAL pilots involuntarily furloughed as of Oct 1, 2010 shall be subject to furlough (in their reverse seniority order) prior to the furlough of any premerger CAL pilot.

8. Each merger committee will promptly advise the other of the discovery of clerical or other errors that may affect the construction of the ISL. Any pilot erroneously omitted from the ISL shall be inserted into the ISL senior to the pilot from his or her pre-merger list previously junior to him or her. In the event of an inadvertent error in the construction of the ISL or an unintended omission of a pilot from the ISL, the Continental and United Merger Committees may agree upon and make an appropriate correction.

9. In accordance with ALPA Merger Policy, this Arbitration Board shall retain jurisdiction to resolve any unresolved disputes between the Continental and United Merger Committees as to the correct placement of a pilot on the ISL in accordance with the Board's Award, and/or the interpretation or application of these conditions and restrictions.

10. Post-Award disputes over the application of the ISL shall be resolved pursuant to the Dispute Resolution Procedures attached to this Award as Exhibit B.

Dana E. Eischen
/s/Dana Edward Eischen

Roger P. Kaplan
s/ Roger P. Kaplan

Dennis R. Nolan
/s/Dennis R. Nolan

Dated: September 3, 2013

MERGER POLICY AND RELATED AGREEMENTS

SECTION 45 – ALPA MERGER AND FRAGMENTATION POLICY 4/30/09

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C. SENIORITY LIST INTEGRATION

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2. Compilation of Employment Data

a. Each MEC will maintain a system seniority list including at least the following data: seniority number, name, date of hire, and date of birth.

b. The merger representatives shall be responsible for determining the date of hire, date of birth, seniority number, furlough time and leaves of absence time for each flight deck crew member on its current seniority list utilizing Company payroll records and/or other records as necessary. ALPA staff may be utilized to compile this data. Each furlough and leave of absence or any intervening periods of service other than as a flight deck crew member with this Company shall be listed separately with an explanation covering the period. Furlough time directly related to a labor dispute or work stoppage, ALPA leaves, military leaves, FMLA (or Canadian equivalent) leaves and sick leaves shall not be included.

* * *

d. The date of hire shall be the date upon which a pilot first appears upon the Company's payroll as a pilot and also begins initial operational training required to perform such duties in airline operations. . . . Where an initial date of hire as a flight deck crew member is different from an initial date of hire as a pilot as defined above, both sets of data, together with explanations, shall be compiled for the purpose of resolving any inconsistencies among the parties to the merger with respect to special rights for such individuals.

* * *

4. Seniority List Integration – Negotiations

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b. The merger representatives shall resolve any and all disputes and inconsistencies with regard to the employment data exchanged. The representatives shall be empowered to compromise their differences to the extent necessary to reach agreement except that the relative position of the flight deck crew members on their respective seniority lists shall be maintained. Areas remaining in disagreement shall be reduced to writing, stating the contentions of the parties, and shall be resolved, if necessary, by utilizing the mediation and arbitration procedures set forth in Part 3C 5 below.

* * *

d. No integrated list shall be constructed which would change the order of the flight deck crew members on their own respective seniority lists.

e. The merger representatives shall carefully weigh all the equities inherent in their merger situation. In joint session, the merger representatives should attempt to match equities to various methods of integration until a fair and equitable integrated seniority list is reached. Factors to be considered in constructing a fair and equitable integrated seniority list, in no particular order and with no particular weight, shall include but not

be limited to the following:

- Career expectations.
- Longevity.
- Status and category.

f. No integrated seniority list shall be subject to MEC or membership ratification.

5. Mediation and Arbitration

a. General

(1) The process described below includes two steps: mediation and arbitration.

(2) The purpose of mediation and arbitration shall be to reach a fair and equitable integrated seniority list, consistent with ALPA policy. The merger representatives and any Arbitrator serving in a mediation or arbitration capacity shall be bound by the provisions of Part 3C, subsections 4c, 4d and 4e above in constructing an integrated seniority list.

* * *

c. Arbitration Board and Proceedings

(1) Issues to be decided at the arbitration step shall be heard by a three-person Arbitration Board.

(2) The Arbitration Board shall be composed of three persons, all of whom shall be neutrals chosen by the merger representatives within twenty (20) days of the PID from a list of Arbitrators approved by ALPA, unless the involved MECs agree to have an Arbitration Board composed pursuant to subsection c(2)(a) below. The Chairman of the Arbitration Board shall be designated by agreement among the merger representatives or by the members of the Arbitration Board in the absence of such agreement.

* * *

e. Opinion and Award

(1) The Opinion and Award of the Arbitration Board shall be made and written in executive session and shall bear the signature of the three Arbitrators. . . . Participation in executive sessions shall be limited to Arbitration Board members only and the Arbitrators (or single Arbitrator of an Arbitration Board constituted under subsection c2(a) above) shall decide all issues.

