



AGREEMENT

between

AMERICAN AIRLINES
and
TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

covering

MATERIAL LOGISTICS SPECIALISTS AND CREW CHIEF MATERIAL LOGISTICS SPECIALISTS
EMPLOYEES

of

AMERICAN AIRLINES, INC.

Effective date – September 12, 2012



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AGREEMENT

between

AMERICAN AIRLINES, INC.

and

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

covering

MATERIAL LOGISTICS SPECIALISTS AND CREW CHIEF MATERIAL LOGISTICS
SPECIALISTS EMPLOYEES

of

AMERICAN AIRLINES, INC.

Effective date – **September 12, 2012**

PREAMBLE

THIS AGREEMENT entered into this **September 12, 2012** by and between AMERICAN AIRLINES, INC. (sometimes referred to as the "Company") and TRANSPORT WORKERS UNION OF AMERICA AFL-CIO (sometimes referred to as the "Union"), as representative of the employees in the classifications listed, pursuant to the terms of the Railway Labor Act, as amended, in the mutual interest of the employees and of the Company to promote the safety and continuity of air transportation, to further the efficiency and economy of operations, and to provide orderly collective bargaining relations between the Company and its employees, a method for the prompt and equitable disposition of grievances, and for the establishment of fair wages, hours and working conditions for the employees covered under this Agreement. In making this Agreement, both the Company and the employees recognize their duty to comply with the terms of this Agreement and to cooperate fully, both individually and collectively, for the accomplishment of the intent and purpose of this Agreement.

ARTICLE 1 - RECOGNITION AND SCOPE

(a) The Company recognizes the Union as the exclusive and sole collective bargaining agency for all employees within the United States within the classifications of work enumerated, pursuant to the certification from the National Mediation Board dated November 28, 1945, together with the National Mediation Board's File No. C-2380 dated November 28, 1955.

(b) It is intended that work now being performed (and to the extent it will continue to exist) will be performed by employees covered by this Agreement, except that nothing will prohibit the Company from scheduling or assigning any employee to perform work in any classification under the Maintenance and/or Stores Agreements, under the provisions of Article 1 and Article 11 of this agreement and Article 11 of the Maintenance Agreement. It is further understood that although the parties do not intend by this Article to give to employees covered by this Agreement work currently being performed by other Company employees, covered or uncovered, or to take away from employees covered by this Agreement work currently being performed by them, the scheduling and assignment of employees under the provisions of Article 1 and Article 11 of this Agreement and Article 11 of the Maintenance Agreement to perform this work are not contrary to this intent.

The Company **will** determine the location and number of **MATERIAL LOGISTICS SPECIALIST** positions required to support the operations in accordance with Article 11 of the Maintenance Agreement.

It is understood and agreed that the work to be performed by employees covered by this Agreement does not include related indirect work performed by employees such as supervisors, management specialists, managers, planners, professional employees, flight crews, dispatchers, office and clerical employees, agents, clerks, production assistants, staff assistants and skycaps.

(c) It is understood that in an emergency, supervisors and other employees may perform or assist in performing any work that may be necessary to complete a particular operation. Where employees are reasonably available in point of time adequately to handle a situation on a regular, overtime, or field trip basis, the situation will not be deemed to be an emergency within the meaning of this paragraph.

(d) Contracting Out of Work. In the interest of providing stable employment but nevertheless to permit the Company to maintain and continue the development of air transportation under applicable laws, the Company will perform work to the extent performed under this Agreement as its present employees, covered under this Agreement, have the normal time and the skills to perform, and for which the Company can reasonably make available the necessary facilities.

(1) Additionally, it is agreed that the Company may continue to contract out work

not exceeding the scope of its present contracting out practices. The Company will provide to the Union, in January and July of each year, a report, which indicates the extent of the **Material Logistic Specialist** work, which has been contracted out-

- (2) It is understood that nothing in this Article requires the maintenance of the present volume of work.
- (3) At the request of the Director of the Air Transport Division of the Union, discussions may be initiated with the Vice President – Employee Relations, quarterly or on reasonable request, to ascertain the amount and type of work under this Agreement which has been contracted out during the previous calendar quarter for purposes of assuring consistency with the obligation of Article 1 (d) (1) of this Agreement.
- (4) The time limit for grievances filed under Article 29(d) involving contracting out will be six (6) months from the date on which the contracting out commenced or, in the case of a substantial expansion of prior contracting out, six (6) months from the date of the substantial expansion.

(e) **The parties recognize that the Mechanic and Related Agreement allows for certain additional flexibility on outsourcing of work. It is understood that, while such outsourcing may impact the volume of Material Logistic Specialist work, the scope of the Company's Material Logistic Specialist work will remain the same as today and that established practices concerning the assignment of work with respect to maintenance performed in house will continue in effect.**

(f) **Merger, Purchase, or Acquisition of Another Company:** In the event of a merger, purchase, or acquisition of another company, involving that entire company or a substantial portion of that company, by the Company, the TWU and the Company will meet to discuss the merger, purchase, or acquisition. The Company will provide the TWU with information concerning the proposed merger, purchase, or acquisition at the earliest feasible time to allow for the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, or acquisition upon the TWU represented employees.

(1) The integration of the seniority lists of the respective employee groups will be governed by the provisions of Sections 3 & 13 of Allegheny-Mohawk, 59 CAB 22 (1972), provided that no employee on the master seniority list will be adversely impacted in rates of pay, hours, or working conditions by the integration.

(2) The rates of pay, rules and working conditions contained in the Basic Agreement, as amended, will not be open for collective bargaining in the event of a merger nor will the TWU or the Company have any obligation to bargain upon

changes thereto, except as provided in Article 47 – Duration of the Basic Agreement.

(3) The parties agree to submit to final and binding arbitration by an arbitrator approved by the National Mediation Board all disputes between the TWU and the Company, which are not settled in the meetings provided above within six (6) months of the effective date of the merger. The costs of the arbitration will be shared equally by the parties and there will be only one such arbitration proceeding which will be the sole and exclusive remedy for all such disputes.

(4) It is understood that the provisions of Article 1(f)(1), (2), and (3) will not apply to the Company's purchase of assets of another airline which does not result in the integration of employees.

(g) Merger, Purchase, or Acquisition by another Company: In the event of a merger, purchase, or acquisition of the Company by another company, the TWU and the Company will meet to discuss the merger, purchase, or acquisition. The Company will provide the TWU with information concerning the proposed merger, purchase, or acquisition at the earliest feasible time to allow for the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, or acquisition upon the TWU represented employees.

(h) Labor Protection Provisions: In the event of a merger, purchase, or acquisition of the Company by another Company, the integration of the seniority lists of the respective employee groups will be governed by the provisions of Sections 3 & 13 of Allegheny-Mohawk, 59CAB22 (1972). The employee groups of each carrier will remain separated until such time as the seniority lists are integrated in accordance with this paragraph.

(i) Successorship:

(1) The agreement will be binding upon any Successor. The Company will not bring a single step or multi-step Successorship Transaction to final conclusion unless the successor agrees, in writing, to:

(a) recognize the TWU as the representative of employees on the TWU System Seniority list consistent with the Railway Labor Act, as amended;

(b) employ the employees on the TWU System Seniority list in accordance with the provisions of this Agreement;

(c) assume and be bound by this Agreement.

(2) If the Successor is an Air Carrier or an affiliate of an Air Carrier, the Company will, at the option of the TWU, require the Successor to agree to integrate the pre-transaction System Seniority list of the Company and the

Successor in a fair and equitable manner within twelve (12) months of the Successorship transaction pursuant to Sections 3 and 13 of the Allegheny-Mohawk LPPs. The requirement of this provision does not apply to the Company's acquisition of all or part of another Air Carrier in a transaction, which includes the acquisition of aircraft and employees.

(j) The attachments on the following pages are agreed to by the parties and are incorporated as part of this agreement.

ATTACHMENT 1.1 - NEW TWU CITIES

AMERICAN AIRLINES, INC.
P.O. Box 619616
DFW Airport, Texas 75261 -9616

May 5, 1989

Mr. John J. Kerrigan
International Vice President
Director-Air Transport Division
Transport Workers Union of America, AFL-CIO
80 West End Avenue
New York, New York 10023

Re: New TWU Cities

Dear Mr. Kerrigan:

During the course of the negotiations leading to the signing of the current agreement, the staffing of certain cities by TWU represented employees was raised by the Union.

As a result of these discussions, it is agreed that periodic meetings between the Company and the Union, represented by the International Vice President, Transport Workers Union, and the Senior Vice President-Field Services, American Airlines, will be held for the purpose of reviewing the long term implications of staffing of new cities by TWU represented employees.

Very truly yours,

Charles A. Pasciuto
Vice President
Employee Relations

Agreed to this date:

John J. Kerrigan

ARTICLE 2 - DEFINITIONS

(a) "Affiliate" means:

(1) Any entity that controls the Company or any entity that the Company controls, and/or

(2) Any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in (a) (1) of this paragraph.

(b) "Base hourly rate", "regular hourly rate", "regular pay", or "pay as if working" will mean the employee's rate as shown in Article 4 plus any applicable longevity pay, differentials, license premiums, skill premium, and other premiums. When "base hourly rate", "regular hourly rate", "regular pay", or "pay as if working" is compounded, it will include license and skill premiums.

(c) "Basic Classification" means non-Higher Capacity classification as referenced in Article 11.

(d) "Chart hourly rate" will mean those hourly rates of pay appearing in Article 4.

(e) "Chief Operating Officer", "department head", or any other management title referred to in the Agreement will mean that person or any other person properly designated and appointed by him to act in his capacity. References to the titles of Union officials will mean that person or any other person properly designated and appointed by him to act in his capacity.

(f) "Company" means American Airlines, Inc.

(g) "Company seniority" will be the time based on the employee's hire date with the Company. This seniority is governed by Company policy.

(h) "Complex" replaces "set" and denotes a group of cities in close geographical proximity as referred to in Article 46(a).

(i) "Day(s)" will mean calendar day(s) unless specified otherwise.

(j) "Emergency" will mean a sudden, unexpected occurrence or situation urgently requiring prompt action. (e.g. sudden change in weather, air/ground interrupt, diversion, etc...)

(k) "Employee" will mean an employee in the classifications covered by this Agreement.

- (l) "He" or any other masculine pronoun will be understood to designate any employee, whether male or female.
- (m) "Higher Capacity Position" (HCP) replaces "bid position" and refers to the following positions; "Crew Chief," and "Technical Crew Chief" in all Title groups.
- (n) "Maintenance Base" as used in this Agreement will include only the following locations; TULE, AFW, and DWH.
- (o) "Material Logistics Specialist" will mean all employees covered by this agreement where the term "Stock Clerk" was previously used.
- (p) "Occupational seniority" will be the Occupational Group Title seniority referred to in Article 10 of the Agreement.
- (q) "On call" will mean an employee who has been instructed to remain or stand by at a station, shop, hangar, or other location, in order to begin work immediately upon the work becoming available.
- (r) ("Pay seniority") will govern pay raises and placement on the appropriate pay scales in Article 4. This seniority is governed by the applicable Articles of this Agreement. (The change to "pay seniority" is for clarification purposes only and does not change the original intent, formerly known as "classification seniority.")
- (s) "Qualifications" will mean all requirements, other than qualifying tests, which may be considered necessary by the Company for the particular type of work to be performed, and specified in advance in writing.
- (t) "Qualifying test" will mean the test(s) for competency in a particular classification or type of work as established in the Qualifications and Administration Manual (QAM).
- (u) "Status" denotes if an employee is either full time (full time status) or part time (part time status).
- (v) "Successor" will include, without limitation, any assignee, purchaser, transferee, administrator, receiver, executor, and/or trustee of the Company or of all or substantially all of the equity securities and/or assets of the Company.
- (w) "Successorship Transaction" means any transaction, whether single step or multi-step that provides for, results in, or creates a successor.
- (x) "Will" has the same meaning as the word "shall".

ARTICLE 3 - HOURS OF WORK

(a) The workday will consist of a twenty-four (24) hour period beginning at 12 o'clock midnight and a regular day's work will consist of eight (8) hours, exclusive of meal periods.

(b) The workweek and pay week will consist of seven (7) consecutive days beginning at 12:01 a.m. Saturday. The regular weekly work schedule will consist of a guaranteed five (5) workdays of eight (8) hours each within the workweek at the applicable rate of pay.

(c) Each employee will be scheduled two (2) days off during each workweek, **and** the Company will make every reasonable effort to arrange work schedules so that, whenever practicable, those days will be Saturday and Sunday. When an employee's days off are other than Saturday and Sunday, they will be two (2) consecutive days. Nothing will prohibit the Company from scheduling Friday and Saturday as the two (2) consecutive days off; (provided that when this is done, Friday will be considered the first scheduled day off and Saturday will be considered the second scheduled day off), except that when an employee's days off are changed to Friday and Saturday, the first Saturday following such change will be paid, if worked, at the rate of one and one-half times (1.5X) his regular hourly rate.

(d) At stockrooms or warehouses where employees are required to maintain continuous operation of departments or assignments, days off or shifts may either be fixed, bid or rotated in accordance with the preference of a majority of the employees involved, consistent with the requirements of the service. When fixed days off are selected, seniority will determine days off. The frequency of shift bids will be **up to a maximum of three (3) shift bids per year to be consistent with the maintenance operation.**

(e) All time worked in any continuous tour of duty, including overtime, will be considered as work performed on the workday within which the tour of duty is started.

(f) Part time employees' hours will be governed by the provisions of Article 43.

(g) Where the Company maintains a seven day operation, individual work units may be scheduled in whole or in part on a four (4) days of ten (10) hours each basis, when mutually agreed between the Company and the Union. This agreement must be approved by the ATD Director and the Vice-President overseeing the work unit. When a 4/10's schedule is adopted, it will be subject to the provisions outlined below.

(1) It is understood there are very few locations where a 4/10's schedule will meet the needs of the service, and that this alternative schedule will be approved only when it involves no increased expense for the Company and no loss of productivity or any other recognizable degradation of performance.

(2) It is understood and agreed that either party will have the right to cancel a 4/10's schedule with thirty-(30) calendar days notice to the other party.

(h) If the schedule is four (4) days of ten (10) hours each, the three (3) days off will be consecutive and in accordance with the intent of Article 3(c), except as modified below.

(1) Nothing will prohibit the Company from scheduling Thursday, Friday, and Saturday as the three-(3) consecutive days off. When this is done, Thursday will be considered the first scheduled day off. Friday will be considered the second scheduled day off, and Saturday will be considered the third scheduled day off.

(2) Nothing will prohibit the Company from scheduling Friday, Saturday, and Sunday as the three-(3) consecutive days off. When this is done, Friday will be considered the first scheduled day off. Saturday will be considered the second scheduled day off, and Sunday will be considered the third scheduled day off.

ARTICLE 4 - COMPENSATION

During the period of this Agreement, the rates of pay for the classifications of work covered will be in accordance with the Wage Schedules shown below, which is incorporated and made part of this Agreement.

(a) During the period of this Agreement, the regular rates of pay for the bid classifications of work covered in this Agreement will be as specified below.

(1) An employee who is the successful bidder for promotion into a Crew Chief or Tech Crew Chief classification on or after **September 12, 2012**, or who holds a Crew Chief Tech Crew Chief position on that date, will receive his/her **basic classification** chart rate plus a **Higher Capacity** position premium of \$1 .75 per hour. Employees who receive this **Higher Capacity** position premium will continue to receive that premium, providing they hold a **Higher Capacity** position.

(2) An employee working as an acting Crew Chief will receive his/her non-bid chart rate plus a premium of a \$1.75 per hour only for those hours in acting Crew Chief capacity.

This **Higher Capacity** position premium is added to the **basic classification** regular rate of pay and will be considered as regular pay for accrual of all pay related benefits. Length of service increases will be based upon the **basic** classification date.

A Crew Chief working at a lower classification due to a Change of Shift or Overtime will be paid at the applicable lower classification rate.

(b) During the period of this Agreement, the regular rates of pay for the **basic** classifications of work will be as specified on the appropriate pay chart below:

Material Logistics Specialist

Effective Dates
Pay Progression

(1) The following chart applies to any employee whose progression from one step to the next shall be based on twelve (12) months of service in the classification at each step. These rates of pay and the progression are subject to the provisions of Article 4 below.

	9/12/12	9/12/13	9/12/14	9/12/15	9/12/16
1st Step	\$9.49	\$9.68	\$9.87	\$10.02	\$10.17
2nd Step	\$10.63	\$10.84	\$11.06	\$11.23	\$11.40
3rd Step	\$12.21	\$12.45	\$12.70	\$12.89	\$13.08
4th Step	\$13.38	\$13.65	\$13.92	\$14.13	\$14.34
5th Step	\$14.54	\$14.83	\$15.13	\$15.36	\$15.59
6th Step	\$15.69	\$16.00	\$16.32	\$16.56	\$16.81
7th Step	\$16.84	\$17.18	\$17.52	\$17.78	\$18.05
8th Step	\$17.99	\$18.35	\$18.72	\$19.00	\$19.29
Thereafter	\$21.90	\$22.34	\$22.79	\$23.13	\$23.48

2. At a station where there are no existing procedures governing the assignment and administration of **Material Logistics Specialist** driving duties, the parties agree to discuss guidelines for implementing those procedures.
- (c) **An employee assigned to the classification of Material Logistic Specialist will receive a Skill Premium of forty five (45) cents per hour. Skill Premium as provided in Article 4 will be compounded in the computation of overtime rates and included as a portion of the employee's base hourly rate. The Skill Premium will also be included in the pensionable earnings.**
- (d) Flexible Starting Rates
1. In the event that the Company, in its sole discretion, finds that any or all of its starting pay rates (Step 1) as specified in Article 4(b) above, are non-competitive with local market starting rates for similarly situated jobs, the Company may hire applicants in any classification covered by this Agreement at any station/base/location at rates of pay higher (Step 2 through the maximum hourly rate in the applicable pay scale) than those starting rates specified in Article 4 (b) above. As market conditions change, the Company may, in its sole discretion, change its designated starting rate. The designated starting rate may be higher or lower than previous designated starting rates; however, such starting rate may not be lower than Step 1 nor higher than the maximum hourly rate in the applicable pay scale.
 2. In those stations/base/locations where higher starting rates of pay are designated in accordance with Article 4 (d) (1) above, all employees in that classification(s) at that station /base/location who are receiving less than the new designated starting rate of pay will have their rate of pay concurrently increased to the new designated higher starting rate for that classification(s) in that station/base/location effective the date of hire of a new employee at the higher starting rate.
 3. An employee who is hired before October 7, 1991 under the provision of (d) (1) above and employee hired before October 7, 1991 who has his rate of pay increased under the provision of (d) (2) above will progress to the next step of his

classification's pay scale on an annual basis (rather than semi-annual) until his length of service in the classification places him on the step to which employees with like years of service in his classification would be under a system of all semi-annual increases. At such time, such employee will resume semi-annual increases on his normal progression date until he reaches the top of his pay scale.

