

## QDRO ADMINISTRATIVE PROCEDURES

### United Airlines Pilot Retirement Account Plan (the “Plan”)

1. **Initial Freeze on Participant’s Account.** If Schwab Retirement Plan Services, Inc. (“SRPS”) receives a domestic relations order (“DRO”) or a written notice that a domestic relations order (“DRO”) has been received or is being prepared, SRPS will place a freeze on the Participant’s account, and the Participant will not be entitled to any loan, withdrawal, or distribution following receipt of such notice. If there is evidence that an Alternate Payee continues to have a claim to the Participant’s account, SRPS will maintain the freeze on the Participant’s account. If SRPS receives written notice that the Alternate Payee no longer has a claim against Participant assets and that a DRO will not be submitted, the freeze on the Participant’s account will be lifted. SRPS may lift the freeze on the Participant’s account if the Alternate Payee fails to respond for a period of greater than six months to any inquiries regarding the status of a DRO. SRPS will provide written notice to the Participant and Alternate Payee at least thirty (30) days prior to lifting the freeze on the Participant’s account.
2. **Notice to Participant/Alternate Payee(s)/Designated Representative(s).** Promptly after receiving a **court executed DRO**, SRPS will send a written notice (“the Notice”) to the Participant and each Alternate Payee named in the DRO, including a copy of these Procedures. The Notice will specify that SRPS has received a copy of the DRO and that each party may designate a representative to receive copies of all notices that are to be sent to the Participant and each Alternate Payee with respect to the DRO.
3. **Review of DRO.** SRPS will review the DRO to determine whether it constitutes a qualified domestic relations order (“QDRO”). Such determination will be made as soon as administratively practicable, after the date the Notice was provided to the Participant and the Alternate Payee. Current law will not permit any determination after the end of the 18-month period beginning with the date on which the first payment would be required to be made under the DRO. However, review of any DRO will normally occur within thirty (30) days of receipt.
4. **Freeze on Participant’s Account Pending DRO Review.** While the qualified status of the DRO is being determined, no loan, withdrawal, or distribution requests made by the Participant will be approved. The Participant will still have the ability to direct investments during the period of the freeze.
5. **Statutory Requirements.** In determining whether a DRO constitutes a QDRO, SRPS will consider whether all of the following statutory requirements have been satisfied:
  - Does the DRO clearly appear to be a judgment, decree, or order issued by a court (including a property settlement agreement) made pursuant to a State or Tribal domestic relations law (including a community property law) that relates to the provision of child support, alimony payments, or marital property rights of the Alternate Payee?
  - Does the DRO appear to create or recognize the existence of an Alternate Payee’s right to receive all or a portion of a Participant’s benefit or vested account balance?
  - Does the DRO clearly specify the plan to which the Order applies?
  - Does the DRO clearly specify the name and last known mailing address of the Participant and each Alternate Payee covered by the Order?
  - Does the DRO specify the percentage or amount of the Participant’s vested account balance that is to be paid to each Alternate Payee, or how such amount or percentage is to be determined?
  - Is it clear that the percentage or amount to be paid to all Alternate Payees is equal to or less than the Participant’s vested accrued benefit or vested account balance?

- Does the DRO specify the number of payments, the form of payment and, if applicable, the duration of any payments?
  - Is it clear that the DRO does not require payment in a form or under an option not specifically provided for under the Plan?
  - Is it clear that the DRO does not require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee under another order previously determined to be a QDRO?
  - Is it clear that the DRO does not require payment commencing at a time earlier than the date on which the Participant is entitled to a distribution under the Plan or the later of (i) the date the Participant attains age 50; or (ii) the earliest date on which the Participant could receive benefits under the Plan if the Participant separated from service?
  - As an alternative to the distribution rule in the preceding paragraph, does the Plan document allow the Alternate Payee to receive a distribution as provided under the terms of the Plan document?
6. **Separate Accounting.** If the QDRO requires the Alternate Payee to receive investment earnings, SRPS will separately account for any earnings or losses that would have become payable to the Alternate Payee from the date specified in the QDRO to the date the Alternate Payee's account is segregated from the Participant's account.
7. **Valuation Date.** The DRO should contain a valuation date on or after the date the plan (or a merging entity) converts to SRPS.
8. **Earnings.** All DROs submitted to SRPS should be as specific as possible with respect to earnings calculations. If a DRO specifies that an Alternate Payee receive earnings on their segregated account balance, and the QDRO does not specify the method SRPS will calculate earnings according to the Weighted Average Earnings Calculation as provided below.

