

UNITED AIRLINES INC.
UK PENSION PLAN

Trustees' Report to Members

For the year to 31 December 2022



Trustees' Report to Members

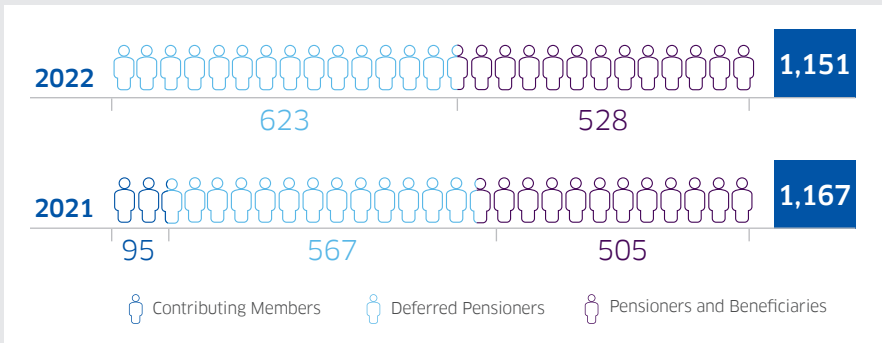
for the year to 31 December 2022

A good pension arrangement is one of the most valuable benefits a company can offer its employees, providing financial security for you and your family.

This report includes a summary of the full Report and Accounts; it is designed to keep you informed about the financial progress of the United Airlines Inc. UK Pension Plan (the 'Plan'), and tell you about any changes that have occurred in the previous financial year. It includes membership information, investment performance, and the money coming into and paid out of the Plan over the year under review.

Plan membership

The Plan is run for the benefit of its members. Membership at the end of the year under review is shown in the diagram below. (Deferred pensioners are previous contributing members who have not yet retired but retain benefits in the Plan.) The Plan was closed to future accruals on 31 December 2021, so all Contributing Members became Deferred Pensioners after that date.



Finances

Money In – Money Out	£000's
Balance at 1 January 2022	219,245
Contribution Income ¹	0
Increase in Market Value of Investments	(79,578)
Total Expenditure ²	(4,830)
Balance at 31 December 2022	134,837

¹ Contribution income includes regular Company and Member contributions

² Total expenditure includes benefit payments and transfers out



Trustees and professional advisors

The Plan is administered by the Trustees, with the help of their professional advisers. The Trustees are:

Mr C Chen	Mr G Larkin (MNT)
Mr B O'Reilly (MNT)	Ms J Killick

The Trustees are there to work on your behalf – they are your representatives. They are responsible for running the Plan – ensuring that it is administered properly and that Plan's assets are invested appropriately. In order to keep up to date and increase their knowledge of pension plan administration, the Trustees have undertaken and completed an online trustee training course run by the Pensions Regulator.

Legislation requires that at least one third of a plan's trustees are nominated by members. The current Member Nominated Trustees (MNTs) in the Plan are Glenn Larkin and Brandon O'Reilly.

To assist in the complex task of administering the Plan, the Trustees seek the professional help and advice of the following people and organisations:

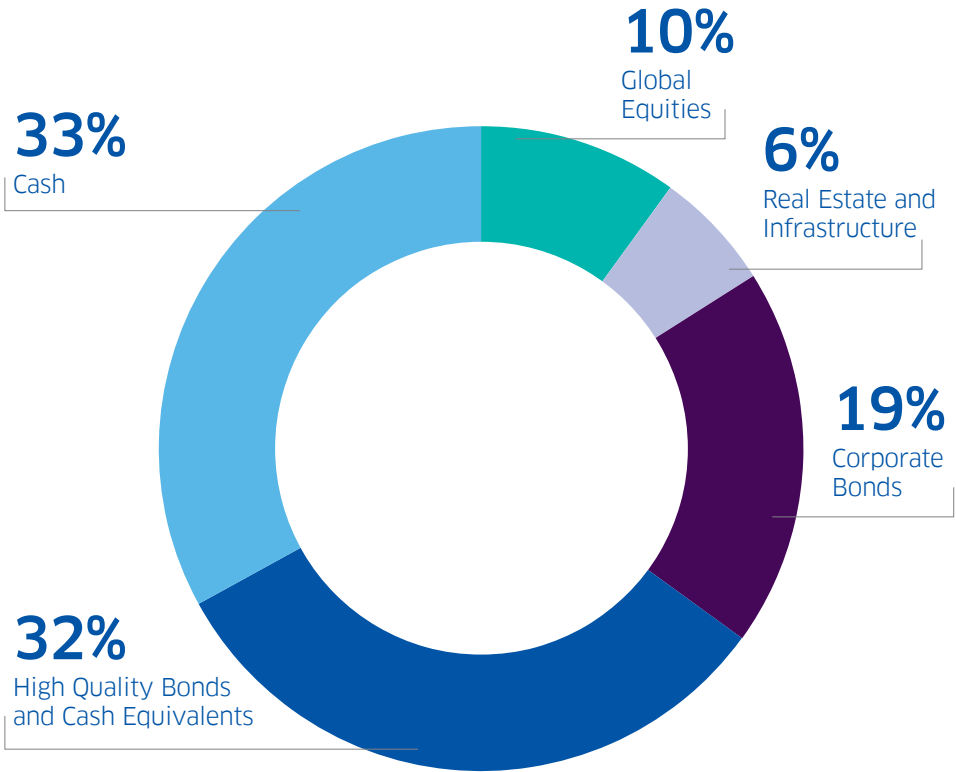
Plan Actuary	Mr Scott James Pinder FIA, WTW (resigned 17 February 2023) Mr Nick Savage FIA, WTW (appointed 17 February 2023)
Investment Adviser	WTW
Administrator	WTW
Legal Adviser	Macfarlanes
Investment Manager	WTW
Auditor	Crowe U.K. LLP
Bank	HSBC Bank Plc