4. An employee who transfers to or from a station/base/location which has an adjusted starting rate of pay for the classification will have his rate of pay adjusted upward or downward to conform to the rate of pay received by an employee with the same classification seniority as his at his new station/base/location. The adjusted rate may not be less than Step 1 nor higher than the maximum hourly rate in the applicable pay scale.

It is understood and agreed that the effective dates of step increases and other changes in pay rates are determined by the employee's **pay** seniority as defined in this Agreement.

(e) Longevity Pay (Effective 2/29/92)

Each employee in a job classification under this Agreement will have longevity pay increments added to his regular rate per hour following completion of the years of accredited service as indicated below:

17 years	.21 cents
18 "	.24 "
19 "	.27 "
20 "	30 "

Longevity premium increments will be effective on the date the employee completes the required amount of accredited service. Longevity premium will be compounded in the calculation of overtime rates and will be part of base pay calculations for pension purposes.

Accredited service with the Company, for determining longevity premium increments, will be defined as: Active service on the Company's payroll in any capacity, except such service prior to resignation, discharge, or layoff when recall rights have expired; the entire duration of Military or Union Business Leave of Absence; and Injury-on-Duty Leave of Absence, up to a maximum of five (5) years; for those employees with over six (6) months of service with the Company, a Sick Leave of Absence up to a maximum of five (5) years, and Personal or Maternity Leave of Absence up to a maximum of ninety (90) calendar days.

(f) License Premium Pay Effective
May 13, 1989

1. Employees classified as Crew Chief- **Material Logistics Specialist**, Technical Crew Chief **Material Logistics Specialist** or **Material Logistics Specialist**, who hold both FAA Airframe and FAA Powerplant licenses and who are designated and approved by the Company's Maintenance Department to perform aircraft maintenance work, as described in the Aircraft Mechanic classification description contained in the Maintenance Agreement, will receive the applicable license premiums for all hours, and only those hours, (or fractions thereof rounded to the nearest 1/10 of an hour) worked performing such aircraft maintenance work.

2. License premium pay, as provided in this paragraph (f) will be compounded in the computation of overtime rates. License premium pay for Crew Chief **Material Logistics Specialist**, Technical Crew Chief Clerk or **Material Logistics Specialist**, as provided in paragraph (f)(1) above will be included in their pensionable earnings.

(g) When an employee, is cross utilized in excess of the time parameters outlined in Article 11(g) of this Agreement into a classification having a higher top chart hourly rate than that of the classification in which he is regularly employed, he will be compensated at his regular base hourly rate, provided his chart rate exists in the higher classification scale. If his chart rate does not exist, he will receive a base hourly rate computed on the nearest higher chart rate per hour in that classification for those hours as specified in Article 11(g).

(h) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

ATTACHMENT 4.1 - STORES TRUCK DRIVING AT JFK AIRPORT

AMERICAN AIRLINES, INC.
633 Third Avenue
New York, N. Y. 10017

May 25, 1974

Mr. William G. Lindner
International Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Stores Truck Driving at JFK Airport

Dear Mr. Lindner:

During the negotiations leading to the current agreement, the issue of Stores truck driving at John F. Kennedy International Airport was discussed at a meeting between the Union (represented by R. Cheifetz, J. Vitti and M. Andreo) and the Company (represented by B. Kreder, J. Cassin and H. Antosh). This letter confirms the agreement reached at that meeting for general rules to provide guidance for both parties concerning the handling of Stores truck driving at Kennedy under present conditions.

The following general rules were agreed upon:

1. Routine Deliveries - Where the time element is not a factor, an AA truck will be used with an AA driver.
2. Where Time Element Is A Factor - and rapid delivery of material is essential to timely repair or return to service of aircraft or ground equipment, then the fastest means possible (such as helicopter) will be used.
3. It is agreed that one in-service truck will always remain at JFK to support requirements of the operation and that this may necessitate occasional variance from the above procedures. It is also agreed that the Company will make every effort to rent a vehicle if necessary to comply with the above procedures.

The above procedures apply to deliveries from JFK to EWR, LGA, or any other location supported by JFK. Meetings will be conducted with JFK Stores Supervisors, Stock Clerks, TWU officials and AA Management to discuss these procedures in detail and assure complete understanding and compliance.

This letter does not eliminate any of the previous agreements that affect any Stores practice not specifically identified in this letter.

Very truly yours,

B. O. Spurlock, Jr.
Director
Employee Relations

Attachment 4.2 – Industry Comparable Pay Rate

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

September 12, 2012

Re: Industry Comparable Pay Rate Adjustment

Dear Robert:

In the process of negotiating the agreement dated September 12, 2012, and in the interest of reaching a consensual agreement, the parties recognized the potential need for a mid-term wage adjustment for Material Logistics Specialists (MLS). Therefore, we agreed as follows:

At [September 21, 2012]+36 months, a calculation will be made to determine the maximum regular hourly pay rate (i.e., base pay plus all relevant premiums) of the equivalent classification at Delta, United, and US Airways in effect on that date. Those rates will then be averaged (arithmetic mean) and compared to the equivalent MLS rate at AA, including any coincidental structural increase (i.e., the annual 2.0% increase to base pay at 36 months). If AA's maximum regular hourly pay rate is below the average, MLSs will receive an increase equal to the differential between AA and the average. In combination, the scheduled structural increase and the supplemental structural increase to base pay will yield a maximum regular hourly pay rate that equals the average of the comparator airlines.

See attached example of the calculation.

Since the adjustment is reflected in the base rate as a new structural increase, it would be considered part of Eligible Earnings under the SuperSaver Plan and would be included in Eligible Earnings under the Profit-Sharing Plan.

**Agreed to:
{Original Signed on file}**

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

Worked Example:

THE FOLLOWING EXAMPLE IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY.

Stock Clerk Wage Rates

	AA	UA	CO	DL	US	Legacy Average
Max Base Pay Rate	\$23.13	\$24.60	\$23.90	\$25.75	\$23.71	\$24.49
Longevity	\$0.30	\$0.28	\$0.30	\$0.00	\$0.00	\$0.15
Stock Clerk Premium	\$0.45					
Shift Differential	\$0.03	\$0.57	\$0.29	\$0.53	\$0.61	\$0.50
Max Regular Pay Rate	\$23.91	\$25.45	\$24.49	\$26.28	\$24.32	\$25.14

Wage Gap = Legacy Avg. Max Regular Pay Rate – AA Max Regular Pay Rate
 = \$25.14 – 23.91
 = \$1.23

Base Pay Adjustment: = Wage Gap/AA Max Base Pay Rate
 = \$1.23/23.91 = 5.1%

The adjustment to the maximum hourly pay rate will appear as follows

	AA	Adjustment	AA New	Legacy Average
Max Base Pay Rate	\$23.13	\$ 1.23	\$24.51	\$24.49
Longevity	\$0.30		\$0.30	\$0.15
Stock Clerk Premium	\$0.45		\$0.30	\$0.00
Shift Differential	\$0.03		\$0.03	\$0.50
Max Regular Pay Rate	\$23.92	\$ 1.23	\$25.14	\$25.14

Attachments 4.3 – Gain Sharing

September 12, 2012

**Robert F Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Employee Gain Sharing Plan

Dear Robert,

During the restructuring agreement negotiations, the parties committed to meet and discuss the joint development of a gain sharing plan (similar to the PRP for Dispatch) for each of the other AA/TWU agreements, excluding Dispatch. Any such plans, which will be implemented only by mutual agreement of the parties, will be applicable to employees covered by those other agreements.

The parties agree that any plan that is developed and implemented will include consideration of the following principles:

- Simple and easily understood by employees**
- Fiscally responsible (self-funded)**
- Performance based**
- Connected to employee action: “line of sight”**
- Tied to corporate and local business results**
- Structured to motivate continuous improvement**

Any such plan(s) will be implemented only by mutual agreement of the parties and will be subject to the approval of the Company’s Chief Operating Officer and the TWU International prior to implementation.

The above agreed upon terms and conditions will replace the Customer Service component of the AIP plan as of September 12, 2012.

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

**Sincerely,
{Original Signed on file}**

**James B. Weel
Director
Employee Relations**

{Original Signed on file}

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

ARTICLE 5 - SHIFT DIFFERENTIAL

(a) An employee assigned to a shift which begins at or after 12:00 noon and before 5:00 p.m. will receive a shift differential of one cent (1) per hour.

An employee assigned to a shift which begins at or after 5:00 p.m., and before 6:00 a.m. will receive a shift differential of two cents (2) per hour.

No shift differential will be received by an employee assigned to a shift which begins at or after 6:00 a.m. and before 12:00 Noon.

Example Start Times:

(1)	12:00 noon	4:59 p.m.	1¢
(2)	5:00 p.m.	5:59 a.m.	2¢
(3)	6:00 a.m.	11:59 a.m.	None

(b) An employee will receive the shift differential applicable to the shift to which he is regularly assigned. The applicable shift differential will be included with the employee's regular hourly rate in the calculation of pay for overtime, vacation, holiday, sick leave benefit, and benefits paid for absence due to an occupational illness or injury compensable under the applicable Workmen's Compensation law.

(c) An employee may be required to rotate on shifts during a workweek in which event he will receive, for all shifts worked, two cents (2) per hour shift differential if he rotates through a shift to which a one cent (1) s per hour shift differential would otherwise be applicable and a shift for which no shift differential is applicable; or, three cents (3) per hour shift differential if he rotates through a shift to which a two cents (2) per hour shift differential is applicable and any other shift or shifts. Rotating shifts will be filled first by seniority among qualified employees who volunteer for the shifts. In the event that an insufficient number of employees volunteer to fill the necessary rotating shifts, the unselected shifts will be filled by assignment of the most junior qualified employees.

ARTICLE 6 - OVERTIME

a. Daily Overtime: Overtime rates will be paid on a daily basis as follows:

(1) One and one half times (1.5X) his base hourly rate for each hour worked in excess of eight (8) hours.

(2) If an employee is on a 4/10's schedule, he will receive daily overtime as provided below.

(a) One and one half times (1.5X) his base hourly rate for each hour worked in excess of ten (10) hours.

(3) An employee will not be required to suspend work during his regular shift to avoid the payment of overtime nor will he be entitled to overtime rates until he has worked eight (8) [ten (10), if on a 4/10's schedule] hours in the workday, including time worked after his regular shift.

(4) When an employee works overtime in conjunction with his regular shift, he will be entitled to penalty hour pay, but only for time worked at the applicable rate of pay.

(b) Weekly Overtime: **Time worked on an employee's regularly scheduled days off will be considered overtime and will be paid one and one half times (1.5X) his base hourly rate.**

(1) When an employee is required to work on his scheduled day or days off he will be entitled to at least eight (8) hours of work [ten (10) hours, if applicable] unless he consents to less time.

(c) Overtime work will be distributed among the employees qualified to perform the work necessitating overtime within the crew or appropriate work unit as equitably as practicable.

(1) An employee, when available, who is lowest on overtime hours and does not work the overtime, will be charged with the overtime missed for equalization purposes, as though it had been worked.

(2) In the event of an emergency and when there are insufficient available employees, the Company may then assign employees per locally established and agreed upon guidelines. In the absence of guidelines, the Company may assign the employee(s) who are lowest on overtime hours to perform that work.

(3) The supervisor's record of overtime, worked or charged to employees for equalization purposes, will be made available to the employees affected by

posting or other appropriate methods. All time paid for an overtime bypass and not worked will be charged as worked for overtime equalization purposes.

(4) Except in emergencies, employees who are to work overtime will be given two-(2) hours' notice of the overtime.

(5) Overtime will be offered within appropriate classifications and/or overtime work units prior to offering the overtime work to other classifications and/or overtime work units. If a shift is scheduled to be cross-utilized in more than one (1) classification and/or overtime work unit, overtime coverage, if utilized to cover that shift vacancy, should first be offered to the classification where the majority of the work falls. Employees working the overtime accept the responsibility of the entire shift, including the cross utilization assignment.

(d) An employee working overtime will not be required to work more than two (2) hours continuously after the regular work period without being permitted a meal period.

(e) An employee whose overtime working period continues into the following day will continue to receive overtime rates for all overtime worked.

(f) If any work period will continue so that its termination will be less than seven and one half (7-1/2) hours prior to the commencement of the employee's regular shift in the succeeding workday, he will receive pay for all time worked during his regular shift and up to twelve (12) [fourteen (14), if on a 4/10's schedule] hours at the rate of one and one half times (1.5X) his base hourly rate.

(g) No overtime will be worked except by direction of the proper supervisory personnel of the Company, except in cases of emergency and when prior authority cannot be obtained.

(h) Overtime compensation will be computed on the basis of the nearest six-minute unit of work.

(i) If overtime on any workday or any workweek is due to an authorized exchange of days off or shifts by employees, which must be approved in advance by the appropriate supervisor, that time will be compensated for at straight time rates, provided, however, any continuous work, exclusive of meal periods, in excess of eight (8) [ten (10), if on a 4/10's schedule] hours on any shift or tour of duty, will be paid for at the overtime rates provided in Article 6(a) and (b).

(j) In no event, except as provided by Article 7, will any employee receive more than one and one half times (1.5X) his base hourly rate under this Agreement.

(k) Random drug and alcohol testing of ground personnel will take place during the employee's regularly scheduled shift. In the event that a random test extends beyond

the employee's regularly scheduled shift, the employee will be compensated at his base hourly rate. To the extent possible, the Company will avoid scheduling the test towards the end of the employee's shift.

(l) At those stations where there is no existing local guideline governing the assignment of overtime, a guideline will be established and mutually agreed upon by the Company and the Union.

(m) Overtime and the extension of scheduled hours for part time employees will be governed by the provisions of Article 43.

(n) The attachment on the following pages is agreed to by the parties and is incorporated as part of this agreement.

ATTACHMENT 6.1– Overtime Procedures

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Re: Overtime Procedures - Stores

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on September 12, 2012. The tentative agreement modified Article 6 to permit the Company to establish overtime distribution procedures in accordance with certain provisions in the agreement. In the interest of providing the TWU an opportunity to have some input into the development of those procedures, the Company agreed to present the TWU with the proposed overtime distribution procedures within thirty (30) days following DOS. Thereafter, the Company will meet and confer with the TWU for a period of thirty (30) days in order to reach a mutually satisfactory resolution. The Company and TWU agreed that each party shall designate no more than three (3) representatives to participate in the meet and confer process.

In the interest of resolving any disputes over the implementation of such procedures in a timely manner, the parties agree that if the parties do not reach a mutually satisfactory solution within thirty (30) days after the Company presents the TWU with the proposed overtime distribution procedures, the parties will jointly submit the open issues to a final and binding mediation-arbitration process.

In order to expedite the mediation-arbitration process, the parties agree to move the case to the top of the docket and it will be scheduled and heard at the next planned System Board of Adjustment for M&R/Stores.

The arbitrator will be empowered to mediate a mutually satisfactory solution. If an agreement is not reached through the one day mediation session, the arbitrator shall issue a final and binding interest arbitration award within a period of thirty (30) days following the date of the scheduled mediation, The arbitrator's award shall produce equivalent cost savings as valued by the Company and shall be consistent with any other ground rules established by the parties. The award shall be final and binding on the parties.

The parties shall share equally all costs of this mediation-arbitration process.

**Sincerely,
{Original Signed on file}**

**James B. Weel
Managing Director
Employee Relations**

**Agreed to this date:
{Original Signed on file}**

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

ARTICLE 7 - HOLIDAYS

(a) The following holidays with pay will be granted:

Holiday	Observance
New Year's Day	January 1 st
Independence Day	July 4 th
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25 th

(b) An employee required to work on any of the above holidays will receive one and one-half (1.5x) times his regular hourly rate for at least eight (8) hours, except when an employee requests and is granted fewer hours in which event he will receive one and one-half (1.5x) times his regular hourly rate for all hours actually worked and straight time for the difference between the hours actually worked and eight (8) hours.

(c) If any of the above holidays fall on an employee's day off, his next workday will be observed as the holiday. The Company may designate the employee's last workday before such holiday to be observed as the holiday with his consent.

(d) If any of the above holidays fall within an employee's vacation period, his next workday following the vacation period will be observed as the holiday. An employee required to work on that day will be paid in accordance with paragraph (b) above.

(e) Payment for a holiday as such will not be made to an employee on a leave of absence or to an employee scheduled to work on the holiday who is not excused from work and who fails to report to work as scheduled.

(1) If an employee has been absent because of illness or injury for a continuous period immediately preceding the holiday that does not exceed thirty (30) calendar days, exclusive of any vacation time, he is entitled to holiday off pay (HO) in accordance with this Article.

(2) If an employee has been absent because of illness or injury for a continuous period immediately preceding the holiday for more than thirty (30) calendar days, exclusive of any vacation time, he is deemed to be on a leave of absence and is not entitled to any holiday pay. Any pay due will be in accordance with Article 34.

(3) If an employee is scheduled to work on a holiday and is absent on the holiday, he is not entitled to any holiday pay, unless he was "excused" from working on the holiday by the Supervisor. "Excusable" reasons for not working as scheduled on the holiday include such compelling reasons as jury duty, a death in the family, a critical illness in the family requiring the attention of the

employee, and bona fide union business. If the employee is excused in accordance with this paragraph, he is entitled to holiday off pay (HO).

(4) If an employee has a one (1) day absence for illness or injury on a holiday he is scheduled to work, he is not entitled to any holiday pay. Any pay due will be in accordance with Article 34.

(5) If an employee's absence for illness or injury commenced on a holiday that the employee was scheduled to work and then continues through one (1) or more workdays following the holiday, he is entitled to holiday off pay (HO) for the holiday. Subsequent absences will be paid in accordance with Article 34.

(f) No employee will be required to report for duty on a paid holiday except when absolutely required for the operation. An employee not required to work on the holiday will receive eight-(8) hours' pay at straight-time rates. The Company will request not later than seven (7) calendar days prior to each holiday volunteers to work on the holiday. Notification of volunteers and others required to work on the holiday will, except in case of an emergency, be made not later than three (3) calendar days prior to the holiday. In the event insufficient volunteers are available, holiday work will be assigned on the same basis as overtime work.

(g) Holiday work and pay for part time employees will be governed by the provisions of Article 43.

(h) The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 7.1 - HOLIDAY WORK FOR PART-TIME EMPLOYEES

October 14, 1985

Mr. E. R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
Bldg. "A", Norwood Office Park
1501 N. Norwood Dr., Suite 125
Hurst, Texas 76053

Dear Ed:

This will confirm our discussions on the provisions of Article 43(d)(2) of the Labor Agreement effective September 1, 1985 pertaining to part time employees who may be scheduled for up to eight (8) hours on specified days. If any of these days should fall on a holiday and a reduced workforce is needed on these holidays, full time employees will have preference over such part time employees for eight (8) hour shifts on the actual holidays.