Weighted Average Earnings Calculation

- (A) Value of Participant's account on the effective date stated in QDRO: \_\_\_\_\_
- (B) Percentage of Participant's account on the effective date to be distributed to Alternate Payee: \_\_\_\_ %
- (C) Gap Earnings (earnings from the effective date until the segregation date): \_\_\_\_\_
- (D) Contributions (employer and employee) during gap period: \_\_\_\_\_

Amount of earnings allocated to Alternate Payee equals:

$$(D \times B) + A = \text{result}$$

$$[(A \times B) / \text{result}] \times C = \text{earnings for Alternate Payee}$$

At the request of the Participant or the Alternate Payee, SRPS will provide an example of the Weighted Average Earnings Calculation used to determine earnings on the Alternate Payee's benefit.

9. **Communications.** All DROs and other inquiries should be sent in writing to:

**Schwab Retirement Plan Services**  
**4150 Kinross Lakes Parkway**  
**Richfield, Ohio 44286-5050**  
**Attn: QDRO Review**

10. **Notification Upon Determination.** Once the qualified status of the DRO has been determined, SRPS will promptly notify the Participant and each Alternate Payee (or their designated representatives), in writing, of the determination.
11. **Adverse DRO Determination.** If SRPS determines that the DRO does not constitute a QDRO, SRPS will provide a written notice of (a) the reasons for such determination; and (b) a description of any additional material, information or modifications necessary for the DRO to constitute a QDRO. A new DRO must be submitted including any of the requested additional material, information or modifications necessary for a DRO to constitute a QDRO. SRPS will continue to maintain a freeze on the Participant's account balance until notified that the Alternate Payee no longer has a claim against the Participant's account or the end of a six-month period after written inquiry without communication from the Participant or Alternate Payee that the parties still intend to obtain a QDRO. SRPS will provide written notice to the Alternate Payee and Participant at least thirty (30) days prior to lifting the freeze on the Participant's account.
12. **Favorable DRO Determination.** If the determination has been made that the DRO constitutes a QDRO, SRPS will immediately begin processing the Alternate Payee's benefit in accordance with the terms of the QDRO. SRPS will establish a separate account for the Alternate Payee and pay the amount described in the QDRO to the Alternate Payee entitled to receive that payment pursuant to the terms of the QDRO.
13. **Creation of Alternate Payee's Account.** If the QDRO does not specify otherwise, the Alternate Payee's account will be created by a reduction of the Participant's account (pro-rata) among current investments and source of contributions and an allocation of such amount to the Alternate Payee's account. In the event the Plan has Employer Securities as an investment alternative where there exists a trading restriction or limitation related to the Employer Securities a different reduction and allocation may be required and the restricted Employer Securities may not be readily available to an Alternate Payee. Actions related to Employer Securities with trading restrictions will be administered in conjunction with Plan terms and operational capabilities. SRPS will notify applicable parties in the event a different reduction or allocation is required.

To account for market fluctuations, SRPS may need to fully liquidate the entire amount available from the participant's account if the amount to be segregated to the alternate payee's account exceeds 90% of the participant's account (for plans that offer exchange traded funds) or 94% of the participant's account (for plans that do not offer exchange traded funds). The above referenced percentages may vary in accordance with Plan terms. Any amounts liquidated in excess of the amount required to be segregated to the alternate payee's account will be purchased back into the participant's account based on future investment elections on file.

14. **Creation of Alternate Payee's Account in PCRA.** If the Plan allows a Participant the option of investing assets in individual brokerage accounts through the Personal Choice Retirement Accounts ("PCRA") program, and the Participant has elected that option, specific rules apply for reducing the Participant's account to fund the Alternate Payee's benefit. The Participant's account will be reduced according to specific instructions provided in the QDRO. If there are no instructions provided in the QDRO for reduction of the Participant's account, the following procedures will be followed after the Participant is notified that PCRA investments may be liquidated to satisfy the Alternate Payee's award:

- a. **Participant Invested in PCRA and Core Investments.**

Please note that reference to "Core Investments" is in reference to investment options which are available to all Participants and have been selected by the Plan Sponsor and are not held in the PCRA.