Investments at 31 December 2022 (Excluding Additional Voluntary Contributions)

The actual allocation of assets at 31 December 2022 is shown below.

The Plan's investment manager over the year was WTW. WTW adopted an index-tracking approach, by which the Trustees expected to achieve investment returns close to the benchmark each asset class was tracking, rather than performance depending on the manager's ability to select individual investments to enhance returns.

During the 12 months to 31 December 2022, the Plan's assets achieved a return of -37.0% (after fees). This was a slight under performance compared to the benchmark returns over the period, primarily due to rising yields causing gilt values to fall as well as broader declines in markets over 2022.



Summary Funding Statement



As you are entitled to benefits from the Plan, you are entitled to receive regular information on an annual basis on the Plan's funding position. We will normally include a statement like this in each year's Trustees' Report To Members.

How your benefits are secured

Security for your benefits is provided principally by the assets held by the Plan and United Airlines Inc.'s ('United') continuing support and future contributions. The Plan's assets build up from the contributions that United (and, up until 31 December 2021, the Plan's active members) pay into a common fund. These are then invested. Aside from any Additional Voluntary Contributions paid by members, separate funds are not held for each individual.

The Plan's investment policy

The Trustees are responsible for ensuring that the investment policy is appropriate for the Plan. The Trustees' primary objective is to protect the payment of the benefits. The Plan's assets are invested as described on page 4. More detail is available in the Plan's Statement of Investment Principles.

How the financial position of the Plan is monitored

The Trustees are required to conduct an actuarial valuation of the Plan at least once every three years. At each actuarial valuation, the Trustees monitor how the Plan's assets compare with the value of benefits already built up to assess the Plan's 'funding level'. United and the Trustees agree the appropriate level of future contributions to be made to the Plan. Actuarial valuations can be done in many ways and the Trustees do not rely on a single set of figures.

The financial position of the Plan is set out in the actuarial valuation report. The report also includes information about the many factors that may change the Plan's financial position in the future. It provides useful background to the information in this statement.



Latest financial position

The most recent completed actuarial valuation of the Plan was carried out with an effective date of 31 December 2022 and was completed in December 2023. The next actuarial valuation will be as at 31 December 2025. In addition, the Trustees obtain a shorter actuarial report in the years that a full actuarial valuation is not carried out. The results of the 31 December 2022 valuation are summarised below, together with the results from the actuarial reports as at 31 December 2021 and 31 December 2020.

Position at 31 December	2022	2021	2020
Value of assets	£134.8m	£219.2m	£205.9m
Cost of providing benefits already built up (liabilities)	£108.9m	£187.7m	£203.9m
Surplus/(shortfall)	£25.9m	£31.5m	£2.0m
Funding level (assets/liabilities)	124%	117%	101%

As there was no shortfall at 31 December 2022, no additional contributions are currently required.

Change in the financial position

The Plan's surplus increased from £2.0m at 31 December 2020 to £31.5m at 31 December 2021, with the funding level increasing from 101% to 117%. This reflects the impact of the closure to future accrual on 31 December 2021, the return on the Plan's assets being higher than expected and an improvement in market conditions over the year.

The Plan's surplus decreased in monetary terms from £31.5m at 31 December 2021 to £25.9m at 31 December 2022, though the funding level increased from 117% to 124%. This reflects the results of the 31 December 2022 actuarial valuation and the significant decrease in the both the assets and liabilities as a result of changes in market conditions over the year.



