

New Mechanic & Related Terms – Implementation Schedule

Effective September

Provision	Description	Effective Date
Early Out Incentive	Voluntary Early Out Program election window closes 9/25/12 at 2300 CDT.	9/4/2012
Hourly Pay Rates	Increase base pay rate by 3 percent.	9/12/2012
Sick Leave	Employees will receive ½ pay for the first day of sick occurrence.	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 approved 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
Meal Period	If an employee is not provided with a 30-minute meal period, he will be allowed to leave 30 minutes prior to the end of his shift.	9/12/2012
One Station	DWH will be a stand-alone base, and would be included with DFW in a reduction in force only.	9/12/2012
Letters of Agreement	Begin to eliminate 37 local letters of agreement.	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
1/7th Rule	Remove restrictions on the number of employees that can be scheduled on Saturdays or Sundays at bases.	9/13/2012
Scope Changes	The following lines will be outsourced in September: One 757 check line with its back shop support Two 757 Main Cabin Extra lines One 767 Main Cabin Extra line One 767 SIP/FailSafe line	September

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Effective October

Provision	Description	Effective Date
Shifts	Management to establish work week, work cycles; Employees will bid at least two times a year.	10/12/2012
Overtime	Meet with the TWU to reach agreement on standardized overtime procedures. If an agreement is not reached, the dispute will be mediated/arbitrated at the next System Board of Adjustment.	AA/TWU to meet on 10/15/2012 to start process toward reaching agreement.
Field Work	Meet with the TWU to reach agreement on standardized field trip procedures. If an agreement is not reached, the dispute will be mediated/arbitrated at the next System Board of Adjustment.	AA/TWU to meet on 10/15/2012 to start process toward reaching agreement.
Scope Changes	The following lines are planned to be outsourced in October: One 737 NGS prototype Blade and vane shop	October
Station Staffing	Provide for staffing of TWU-represented employees (Title II) at stations where TWU Fleet Service Clerks are staffed. Continue staffing with TWU represented employees at stations with 5,475 or more annual AA departures.	October-December

Effective November

Provision	Description	Effective Date
Retirement Benefits	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

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<p>Classification</p>	<p>Permit management to establish qualifications, review changes with TWU and consider TWU input, and to implement changes to the Qualifications Administration Manual, and provide for a dispute resolution procedure.</p> <p>Modify restrictions on OSM utilization at Base operations.</p> <p>Agree to streamline and standardize the utilization of an Avionics Technician. Create a guideline of work scope. During normal work hours the alignment of work will be in accordance with the proposed scope, however, it does not preclude Avionics or General Technicians from doing either bill or work.</p> <ul style="list-style-type: none"> • Avionics tasks are performed by utilizing the “Cradle to Grave” approach to assignments. • Eliminate all Avionics local letters of agreements. <p>Clarify that Tech Crew Chief and Crew Chief can assist crews as necessary to insure completion of assignments. Also, confirm Tech Crew Chief may perform the duties of a regular Crew Chief on a non-regular basis.</p> <p>Consolidate Aircraft Cleaners and Parts Washers classifications; group will be identified as Cleaners.</p>	<p>Base 11/1/2012</p> <p>Line 12/1/2012</p>
<p>Scope Changes</p>	<p>The following lines are planned to be outsourced in November:</p> <p>Four 737 Main Cabin Extra lines 777 MBV and back shop support Some AFW shops</p> <p>The following lines are planned to be moved:</p>	<p>November</p>

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	<p>767 check lines</p> <p>767 back shops</p> <p>Wire and harness shops</p> <p>Title II –</p> <p>Outsource all cabin cleaning, eliminate Cabin Cleaner classification.</p> <p>Outsource all existing building cleaner work, and eliminate Building Cleaner classification.</p> <p>Outsource High Voltage (13500 and above) Electrical Maintenance at Bases.</p> <p>Central Plant Operation and Maintenance at TULE will consist of a 20 Plant Maintenance Mechanics and 20 Maintenance Support Persons.</p> <p>Qualifications for TAESL (TAESL operations, CUP, IWTP, Haz waste) will be PM92. The support for TAESL will consist of 2 Plant Maintenance Mechanic Crew Chiefs, 28 Plant Maintenance Mechanics, There will no GSE support.</p> <p>Outsource concrete, fencing, and major carpentry projects at TULE.</p> <p>A Ground Service Equipment work on non-powered equipment at Customer Stations, to be done by MSP, provided MSP scope includes welding and use of cutting torch. Non-powered work performed by Line Maintenance can be outsourced.</p> <p>Outsource all Facilities Maintenance work at HDQ, FSU, GSW, SRO, AFW and SOC.</p> <p>Outsource all Facility and GSE related work associated with Cargo where Fleet Service is not staffed.</p>	<p>Title II – November- December</p>
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Effective December

Provision	Description	Effective Date
Scope Changes	The following lines are planned to be moved in December: 777 special visit to DWH	December

Effective January 1, 2013

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 November 1-16, 2012.	1/1/2013
Medical for Active Employees When They Retire	<p>Employees Retiring Before Age 65 will be 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>	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