(2) The Award of the Arbitration Board shall be final and binding on all parties to the arbitration and shall be defended by ALPA. The Award shall include any agreements reached at the mediation step. The Arbitration Board will include in its Award a provision retaining jurisdiction until all the provisions of the Award have been satisfied for the limited purpose of resolving disputes which may arise between the pilot groups with regard to the meaning or interpretation of the Award.

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TRANSITION and PROCESS AGREEMENT
09/26/10 [Extended on 02/29/12]

THIS TRANSITION and PROCESS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between CONTINENTAL AIRLINES, INC., UAL CORPORATION, UNITED AIR LINES, INC., and the AIRLINE PILOTS in the service of CONTINENTAL AIRLINES, INC. and UNITED AIR LINES, INC, respectively, as represented by the AIR LINE PILOTS ASSOCIATION by and through the ALPA Master Executive Councils of the Continental and United Pilots.

Purpose of this Transition and Process Agreement

Continental and UAL have entered into an Agreement and Plan of Merger, dated as of May 2, 2010 to bring about a “merger of equals” business combination.

* * *

The Parties, recognizing the value of the merger to the present and future shareholders of UAL and Continental, to the Pilots represented by ALPA, to the other employees of Continental and United, and to the traveling public, wish to begin the process to establish terms for a smooth and seamless movement from the present situation of separate Pilot groups employed by different airline companies and operating under separate contracts, to a single, unified Pilot group operating under a single contract, employed by a single air carrier within a single transportation system.

The present Transition and Process Agreement is the first step toward achieving this goal. Therefore, the Parties agree as follows:

* * *

Section 1

Definitions used in this Transition and Process Agreement

* * *

Seniority List Integration; SLI. The process agreed upon by the Continental and United MECs, and approved by ALPA in accordance with ALPA Merger Policy, for achieving an Integrated Seniority List, pursuant to the Protocol attached hereto as Attachment B.

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Section 4. Separation of Operations

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4-C. Aircraft.

(i) A list of all aircraft in the service of, or stored by, each Airline, and all orders, options and anticipated returns as set forth in the Airlines’ respective fleet plans as of May 2, 2010, is attached hereto as Attachment “A”. Such aircraft in the service of, stored by, or on order or option by United shall be designated as “United Aircraft” and such aircraft in the service of, stored by, or on order or option by Continental shall be designated as “Continental Aircraft.” Except for Pilots hired from one Airline by the other (whether before the effective date of this Transition and Process Agreement or under its terms) and except as may be needed to comply with conditions prescribed by the FAA for the

purpose of transition to, and eventual operation under, a Single Operating Certificate, no Pilot of either Airline will fly as a crewmember on an aircraft in the fleet of the other Airline listed in Attachment A, or on an aircraft obtained from the represented value (as determined by a change order contained in a Supplemental Agreement to the original Boeing Purchase Agreement shown to the Association) of the orders or options of the other Airline as listed in Attachment A.

(ii) In the event that either Airline acquires aircraft not on Attachment A to replace aircraft on Attachment A, that aircraft shall be designated as a United Aircraft or Continental Aircraft based upon the aircraft being replaced. For purpose of this section, “replacement” means that the newly acquired aircraft can be matched, on a one-to-one basis, to an aircraft that has left or will leave the service of the Airline within six (6) months before or after the new aircraft enters service.

* * *

Section 5 Seniority List Integration

5-A. Integrated Seniority List. The seniority lists of United and Continental Pilots will be integrated pursuant to the Protocol attached hereto as Attachment B.

5-B. Acceptance of Integrated Seniority List. Subject only to the conditions stated below, the Parties will accept the results of the Seniority List Integration and incorporate them in the Joint Collective Bargaining Agreement.

(i) The Integrated Seniority List shall have only prospective effect. Specifically, and without limiting the generality of the foregoing, the following conditions shall apply:

a. There shall be no “system flush” whereby a Pilot may displace another Pilot from the latter’s position as a result of the implementation of the Integrated Seniority List or the implementation or expiration of any condition or restriction; and

b. Pilots on furlough status at the time the Integrated Seniority List is implemented may not bump or displace pilots in active status at that time; and

c. Pilots who, at the time of implementation of an integrated seniority list, are in the process of completing or who have completed qualification training for a new position (e.g., B-777 Captain or A-319 First Officer) may be assigned to the position for which they are being or have been trained, regardless of their relative standing on the Integrated Seniority List.

(ii) There shall be no requirement or obligation to compensate Pilots for work not actually performed or positions not actually held during the period for which compensation is sought, as a result of the Integrated Seniority List and its implementation.

