

## New Stores Terms – Implementation Schedule

### Effective September

Provision	Description	Effective Date
<b>Early Out Incentive</b>	Voluntary Early Out Program election window closes 9/25/12 at 2300 CDT.	9/4/2012
<b>Hourly Pay Rates</b>	Increase base pay rate by 3.5 percent.	9/12/2012
<b>Material Logistics Specialist Premium</b>	Provide a premium of \$0.45 per hour	9/12/2012
<b>Personal Vacation Days</b>	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
<b>AA/AE ASM Cap</b>	Eliminate ASM Cap, allowing American to utilize more seat miles scheduled by commuter air carriers.	9/12/2012
<b>Meal Period</b>	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
<b>One Station</b>	DWH will be a stand-alone base, and would be included with DFW in a reduction in force only.	9/12/2012
<b>Profit Sharing Plan</b>	For information on the Profit Sharing plan, please see " <a href="#">Profit Sharing Attachment</a> " at the end of this document.	9/12/2012
<b>Overtime</b>	Day-off overtime will no longer require 40 hours worked during the work week in order to be paid 1.5X.	9/12/2012

### Effective November

Provision	Description	Effective Date
<b>Retirement Benefits</b>	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
<b>Flex Vacation</b>	Flex vacation will be selected starting 11/15 and	11/15/2012

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	will be completed on 12/15, each year.	
<b>Classification</b>	Permit management to establish qualifications, to review changes with the TWU, and to implement changes to the Qualifications Administration Manual, and provide for a dispute resolution procedure.	11/15/2012

### Effective January 1, 2013

<b>Provision</b>	<b>Description</b>	<b>Effective Date</b>
<b>Medical for Active Employees</b>	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
<b>Medical for Active Employees When They Retire</b>	<p><b>Employees Retiring Before Age 65</b> 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><b>Employees Retiring at Age 65 or Over</b> 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*

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