What would happen if the plan were wound-up?

As part of the valuation, the Plan Actuary also has to work out the funding level assuming the Plan doesn't continue and all the promised benefits are secured ('bought out') by paying a one-off premium to an insurance company. This kind of funding level (called the solvency funding level) is significantly lower than funding levels worked out if we assume the Plan carries on. This is because insurance companies have to invest in 'low risk' assets and they also have to hold reserves to demonstrate they have enough money to pay out the benefits. This makes buying out the benefits more expensive than continuing to run the Plan on.

If the Plan had been wound up at the 31 December 2022 valuation date, the Plan Actuary estimated that the Plan would have had £5.8m more than needed to cover the cost of fully providing, via an insurance policy, the benefits built up for Plan members.

We have to provide this information by law. This does not mean that United or the Trustees are currently considering winding up the Plan. If a deficit were to emerge in future United would need to meet the shortfall, but if United became insolvent, the Pension Protection Fund (the 'PPF') might be able to take over the Plan and pay compensation to members. Further details on the operation of the PPF are available on the PPF's website at www.pensionprotectionfund.org.uk or you can write to the Pension Protection Fund at PO Box 254, Wyomondham, NR18 8DN.

Payment to United

We are obliged to inform you if any payment has been made from the Plan to United in the twelve months prior to this statement. The Trustees can confirm that no such payment has been made. Similarly we are obliged to inform you if the Pensions Regulator has made modifications to the Plan or given specific directions on the funding of the Plan. Again, the Trustees can confirm that no such modifications or directions have been made.

Looking after your data

Some personal data for Plan members (such as date of birth and salary) is required for the running of the Plan, including paying out the right benefits. The use of this data is regulated under the Data Protection Act, which places certain responsibilities on those who exercise control over the data (known as 'data controllers' under the Data Protection Act). Data controllers would include the Trustees of the Plan, and, in certain circumstances, professional advisers to the Plan. These may include the Plan Actuary and WTW, who have provided further details at



www.wtwco.com/personal-data

Retirement planning and latest pensions news

Retirement planning



Retirement is a time when you have to make decisions that have an impact on your financial wellbeing. Some of these decisions are complex and it is important you are aware of the options available at retirement in order to make informed decisions; for example, the benefits and drawbacks of taking a tax-free cash sum on retirement and when to retire.

Each member should be provided a retirement statement six months before their Normal Retirement Date. Choosing how and when to take your retirement income can be a complicated decision. If you are unsure about your options or would like advice about your own situation you should consider speaking to an Independent Financial Adviser (IFA). You can find more information about how an IFA can help and how to select one at:



www.moneyhelper.org.uk/en/getting-help-and-advice/financial-advisers/choosing-a-financial-adviser

A recap of your options before and at retirement

Since April 2015, people saving for retirement in Defined Contribution (DC) arrangements (also called money purchase arrangements, where you save individually in an investment fund) have been provided with 'pensions freedoms', allowing for more flexibility in the way they may access their pension pots at retirement.

As a member of a defined benefit (DB) plan, you would need to transfer your benefits to another DC scheme such as a personal pension to access this new flexibility. This option will not be suitable for everyone but may be beneficial, depending on your personal circumstances. It is important that you seek independent financial advice before considering a transfer and in most cases you would be required to evidence this.

From age 55, if the value of your benefits is less than £30,000, then you may also be eligible to take your benefits as a one off cash lump sum (with 25% of the value of your benefits being tax-free).

You can access your benefits in this fashion if:

- all your benefits in the Plan are worth less than £10,000; or
- if your benefits across all registered pension schemes are worth less than £30,000.

If you transfer your benefits out of the Plan or take all of your benefits as a one-off cash lump, as described above, you extinguish all your benefits within the Plan.

If you are interested in either of these options and believe that you meet the eligibility criteria please contact the Plan's administrators, WTW, at the details listed on the back page of this booklet.

State pension age changes

The Government is currently in the process of increasing State Pension Age (SPA). It is currently 66 and, under current legislation, this is due to be increased further in phases, eventually becoming age 68.

The Government has completed its second regular review of the SPA. It will increase to age 67 by 2028 as planned and the subsequent increase to age 68 will be reviewed by March 2025.

To calculate your SPA or get a State Pension forecast visit the Government website:

 www.gov.uk/browse/working/state-pension

Pensions scams

As the number of choices available to pension scheme members has increased so has the frequency and complexity of pension scams. Some disreputable companies are targeting members, claiming they can help them take their pension cash early. While this sounds tempting, this would usually result in tax charges and penalties of more than half the value of your pensions savings, so accessing your pension cash before age 55 is rarely in your best financial interests.