(iii) The Integrated Seniority List shall not contain conditions or restrictions that substantially increase the costs associated with training above those normally

associated with the merger of two airlines.

5-C. Use of Integrated Seniority List.

Unless the Parties otherwise agree they will not implement the ISL for any purpose prior to the Operational Merger Date.

5-D. Information for SLI.

Subject to execution of confidentiality agreements and legal requirements, the Airline Parties will respond as quickly as possible to the Continental MEC and United MEC SLI Merger Committees' reasonable requests for employment or other data and information for purposes of the Seniority List Integration. Any data or information provided by one of the Airline Parties to one MEC's SLI Merger Committee shall be simultaneously provided to the other MEC's SLI Merger Committee.

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Section 7 Transition Job Security Protections

7-A. Furlough. Effective as of the Merger Agreement Date, no Continental or United Pilot (except Pilots hired after the Merger Closing Date, including those employed pursuant to Section 7-B below) will be placed on furlough, if at all, until the passage of one year after the Operational Merger Date. Nothing in this paragraph shall be construed to prohibit or require the recall of any Pilot on furlough as of the Merger Agreement Date.

7-B. Job Opportunities.

(i) If either Continental or United intends to hire new Pilots, it will first offer employment to fill such positions in seniority order to Pilots on furlough from the other Airline. Acceptance or rejection of such an offer or failure to qualify will not affect a Pilot's recall rights or placement on the Integrated Seniority List (which shall be based upon his seniority position at the Pilot's originating Airline). A Pilot accepting an offer under this provision will be subject to the normal background and employment requirements of the employing Airline. The Pilot will be an employee of the employing Airline, within the applicable ALPA council for that Airline, but will not be required to serve or complete a probation period.

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(iii) Pilots employed pursuant to this Section 7-B will exercise seniority for all purposes at the employing Airline in the seniority order of their originating Airline but junior to all Pilots who were on the seniority list of the employing Airline prior to the Merger Agreement Date. Upon implementation of the ISL Pilots will exercise seniority pursuant to their position on the ISL. All Pilots hired by the employing Airline after the Merger Agreement Date who are not Pilots employed pursuant to this Section 7-B will exercise their seniority for all purposes junior to all Pilots

who were on either seniority list prior to the Merger Agreement Date.

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PROTOCOL AGREEMENT

05/15/2010

This Agreement is made and entered into by and between the United Airlines and the Continental Airlines Master Executive Councils of the Air Line Pilots Association, International, and their respective Merger Representatives, pursuant to Part 2C 1 of Merger Policy.

1. DEFINITIONS

- A. **“Agreement”** means this Protocol Agreement.
- B. **“UAL”** means United Air Lines, Inc.
- C. **“CAL”** means Continental Airlines, Inc.
- D. **“ALPA”** means the Air Line Pilots Association, International.
- E. **“UAL MEC”** means the UAL Master Executive Council, a unit of ALPA.
- F. **“CAL MEC”** means the CAL Master Executive Council, a unit of ALPA.
- G. **“Merger”** means a business transaction or the results of a business transaction of any kind in which VAL and CAL, and/or related corporate entities, and/or their separate airline operations will become a single business and operating entity for all purposes relevant to the pilots of each airline.
- H. **“Merger Policy”** means Section 45 of the ALPA Administrative Manual, effective as of MAD.
- I. **“Merger Announcement Date” (MAD)** means the date on which an agreement to Merge between VAL and CAL and/or their related corporate entities is publicly announced.
- J. **“Merger Closing Date” (MCD)** means the date the Merger announced on the MAD, as it may be subsequently modified, is consummated and the entity created by the Merger becomes the owner and/or operator, either directly or indirectly, of the airline assets of VAL and CAL. For the purposes of this Agreement, the seniority integration process and timeline are predicated on the Merger closing two hundred days after MAD.
- K. **“Integrated Seniority List” (ISL)** means a single pilot seniority list containing the names of the pre-merger VAL and CAL pilots integrated pursuant to the terms of this Agreement, including any accompanying Conditions and Restrictions.
- L. **“JCBA”** means the joint collective bargaining agreement negotiated with management and approved and ratified by the appropriate ALPA, VAL MEC and CAL MEC officials and/or members.
- M. **“Parties”** means the VAL MEC and Merger Representatives and the CAL MEC and Merger Representatives.
- N. **“TA Date”** means the date that CAL, VAL and ALPA reach a tentative agreement on a JCBA approved by the CAL and VAL MECs.
- O. **“Effective Date”** means the date this Protocol Agreement is approved by the CAL and VAL MECs and the President of ALP A.