Very truly yours,

S. L. Crosser
Director
Employee Relations

SLC/jlh

Agreed:

E. R. Koziatek

ATTACHEMENT 7.2 - HOLIDAY WORK ASSIGNMENTS

December 1, 1992

Mr. Edward R. Koziatek
International Vice President - TWU
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear Ed:

This will confirm our discussions recently on the application of the holiday provision of the labor agreement when such holiday encompasses a vacation period including the days off at the end of the vacation period.

We have agreed that when such holiday falls within the vacation period including the days off at the end of the vacation period, employees observing their holiday on their first workday shall be grouped together for holiday work assignments with those employees whose holiday is on the same day either as a result of that day being the actual holiday or that day being the first workday following their scheduled day off. In essence, the provisions of Article 7 (c) and 7 (d) shall be treated equally in determining the staffing requirements. As examples:

July 4th holiday falls on Saturday

Employee A is on vacation June-20th thru July 5th -
Days off are Saturday/Sunday

Employee B has Days off Saturday/Sunday (July 4th and 5th)
Both employees are to be treated the same as far as the holiday work schedule on July 6th (holiday work/holiday off for both employees).

The same would hold true if the actual holiday fell on the Sunday or Monday.

Example 2

Employee on vacation August 29 thru September 13. Labor Day is Monday September 7. This employee's holiday would move to the next scheduled workday-September 14 and the employee would either be scheduled to work or take a Holiday Off depending upon the requirements of the operation.

Nothing in the above is intended to modify nor change local practices on scheduling of vacations and/or holidays. This is intended to provide guidance and direction to resolve those disputes on proper methodology of scheduling holiday work that encompasses a vacation.

Agreed:

Edward R. Koziatek
International Vice President
Transport Workers Union

S.L. Crosser
Managing Director
Employee Relations

ARTICLE 8 - VACATIONS

(a) Employees will be entitled to and receive vacation allowance in accordance with the following:

(1) As used in this Article the term "year" is used to mean a calendar year.

(2) The following vacation allowance will apply:

Length of service as of December 31 of any year	Accrual rate per month during the year ending December 31	Maximum vacation accrual
Less than 5 years	1/2 work day	5 work days
5 years but less than 10 years	1 work days	10 work days
10 years but less than 17 years	1 1/2 work days	15 work days
17 years but less than 25 years	2 work days	20 work days
25 years but less than 30 years	2 1/2 work days	25 work days
30 years and over	3 work days	30 work days

(3) In computing vacation eligibility under this Article:

In any calendar month, fifteen (15) calendar days or more of service with the Company will be considered a full month and less than fifteen (15) calendar days will not be considered.

Fractions of one-half a day or more of earned vacation will be considered as entitling the employee to a full day's vacation and fractions of less than one-half a day will not be considered.

(b) The pay for such vacation will be at the pay which the employee would normally have received at his regular hourly rate at the time the vacation is taken.

(c) An employee may select his vacation in its entirety in weekly increments. Preference for the period in which an employee will be permitted to take their vacations will be granted within each work unit in the order of Company seniority provided,

however, that vacation schedules may be so arranged within each work group to not interfere with the requirements of the service. The Company will post requests for vacation preference for the following year on Company bulletin boards not later than October 15th of each year and employees eligible will list their preference not later than November 15th. The vacation periods will be assigned and posted on Company bulletin boards by December 1st, whenever possible. Any employee not expressing a preference will be assigned a vacation, if eligible. Except in emergency, an employee's vacation will commence immediately following his regularly scheduled days off.

(d) Vacation allowances will not be cumulative and vacation time to which an employee becomes entitled on December 31 of any calendar year will be forfeited unless taken during the following year. However, if an employee is requested by the Company in writing to forego his vacation during the year in which it is to be taken and has not received it by the end of that year, the employee will be entitled to his deferred vacation during the succeeding calendar year or to pay in lieu of same at the option of the employee, subject to the requirements of the service.

1. The Company will post requests for Flex vacation preference for the following year on Company bulletin boards or other appropriate methods. Flex vacation bidding will commence on November 15th with all bidding completed no later than December 15th.

(e) An employee who takes a leave or leaves of absence which exceeds or the total of which exceeds sixty (60) calendar days during any calendar year will have his vacation allowance to which he becomes entitled on December 31 of that year reduced by his monthly accrual rate as outlined in (a) above for each thirty (30) calendar days of said leave or the total of the leaves which exceeds sixty (60) calendar days. However, no deduction from vacation allowance will be made for leaves of absence granted due to injury sustained while on duty. However, no employee will be required to use his vacation while on IOD. An employee will choose from open vacation periods if any exist. Vacations not able to be accommodated by reassignment to an open week by the end of the calendar year will be paid out at the end of that calendar year.

(f) In the event of termination of employment with the Company, an employee who has completed six (6) months of service with the Company will be paid for vacation not previously taken to which he became entitled as of the preceding December 31. All vacation accrued since December 31 of the preceding year will be paid as follows:

Months of Svc in year of Term.	Accrual Rate Rate = X of Days Pay	1 Day X = 5/12ths	1 1/2 Days X = 1 1/4th	2 Days X = 1 2/3rds	2 1/2 Days X = 2 1/12th	3 Days X = 2 1/2
1		0.5	1	2	2	3
2		1	3	3	4	5
3		1.5	4	5	6	8
4		1.5	5	7	8	10
5		2	6	8	10	13
6		2.5	8	10	13	15
7		3	9	12	15	18
8		3.5	10	13	17	20
9		4	11	15	19	23
10		4	13	17	21	25
11		4.5	14	18	23	28
12		5	15	20	25	30

An employee who fails to give two (2) weeks' notice of resignation in writing, and the notice is not waived by the Company in writing, or who is discharged for confiscation of Company funds or property, will not be paid for any vacation not yet taken.

(g) An employee who has completed six (6) months of service with the Company, has been laid off, has been paid for all vacation due him at the time of termination, and who is subsequently recalled to work will accrue vacation allowance from the date of his reemployment in accordance with paragraph (a) (2).

(h) An employee who has not completed six (6) months of service at the time he is laid off and who is therefore not entitled to vacation termination pay will, if reemployed within a period of time from layoff not exceeding his previous service, be granted vacation credit for service prior to the layoff. In no case will the vacation to which the employee becomes entitled on December 31 of that year exceed ten (10) workdays.

(i) An employee who has been awarded or assigned a vacation period will not have his vacation dates changed without his consent, unless he is notified of such change in writing thirty (30) days in advance of the starting date of his vacation. This will not apply in case of emergency; that is, an Act of God, a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, and airworthiness reasons which may threaten grounding of aircraft in the fleet.

(j) An employee's scheduled days off during the week immediately following his vacation will be the same as his scheduled days off immediately preceding his vacation.

(k) Vacation allowance and rate of accrual for part time employees will be governed by the provisions of Article 43.

(l) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

ATTACHMENT 8.1 - OFF WORK ON DISABILITY WHEN VACATION IS SCHEDULED

March 29, 1982

Mr. H. J. Leonard
International Vice President
Transport Workers Union of America, AFL-CIO
5128 E. Lancaster Avenue
Suite 18
Ft. Worth, TX 76112

Dear Mr. Leonard:

This will confirm our agreement concerning employees off work on disability due to an injury on duty when a vacation period is scheduled.

The Company will, if an employee requests in writing prior to the scheduled vacation period, attempt to reassign vacations scheduled during an uncontested lengthy IOD to the extent the operation permits; that is, the employee should be allowed to choose from open vacation periods if any exist or, if none exist, assigned with at least 7 days notice, a rescheduled vacation slot unless the operation cannot afford his absence. Such vacation deferral will be permitted only if the vacation can be rescheduled during the calendar year in which it was originally scheduled. Pay in lieu of vacation is not available to an employee in these circumstances.

Whenever such a vacation reschedule has been denied, the employee may request the Local Union President/Station Chairman to meet and review the vacation reschedule request with the General Manager/Chief Operating Officer at that location. If his vacation reschedule is not resolved at that level, he may utilize the procedures of Article 31 of the Labor Agreement.

H. J. Leonard
S. L. Crosser

ARTICLE 9 - PROBATIONARY PERIOD

(a) New employees will be considered on probation for one hundred and eighty (180) calendar days from the date of hire. The employee will be required to qualify within his probationary period and will be subject to dismissal if he fails to qualify, in accordance with the Qualifications Administration Manual. The probationary period may be extended to cover any approved leave of absence granted during the probationary period.

Probationary employees will have all rights guaranteed under this agreement, except employees who are released during their probationary period will have no right of appeal to the Area Board of Adjustment.

(b) Failure of the Company to administer the test within the probationary period will absolve the employee of the test requirement. Additionally, it is understood by the parties that the Company can release a probationary employee at any time during the probationary period.

(c) If any probationary employee is released during his probationary period and then reemployed within a period not exceeding his previous service, he will be credited with such prior service for purposes of Company, Occupational, and Classification seniority as well as for the purpose of completing his probationary period.

ARTICLE 10 - SENIORITY

(a) Company seniority will commence with the effective day of placement on the payroll.

(b) All references in this Agreement to seniority will mean Occupational Group Title Seniority, also referred to as Occupational seniority, except where specific reference is made to Company or **Pay** seniority.

(c) Occupational Group Title seniority and Company seniority will begin to accrue from the date of first assignment (e.g. training, orientation, etc.) to a classification within any Title enumerated in Article 11 for a newly hired employee. **Pay** seniority for a newly hired employee will begin to accrue when he is placed on payroll.

An incumbent employee who changes Title groups will begin to accrue Occupational and **Pay** seniority beginning the Saturday prior to the date of first assignment in the new Title Group. If an employee begins work on a Saturday he will begin to accrue Occupational and **Pay** seniority on that day.

(d) If an employee is transferred from one station to another, his seniority will not be broken.

(e) Occupational Group Title seniority will govern all employees in the case of promotion, demotion, transfer, retention in case of reduction in force, and reemployment after release due to reduction in force, provided that the employee's qualifications are sufficient for the conduct of the work in the classification to which he is to be assigned.

(f) An employee who, as of the date of this Agreement accepts a position with the Company outside of the bargaining unit, and holds seniority, will retain, but not accrue his seniority for a period not to exceed one hundred and eighty (180) calendar days. An employee can only exercise this option once in a two (2) year period. This two (2) year period will begin the day the employee returns to the bargaining unit.

The employee must continue to pay union dues and may return to his former classification and station provided that he elects to return within one hundred and eighty (180) calendar days from the date he left the bargaining unit. In no event will the return of the employee directly result in the displacement of another employee in the classification to which he returns. If the employee is less senior than the most senior employee (in that classification and at that station) on layoff, he will be placed on layoff status.

An employee who exceeds one hundred and eighty (180) calendar days in a position outside of the bargaining unit will forfeit all Occupational seniority.

(g) An employee who accepts a temporary or acting assignment with the Company as a manager, supervisor or any special assignment outside the scope of this Agreement will not exceed a period of three hundred and twenty (320) actual hours for all time worked in any calendar year. No two three hundred and twenty (320) hour temporary assignments can be made successively i.e. within ninety (90) days. The total number of hours worked, including overtime, will be included for the purposes of this section.

An extension of hours may be granted by agreement between the Company and the Union.

(1) Time in a temporary or acting assignment in any calendar year will be counted toward the one hundred and eighty (180) calendar day retention period if a regular assignment is accepted in that calendar year. These applications will be subject to review by a panel composed of one AA and one TWU designated representative.

(2) An employee who exceeds three hundred and twenty (320) actual hours in any calendar year will forfeit all Occupational seniority.

The Company will provide to the Local TWU President a monthly report of those employees receiving MPR, or who have received MPR since the last reporting period, which will include accumulated hours.

(h) An employee having Occupational seniority who permanently accepts a position at his own request in a classification of work in another TWU Agreement with the Company will retain Occupational seniority in the classification and Title Group from which he transferred for a period of time not exceeding his service in the former Title Group. Retained Occupational seniority may be exercised only in the event of a reduction in force pursuant to the provisions of Article 15(b).

(i) When an employee, who is junior to another employee, is promoted over the other employee, the senior of the two employees will continue to retain his position on the seniority roster.

(j) The following procedure will outline the proper method for determining tie breakers for Occupational seniority **for initial** placement of TWU represented employees on the System Seniority list outlined in Article 13. In descending order:

- (1) Occupational seniority date
- (2) Earliest previous AA-TWU Occupational seniority date
- (3) Company seniority date
- (4) Birthday
- (5) Employee number (lowest to highest)

ARTICLE 11 - CLASSIFICATIONS AND QUALIFICATIONS

(a) Employees covered by this Agreement will be assigned to a classification within an Occupational Title Group, called Title V.

(b) The classifications included in Title V will be as follows:

(1) Technical Crew Chief – **MATERIAL LOGISTICS SPECIALIST**

(2) Crew Chief – **MATERIAL LOGISTICS SPECIALIST**

(3) **MATERIAL LOGISTICS SPECIALIST**

(c) The classification descriptions set forth in this Article are incorporated and made a part of this paragraph and Agreement. These descriptions have been established by the Company and the Union for the purpose of determining to which particular classification specific work and duties will be assigned to an employee so classified. In establishing these classification descriptions, the parties recognize that the descriptions are not necessarily all-inclusive. When it is necessary to determine to which classification any undescribed work and duties will be assigned, the appropriate classification will be determined by where the majority of the normally assigned work and duties lie in the established classification descriptions.

(1) In the interest of cleanliness and safety, employees working in jobs in each of the classifications set forth in this Article will be required to perform, as they always have performed, those housekeeping functions incident to their job as to work area, tools, and equipment.

(2) The Company or the Union may propose in writing to the other a specific change in any established classification description. The proposed change will be discussed by the parties and if agreed upon the classification description will be changed in accordance with the arrived at agreement. Any change that is agreed to will be expressed in the form of a written amendment to the Agreement.

(3) There may be times when, as a result of new work or a change in work process, the Company will reassign work and duties that have been performed under one classification to another classification, and so notify the Union, if the work and duties are consistent with the majority of the work and duties of the latter classification and not an action requiring a change in a classification description. If the Union considers otherwise, the Union may protest the action in writing, setting forth its reasons, and the matter will be discussed between the Company and the Union within thirty (30) calendar days from the date the written protest was received by the Company. If the protest is not resolved through the discussion, the Company may place such change in effect, and the Union may

then appeal to the System Board of Adjustment in accordance with the provisions of Article 29(e).

(d) Whenever and wherever qualifying tests are used to determine the competency of an employee for a promotion, these tests will be prepared by the Company. Copies of qualifying tests and of any revised or any new qualifying tests will be furnished to the Union, **in soft copy form**, prior to their use. When the Union has objections to any portions of any revisions or of any new qualifying tests, the objections may be discussed by the Union with the Company upon **thirty (30)** calendar days' notice from the date the tests are received. If agreement concerning the objections cannot be reached, the tests may be placed in effect, and the Union may take up the disputed points as a grievance under Articles 31 and 32 of the Agreement

(e) The Company will furnish the International Union with **a soft copy** of its Qualifications Administration Manual. Further, the Company will furnish the International Union with **a soft copy** of any additions, deletions or changes subsequently made **thirty (30) days prior to addition or deletion**

(1) The International Union will have thirty (30) calendar days from the date of receipt of the manual and subsequent additions, deletions or changes which may be made, to notify the Company in writing of any objections as to the requirements and qualifications standards established in the manual.

(2) In the event of such objections, the Company will continue with the **implementation of their additions, deletions and/or changes** to previously established requirements or qualifications standards in effect, and the Union may appeal its objection to the System Board of Adjustment in accordance with the provisions of Article 29.

(f) The Company will not continue for any period of more than two (2) months with less than a minimum of one (1) Crew Chief –**MATERIAL LOGISTICS SPECIALIST** for each twelve (12) **MATERIAL LOGISTICS SPECIALIST**. The number of **MATERIAL LOGISTICS SPECIALIST** in excess of exact multiples of twelve (12) will be disregarded for the purpose of computing this ratio. This ratio will apply throughout the United States and not to a group of employees at any particular location. The Company will provide the Union with a listing of the total number of employees in each of the classifications under the Agreement as of the 15th day of each month.

(1) Should it become necessary to increase the number of employees in a Crew Chief classification to meet the requirements of the paragraph above, the additional Crew Chief jobs will be posted immediately. The Company will post the jobs for a station or stations among those with fewer employees in the Crew Chief classification to the number of employees in the appropriate non-bid classification(s) as compared to the 1:12 system ratio.

(g) Regardless of any provision in this Agreement, the Maintenance Agreement, or the Fleet Service Agreement, the Company may assign or schedule any employee to

perform work of any classification under this Agreement, the Maintenance Agreement, or the Fleet Service Agreement. Provided, however, the Company will not assign **Material Logistic Specialist** to do that work now performed by Building Cleaners.

(1) Any employee who performs two (2) or more hours of work during his daily tour of duty in a higher classification within his Occupational Title Group than the classification in which he is regularly employed, will be compensated as outlined in Article 4 for the time so worked. Any employee who performs two (2) or more hours of work during his daily tour of duty in a higher classification in a different Occupational Title Group, the Maintenance Agreement, or the Fleet Service Agreement than the classification in which he is regularly employed, will be compensated as outlined in Article 4 for his entire tour of duty.

(2) An employee who worked in a classification having the same or a lower hourly rate than his own classification will continue to receive his base hourly rate .

(h) Classification descriptions are a part of Article 11 and follow on the subsequent pages.

(1) CLASSIFICATION DESCRIPTION

MATERIAL LOGISTICS SPECIALIST TECHNICAL CREW CHIEF

(a) The Stores "Technical Crew Chief" is primarily responsible for providing training support to the Stores/Supply Services Department. As assigned, and in addition to the Crew Chief classification description duties outlined in this agreement, except Article 11 h(2)-a(2), the Technical Crew Chief will:

- (1) Receive assignments from management.
- (2) Perform and provide technical assistance and guidance to employees in his shop or work unit.
- (3) Assist the Crew as necessary to insure completion of the assignment and related paperwork.
- (4) Perform instruction assignments related to supply and related systems in classroom or on-the-job.
- (5) Maintains knowledge of and works with manuals, supply/parts catalogs, electronics parts tracking systems, and other parts ordering devices.
- (6) Receive new and updated training on all new material related to their job area.
- (7) **Works as a Crew Chief in accordance with Attachment 11.2.**

(b) An applicant for the "Technical Crew Chief **MATERIAL LOGISTICS SPECIALIST**" position will have worked for the Company as a **MATERIAL LOGISTICS SPECIALIST** or Crew Chief **MATERIAL LOGISTICS SPECIALIST** for a minimum of one (1) year.