It is not just younger members who have been targeted, some scammers now promise sky-high investment returns if you withdraw your pension and deposit it with them. As with any major financial decision we recommend you seek independent financial advice when reviewing your pension provision.

If you are concerned that you have been approached and offered services so described, please contact either the Financial Conduct Authority (FCA) on **0800 111 6768** or Action Fraud on **0300 123 2040**.

Are your affairs in order?



None of us likes to think much about death but you should remember that various benefits may be payable on the death of a member and it is in your interests to have in place a fully updated Expression of Wishes form. The Trustees and United take into consideration information provided on a completed Expression of Wishes form when determining who should receive any benefits due to be paid in the event of the death of a member. Since 1 January 2016, death in service benefits based on a multiple of salary have been provided by United outside the Plan.

You should review your Expression of Wishes form whenever your personal circumstances change but particularly if you marry, divorce, start or end a civil or other partnership or have a child or other dependant (or if anyone nominated by

you should die). If you are not sure whether you have completed such a form, or if you think it may need updating, please contact **Carlene Ramkissoon** at **Human Resources** to request an Expression of Wishes form (see 'Useful Information' for address).

Increase in the Normal Minimum Pension Age

The Finance Act 2022 raises the earliest age at which members in good health can draw their benefits from 55 to 57 from 6 April 2028. This means that, from 6 April 2028, you will only be able to start drawing your benefits from the Plan if you are age 57 or older, unless you are in ill health. Benefits that you transfer out of the Plan will also be subject to the new Normal Minimum Pension Age of 57 from 6 April 2028.

Interested in becoming a Trustee?

If you are a member of the Plan, have you considered becoming a Trustee for the Plan, or thought about what the role might entail?

If you are interested in pensions in general, have experience in trusteeship or are interested in getting to know the workings of the Plan in more depth and playing a role in its future direction, this role could be a chance for you to contribute towards the Plan.

Trusteeship is a rewarding way to volunteer and members looking for continuing development should certainly consider becoming a Trustee. You don't need any prior experience and training will be provided.

The current Trustees would like to hear from you if you think you may be interested in potentially taking on this role. Please contact **Carlene Ramkissoon** at Human Resources if you would like more information.

In addition, more information on what being a pension trustee entails is available through the Pension Regulator's 'Guidance for Trustees', available online at



www.thepensionsregulator.gov.uk/trustees.aspx

Additional Voluntary Contributions (AVCs)

If you have made Additional Voluntary Contributions to the Plan then you make the decisions on where that money is invested (unlike your defined benefits in the Plan). You may be able to use your AVCs in a number of ways:

At retirement:

- Take AVCs from the Plan as either tax-free cash or convert to a pension from the Plan
- Take AVCs as a separate (part tax-free, part taxed) cash lump sum from Plan (note there may be tax implications for you to consider)

Before or at retirement:

- Transfer AVCs to another pension arrangement and take separately outside of the Plan

You should regularly review your AVC funds and that they are invested in a way which matches your objectives.

Documents available on request

The following documents are available on request from the Plan's administrators:

- **The full report on the Actuarial Valuation** following the Plan Actuary's check of the Plan's financial situation as at 31 December 2022. This report gives detailed information on the Plan's funding position and on the many factors that will influence the development of the Plan in the future.
- **The Statement of Funding Principles.** This explains how the cost of providing benefits is calculated and the Trustees' policy for ensuring that the cost is adequately met.
- **The Schedule of Contributions.** This shows the level of contributions that are being paid into the Plan.
- **The Statement of Investment Principles.** This explains how the Trustees invest the money paid into the Plan.
- **The Annual Report and Accounts** of the Plan, which shows the Plan's income and expenditure in the year up to 31 December 2022.
- **The Trust Deed and Rules.** This is the formal legal document that describes how the Plan will be operated.
- **The Member Booklet.** This is issued to all members when they joined the Plan and explains how your benefits and contributions are calculated.



Need help or more information?

To request details on your individual benefits, or to request any of the documents outlined on page 11, you can contact the Plan's administrators



WTW
PO Box 545
Redhill
Surrey RH1 1YX



UAL@wtwco.com



01737 828116

If you would like to know more about the Plan please contact



Carlene Ramkissoon



Human Resources
United Airlines
World Business Centre
1 Newall Road
London Heathrow Airport
Middlesex TW6 2RE



UKHR@united.com



07912 479667

NOTE: This Trustees' Report To Members is designed to highlight some of the main issues regarding recent performance of the Plan and other relevant information relating to the Plan. It is not intended to be a definitive guide and does not provide you with any financial advice. If there is any inconsistency between this document and the Plan's Trust Deed and Rules, then the Plan's Trust Deed and Rules will prevail.