2. PROCESSES FOR INTEGRATING THE UAL AND CAL SENIORITY LISTS AND COLLECTIVE BARGAINING AGREEMENTS

A. The Parties acknowledge that this Agreement constitutes an agreement pursuant to Part 2C 1 of Merger Policy for an alternative process to replace the seniority-integration decision process contained in Merger Policy. Except as specifically modified by this Agreement, Merger Policy shall apply to the creation of an ISL and a JCBA. The terms of Merger Policy, as modified by this

Agreement, shall be the exclusive process governing the integration of the UAL and CAL pilot seniority lists within ALPA in connection with the Merger, and each party hereby waives any right to invoke any provision of Merger Policy, including any request for a Process Implementation Date under Merger Policy, with respect to the process for determining the integration of the UAL and CAL pilot seniority lists in connection with the Merger.

B. Compilation, verification, certification and exchange of employment data shall commence promptly following the Effective Date, and, to the extent possible: (i) the UAL and CAL Merger Representatives shall compile employment data, independently review and verify such data, and deliver such data to individual pilots for confirmation within 20 days of the Effective Date; (ii) receive individual pilot protests within 30 days of the Effective Date; (iii) resolve individual pilot protests within 40 days of the Effective Date; and, (iv) certify and exchange seniority lists immediately following resolution of individual pilot protests. Such lists will show each pilot's name, employee number, seniority number, date of hire, and date of birth, as well as the pilot's seat, aircraft, domicile, and information reflecting each pilot's circumstances regarding the pilot's availability to engage in revenue flying (i.e., leave status, instructor status, management pilot status, medical/disability status (if twelve months or longer)), all as of the Effective Date, and the starting and ending dates of each of the pilot's furloughs, if any, other than strike-related furloughs. ALPA leaves, military leaves, personal leaves, FMLA leaves and sick leaves shall not be included. All means of electronic verification and exchange of employment data authorized by Merger Policy and any other methods as to which the UAL and CAL Merger Representatives may mutually agree shall be utilized in the employment data compilation, verification, certification and exchange processes. The certified seniority lists will thereafter be amended to reflect changes to the lists as of an agreed upon date closer to the time of the mediation and/or the arbitration referenced in Sections 2.F-2.K below.

C. The Constructive Notice Date shall be the MAD.

D. Upon MAD, the Merger Representatives shall commence direct negotiations on seniority integration.

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H. The Arbitration Board shall decide the dispute if the Merger Representatives are unable to reach agreement on an ISL. . . .

* * *

J. The Arbitration Board shall establish rules of procedure and time limits consistent with this Agreement that, in its sole judgment, will permit it to issue an ISL no later than ninety days after MCD or as soon thereafter as is practicable.

K. Notwithstanding the time targets outlined above, nothing in this Agreement shall be construed to imply that the Merger Representatives, the Mediator or the Arbitrators should schedule any proceedings in a manner that might jeopardize the ability of either side, the Mediator or the Arbitrators to have a full and careful presentation and consideration of the evidence and arguments necessary and appropriate for the important matters at issue and to permit a reasoned and orderly development of a fair and equitable ISL.

L. Except as the parties may otherwise agree, in writing, the ISL shall not be used for any purpose until after MCD, nor shall the ISL be used except as a part of the JCBA.

M. Any disputes concerning the interpretation or application of this Agreement shall be resolved by the Arbitration Board.

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Process for Updating Certified Lists as of April 1, 2013
(By Agreement of the Merger Committees dated March 1, 2013)

1. Certify corrections to the May 17, 2010, certified lists.
2. Make changes to the May 17, 2010, certified lists as of April 1, 2013 (e.g., Base/Equipment/Status, name changes, furlough recall dates, LTD status).
3. Remove individuals no longer on the certified lists as of April 1, 2013 (e.g., death, termination, retirement, resignation).
4. Add individuals to the certified lists as of April 1, 2013 (e.g., settlement agreements, reinstatements).
5. Certification and exchange of certified lists as of April 1, 2013, by respective Merger Committees no later than April 8, 2013.
6. Each Merger Committee will promptly advise the other Merger Committee of any additional changes to the May 17, 2010 and April 1, 2013 lists resulting from the discovery of clerical or other errors.
7. The Merger Committees will apply the “twelve months or longer” proviso contained in Section 2.B. of the Protocol Agreement only to pilots on “medical/disability status.”
8. Neither Merger Committee agrees that any item of the employment data set out in the other Merger Committee’s certified lists is correct.
9. The Merger Committees have not agreed on whether the May 17, 2010 list, the April 1, 2013 list or a list dated on any other date is the appropriate list on which the Board should build an integrated seniority list.
10. As stated in the Parties’ Protocol Agreement Section 2.C., the Constructive Notice Date shall be the Merger Announcement Date (May 3, 2010).