(c) Technical Crew Chief Classification applicants selected will be on a trial basis for no longer than one hundred eighty (180) calendar days. In the event that an employee promoted to Technical Crew Chief cannot satisfactorily perform his duties, such employee will be demoted to the classification at the station/shop from which the employee was promoted. A successful candidate for Technical Crew Chief will not be eligible for self-demotion under the provisions of Article 12 during the first twelve (12) months of his assignment.

(d) All vacancies for Technical Crew Chiefs will be posted and will be restricted locally to **MATERIAL LOGISTICS SPECIALIST** and Crew Chief-**MATERIAL LOGISTICS SPECIALIST** at the location where the vacancy exists, and the award will be determined by the Selection Panel outlined in paragraph (e) (6) below. A vacancy created by the transfer or demotion of a Technical Crew Chief may be filled by the

Company at its option. A bid vacancy created by the promotion of the position of Technical Crew Chief may be posted and bid at the Company's option.

(e) The applicant will demonstrate knowledge and practical skill and ability in the following areas:

1. Ability to obtain, interpret and comprehend information contained in manuals and supply alerts, and must possess the ability to read and interpret a manufacturer's procedural manual in the safe operation of new equipment.
2. Must be capable of demonstrating proper work methods, and conduct on-the-job and/or classroom training for those employees that need additional training as each employee is trained properly on the job. Must insure that notice of training is put on each employee's training record.
3. Must possess the ability to demonstrate the proper procedures for ordering parts, binning parts, receiving parts, crediting parts, short list and all parts ordering systems, including but not limited to: DECS, AAPICS, FISTI, AOS, HAZ Materials.
4. Must have the ability to demonstrate all safety precautions and safety working procedures to ensure proper accomplishment of assigned jobs.
5. Must have the ability to demonstrate the proper procedures in the operation of the Aircraft Maintenance tool room ATEC/AOS system, tool checkout, shelf life items, certification requirements, etc.
6. A Selection Committee comprised of two (2) TWU-represented employees and three (3) Company officials will select the most qualified employee based on the required skills for the position to be filled at a location. In the event of an equal evaluation by the Selection Committee of two (2) or more qualified applicants, seniority will prevail.

(f) Technical Crew Chiefs will be placed in separate vacation, overtime, and field trip work units and will be eligible for over time and field trips as Technical Crew Chiefs.

(g) Technical Crew Chief positions will be included in the system Crew Chief ratio as provided in Article 11(f). Provided however, it is understood by the Company and the Union that staffing under this Article will not be a requirement and will be consistent with the needs of the company.

(h) Any dispute arising out of the interpretation or application of this job description will be reviewed by a panel consisting of the International Vice President, Transport Workers Union, and the Vice President – Maintenance and Engineering, representing

the Company, or their respective designees. The panel will issue a binding decision on such questions of interpretation or application.

(2) CLASSIFICATION DESCRIPTION

MATERIAL LOGISTICS SPECIALIST CREW CHIEF

(a) The Crew Chief will be responsible to management for the overall performance on the job of the employees assigned to his crew, including the timely and satisfactory completion of work assignments, by insuring that:

- (1) Management instructions are promptly and correctly complied with.
- (2) Employees assigned to his crew are properly utilized and instructed for the efficient performance of their daily work.
- (3) Work assignments are carried out in compliance with operational and safety procedures required by the policies of the Company and appropriate Governmental Regulations.
- (4) Required forms, records, reports, and other paperwork are completed legibly and correctly.
- (5) Employees, assigned to his crew, use only those vehicles, tools, and equipment on which the Company has determined them to be qualified.
- (6) Assigned equipment is in proper operating condition, scheduled for maximum utilization, and operated properly for the purpose intended.
- (7) Hazardous conditions, unsafe practices, and improperly functioning equipment and tools are immediately brought to the attention of management.
- (8) The Crew Chief will be responsible to management for insuring compliance on the job with all Company policies, including those relating to personal conduct while on the job, by those employees assigned to him.

(b) In addition to the above, the Crew Chief will, upon request, assist management in areas such as, but not limited to:

- (1) Periodic evaluation of operational requirements and performance.
- (2) Operational planning and scheduling.
- (3) Evaluation of training methods and techniques.
- (4) Evaluation of equipment, vehicles, and tools.

(5) Performance appraisal of employees by providing oral advice and comments.

(c) The Crew Chief will be qualified in the duties of his classification and will be capable of performing those duties. He will assist his group in the performance of their duties, provided that assistance does not interfere with the performance of his primary responsibilities as described above. While he is performing such duties, his primary responsibilities will not be assumed by others. However, the above provisions do not preclude management from directing individual employees under non-routine circumstances or in the absence of the Crew Chief from the immediate work area. The Crew Chief may be required to demonstrate proper work methods, conduct on-the-job or classroom training, conduct meetings or indoctrinate employees in new or revised operational procedures, and will communicate with other Company personnel as required in a manner designated by the Company.

(1) In those cases where management determines that the work to be performed requires a level of responsibility equivalent to that of a Crew Chief, an employee in the Crew Chief classification may be assigned to that function, even though he has no other employees assigned directly to him.

(2) Nothing in the above provisions is intended to amend or modify the provisions of Article 28(b) of the Stores Agreement.

(3) CLASSIFICATION DESCRIPTION

MATERIAL LOGISTICS SPECIALIST

(a) The work of the **MATERIAL LOGISTICS SPECIALIST** classification, depending upon assignment, includes any or all of the following:

- (1) Requisitioning, receiving, storing, stock chasing, disbursing, transferring, exchanging, returning to factory, shipping, delivering, rearranging stock, not stock, equipment, supplies, **inventorying, warehousing of supplies, tools** and materials charged to Stores inventory, as required while in the custody of the Stores Division
- (2) **The duties of Material Logistics Specialists may also include the pickup and delivery of parts and materials to designated locations. The duties of Material Logistics Specialists employees may also include, stocking bins, shelves, decks, employing the use of required hand/ power tools when necessary and the driving of motor vehicles. This paragraph does not preclude the Company from utilizing Employees other than Material Logistics Specialists to perform inventorying functions and on the job training.**
- (3) **Setting up of necessary facilities to carry out these duties, and associated miscellaneous activities are accomplished by such operations as: Counting physical inventory, checking minimums and maximums; originating and completing, checking and routing forms according to procedure.**
- (4) Identifying items; lifting, carrying, binning, and pulling items from stock; loading, unloading, packing and unpacking items; and related physical work.
- (5) Checks items handled against requisitioning or accompanying forms to identify any apparent mishandling, discrepancy or other error; corrects routine errors and refers others to supervisor; refers to parts catalogues, parts lists, location index, Company manuals, to identify and locate items.
- (6) Stores a wide variety of tools, jigs, fixtures, equipment and materials and issues them upon request to authorized personnel; upon receipt of replacement items or return of issued items, checks against appropriate requisition form for discrepancies by such operations as counting items, examining items visually and manually for defects or wear.
- (7) Corrects routine errors in forms and refers others to supervisor; bins items in serviceable condition, sorts non-serviceable items into salvage or scrap

bins according to their condition; makes minor repairs.

- (8) Maintains inventory within established specifications and in serviceable condition by following the appropriate procedure to exchange a broken tool, to request repairs, or to requisition additional supplies; reports overdue items and shortages to supervisor.
- (9) May pack or unpack items kept in tool crib or **designated tool storage location**.
- (10) Exchanges information with Inventory Records personnel.
- (11) Follows up purchasing and other **appropriate departments** on selected incomplete items. Gives data on stock to authorized Company personnel, especially Stores, Inventory Control, Maintenance, Treasury and Communications personnel.
- (12) Keeps work and adjacent areas clear. Stores items according to Company, fire, safety, and "good housekeeping" regulations and practices. Cleans and services equipment used to keep it in operating condition and presentable and reports need for repairs.
- (13) Works according to Company regulations and procedures and instructions from Crew Chief or supervisor.
- (14) As may apply to work assignment, climbs on ladders, bins, etc., drives or guides powered equipment such as industrial tractors with or without a trailer, fork lift, truck or station wagon, power saw; uses hand tools such as hammer, crow bar, pliers, screwdriver, wrench; uses industrial scales, uses cleaning equipment such as broom, dust cloth, dust pan, and rags, **will use any tools and equipment including automated systems, for which they are qualified**, to carry out assigned duties in the most efficient manner.

(i) The attachments on the following pages are agreed to by the parties and are incorporated as part of the Agreement.

ATTACHMENT 11.1 - TECHNICAL CREW CHIEF SELECTION

American Airlines

May 5, 1989

Mr. E. Wilson
President, Local 514
Transport Workers Union of
America, AFL-CIO
11929 E. Pine Street
Tulsa, OK 74116

Re: Technical Crew Chief Selection

Dear Mr. Wilson:

During the discussions leading to the Agreement signed May 5, 1989, the issue of Technical Crew Chief selection was discussed. As we have previously agreed, selection will be outlined in the Letter of Agreement and further defined to reflect the following:

The top three (if three available) most qualified candidates as determined by the Selection Committee will become the finalists. The most senior of these three will be appointed to the Technical Crew Chief vacancy.

Very truly yours,
S. L. Crosser
Managing Director
Administration-M&E

ATTACHEMNT 11.2 - TECHNICAL CREW CHIEF UTILIZATION

August 2, 1991

Mr. Edward R. Koziatak
Assistant Director - International Vice President
Air Transport Division - TWU
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

RE: TECHNICAL CREW CHIEF UTILIZATION

Dear Ed:

The recent expansion of the Company's reliance upon Technical Crew Chiefs in work groups other than Title I, have prompted questions regarding the intended utilization of these employees. In light of these questions, we discussed the intended applications of Technical Crew Chiefs, in an attempt to clarify their roles. This letter is to confirm our recent discussions on this matter.

As we agreed, the Technical Crew Chief function was intended to provide training, guidance and technical support for the various departments. Although the job duties and responsibilities of a Technical Crew Chief are an extension of the duties and responsibilities identified in the Crew Chief classification description of the agreement, it was not intended that the Technical Crew Chief be used in place of acting or temporary Crew Chiefs. Recognizing that from time to time in the absence of the regular Crew Chief, Technical Crew Chiefs may be called upon to perform the duties of the regular Crew Chief, we agreed that it was not intended to occur on a regular basis such as vacation relief, sick coverage, etc..

Should any further questions arise regarding the Technical Crew Chief function, we have agreed to attempt to resolve them through continued discussions. Please contact me should you have any additional questions.

Regards,

S.L. Crosser
Managing Director
Employee Relations

SLC:kd

cc: D. L. Kruse
R.D. Pearson Field Managers Employee Relations

ARTICLE 12 – PROMOTIONS AND TRANSFERS

Higher Capacity Positions - Crew Chief, Technical Crew Chief

- (a) Qualifications for promotion to a **Higher Capacity Position** will be established by the Company and include such reasonable measurable standards as are beneficial to the efficiency of the Company's operations and to the employees. Additionally, a successful **employee** must demonstrate his ability to speak, read and write English fluently. To be considered eligible for promotion to a Crew Chief or Technical Crew Chief vacancy in San Juan, Puerto Rico, **an employee** must demonstrate his ability to speak fluently both English and Spanish.
- (b) After the provisions of Article 46 (One Station Agreement) have been exhausted, subsequent vacancies will be subject to **the selection process outlined in this Article:**
 - (1) **Notices of Higher Capacity vacancies will be posted weekly via the Automated Higher Capacity System which is accessible on Jet Net. The notice of vacancy will state whether the vacancies or jobs are expected to be regular or temporary, the number of jobs to be filled, the station or location, and will specify a deadline date (closing date) for submission for Higher Capacity Positions. The closing date will be ten (10) calendar days after the posting date. Employees may only submit Requests for Promotion (RFP) via the Automated Higher Capacity System by the closing date.**
 - (2) **An employee submitting an RFP for more than one position and will indicate the order of his preference on each submission, and if he is the senior candidate for more than one position, he will have the opportunity to qualify only for the position ranked highest in his preference.**
- (2) **One (1) business day after the closing, the Company will post, via the Automated Higher Capacity System, the name and seniority date of the successful employee based on Occupational Seniority. Employees will have twenty four (24) hours to decline the promotion via the on-line tool. Failure to accept or decline the award will result in automatic acceptance of the position. If the promotion is declined, the employee will be ineligible to submit an RFP for the same classification, Higher Capacity Position, for a period of twelve (12) months. Once an employee has accepted he will be scheduled for qualification testing as required in accordance with paragraph (d).**
- (4) **Selection criteria for Technical Crew Chief will be awarded in accordance with Article 11.**

- (5) Qualifying tests may be conducted at any station where the necessary personnel and equipment are available. If an employee is required to take a test at any station other than his base station, travel expenses will be authorized in accordance with the appropriate Company Policy.

(c) **Eligibility Periods**

The senior employee, who is awarded any Higher Capacity position, excluding Temporary Crew Chief positions, may not submit another request for any Higher Capacity position for twelve (12) months from the date of the award. If an employee fails to report after accepting the position he will be ineligible for any Higher Capacity position for twelve (12) months from the date of the award.

(d) **Crew Chief**

Prior to reporting, the employee must successfully complete all applicable qualification tests and meet the physical requirements associated with the position.

- (1) An employee who **has been awarded a Crew Chief position** will not be held on a trial basis in his new assignment for a period longer than one hundred eighty (180) calendar days and may be demoted or returned to his former assignment in the event of his inability to perform his duties in a satisfactory manner. All employees successfully bidding a Crew Chief/Technical Crew Chief position will be required to have their performance evaluated by a review panel prior to the last day of their one hundred eighty (180) calendar day period. The Transport Workers Union is invited to participate in any such panel in accordance with procedures to be decided upon. Employees who fail to meet performance expectations will be demoted as outlined in this Article. The decision of the review panel will be final and binding, not subject to review under the grievance procedures. In the event he is demoted, he may return at his own expense to any vacancy available in the classifications for which he is qualified or he may fill a local vacancy in the **Basic** Classification provided he has the seniority to do so or return to his former station, but he will not, for a period of twelve (12) months after such return, submit an **RFP** for the vacancy in the same classification or section for the same type of work for which he was unable to demonstrate his ability.
- (2) The trial period will begin the first day an employee reports to duty or accepts the position if at his current station. Trial periods may be extended to cover any approved leave of absence granted during the trial period.

(3) The Company will furnish **positive** space transportation for **initial badging requirements** for the affected employee and **space available** transportation for the employee and the members of his immediate family, to the extent permitted by law, from the point from which he is transferring to the **new location/station**. Other expenses incidental to **the** transfer will be borne by the employee.

(4) Testing for vacancies is normally accomplished during the employee's regular working hours. If testing (written or practical) is administered outside an employee's normal working hours, it will be compensated for at the applicable training rate of pay.

(e) **Temporary Crew Chief**

A Temporary Crew Chief may be selected for a special assignment or known long term vacancy for a period not to exceed one (1) year, using the Automated Higher Capacity System. The Temporary Crew Chief position will be awarded to the senior employee from within the Basic Classification and station where the vacancy exists.

(1) At the completion of the temporary assignment, the employee will be returned to his former Basic Classification and work unit/shop/dock.

(2) At the end of **three hundred and sixty-five (365)** calendar days the vacancy will become permanent and posted to the system using the on-line tool.

(f) **Acting Crew Chief**

In the absence of a regularly assigned Crew Chief or while in the process of filling an existing or newly created Crew Chief position, an Acting Crew Chief may be appointed to fill the vacancy from within the work unit/shop for a period not to exceed sixty (60) calendar days.

Employees will, if they are regularly assigned to that work **unit/shop**, be assigned in order of their **Occupational Seniority** to fill acting vacancies.

(1) In the event there are no **volunteers**, the most senior employee regularly assigned to that work **unit/shop** will be **required** to fill the **Acting Crew Chief** vacancy.

- (2) Employees selected to fill **Acting Crew Chief** vacancies will be entitled, during the period so assigned, to compensation at a rate not less than that at which the job is rated. An employee assigned to **an Acting Crew Chief vacancy** in a lower classification will not have his compensation reduced to that of the lower classification.
- (g) **An employee who is transferred from one point to another at the request of the Company will be so transferred at Company expense, in accordance with Company regulations.**
- (h) **Intentionally left blank**
- (i) **Intentionally left blank**
- (j) **Intentionally left blank**
- (k) **Transfer Waivers**

We have agreed that where a six or twelve month wait is required, this requirement may be waived upon mutual agreement between Employee Relations and the International TWU prior to hiring new employees. The Union must receive a written request from an employee who desires this exception.

(l) **Basic Classification Transfers**

An employee may request a transfer from one station to another to fill a regular full-time or part-time vacancy, provided that the employee's qualifications are sufficient for the conduct of the work to which he is to be assigned.

After the provisions of Article 46 (One Station Agreement) or the **Maintenance Base Transfer Process**, if applicable, have been exhausted, the employee will be permitted to transfer before a new employee is hired at that station, provided:

- (1) He has a minimum of six **(6) months** with the Company,
- (2) **An employee must submit a Request for Transfer (RFT) to a location/station by utilizing the Company's on-line tool. The employee must specify the station and/or location desired. Each location/station requires a separate request. The employee must be qualified to perform the work he is requesting a transfer to prior to reporting.**
- (3) He has not completed **or refused** a transfer within the **previous six (6)** month period.

