

New Fleet Service Terms – Implementation Schedule

Effective September

Provision	Description	Effective Date
Holidays	Holiday no longer rolls to next scheduled workday (first holiday to be affected will be Thanksgiving Day.)	9/12/2012
Vacations	Maximum vacation days will be reduced from 30 days to 25 days for those with 30 or more years of service with the company (based on effective date, employees will receive 25 days for 2013).	9/12/2012
Personal Vacation Days	Personal vacation days (PVDs) will no longer be awarded effective 9/12/12; however, personal vacation days awarded on or before 9/12/12 for future dates will be honored and those PVDs will be deducted from the employee's 2013 vacation accrual.	9/12/2012
AA/AE ASM Cap	Eliminate ASM Cap, allowing American to utilize more seat miles scheduled by commuter air carriers.	9/12/2012
Part Time Floor	Increase Part Time floor to allow us to optimize the Full Time/Part Time staffing levels.	9/12/2012
Profit Sharing Plan	For information on the Profit Sharing plan, please see " Profit Sharing Attachment " at the end of this document.	9/12/2012
Scope Changes	Scope changes listed below will occur in a staggered approach and are expected to be completed by the end of the year: <ul style="list-style-type: none"> • Spoke outsourcing • Dayline Cabin Cleaning • Cargo at non-hubs • Mail at all locations • TULE M&E Fleet Service Clerks • Bus Drivers • AE Bag Transfer 	September

Effective November

Provision	Description	Effective Date
Pension	A freeze of the defined benefit pension plan (preserving all benefits accrued through the freeze date), and a replacement defined contribution benefit with a company match to your 401(k) contributions of up to 5.5% of pay.	11/1/2012
Medical for	Employees Retiring Before Age 65 will be	11/1/2012

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Active Employees When They Retire	<p>offered access to a company-sponsored Pre-65 retiree medical option. The retiree will pay the full cost of the projected annual expenses, including administrative expenses. Any employee who retires on or after November 1, 2012 will begin paying the full cost of this coverage beginning January 1, 2013.</p> <p>Employees Retiring at Age 65 or Over will be offered access to “guaranteed-issue” Medicare supplement plans through a third-party administrator.</p>	
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Effective January

Provision	Description	Effective Date
Medical for Active Employees	AA is offering all employees a universal health program with three medical options: the Standard option; the Core (high deductible) option; and the Value option available at higher contribution rates. All employees should elect the options that work best for them and their families during the annual Benefits Enrollment, which will be Nov. 1-16, 2012.	1/1/2013

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PROFIT SHARING PLAN

American's approach to restructuring looks ahead to a point where our airline emerges a strong and profitable company in which our people directly benefit from the company's success.

Our agreements with the TWU and APFA, as well as changes with our Agents Representatives and Planners, provide for a first-dollar profit sharing plan that, in contrast to our current plan, ensures a payout in any year the company realizes a profit. We can achieve consistent profits with the right business plan and cost structure, as demonstrated by our industry competitors that have gone through restructuring.

For our Flight Attendants, Agents, Representatives, and Planners, and TWU-represented employees, we will implement a revised profit sharing plan on Sept. 12, 2012, that will set aside 5 percent of pre-tax income after the first dollar of profits into a fund. Those profits will then be equitably distributed to employees based on each individual's eligible earnings.

The company initially proposed profit sharing of 15 percent for all of our people. However, we reallocated some of the proposed profit sharing income to increase pay rates to address the concerns and priorities that matter most to our Flight Attendants, Agents, Reps and Planners, and our TWU-represented employees. We were able to do so because the company is confident in our business plan and the profits it will generate. Maintaining employee participation in the profit sharing plan is also a priority, as all employees should benefit from the future success of American.

For example, if American were to earn \$750 million in profit, the percent the employee receives would be approximately 1 percent. For an employee making \$50,000 that would be \$500.

Pre-Tax Earnings (\$MM)	% Payout	Salary Examples (\$)	Individual Payout (\$)
\$250	0.33%	25,000	83
		50,000	167
		75,000	250
\$500	0.67%	25,000	167
		50,000	333
		75,000	500
\$750	1.00%	25,000	250
		50,000	500
		75,000	750
\$1,000	1.33%	25,000	333
		50,000	667
		75,000	1,000

Assumes \$3.75B of total annual eligible earnings.

Eligible earnings vary by work group, but include salaries, overtime pay, holiday pay, skill premiums, sick pay, vacation pay, shift differential, overrides and license premiums.

These estimates may not be indicative of each year (1-6) of the contract terms due to phasing of certain provisions

This summary represents key points from our new agreement, and is not intended to be a comprehensive and complete list. Implementation timing is subject to change based on operational needs.