- (i) If the Participant's account is invested in both Core Investments and PCRA investments, and the Alternate Payee's account is to be initially invested in the investment option designated by the Plan Sponsor for investment of Participant funds for which investment instructions have not been received, the Participant's account will be reduced as follows:

- If the Alternate Payee's award can be satisfied out of Core Investments, then the entire amount will be moved from Core Investments on a pro-rata basis from the Participant's Core Investments to the Alternate Payee's account.
  - If Core Investments are not sufficient to satisfy the Alternate Payee's entire award, then the Alternate Payee's award will be satisfied by reducing the Participant's Core Investments and PCRA cash liquidity account on a pro-rata basis.
  - If Core Investments and the PCRA liquidity account are not sufficient to satisfy the Alternate Payee's award, then the Participant will be contacted and asked to direct SRPS as to which PCRA investment(s) should be sold in order to create sufficient liquidity to fund the Alternate Payee's award.
- (ii) If the Participant's account is invested in both Core Investments and PCRA investments, and the Alternate Payee's account is to be invested in the same investments and in the same proportion as the Participant's account, the Participant's account will be reduced as follows:
- Transfer the Participant's Core Investments and PCRA investments in-kind into an account established for the Alternate Payee. Such transfer will be made on a pro-rata basis from the Participant's account to the extent investments can be transferred to satisfy the Alternate Payee's award.

**b. Participant Invested in PCRA only.**

- (i) If the Participant is invested solely in PCRA investments, and the Alternate Payee's account is to be initially invested in the investment option designated by the Plan Sponsor for investment of Participant funds for which investment instructions have not been received, the Participant's account will be reduced first from the available funds in the PCRA cash liquidity account. If PCRA liquidity account is not sufficient to satisfy the Alternate Payee's award, then the Participant will be contacted and asked to direct SRPS as to which PCRA investment(s) should be sold in order to create sufficient liquidity to fund the Alternate Payee's award.
- (ii) If the Participant is invested solely in PCRA investments, and the Alternate Payee's account is to be invested in the same investments and in the same proportion as the Participant's account, then the Alternate Payee's award will be satisfied by transferring in-kind into a PCRA established for the Alternate Payee the Participant's remaining assets on a pro-rata basis to the extent investments can be transferred to satisfy the Alternate Payee's award.

**15. PCRA Reduction.** In all cases in which it is necessary to liquidate PCRA investments to fund the Alternate Payee's account, the Participant shall be contacted to determine which PCRA assets will be liquidated to fund the Alternate Payee's account. In no case will SRPS be required to wait more than 10 business days after contacting the Participant to liquidate the PCRA investments. If at the end of 10 business days there is no response from the Participant, the Plan Sponsor will be contacted for further direction.

**16. Investment of Alternate Payee's Account.** Prior to distribution, the Alternate Payee's account will be invested in the manner provided in the QDRO. If the QDRO does not specify the manner in which the Alternate Payee's account will be invested, the account shall initially be invested in the investment option designated by the Plan Sponsor for investment of Participant funds for which investment instructions have not been received.

**17. Alternate Payee Direction of Investment.** Upon creation of the Alternate Payee's account, SRPS will issue a PIN number and account access information which will allow the Alternate Payee to direct investment of funds prior to distribution. The PIN number and access information will be sent with distribution paperwork to the Alternate Payee.

- 18. Written Communications.** All communications with the Participant and each Alternate Payee will be in writing sent by first class mail to the addresses provided in the DRO. It is the responsibility of the Alternate Payee and Participant to notify SRPS of any change in address.
- 19. Re-determination of Amended QDRO.** SRPS will re-determine the qualified status of any QDRO in the event SRPS receives a court order amending the QDRO. The Participant or Alternate Payee must provide SRPS with court certified copies of all amendments to a DRO or a QDRO.
- 20. Administrative Fees.** The Plan will assess an administrative fee for determining whether this Order meets the requirements to be a QDRO and for processing the Order (or any amended Order) once it is determined that the Order is a QDRO. If the Services Agreement states the Participant will pay the QDRO administrative fee and unless the Order specifies otherwise, the fee will be deducted as follows:
  - (a) 50% from the portion of the Participant's account not assigned to the Alternate Payee; and
  - (b) 50% from the portion of the Participant's account assigned to the Alternate Payee.

If the Order assigns 100% of the Participant's account to the Alternate Payee, the entire fee will be deducted from the Participant's account at the time the account is segregated for the Alternate Payee.