- (4) Each January 1 and July 1 a **RFT** not submitted within the preceding 30 days will be voided and it will be necessary for a new request to be submitted.
- (5) **Once awarded and accepted an RFT, the transfer will take place on the second Monday following the employee's qualification unless mutually agreed otherwise. If an employee fails to report after accepting the position he will be ineligible for any transfers for six (6) months.**
- (6) A vacancy created by the transfer of an employee may be filled by the Company at its option.
- (7) The Company will furnish **positive** space transportation for **initial badging requirements** for the affected employee and **space available** transportation for the employee and members of his immediate family, to the extent permitted by law, from the point from which he is transferring to the **new location/station**. Other expenses incidental to **the** transfer will be borne by the employee.
- (8) **An employee is eligible to 12 (1x) (full-time to part-time/part-time to full-time) at his station provided he has completed probation and has not completed or refused a 12 (1x) transfer within the previous six (6) months.**
- (m) Subject to the provisions of Article 12 of this Agreement, **the Maintenance and Related, Fleet Service, and Maintenance Control Technician** Agreements, employees covered who possess the required qualifications will be given preference in filling regular full-time or part-time vacancies **per paragraph (2)(a) through (2)(d) below**. Such employees **who are** successful in filling a mechanical classification (including plant maintenance) will be required to pass the appropriate skill qualification tests and to demonstrate mechanical ability within the first six (6) months. Selection for the vacancies described in this paragraph will initially be confined to employees in the title group in which the vacancy exists in the order of their relative seniority. Thereafter, selection will be based on the Occupational Title Group seniority of the employees involved. In the event two or more employees have the same Occupational Title Group seniority, Company seniority will determine the selection.
- (1) An employee under this Agreement, **the Maintenance and Related, Fleet Service, and Maintenance Control Technician** Agreements may request a transfer to vacancies **using the on-line tool**. Subject to the conditions contained in the preceding paragraph, the employee will be permitted to transfer before a new employee is hired at that station provided:
 - (a) He has a minimum of six (6) months service with the Company,

- (b) **An employee must submit a Request for Transfer (RFT) to a location/station and classification by utilizing the Company's on-line tool. Each location/station and classification requires a separate request.**
 - (c) He has not completed or refused a transfer within the six (6) month period preceding the transfer date.
 - (d) **An employee will be notified of his transfer award via the online transfer system and his Supervisor will arrange for his release and report date as outlined in Attachment 12.2. Each January 1 and July 1 a RFT not submitted within the preceding 30 days will be voided and it will be necessary for a new request to be submitted.**
 - (e) A vacancy created by the transfer of an employee may be filled at the Company's option.
- (2) In addition to the above, the priority for transfers under 12 (m) will be as follows: Article 12(m) covers four possible situations that are awarded in seniority order within each of the subcategories indicated below:
 - (a) An employee at the same location within the same Title group.
 - (b) An employee at a different location within the same Title group.
 - (c) An employee at the same location within a different Title group.
 - (d) An employee at a different location within a different Title group.
- (3) An employee, having qualified for a **different** classification under the provisions of Article 12 of this Agreement, the Maintenance and Related, Fleet Service, and **Maintenance Control Technician** Agreements, who subsequently fails to successfully complete the required qualification test for that classification or fails to demonstrate the required mechanical ability, will be returned to his previous classification and station. However, if the company fails to administer the Qualification Test within one hundred and eighty (180) calendar days the employee will be considered qualified for the purposes of his assignment.
- (4) **We have agreed that an employee affected by a reduction in force and relocated to a different city, may 12(m) back to his original city without any waiting period.**

(n) Self Demotion

An employee may request a demotion from the position of Crew Chief at his station provided no other employee possesses recall rights to the classification and station in question. Such a successful employee, or an employee demoted for cause, will not be permitted to bid for another Higher Capacity vacancy in this classification or to serve in an acting capacity for a period of twelve (12) months following the effective date of such demotion. If however, a Crew Chief self-demotes through the transfer procedure to another city, the period of exclusion from Higher Capacity positions either acting or bidding will be six (6) months.

The Company will offer a fifteen (15) day open window in March every year, beginning in March **2013** for any Crew Chief to self-demote following this self-demotion window. The jobs to be vacated by the self-demotion process will be posted **using the on-line tool** for bid and awarded on a local city basis only. If more employees desire to self-demote, than those bidding for the jobs at that city, self-demotions will be limited to the number requesting to back fill the positions from that city. If insufficient local bidders are available, the self-demotions will be permitted in seniority order up to the number of bidders.

- (1) A Crew Chief who exercises the self-demotion process will be prohibited from bidding a Crew Chief position, and from serving as an acting Crew Chief for one (1) year from date of demotion.

(o) Transfers from Lay-off

An employee may submit a Request for Transfer (RFT) from layoff status, and will be allowed to fill a vacancy before a new employee is hired for that vacancy, in the order of priority and under the conditions as follows:

- (1) **The recall provision of Article 16 of the applicable Agreements have been exhausted (employees in the same classifications recalled to the station from which they were laid off).**
- (2) **RFTs filed under Article 12(l) have been processed (active employees in the same classification transferring from one station to another).**
- (3) **RFTs under Article 12(m) have been processed (active employees who have a valid transfer from one classification to another at their own station).**
- (4) **RFTs by active employees who desire to fill a vacancy in another classification at another station have been processed.**
- (5) **RFTs by an employee on layoff in the same classification in which the vacancy exists and who submits an RFT after being laid off**

adhering to all procedural and qualification requirements under Article 12(l).

- (6) RFTs by an employee on layoff in a classification other than the classification in which the vacancy exists who submits a RFT after being laid off and who meets all, procedural and qualification requirements under Article 12(m).
- (7) All RFTs filed by an employee prior to layoff (off payroll) are null and void.
- (8) An Employee on layoff who refuses a vacancy for which he has submitted an RFT under these procedures will not be eligible for any other vacancies during the remaining period of the layoff; however, he will retain his recall rights to his station. (see para (k) of this article).
- (9) Transfer request by an employee on layoff status who has resigned per Article 14 (b) and who meets all procedural and qualification requirements under Article 12 (l) and 12 (m).
- (10) The Company is not obligated to contact employees on layoff to offer vacancies in their own or other classifications.

(p) Filling of Full-time Vacancies

Full-time vacancy(s) will be filled by the most senior qualified employee(s) requesting to fill a vacancy(s) in accordance with the following order of preference:

- (1) System surplus employees (either full-time or part-time) in the same classification, provided they are senior to the most senior employee holding recall rights to that full-time classification. System surplus part-time employees electing a full-time vacancy will also be subject to the following:
 - (a) Any part-time employee selecting a full-time vacancy as an option on this bump sheet will be tentatively awarded the vacancy in order of seniority of those employees affected by the reduction in force. The options of all other employees will be awarded in order of seniority.
 - (b) After the awards are completed, the Company will match those tentative awards outlined above for those part-time employees successfully electing a full-time position against those employees requesting a full-time position in that city with a

full-time vacancy. The full-time vacancy will be given to the senior employee(s) (either those part-time employees affected by the reduction in force or the local part-time employees with a valid 12(lx) on file for a full-time position at that city).

- (c) If the vacancy is awarded to the local employee, the employee out of the station that was affected by the reduction in force and elected that vacancy as an option on his bump sheet will be assigned a resulting part-time vacancy at the receiving city. This employee must, at this time, agree to take the position or take layoff. If the employee awarded the position fails to report to the elected city, he will be terminated and will forfeit recall rights and relocation expenses.
- (2) Employee with recall rights to a full-time position.
- (3) The following blended seniority order:
 - (a) Employees in a full-time Higher Capacity classification in the same city requesting a voluntary demotion under the provisions of Article 12(n) will be offered full-time vacancies.
 - (b) Transfer requests of employees currently on payroll in the same classification in other cities blended in seniority order with part-time employees' transfer requests in the same classification within the city with the vacancy.
 - (c) Active part-time employees in the same classification and city as the vacancy and have a 12 (lx) transfer on file.
- (4) Transfer requests under Article 12(m) (active employees who have a valid transfer from one classification to another at their own station).
- (5) Transfer requests by employees on the payroll who desire to fill a vacancy in another classification at another station have been processed.
- (6) Transfer request by an employee on layoff status in the same classification in which the vacancy exists and who submits a transfer request (RFT) after being laid off adhering to all procedural and qualification requirements under paragraph *Article 12 (l)*.
- (7) Transfer request by an employee on layoff status in a classification other than the classification in which the vacancy exists who

submits a transfer request (RFT) after being laid off and who meets all procedural and qualification requirements under Article 12 (o).

(8) Transfer requests by any employee covered by a TWU/AA agreement other than the Stores Agreement awarded in seniority order.

(9) Transfer request by an employee on layoff status who has resigned per Article 14(b) and who meets all procedural and qualification requirements under Article 12 (l) and 12 (m).

(10) New hire.

(q) The following attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 12.1 - TRANSFERS TO JOB VACANCIES AT TUL/AFW MAINTENANCE BASES

RE: TRANSFERS TO JOB VACANCIES AT TUL/AFW MAINTENANCE BASES

When vacancies are approved which will result in an addition to a shop or job/skill area, an employee at the TUL/AFW Maintenance Bases will be provided an opportunity to fill the vacancy:-

Each vacancy as defined above will be **electronically processed with the on-line tool (the Company will commit to continue to post manually for sixty (60) days from date of ratification). The Company will award the individual to fill the vacancy using the on-line tool. The senior qualified employee will be reassigned to the vacancy and may not refuse the assignment.** All employees whose qualifications are sufficient for the conduct of the work or job to which the employees are to be assigned are eligible to bid on the vacancy provided:

- (1) The employee has a minimum of one (1) year with the Company.
- (2) The employee has not completed a transfer to another vacancy within the classification during a six (6) month period proceeding the date the vacancy bid closes.
- (3) The Company will post, **via the on-line tool**, the name of each individual who is selected to fill the vacancy. The senior qualified bidder will be reassigned to the vacancy and may not refuse such assignment.
- (4) Qualifications for vacancies to be filled by intra-station transfers are deemed to be satisfied when an employee:
 - (a) Passes or has previously passed the applicable qualifying test within the previous five (5) years, or
 - (b) Has been previously assigned to the job test area for a continuous period of three (3) months within the past three-(3) years.
 - (c) Was hired into that type of work within the previous four-(4) years with the required creditable experience.
 - (d) The senior qualified bidder will be assigned to the vacancy and may not refuse such assignment.
- (5) After the selection has been made, it will be the Company's option to fill the resulting vacancy as follows:

- (a) The procedure outlined above will be utilized to fill the (secondary) resulting vacancy, then:
 - (b) Filled at or by management option.
 - (c) Filled by reassigning volunteers from job test areas where employees are available.
 - (d) Filled by reassigning employees in reverse order of seniority from job test areas where employees are available.
 - (e) Filled by employees with requests to transfer under Article 12 (l).
 - (f) Filled by employees with requests to transfer under Article 12 (m).
 - (g) Filled by new hires.
- (6) At the Tulsa/AFW Maintenance Base, a Crew Chief will be allowed to transfer in his **Basic Classification**, as outlined above, provided his seniority will allow. Upon passing the applicable qualifying test (if applicable) the Crew Chief or Inspector will then be ineligible to bid or serve in an acting capacity in that classification for a period of twelve (12) months (6 months for inspector). Additionally, he will be restricted from transferring to another vacancy within his **Basic** classification for a period of 12 months. If the Crew Chief or Inspector fails the qualification test he will be returned to his prior Classification.
- (7) In the event of a reduction in force, the reassignment of employees surplus to the work needs will be accomplished in accordance with the provisions of Article 15 (b) of this Agreement within thirty (30) calendar days following the crew change in which the reduction in force was effected.
- (8) Within thirty (30) calendar days following the crew change in which a recall is affected, the Company may at its option make adjustments in its manning requirements to meet its needs.
- (9) Temporary assignments (labor loans) will normally be made for a period of twenty-eight (28) calendar days and will not exceed ninety (90) calendar days. Temporary assignments for the period of more than twenty-eight (28) calendar days will be made on the basis of available qualified personnel as defined by the above qualifications criteria from within a shop or job/skill area where available qualified employees are assigned. In the event there are not sufficient qualified employees, the Company may accept volunteers or effect the labor loan of employees in the reverse order of seniority from that shop or job/skill area. **Requirements for periods exceeding ninety (90) calendar days will be filled through the applicable transfer procedures.**

(10) This memorandum will not apply when movement of unusual number of employees is required, such as, shutdown or opening of a shop/line or within thirty (30) calendar days following the crew change in which a recall is effected. Under these conditions the Company may, at its option, make adjustment in its manning requirements to meet its needs.

ATTACHEMNT 12.2 - RIF, FILLING FULL-TIME VACANCIES

Re: RIF, Filling Full-Time Vacancies

Full time vacancy(s) will be filled by the most senior qualified employee(s) requesting to fill such a vacancy(s) in accordance with the following order of preference:

(a) System surplus employees (either full-time or part-time) in the same classification, provided they are senior to the most senior employee holding recall rights to that full time classification. System surplus part time employees electing a full-time vacancy will also be subject to the following:

(1) Any part-time employee selecting a full time vacancy as an option on this bump sheet will be tentatively awarded the vacancy in order of seniority of those employees affected by the reduction in force. The options of all other employees will be awarded in order of seniority.

(2) After the awards are completed, the Company will match those tentative awards outlined above for those part-time employees successfully electing a full-time position against those employees requesting a full time position in that city with a full-time vacancy. The full-time vacancy will be given to the senior employee(s) (either those part-time employees affected by the reduction in force or the local part-time employees with a valid 12(lx) on file for a full-time position at that city).

(3) If the vacancy is awarded to the local employee, the employee out of the station that was affected by the reduction in force and elected that vacancy as an option on his bump sheet, will be assigned a resulting part-time vacancy at the receiving city. This employee must, at this time, agree to take the position or take layoff. If the employee awarded the position fails to relocate to the elected city, he will be terminated and will forfeit recall rights and relocation expenses.

(b) Employee with recall rights to a full time position.

(c) The following blended seniority order:

(1) Employees in a full-time bid classification status in the same city requesting a voluntary demotion under the provisions of Article 12(n) shall be offered full-time vacancies.

(2) Transfer requests of employees currently on payroll in the same classification in other cities blended in seniority order with part time employees' transfer requests in the same classification within the city with the vacancy.

- (3) Active part time employees in the same classification and city as the vacancy and have a 12 (lx) transfer on file.
- (d) Transfer requests under Article 12(m) (active or laid off employees who have a valid transfer from one classification to another at their own station).
- (e) Transfer requests by employees on the payroll who desire to fill a vacancy in another classification at another station have been processed (this expands on the current terms of Article 12(m)).
- (f) Transfer request by an employee on layoff status in the same classification in which the vacancy exists and who submits a transfer request after being laid off adhering to all procedural and qualification requirements under Article 12(l).
- (g) Transfer request by an employee on layoff status in a classification other than the classification in which the vacancy exists who submits a transfer request after being laid off and who meets all procedural and qualification requirements under Article 12(m).
- (h) Transfer requests by any employee covered by a TWU/AA agreement other than the Maintenance Agreement awarded in seniority order.
- (i) New hire.

ATTACHMENT 12.3 - WAITING REQUIREMENTS PRIOR TO TRANSFER IN ACCORDANCE WITH ARTICLE 12

Waiting Requirements Prior to Transfer in accordance with Article 12

A review of the applications of Articles 12(l), 12(m) and 12(lx) and the requirement to wait six (6) or twelve (12) months after completing one of these transfers prior to submitting and/or eligibility for another. The parties agreed that each of these paragraphs is a separate and distinct contractual right. The following is a simplified chart outlining our understandings:

1. An employee who desires a 12(lx) - Part Time to Full Time/Full Time to Part Time transfer at his station:

An employee who:	Six-month wait required:
Has not completed probation	No
Completed a previous 12(lx) at the station	Yes – 6 months
Completed a 12(l) transfer into the station	No
Completed a 12(m) transfer within or outside the station	No

2. An employee who desires a 12(l)-Station to Station transfer:
An employee who: Six(6)-month wait required:

Has not completed probation	No- Must complete Probation
Completed a 12(lx) transfer at the station	No
Completed a 12(l) transfer into the station	Yes – 6 months
Completed a 12(m) transfer within the station	Yes – 6 months
Completed a 12(m) transfer in from outside the station	Yes – 6 months

3. An employee who desires a 12(m)-Change of Classification at his station:
An employee who: Six-month wait required:

Has not completed probation	Yes - Must complete Probation
Completed a 12(lx) transfer at the station	No
Completed a 12(l) transfer into the station	No
Completed a 12(m) transfer in	Yes – 6 months

from within or outside the station	
------------------------------------	--

We have agreed that employees affected by a reduction in force and located to a different city, may 12(m) back to their original city without any waiting period.

4. We have agreed that where a six month wait is required above, this requirement may be waived upon mutual agreement between Employee Relations and the International TWU prior to hiring new employees. The Union must receive a written request from an employee who desires this exception.

5. An employee who desires a Shop-to-Shop transfer at TUL/AFW:
An employee who: Six-month wait required:

Has not completed probation	Employee must have one (1) year with the Company
Completed a 12(l) transfer	6 months
Completed a 12(m) inter station transfer	Yes – 6 months
Completed a 12(m) intra station transfer	Yes – 6 months

ATTACHMENT 12.4 - TRANSFER RIGHTS FOR THOSE ON LAYOFF STATUS

American Airlines

July 20, 1981

Mr. John Kerrigan
International Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Dear Mr. Kerrigan:

During our discussions concerning productivity and employee job security, the TWU expressed concern that current provisions of the Maintenance and Stores Agreements limit transfers between stations by employees in the same classifications to employees on active status on the payroll. Further, transfers between classifications of employees either active or on layoff are limited to vacancies at their own station. Thus, employees who face layoff or are actually laid off, are prevented from transferring and retaining employment while new hires fill available vacancies, at stations unaffected by reduction in force.

The parties recognize that the mutual interests of the Company and its employees can be served best by providing additional transfer mobility and job protection for employees on layoff. It is agreed, therefore, that:

1. In addition to the job protection afforded an employee laid off under Article 15 of the Maintenance Agreement, and Article 15 of the Stores Agreement, an employee who at the time of layoff does not displace a junior employee, or accept a vacancy then offered, and is terminated from the payroll, shall be allowed to fill a vacancy before a new employee is hired for that vacancy, in the order of priority and under conditions as follows:

a. The recall provision of Article 16 Maintenance and Stores Agreements have been exhausted (employees in the same classifications recalled to the station from which they were laid off).

b. Transfer requests filed under Article 12(l) have been processed (active employees in the same classification transferring from one station to another).

c. Transfer requests under Article 12(m) have been processed (active or laid off employees who have a valid transfer from one classification to another at their own station).

d. Transfer requests by employees on the payroll who desire to fill, a vacancy in another classification at another station have been processed (this expands on the current terms of Article 12(m)).

e. Transfer request by an employee on layoff status in the same classification in which the vacancy exists and who submits a transfer request after being laid off adhering to all procedural and qualification requirements under Article 12(l).

f. Transfer request by an employee on layoff status in a classification other than the classification in which the vacancy exists who submits a transfer request after being laid off and who meets all, procedural and qualification requirements under Article 12(m).

g. To exercise these additional transfer rights, all employees on layoff shall, in addition to the required information on the transfer request, specify in writing that he/she is on layoff status, the effective date of such layoff, and the station from which employee is laid off in order to safeguard the rights of other employees with a higher contractual priority to the vacancy.

h. All transfer requests filed by an employee prior to layoff are null and void.

i. An employee on layoff status who refuses a vacancy for which he has submitted a transfer request under these procedures will not be eligible to transfer to another vacancy during the remaining period of the layoff; however, he will retain his recall rights to his station.

The Company is not obligated to contact employees on layoff to offer vacancies in their own or other classifications.

Agreed: John Kerrigan

Charles A. Pasciuto Vice President Employee Relations

ATTACHMENT 12.5 - STORES AGREEMENT ARTICLE 12(l) AND 12(lx)

May 12, 1987

Revised March 1, 2001

Division Managers Employee Relations

Re: Stores Agreement, Article 12 (l) and 12 (lx) Transfer Provisions

Our continuing expansion has created more opportunities for employees to transfer:

A. In the same classification from one TWU covered station to another under the provisions of the Maintenance Agreement, Article 12(l).

B. Intra-Station transfer opportunities in the same classification from part time to full time and full time to part time 12(lx) under the Maintenance Letter of Agreement.

The application of these provisions is subject to clarification:

1. An employee who has a valid 12(l) transfer does not void that transfer request by turning down a 12(lx), and vice-versa.

2. An employee with a valid 12(l) transfer request to another station who completes a 12(lx) transfer at his own station does not invalidate the 12(l) and vice-versa.

3. When an employee in Station A has been awarded a 12(l) transfer to Station B but does not have a reporting date to Station B and the delay in the reporting date is such that a junior employee in Station A would be awarded a 12(lx) in the interim for a month or more, the employee's 12(l) rights will not be affected if he accepts the proffer of a 12(lx) vacancy at Station A for this interim only. Provided, however, that the 12(l) transfer shall be completed, otherwise the employee will not be permitted to transfer until completion of twelve (12) months from the transfer date.

4. When a 12(l) transfer is completed; that is, a reporting date is set and accepted, and the reporting date is less than a month from date of reporting to the new station, the employee with the 12(l) transfer will be required to transfer, or otherwise to wait another twelve (12) months from the transfer date.

5. The above does not change the fact that a refusal of a 12(lx) will trigger a six (6) month wait for another 12(lx) and likewise a refusal of a 12(l) will require a twelve (12) month wait for another 12(l).

E.R. Koziatsek
International Vice President
Transport Workers Union

James Enright
Director
Employee Relations

ATTACHMENT 12.6 - CREW CHIEF BID

American Airlines

January 22, 1988

Mr. E. R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
Building "A" - Norwood Office Park
1501 No. Norwood Drive - Suite 125
Hurst, Texas 76053

Dear Mr. Koziatek:

This is to confirm our discussions specifically addressing the question of whether an employee who bids and is awarded a Crew Chief position at his own station may bid for and be awarded a Crew Chief position in another station before completing twelve (12) months of service as a Crew Chief at his own station.

We hereby agree that a Crew Chief who bids and is awarded a Crew Chief position in his own city, may bid and be awarded a Crew Chief job in another station within the regular twelve (12) month lock-in period, provided that such Crew Chief shall have successfully completed the 180 day probationary period as required by the Agreement.

This is not intended to modify in any way the past application of provisions of the Agreement or any arbitral decision heretofore issued clarifying the intent and practice with respect to filling of bid vacancies.

Sincerely,

James Enright
Managing Director
Employee Relations

Agreed:
E. R. Koziatek

ATTACHMENT 12.7 - CREW CHIEF SELF-DEMOTION

March 14, 1996

Mr. John Orlando
International Vice President
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

Dear John:

We have discussed the Crew Chief Self-Demotion process which was provided for in the August 15, 1995 agreement.

A situation could exist in which a Crew Chief who wishes to self demote under the special self demotion letter of agreement would be junior to another employee in the non-bid classification who still held recall rights to the non-bid classification.

We have agreed that under such a circumstance, the Crew Chief would be prohibited from exercising the ability to self demote, since, absent his Crew Chief position, he would have been impacted by the reduction, and that we did not wish to create a situation where an employee senior to the self demoting Crew Chief would still be displaced while the junior employee (the self demoting Crew Chief) assumed a position in the non-bid classification.

If the preceding meets with your understanding, please sign where indicated below and return a copy of this letter for our file.

Mark L. Burdette
Managing Director
Employee Relations, Ground

Agreed and Accepted:

John M. Orlando

ATTACHMENT 12.8 - ARTICLE 12(n) SELF-DEMOTION & TRANSFERS

American Airlines

Revised March 1, 2001
March 24, 1999

To: Field HR Managers

Reference: Article 12(n) Self-Demotion & Transfers

This letter is to clarify and confirm the eligibility of a Crew Chief, who has exercised the provisions of Article 12(n) and self demotion, to transfer under the provisions of Article 12(l), 12(m) following such a demotion. Application for TUL/AFW is found in the TUL/AFW Transfer Memorandum.

Crew Chiefs may self demote under 12(n), after they have successfully completed the 180 day trial period, by exercising their seniority under the letter of agreement dated April 2, 1996 regarding the filling of full time vacancies and the provisions outlined in Article 43(c).

The following identifies the appropriate six month wait requirements for transfer following the corresponding 12(n) self demotion:

1. You have self-demoted within classification and station.
Six-month wait not required to transfer under 12(l) or 12(m).
2. You have self-demoted within classification, out of station:
Six-month wait required to transfer under 12(m). Twelve month wait for 12(l).
3. You have self-demoted out of classification, within station:
Six-month wait required to transfer under 12(l) or 12(m).
4. You have self-demoted out of classification and station:
Six-month wait required to transfer under 12(l) or 12(m).

Note: Eligibility for transfer with regard to changes in status [12(lx)] is covered in the Letter of Agreement dated July 22, 1991.

I have also attached examples of various scenarios to further clarify this interpretation. Should you have any questions regarding the application of this provision, please don't hesitate to contact me.

Sincerely,

James B. Weel
Managing Director
Employee Relations-Ground

ATTACHMENT 12.9 - BIDS & ELIGIBILITY

American Airlines

September 22, 1999

Mr. James C. Little
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112 Hurst, Texas 76054

Reference: Bids & Eligibility

Dear Jim,

As discussed at the July 28, 1999 President's Council meeting in San Francisco, this letter will serve as a means of clarification and understanding regarding eligibility for a bid job. Bid jobs include Technical Crew Chief, Crew Chief and Inspector vacancies.

Currently, basic eligibility requires that an employee be eligible for award on the date the bid opens.

Example 1: Employee awarded a bid 1/1/99 is not eligible for a future bid that opens on or before 1/1/00.

An exception is made when employees are bidding to change status "at their own station". For a change of status bid at their own station, there is no waiting period. Moreover, this award is made based on where the employee is located on the date of the award, not when the bid opens.

By way of this memorandum, eligibility for bid vacancies shall be determined based on whether or not the employee is eligible during the ten days the vacancy is posted.

Example 1: Employee awarded a bid 1/1/99 is eligible for a future bid that closes after 1/1/00.

An exception will continue to be made for change of status bids. However, the award date will no longer be used to determine eligibility. An employee must have reported to the station where the vacancy exists prior to a bid closing in order to be considered eligible.

By way of your signature below, please indicate your acceptance of this clarification and understanding.

Sincerely,

James. B. Weel
Managing Director Employee Relations- Ground

Agreed:
James C. Little
AA System Coordinator
Transport Workers Union

ATTACHMENT 12.10 - TUL BIDDING/TRANSFER (SHOP TO SHOP)

American Airlines

May 17, 1996 revised 3/1/01

Mr. John Orlando
International Vice President AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112 Hurst, Texas 76054
Re: TUL Bidding/Transfers (Shop to Shop)

Dear John:

During the 1995 Negotiations, the parties recognized that the processing time under the TUL Transfer Memorandum could be reduced if fewer employees rescinded their TUL request prior to testing. Therefore, to encourage employees to follow through with the bidding process, it is hereby agreed:

- a. Once an employee has been tested and passes the test, the employee cannot refuse the transfer.
- b. If an employee is qualified and bids a vacancy for transfer, the transfer cannot be turned down and the employee must move. Except in an emergency, the transfer will take place on the second Monday following the employee's qualification.

This addendum to the Transfer to Job Vacancies in no way alters any provision of the Basic Agreement or the Transfer Memorandum itself. Any changes to the procedure will require mutual agreement of the parties. Any disputes which arise concerning the applications of this addendum will be resolved through mutual discussion with TWU Local President and the local AA Human Resources Manager.

Sincerely,
Mark L. Burdette
Managing Director
Employee Relations – Ground

Agreed to this date:
M. Finley, President
Local 514 - TWU
Approved:
John M. Orlando
bcc: D.L. Kruse
J.G. Allen
L.A. Laster
R.Hodge
D.A. Newgren
A. Gatt
R.Pritchett

M.B. Fives
M.K. Tinsman
K. Howerton
C. Tagorda

Attachment 12.11- Electronic Transfer and Bid System

**Robert F. Gless
AA System Coordinator
Transport Workers Union of America AFL-CIO
1791 Hurstview
Hurst, Texas 76054**

September 12, 2012

RE: Electronic Transfer and Bid System

Dear Robert,

During the 2010 AA/TWU Negotiations, the parties have agreed to implement changes to the promotion/transfer process under Articles 12 and 46 of the agreement that will provide greater flexibility on eligibility and notification. In addition the process provides a window of opportunity that will allow the employee to accept or refuse the vacancy through the ability to add or remove his name from the transfer list. The revised process eliminates the fifteen day waiting period and the ineligibility restriction for refusing. It also allows the employee the opportunity to set standing transfer requests with assigned preferences in real time via the web based application. The online transfer system will be available 24 hours a day from any Company or non-company location.

The process will be conducted on a weekly cycle as follows:

- On Saturday of each week at 0001 CST, the Company will post an online notification list of the stations/locations declaring vacancies for that week.**
- The transfer list for those listed vacancies will be closed on the following Friday at 2359 CST and a snapshot of the list will be taken at that time.**
- The employee may add or remove his standing transfer request or change his order of preference anytime during the above timeframe.**
- Any employee whose name appears on the list after Friday at 2359 CST may refuse the transfer by removing his name from the list by Sunday at 2359 CST. If the employee does not remove his name from the list during this forty-eight (48) hour period, he will be considered to have accepted the position.**

- The employee will be notified during JetNet sign-in of the final award.
- Once an employee is awarded the vacancy, he will be notified of the report date which will be two (2) weeks from the date of the award.
- Unless mutually agreed to by the Company and the local TWU, the employee must-report to the station awarded on the specified date

The Company and TWU will jointly develop an implementation plan to include the effective date, communication (including a process for telephonic support), an appropriate grace period and training so that all TWU represented employees may benefit fully from the enhancement. Following implementation, the Company and TWU will meet quarterly [or as mutually agreed] to discuss and develop resolutions to issues pertaining to the new process.

Sincerely,
{Original Signed on file}

James B. Weel
Managing Director Employee Relations
American Airlines Inc.

Agreed to:

{Original Signed on file}

Robert F. Gless
AA System Coordinator
Transport Workers Union of America, AFL-CIO

ARTICLE 13 – SENIORITY LISTS

(a) System seniority lists, published by Title Group, will give the name, personnel number, Occupational Seniority date, Company Seniority date, job classification, job protection codes, and station of each employee, covered under this Agreement. **The lists will be posted and maintained on the Company Website and will be updated daily to include any personnel transaction request (PTR) that has been processed.**

(b) An employee or the Union may protest any omission or incorrect posting affecting any employee's seniority by use of a "System Seniority Protest Form," also referred to as "Protest Form." There will be no time limit to protest any omission or incorrect posting affecting any employee's seniority.

(c) The following will be the procedures for filing a "Protest Form"

(1) The employee will forward the Protest Form to the Local Union office. The Local Union will forward a copy of the Protest Form to the appropriate Human Resources office. The Protest Form must be accompanied by the supporting documentation, **or the protest will not be accepted.**

(2) The Local Union will **assist with the investigation of** the protest. The information necessary to investigate the protest will be provided by the appropriate Human Resources office upon request of the Local Union. Following the investigation, the Local Union will forward the protest and the supporting documentation to the Air Transport Director's office. **The ATD office will log the protest and forward a copy to the** Vice President of Employee Relations **or his designee.**

(3) A **seniority protest** panel consisting of a representative of the Vice President of Employee Relations or his designee and a representative(s) designated by the TWU International. Seniority protest panel meetings will be scheduled by mutual agreement on a monthly basis. The panel will review the documentation and make a determination whether or not the seniority date should be adjusted. The panel will forward all decisions to the TWU ATD and the affected TWU Local. The decision of the panel will be available for viewing on the ATD website.

(d) **In the event of an adjustment to Occupational Seniority resulting from a transfer bypass, pay seniority will be adjusted simultaneously.**

(e) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

ATTACHMENT 13.1 – MASTER SENIORITY LISTS

September 12, 2012

**Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Re: Article 13 Master Seniority Lists on JetNet

Dear Robert,

Per our discussion during the recent negotiations the parties have agreed that the Company will provide a Hard Copy of each of the Master Seniority Lists, every January, to be maintained as the annual file copy.

Additionally as discussed at the table, since JetNet updates daily, the TWU can access a soft copy at anytime.

The Company commits to pursue the ability to provide employee access to the ATD website through JetNet.

If you are in agreement with this process, please indicate by your signature below.

**Sincerely,
{Original Signed on file}**

**James B. Weel
Managing Director
Employee Relations
American Airlines Inc.**

**Agreed to:
{Original Signed on file}**

**Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

ARTICLE 14 – LOSS OF SENIORITY

(a) An employee, once having established seniority, will not lose seniority except as provided in this Agreement.

(b) An employee who is discharged for just cause will forfeit all seniority accrued to the date of such discharge. An employee who resigns from the service of the Company will forfeit all seniority accrued to the date of such resignation. **An employee who is directly affected by a reduction in force and exercises his seniority, either at the time of layoff or after accepting layoff, and later resigns for personal reasons, will retain recall rights pursuant to Article 16 by notifying the Company at the time of resignation. Such notification must be in writing, dated and specify all recall rights he wishes to retain. The written notice will be signed by an appropriate member of management, who will then place a copy into the employee's personnel file and provide a duplicate copy to the employee and Talent Services.**

An employee who resigns and retains recall rights pursuant to Article 14(b) will continue to accrue seniority in accordance with Article 16(a) for the Title Group(s) for which the employee retains the recall rights.

Example:

**Emp. A. Title V Material Logistics Specialist – SAT - Occ. Date: 5/2/2002
Holds recall rights to Title I AMT – TULE (Occ. 9/6/2000) and
Title V Material Logistics Specialist - TULE**

Emp. A. opts for Article 14(b) and provides a written notification to retain recall rights to Title I – AMT – TULE and Title V Material Logistics Specialist TULE;

Since the notification included retention of recall rights in both Title Groups, then upon effective date of his/her resignation, Emp. A will continue to accrue Title I and Title V Occupational seniority indefinitely or until forfeiture (i.e. refuse recall or expiration of ten (10) years).

(c) If an employee who has been laid off is offered the opportunity to return to service, in other than temporary work, and such offer of recall is to employment of the same status as when laid off, and such employee elects not to return to service, or who fails to comply with the provisions of Article 16 (a) or (e), his seniority right of preference in reemployment will at that time terminate, and his seniority with the Company will be forfeited.

ARTICLE 15 – REDUCTION IN FORCE

(a) All demotions and reductions in force of full-time and part-time employees for lack of work will be handled separately in accordance with **Occupational** seniority, as provided for in **Article 10** paragraph (e). Transfer requests by employees on lay off status will be covered under the provisions of Article 12 of this Agreement.

(b) An employee who has completed his probationary period and is directly affected by a reduction in force may **select one of the following:**

Option A – Accept layoff. Severance would be provided under Article 37 and the employee would retain recall rights per Article 16.

Option B– Request to exercise seniority at his station or in the system;

(1) Local Option:

Exercise his seniority to fill a vacancy or to displace the most junior employee at his station in his own or lower classification within his Title Group in a part time position, or

(2) System Vacancy Option:

If he has six (6) months or more of seniority, he may exercise his seniority to fill a vacancy at another station in his classification in either a full-time or part-time position, not subject to bidding, in which event he will have preference over employees who otherwise might qualify under the provisions of Article 12(l) or 12(m), or

(3) System Displacement Option:

If he has one (1) or more years of seniority, he may exercise his seniority to displace **an** employee, as outlined in **paragraph (b)option b**, with the least system seniority in his own classification, in either a full-time or part-time position not subject to bidding, or

(4) Retained Seniority Option:

If **an employee** is retaining seniority in another Title Group, he may exercise retained seniority **in any former or lower classification** at his **current** station. If **that** Title Group does not exist at the station where the reduction in force occurs, **then** the employee may request a transfer to any existing vacancy in the system **within the Title Group**, in either a full-time or part-time position. **An employee exercising this option** will have preference over employees who otherwise qualify under the provisions of Article 12. **If there are no vacancies as referred to above, then** he may exercise **his** retained seniority to displace the employee with the least system seniority in **any** former or lower classification within the Title Group, in either a full-time or part-time position.

(5) In the applications above, the employee will be advised of and, in the order of his occupational seniority, offered his choice of the stations where appropriate vacancies exist and the location or locations of the least senior employees in his classification in the system provided he has sufficient seniority. The number of least senior employees in the appropriate classification (both full-time and part-time) selected for displacement will correspond to the number of employees to be laid off. The list of the least senior employees subject to displacement will be re-sized to reflect the number of employees selecting system options.

(6) The number of least senior employees exposed to displacement under this procedure will **not** be changed because of the failure of a laid off employee to move to a job previously allocated. An employee displaced as a result of an employee exercising options above will have displacement rights provided he has the required **Occupational** seniority.

(7) An employee, who is unable to report after accepting his awarded option, may exercise his rights in accordance with Article 14(b), prior to the report date.

Reduction in Force for Bid Positions:

Technical Crew Chief:

(c) In the event of a reduction in force **in the** Technical Crew Chief **classification** the following will apply:

(1) A Technical Crew Chief may exercise his seniority to displace the least senior Technical Crew Chief at his station, provided he passes **or has previously passed** the qualification test and selection panel for the job he is displacing; or

(2) If the Technical Crew Chief's previous position was a bid Crew Chief position **immediately** prior to becoming a Technical Crew Chief, he will be allowed to displace the least senior Crew Chief at his station only provided he passes **or has previously passed** the qualification test for the job he is displacing; or

(3) A Technical Crew Chief may exercise his **Occupational** seniority under the provisions of **paragraph (b)**. If the employee's previous classification was not a bid position, he may exercise his seniority under the provisions of **paragraph (b)**, but may not displace into a bid position at his own station or elsewhere in the system.

Crew Chief:

(d) In the event of a reduction in force in the Crew Chief classification the following will apply:

- (1) A Crew Chief may exercise his seniority to displace the least senior Crew Chief at his station or in the system, provided he passes or has previously passed the qualification test for the job he is displacing; or**
- (2) If the Crew Chief's previous position was a Technical Crew Chief position immediately prior to becoming a Crew Chief, he will be allowed to displace the least senior Technical Crew Chief at his station provided he passes or has previously passed the qualification test for the job he is displacing; or**
- (3) The Crew Chief may exercise his Occupational seniority in his non-bid position under the provisions of paragraph (B).**

(e) In the event of a planned reduction in force where a substantial number of employees or a substantial number of stations will be involved, the Company will notify the International Vice President, Transport Workers Union, via e-mail of the number of employees by classification and station to be affected by the reduction in force, a list of known vacancies in the same classifications by location, and a list of the least senior employees by classification and location in the system who will be subject to the exercise of seniority of those employees notified of a reduction in force.

(f) An affected employee who desires to exercise his seniority as outlined above will be provided a Reduction in Force letter from his manager/supervisor directing the employee to the online tool. If an employee does not respond to this, he will be laid off. From the online tool, he must select options and exercise his seniority within seven (7) calendar days from the opening of the option window (noted on the option letter). An employee must prove that his qualifications are sufficient for the classification and type of work for which he desires to exercise his seniority within forty-eight (48) hours of the award. An employee who has not proven his qualifications will have the option to elect layoff and may be entitled to severance under Article 37.

- (1) An employee who is unable to exercise options due to temporary medical restrictions may be placed on administrative layoff or may elect layoff as described in paragraph (b).**
- (2) Once an employee has been notified of his award, he will have twenty four (24) hours to accept or decline via the online tool unless more time is specified in the information package. If the employee does not**

respond within the twenty-four (24) hour period, he will be considered to have accepted the award.

(3) An employee exercising seniority under this Article who fails to **pass the appropriate skills test** for which he expressed a desire to exercise his seniority may exercise his seniority in a lower classification at his station provided he notifies his **manager/supervisor** of his intention to exercise his seniority within **twenty-four (24) hours** after receipt of notice of his failure to qualify.

(g) Unless the reduction in force is the result of any reason set forth in Article 37(c), an employee who changes stations under the provisions of this Article will be reimbursed by the Company for all moving and travel expenses in accordance with **Employee Policy Guide or any successor document**. Space available transportation for the employee and for members of his immediate family to the extent permitted by law will be furnished by the Company to an employee changing his station under the provisions of this Article. **Employees will have access to a Reduction in Force Employee Information Package via JetNet.**

(h) An employee who has accepted layoff and who has been removed from payroll will accrue **pay** seniority for the duration of the period on layoff not to exceed ten (10) years as outlined in Article 16(Recall).

(i) Upon request of the Local Union President, an employee may, within seven (7) calendar days, appeal to **the Reduction In Force (RIF)** review panel composed of The Director of the Air Transport Division and **a representative of the TWU International** and the Vice President, – Employee Relations any disputes regarding the Reduction In Force application or administration.

ARTICLE 16 – RECALL

(a) An employee who has completed his probationary period and who is laid off by the Company due to a reduction in force will continue to accrue **occupational** seniority during such layoff. All seniority will be cancelled and recall rights forfeited if the employee is not recalled by the Company within ten (10) years from the effective day of layoff. Employees who remain on payroll will accrue seniority and retain recall rights indefinitely. The Company and the respective TWU Local President will agree on the current recall list within ninety (90) calendar days of the date of ratification of this agreement.

(b) A laid off employee will only have recall rights for the period indicated in paragraph (a) above to a job in the classification and station from which he was laid off, except that an employee **laid off** from a bid job in connection with a reduction in force in said bid job shall not be subject to recall to said **Higher Capacity** job. An employee **laid off** from a **Higher Capacity** job will retain recall rights in accordance with paragraph (a) above to a job in the **Basic** classification **and** in his Occupational Group Title at the station from which he was laid off. An employee laid off from a full time position will also have recall rights to a part time position in the classification and station from which he was laid off. An employee declining such recall to a part time position will not lose recall rights to a full time position at that station.

(c) An employee who in lieu of layoff exercises his seniority to displace the employee on the system in his own classification with the least Title seniority, or an employee who in lieu of layoff accepts a vacancy in his own classification at another station at the time of layoff or before the expiration of his recall rights, or an employee who in lieu of layoff accepts a part time vacancy or displaces a part time employee will retain recall rights in accordance with paragraph (a) to the full time classification and station from which he was first laid off.

(d) An employee who, in lieu of layoff, exercises his seniority to displace an employee in a lower classification within his own Occupational **Title Group** will retain recall rights in accordance with paragraph (a) to the classification and station from which he was first **laid off**.

(1) An employee who, in lieu of layoff, exercises his seniority to displace an employee in another classification and Occupational **Title Group** in which he holds seniority, or accepts a vacancy in any other Occupational **Title Group** at time of layoff or before the expiration of his recall rights, will accrue seniority in the Occupational Group Title to which he transferred in accordance **with** the applicable Agreement in addition to accruing and retaining seniority in accordance with paragraph (a) of this article and retaining recall rights in accordance with paragraph (b) of this article. Further, should an employee bump through one or more classifications and eventually be laid off, he will retain recall rights to each such classification and Title Group.

(2) An employee having multiple recall rights will have the option of accepting or waiving recall rights to each classification and Title Group in which he holds seniority. If the employee waives recall rights to a classification, he will forfeit all recall and seniority rights to that classification.

(e) All employees laid off by the Company due to reduction in force will maintain a current address **and phone number** with the Company. Any change in address **and/or phone number** must be **updated on Jetnet or** by calling Employee Services @ 1-800-447-2000 .

(f) All notices of recall, **which includes instructions and a required report date**, will be made **in writing (telephonic notifications are acceptable if confirmed in writing)** via overnight mail/express (i.e. U.S. Post Office, **United Parcel Service** or equivalent) return receipt requested. All employees must **accept or refuse using the on-line tool**, within ten (10) calendar days of the date of **the** mailing postmark **on** the recall letter. **An employee who has accepted recall must initiate and complete the employee portion of the background and fingerprint process via the on-line tool within seventy-two (72) hours (exclusive of weekends and holidays) of acceptance of the recall. Any additional information requested by Talent Services must be provided within a reasonable specified time.** The Company will furnish the ranking Local Union Representative a copy of all recall letters.

Any employee who has been laid off and is off payroll that fails to notify the Company of acceptance/refusal within the seven (7) calendar days, fails to initiate their portion of the background and fingerprint application process within the seventy-two (72) hours (exclusive of weekend and holidays) of acceptance of recall , or who fails to provide any additional information requested within the specified time or who fails to return to duty on the required report date will be considered to have refused recall and will lose all right to any recall and his seniority will be forfeited in that Title Group.

If the employee requires an extension to any of the above time limits due to extenuating circumstances it must be requested through Talent Services at the phone number provided in the instruction packet.

(g) An employee who has been laid off, and who has been out of the service for a period of twelve (12) months or more, may be required to take the tests (excluding medical tests) as may be necessary to establish that he is qualified to perform the work to which he is to be assigned, provided that the tests are not given less than sixty (60) calendar days after his recall.

(h) The attachment on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 16.1

September 12, 2012

Implementation of Article 16 (a)

Due to the agreed upon changes in Article 16 (a) the parties have agreed to the following:

- 1. A validation committee will be established for each station having recall lists to ensure accuracy. The committee will be comprised of TWU Representatives and Company Representatives from the respective stations departments and locals. The validation process should be completed by November 12, 2012.**
- 2. Both parties agree the changes made to Article 16 (a) will be implemented upon ratification of the AA/TWU Agreement. This application will be applied prospectively from September 12, 2012.**

Signature:

{Original Signed on file}

**James. B. Weel
Managing Director
Employee Relations**

Agreed to:

{Original Signed on file}

**Robert Gless
AA System Coordinator
ATD Deputy Director
Transport Workers Union of America, AFL-CIO**

ARTICLE 17 - LEAVES OF ABSENCE

(a) When the requirements of the operation will permit, an employee may be granted an unpaid Personal Leave of Absence, referred to as "PLOA", for any period of up to one (1) year. A request for PLOA must be submitted to the Company in writing. The request will state the reason for the leave and the duration of the leave. An approved PLOA will be granted in writing and will specify the expiration date of the leave. When a PLOA is granted, the employees will retain and continue to accrue seniority during the entire period of the leave.

(1) If the initial leave is requested for less than one (1) year and the requirements of the operation will permit, a PLOA may be extended for additional periods such that the total leave does not exceed one (1) year. A request for an extension of a PLOA must be submitted and approved prior to the expiration date of the current leave.

(2) An employee on a PLOA may submit a request to terminate his leave prior to the expiration date of the leave. The request must be in writing. The Company's response to the request will be in writing.

(3) Based on the requirements of the operation, the Company may cancel any PLOA at any time prior to the expiration date of the leave. In the event the Company elects to cancel a PLOA, the affected employee will be notified in writing, not less than fourteen (14) calendar days prior to the effective date of cancellation.

(4) An employee elected to a full-time governmental office (Federal, State) will be granted a Government Leave of Absence (GLOA) not to exceed the term of office, or subsequent re-election. The application for a GLOA must be made in writing to the Company, with a copy to the Union. An employee granted a GLOA will retain and accrue Occupational seniority for the period of the leave, however, no other Company benefits or privileges will be granted or accrued, nor will time on a GLOA constitute continuous service for pension plan benefits. Employees granted a GLOA must give thirty (30) calendar days notice of intent to return.

(b) An employee, holding a position as an International TWU Representative, an International TWU Officer, or a full time position with the International Union or any of its locals, may request through the International Union a Union Business (Pay) Continuance Leave of Absence, referred to as "UBC". The request for a UBC will be in writing from the International Union. The request will be sent to the Vice President – Employee Relations. If approved by the Company, the UBC will not exceed twelve (12) calendar months or the term of office in the event of an elected position. The written approval will state the expiration date of the leave. An employee on a UBC will continue to retain and accrue seniority throughout the leave.

(1) A UBC may be extended in the same manner as stated in Article 17(a). A request for an extension of a UBC must be submitted and approved prior to the expiration date of the current UBC.

(2) If the UBC is extended, the employee will continue to retain and accrue seniority.

(3) If an employee is on a UBC, there will be no interruption to the employee's pay and benefits, but the Company will bill the Local Union or the International Union, as applicable, for the employee's salary plus a percentage override for tax and benefit related expenses. Failure of the responsible party to pay the billing will result in the termination of the UBC for the affected employee.

(c) Leaves of absence for bona fide Union business will be granted if written request is submitted to the employee's supervisor in advance to accommodate the request. In the case of an employee holding a position as an International Representative, an International Officer of the Transport Workers Union or an employee holding a full time position within the International Union or any of its locals, the written request must be submitted by the Director Air Transport Division of the Transport Workers Union to the Vice President – Employee Relations. During this leave for Union business, known as "UB", the employee will maintain his benefits.

(d) In lieu of a planned Reduction in Force, the Company will, to the extent possible, make Overage Leaves of absence (OL) available to TWU represented employees who have completed their probationary period. Requests for leaves under this procedure must be submitted to the Company in writing. Approved leaves will be granted in writing and will not result in the involuntary transfer of any other TWU represented employee.

(1) Prior to the authorization of any Overage Leave of Absence (OL), the Senior Vice President, Airport Services or the Senior Vice President of Maintenance and Engineering, as appropriate, will review implementation plans with the Director of the Air Transport Division.

(2) The number of such leaves of absence granted at each station will be determined by the Company.

(3) When an Overage Leave is declared, an employee who is on a leave of absence other than an Overage Leave, may request to have his leave converted to an Overage Leave. It is the employee's sole responsibility to request such conversion.

(4) Upon proper application to the Company, leaves of absence under this procedure will be granted by job skill/work unit, in order of occupational seniority for periods of not less than one (1) week and no more than one (1) year. Extensions may be granted if there are no other Overage Leave requests on file.

(5) Overage Leaves, once granted, may not be refused and must be accepted by the employee requesting the leave.

(6) Due to the requirements of the service, the Company may cancel Overage Leaves granted under this procedure any time prior to the expiration date of the leave. In the event the Company wants to cancel a portion of the number of Overage Leaves, the cancellations will be in inverse seniority order.

(7) An employee who has been granted a leave of absence under this procedure must submit his current address of record to the Department Manager approving the Overage Leave in writing. Thereafter, an employee on an Overage Leave must advise the Department Manager, in writing, within ten (10) calendar days of any change in address.

(8) In the event the Company elects to cancel the leave of absence, the affected employee will be notified, in writing, by certified U.S. Mail, or equivalent carrier, return receipt requested, at the last address of record on file with the Department Manager.

(9) An employee granted a leave of absence under this procedure will not be entitled to employment and will forfeit his seniority with the Company if:

- a. He fails to return to work on the specified date at the expiration of the leave; or
- b. He declines, in writing, his intention to return to work; or
- c. He does not indicate, in writing, his intention to accept or reject employment within seven (7) calendar days after receipt of notice of cancellation of the leave of absence; or
- d. He does not return to work on the date specified in the notice of cancellation of the leave of absence. The return date will not be less than seven (7) calendar days after receipt of the notice.

(10) An employee, granted a leave of absence under this procedure, will continue to accrue Company, Occupational, and **Pay** seniority for all purposes during the leave of absence for a period not exceeding his previous service to a maximum of one (1) year.

(11) An employee, returning to duty at the expiration of an Overage Leave, will return to the work unit/shop/shift where a vacancy exists and will, thereafter, be permitted to exercise his seniority on the next available shift selection. Temporary Crew Chiefs will be utilized to fill Crew Chief vacancies of over thirty (30) calendar days which occur as a result of Overage Leaves.

(12) An employee on an OL will receive benefits under the conditions provided below:

a. While on an OL, the basic coverage of Medical, Dental, and Basic Life Insurance will continue for the employee. The employee must pay his portion of the costs in accordance with Company policy. If the employee is enrolled in any optional coverage, he must make payments for those benefits to remain in effect during the OL. Payments for optional coverage will be in accordance with Company policy. An employee should contact Employee Services (**refer to article 17(i) for contact methods**) for the appropriate forms to calculate his individual costs.

b. The time on an OL will be considered as time worked for purposes of vesting and credited service for retirement benefits.

c. The time on an OL will be considered as time worked in determining vacation accrual and paid sick leave accrual.

d. Holidays that occur during an OL will not be paid.

e. An employee may keep all Company identification cards/badges during his OL. An employee retains full travel privileges during the OL, except for travel on other airlines which is not permitted. When traveling on an OL, the employee must prepay travel service charges at the ticket counter.

f. Premiums for the TWU LTD Insurance Plan must be paid for in advance of the OL and for the duration of the OL. An employee should contact his Local Union for the appropriate forms and information.

g. Benefit coverage and application not specifically provided in Article 17 will be applied in accordance with Company policy.

(e) When an employee is placed on an unpaid leave of absence on account of sickness or injury, the continuation of the leave is contingent upon review and approval by AA Medical. Employee Services will send the employee a personal information package within ten (10) **calendar** days from the start of the leave including a letter advising of his unpaid leave status, benefit information, and notice of the requirement for medical substantiation. The employee must provide medical substantiation for the leave to AA Medical within fifteen (15) **calendar** days of receipt of the package. Should AA Medical need further clarification, the employee and/or the treating physician/ provider may be asked to provide additional information. The approval of the leave is contingent upon receipt of sufficient medical documentation from the employee's treating physician/provider. Approvals will be granted in writing

and will specify the expiration date of the leave. The employee will retain and continue to accrue his seniority until he is able to return to duty or is found to be unfit for duty; except that in no case will a leave for the same sickness or injury exceed a total continuous period of five (5) years. The Company will provide one hundred and eighty (180) calendar days written notification prior to the expiration date of the five (5) year period. The notification will be made via certified U.S. Mail, return receipt requested, or equivalent carrier, to the employee's last known address. **If the employee requires an extension to any of the above time limits due to extenuating circumstances, a request must be made to the company.**

- (1) Application of SKLOA is referenced in Company policy.
- (2) To extend the **SKLOA** beyond the initially approved leave period, an employee must provide updated medical information from his treating physician/provider to AA Medical at least **seven (7) calendar days** prior to the expiration of the leave in order for AA Medical to make the determination that a continuation of a leave is substantiated. The approval of the continuation of the leave is contingent upon receipt of sufficient medical documentation from the employee's treating physician/provider.
- 3) An employee who is returning from a leave granted for reasons of sickness, injury, or pregnancy will be permitted to exercise his seniority in resuming his classification or any lower classification at the station to which he has previously been assigned.

(f) An employee granted a leave of absence under the provisions of the Family Leave Act, referred to as a Family Leave of Absence or "FMLA" will retain and continue to accrue seniority during the leave, not to exceed ninety (90) calendar days.

(g) An employee on any leave of absence will physically report to his station on his first scheduled work day following the expiration of the leave. It is the responsibility of the employee to contact the Company prior to the expiration of his leave of absence to ensure that he knows his schedule and assignment. Failure to report or to secure a renewal of a leave of absence will terminate the leave of absence and his employment. It is the responsibility of the Company to inform the employee of the expiration date of any approved leave of absence. The Company will also inform the employee of the procedures regarding any benefits while on his leave.

(h) Any written communication, required by Article 17, between the Company and an employee on a leave of absence will be via **certified or registered** U.S. Mail, return receipt requested, or by United Parcel Service or equivalent **confirmation of delivery requested**.

(i) **Any changes in address must be filed promptly by the employee through Employee Services. Employee Services may be contacted via e-mail to Employee.Services@aa.com, or by sending correspondence to Employee**

Services; P.O. Box 619616; Mail Drop 5141; DFW Airport, Texas 75261, or by calling Employee Services at 1-800-447-2000.

(j) If any employee is on any leave of absence and he is affected by a reduction in force, his leave of absence will be terminated, and the provisions of Article 15 will be applied to the affected employee.

(k) The rights of an employee on a leave of absence under the provisions of Articles 17 and 18, in regard to the maximum duration of a leave, Company seniority accrual, Occupational seniority accrual, **Pay** seniority accrual, vacation accrual, sick leave accrual, credited service for pension, and reinstatement rights are listed in the chart that follows.

	Personal Leave	Union Leave	Government Leave	Overage Leave	Unpaid Sick Leave of Absence (including Maternity)	Unpaid Injury on Duty Leave	Military Leave	Family Leave
Duration of Leave	Up to a total of 12 months	Up to 12 months or term of office	Term of office	Minimum of 6 work days, up to 1 year	Up to 5 years	Up to 5 years	Up to 5 years or in accordance with Federal law	Up to 84 calendar days (12 weeks)
Accrual of Company Seniority	90 calendar days	Duration of the Leave	In accordance with Company Policy	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave
Accrual of Occupational Seniority	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave, not to exceed 90 calendar days
Accrual of Pay Seniority	None	Duration of the Leave	None	Duration of the Leave	Duration of Leave	Duration of Leave	Duration of the Leave	Up to 30 calendar days
Vacation Accrual	Up to 60 calendar days, then reduced	Duration of the Leave	None	Duration of the Leave	Up to 60 calendar days, then reduced	Duration of the Leave	Duration of Leave	Up to 60 days, then reduced
Sick Leave Accrual	None	Duration of the Leave	None	Duration of the Leave	Up to 60 cal. days, then reduced	Duration of the Leave	Duration of Leave	Up to 30 calendar days
Reinstatement Rights	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

ARTICLE 18 - MILITARY LEAVE

(a) The reemployment and seniority status of any employee, who, while in the active service of the Company, entered the armed services or the Merchant Marine of the United States, will be governed by the provisions of the Selective Training and Service Act of 1948, as amended, now known as the Uniformed Services Employment and Reemployment Rights Act, or other applicable law.

(b) Time spent on military leave will count as time worked for purposes of seniority, wage rates within the employee's classification and vacation.

(c) An employee granted a leave of absence to go on a tour of duty with the National Guard or other reserve unit will accrue length of service for pay purposes for the period of such leave. An employee, if he so desires will be able to use any accrued or unused vacation during this leave.

(d) An employee on military leave at time of layoff, lacking sufficient seniority to exercise options, will be placed on lay off status. The military leave will be terminated until the employee is recalled at which time the employee will be reinstated to military leave, if applicable. Appropriate adjustments will be made to Company, Occupational and **Pay** seniority.

Employees having sufficient seniority to exercise options at time of layoff (while on military leave), but who subsequently choose the layoff option (upon return from military leave), will be placed on the recall list with any adjustments to Occupational and Company seniority as applicable.

(e) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

**ATTACHMENT 18.1 - NATIONAL GUARD/RESERVISTS OVERTIME
CLARIFICATION**

October 7, 1991

Mr. Marion Finley
TWU Local 514
11929 East Pine Street
Tulsa, OK 74116

Dear Marion:

This letter is to summarize our recent discussions concerning national guard/reservists overtime eligibility on two-week summer active duty, or weekend military drills.

It has been our policy to ask the national guard/reservist for overtime during the above duty times and charge for a refusal. Recent legislation enacted pursuant to "operation desert storm" indicates that the above employee is actually on a leave of absence status from American during active duty periods, or weekend drills.

Due to the above, it is agreed that the national guard/reservist will not be eligible, nor asked to work overtime during scheduled active duty periods, or weekend drills, due to his leave of absence status.

Sincerely,

American Airlines, Inc.

Dennis M. Quish,
Employee Relations

AGREED TO THIS DATE

Marion Finley, Vice President
TWU Local 514

ARTICLE 19 - TERMINATION OF EMPLOYMENT

(a) An employee laid off through no fault of his own will be given two (2) weeks' notice in writing or, at the option of the Company, two (2) weeks' of pay at straight-time rates, including his base hourly rate plus any applicable license and longevity premium, in lieu of the notice.

This requirement of notice will not apply to a layoff caused by an Act of God or by a strike of the employees of the Company without giving the notice required by the Railway Labor Act, as amended.

(b) An employee who resigns will give the Company two (2) weeks' notice of resignation in writing. The Company may, at its option, give the employee two (2) weeks of pay at straight-time rates, including his base hourly rate plus any applicable license and longevity premium, in lieu of working the notice period.

(c) In the event an employee under this Agreement is laid off, the Company will provide the following continuation of benefits to the employee and his dependents on the same basis as if he were still an active employee:

1. Current life insurance coverage for a period of thirty-one (31) calendar days.

ARTICLE 20 - BULLETIN BOARDS

The Company will provide secure and locked bulletin boards at each station where employees are employed, marked Transport Workers Union of America, AFL-CIO, and the appropriate Local number, for the posting of official notices of Union activities not inconsistent with the Railway Labor Act. Such notices will bear the signature of an officer of the Union and will not contain anything of a defamatory or personal nature attacking the Company or its representatives.

The Company will provide bulletin boards as specified and agreed to by the Joint Safety Committee for safety related issues.

ARTICLE 21 - ROTATION OF SHIFTS / WORK SCHEDULES

- (a) **At Base locations** Subject to the requirements of the service, shifts may be rotated, fixed or bid **on, a basis of a twelve (12) week period**, in accordance with the preference of a majority of the employees at a particular station, shop or work unit. When fixed or bid shifts are selected, seniority will determine shift work, and days off.
- (b) When shifts are rotated such shifts will be on a basis of **twelve (12) week periods**. Employees required for such shift work will be rotated on the various shifts at regular intervals in such a manner as to provide substantially equal time on all shifts for such employees except as otherwise provided in paragraph (a) of this Article. It is understood that this provision will not require the rotation of employees assigned to specialized work not subject to shift work, nor will it bar employees from voluntarily accepting steady work on afternoon or midnight shifts.
- (c) When employees work more than eight (8) hours in any twenty-four (24) hour period as a result of a change of shifts due to a work schedule selection, such employees will receive only straight time for the second eight (8) hours or portion thereof worked during such twenty-four (24) hour period. When a 4/10's schedule is in place, the intent of this paragraph will apply.
- (d) An employee hereunder who is required to report for a regular tour of duty with less than seven and one-half (7-1/2) hours after the completion of the previous regularly scheduled tour of duty including overtime, will be paid at the applicable overtime rate for all time worked during said second regular work period.
- (e) Except in extreme "emergencies", employees will be given at least seven (7) days' notice of all shift changes. In the event a seven (7) days notice is not given, employees will be paid one and one-half (1.5) times the regular hourly rate for the first day of the new shift. By mutual agreement between the Company and the employee, the seven-(7) day notice may be waived.
- (f) Subject to local operating conditions and the qualifications of employees affected, Union representatives will upon request, be assigned to fixed shifts. Such arrangements will be worked out at each station by the designated Union local representative and the local manager.

ARTICLE 22 – INTENTIONALLY LEFT BLANK

ARTICLE 23 - ATTENDANCE AT HEARINGS, INVESTIGATIONS OR TRAINING CLASSES

- (a) When an employee is required by the Company to attend hearings or investigations, he will be paid for the time required to be spent at the hearing or investigation in the same manner as though the time was spent at his regular work.
- (b) Any employee who is required by the Company to attend training classes during regular working hours will be paid for time spent in attendance at the classes at his base hourly rate and the time will be deemed as time spent at his regular work for all purposes; provided, however, any time spent after regular work hours will be classed as overtime and will be compensated for, when attendance is required by the Company, at the appropriate overtime rate. An employee required to travel on any scheduled work day in conjunction with training away from his station, before, during, or after his regularly scheduled shift will be compensated at his base hourly rate. In addition, an employee who is regularly assigned to a shift, which entitled him to shift differential, will continue to receive the shift differential for time spent in training, as long as he remains assigned to his original shift. Where a training period results in less than seven and one half (7.5) hours rest prior to the employee's regular shift in the succeeding workday, the employee will be paid in accordance with the provisions of Article 6.
- (c) An employee required to attend training on any scheduled day off will be compensated for the training at the rates provided in Article 6, Weekly Overtime. An employee required to travel on any scheduled day off in connection with training away from his base station will be compensated for all travel time at one and one half times (1.5X) his base hourly rate, but in no event for less than four (4) hours. Travel time in this Article will begin thirty (30) minutes before the scheduled departure of the flight actually taken by the employee, or any earlier flight for which he stood by, and will end thirty (30) minutes after the actual gate arrival at the destination airport on the way to training. Travel time back to the employee's home base will end with the actual gate arrival at the destination airport.
- (d) Training normally will be scheduled to provide at least seven (7) calendar days' notice to employees affected, except in the event of training required to meet unanticipated conditions such as airworthiness directives, fleet campaign directives and vendor instructions. This provision will not require such notice to employees exercising seniority under Article 15 of this Agreement.
- To the extent that work requirements permit, training will be accomplished during the employee's regular working hours.
- (e) When an employee is required to travel outside of his station for training purposes, he will be paid reasonable, actual expenses for meals, lodging, and transportation as approved by operating management. Non-receipted expenses will not exceed, without the approval of the Company, the maximums established by the Company in the Employee Policy Guide.

(f) When an employee is scheduled for a Taxi tow physical outside of his regular shift, he will be paid for the time spent outside of his regular shift as if it were time spent at his regular work, and overtime rates would apply, if applicable.

ARTICLE 24 - ABSENCE FROM DUTY

(a) An employee unable to report for duty will, unless prevented by reasons beyond his control, notify his immediate supervisor or other central point set up for reporting purposes by the Company as far in advance of the scheduled starting time of his shift as possible. Notwithstanding the above, an employee may flex the starting time, up to fifteen (15) minutes without pay or penalty to the attendance record, twice per calendar year.

(b) The Company acknowledges the right of an employee to use his sick leave benefit for the purpose intended in this Agreement, as set forth in Article 34. Accordingly, no employee will be disciplined for the use of his sick leave benefit for such purpose.

ARTICLE 25 - RECALL AND CALL-IN WORK

(a) RECALL

An employee who has been relieved from duty and has left the premises and who is recalled to duty to perform work not continuous with his next regular work period will be paid for not less than four (4) hours at the applicable overtime rate, but in no event will he receive less than four (4) hours' compensation at time and one-half his regular hourly rate. Time taken for meals will not terminate a continuous service period.

(b) CALL-IN

When an employee is called to work which commences within four (4) hours of the beginning of his regular shift, he will be paid at the applicable overtime rate for all time up to the beginning of his regular shift, excluding a meal period, whether or not such time is actually worked. In the event an employee is called to such work commencing less than two (2) hours prior to the beginning of his regular shift and reports at the time designated, he will be paid at the applicable overtime rate for such two (2) hours.

(c) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

ATTACHMENT 25.1 - APPLICATION OF ARTICLE 25(b)

Agreements:

- Fleet Service
- Aircraft Maintenance Technician and Related
- **Material Logistic Specialist**

Recently questions have arisen concerning the proper application of the overtime provision of Article 25 (b) of the Agreement, and its specific treatment in the event of an employee CS.

The Agreement provides that when an employee is “called in” to perform work that commences within four (4) hours of the beginning of his/her regular shift, he/she shall be paid at the applicable overtime rate for all time up to the beginning of his/her regular shift, excluding meal period, whether or not such time is actually worked.

The question at issue is the rate of pay for an employee who works four (4) hours of Early Call-In in conjunction with his/her regular shift and then CS's off during his/her regular shift having worked eight (8) hours or less including the Early Call-In time.

Example:

Call-In work	0400-0800	4 hours
Regular Shift	0800-1630	8.5 hours
CS Off	1200-1630	4.5 hours
Total time worked		8 hours

When the 1966 contract language in Article 25 (b) was changed in 1969 from “applicable rates” to “applicable overtime rates” there was a prospective understanding that when the Company needed to call an employee in early to perform work, such time would be at an overtime rate regardless of whether or not the employee subsequently CS's off the remainder of his/her regular shift.

The overtime language in Article 6(a)(4) that entitles an employee to overtime rates only after he/she has worked eight (8) hours, would not apply.

Thus, in the example above the employee would be paid four (4) hours of Early Call-In at 1 1/2 times his/her regular rate of pay and the four (4) hours of his/her regular shift at straight time.

At the conclusion of the 1969 contract talks Employee Relations issued an interpretive guide to the field Operating Departments in the form of a letter dated July 22, 1969. That letter is attached for your reference.

If you should have any questions regarding this bulletin, please contact me at 817-931-5352.

James Weel
Managing Director
Employee Relation-HDQ

Cc: M. Burdette
M. Tinsman
T.M. Vaughn
M. Cook
C. Tagorda
A. McFadden
TWU Locals
Field HR offices
Article files-25

ARTICLE 26 - FIELD WORK

(a) When an employee is required to perform work away from his base station on his regularly scheduled workdays, he will be paid at least eight (8) hours (ten (10) hours if applicable) at his regular hourly rate for each regularly scheduled workday while away from his base station, whether traveling, on call or working. All time spent, whether traveling, on call, or working, beyond eight (8) hours (ten (10) hours, if applicable) will be compensated in accordance with Articles 3 and 6. All time spent on a field trip will be treated as work time, unless the employee is released from duty.

(b) When an employee is required to perform work away from his base station on his scheduled day off, he will be paid at least eight (8) hours, or ten (10) hours if on a 4/10 schedule, of compensation at overtime rates, whether traveling, on call, or working.

(c) An employee required to travel in excess of eight (8) hours will be compensated in accordance with Article 6 of this agreement. Compensated travel will be considered as time worked.

(d) When an employee is required to perform work away from his base station on a day during which he reported to work at his base station, all continuous time, whether traveling, or working, **or if directed by management to stand by**, will be computed as working time for all purposes.

(e) A period of seven and one-half (7-1/2) hours or more during which an employee is not traveling or working will break the continuity of paid hours for overtime purposes.

(f) During such assignment, the employee will, while away from his base, be paid actual expenses for meals, lodging and transportation. All expenses must be approved and paid for by the Company. Whenever receipts are not provided, the employee will be paid in accordance with **Company policy**. On planned field trips originating from AFW, TUL, ORD, DFW, LAX, MIA, SFO, JFK and LGA, the Company will provide advance payments for all expenses as outlined above at the employee's request to the extent possible.

(g) At those stations where there is no existing procedure governing the assignment of fieldwork, such a procedure will be established.

(h) **When it is necessary to retrieve parts or tooling from a location that does not have a supply designee, or a designee is unavailable, management may send a Material Logistic Specialist, and if sent, he will be paid in accordance with the provisions of Article 26.**

(i) **When an employee returns from a field trip he should contact his immediate supervisor. In the event the supervisor is not available the employee should contact a local member of management. Management will consider the employee's schedule while on the field trip, and based on considerations for**

health and safety, the Company may make a reasonable determination to relieve the employee from working the remainder of his scheduled shift, or the entirety of his shift if it has not yet begun. An employee so relieved from work will be paid his straight time rate for that portion of his shift from which he is relieved, regardless of the rate he would have received had he been permitted to work.

ARTICLE 27 – GENERAL

(a) All orders to and requests from an employee involving transfers, promotions, demotions, layoff, **recall**, leaves of absence, or anything affecting his pay or status, will be in writing.

(b) An employee who permanently transfers at his own request to another classification of work as provided in this Agreement, the Maintenance Agreement, the Fleet Service Agreement, and the Technical Specialist Agreement will continue to receive his same hourly rate per hour but, in no event, will his hourly rate exceed the maximum rate for the classification to which he transferred.

If his hourly rate at the time of such transfer is not the same as any regular rate per hour for the classification to which he transferred, he will immediately receive the nearest higher regular rate per hour for such classification. Thereafter, the employee shall progress on the normal progression scale in the new classification. In the case of a transfer from a higher to a lower classification caused by a reduction in force under this Agreement, the above rules will apply.

(c) Employees will be required to wear work clothing that is reasonably suitable and safe for the type of work they are assigned.

(d) Where employees are required by the Company to wear standard Company uniforms, the uniforms, including jackets, will be furnished by the Company, except that in the case of jackets, the Company will reimburse the employee for any laundry or cleaning. Lettering of any description other than standard AA insignia will not be permitted on any work clothing. However, employees may wear the standard TWU insignia on pins and hats. TWU pins may be worn on the Company uniform jackets. Standard uniforms will be exchanged for maternity uniforms upon request.

(e) The Company agrees to furnish first aid kits, good drinking water, and sanitary fountains. The floors of the toilets and washrooms will be kept in good repair and in a clean, dry, sanitary condition. Employees will cooperate in maintaining the foregoing conditions. Shops and washrooms will be lighted and heated in the best manner possible, consistent with the source of heat and light available. At field stations, individual lockers will be provided for all employees, where adequate space and facilities are reasonably available. Every effort will be made, as early as possible, to provide space and lockers for employees at the field stations. Additionally, the Union will have the right to confer with the designated Company official on transportation to and from fields and stations. No employee will be required to work under unsafe or unsanitary conditions.

(f) **The Company and the Union mutually pledge their commitment to a culture of safety in the work place.** In order to eliminate, as much as possible, accidents and illness, a Joint Safety Committee composed of an equal number of Union representatives, not more than five (5), and Company representatives, not more than five (5), will be established at each location in the system where employees are stationed. It will be the duty of the **Joint** Safety Committee to:

- (1) Receive and review Company accident, injury, and job-related illness reports pertinent to the Safety Committee investigation, and make recommendations to prevent recurrence. Safety Committee members will receive copies of available monthly summaries of employee accidents and injuries and have access, upon request, to specific Company reports resulting from employee on the job accidents or injuries.
- (2) Receive and investigate complaints regarding unsafe and unsanitary working conditions and make recommendations to resolve the hazards and complaints. **The Employee/Union Representative should first notify and discuss any safety complaint with his immediate supervisor/manager. Management will address the safety concern in a reasonable time frame and will advise the Employee or Union Representative of the action taken. If the action taken is not satisfactory to the Employee or Union Representative, it will be forwarded to the Joint Safety Committee (JSC) for further review.**
- (3) See that all applicable sanitary and safety regulations are complied with;
- (4) Make recommendations for the maintenance of appropriate sanitary and safety standards.

Joint Safety Committee meetings will be scheduled a minimum of once per month, or by mutual agreement between the Company and the Union.

In the event that the Joint Safety Committee is unable, within sixty (60) calendar days, to resolve an issue which has been brought to its attention, either the Company or the Union may submit the issue to the System Joint Safety Committee which will constitute a board to review the issue. In cities where an APC (Accident Prevention Council) exists, the TWU Local President will appoint a representative(s) to participate on the APC. Prior to sending an issue to the System Joint Safety Committee, all safety issues will be first submitted to the APC for resolution.

The System Joint Safety Committee will consist of a representative of the TWU International and a representative of the Company's Safety office. If the issue is not resolved by the System Joint Safety Committee, either representative may submit the issue on appeal to the System Board of Adjustment in accordance with the provisions of Article 29(d) of the Agreement.

- (g) The Company will furnish all required safety devices, for employees working on hazardous or unsanitary work; and employees will be required to use or wear the devices in performing that work. The Company will promptly notify the employees and the Union of the use of any material, equipment, or procedure known to be hazardous to employees exposed and the known procedures to control the hazards via a Material Safety Data Sheet (MSDS). The Company will provide the Union with the results of any management or government health and safety survey concerning the employees represented by the Union. When the

Company is made aware by the manufacturer or distributor of a product recall or equipment recall, the Company will take appropriate action to ensure the safety of its employees. The Company will also notify the Union of the issue as soon as possible and of any subsequent action that is taken.

(h) Three (3) days of **bereavement (BR)** leave with pay for death in the immediate family will be extended to the employees covered by this Agreement. Immediate family includes mother, father, spouse, eligible domestic partner, sister, step-sister, brother, step-brother, child (dependent and non-dependent), mother-in-law, domestic partner's mother, father-in-law, domestic partner's father, step-mother, step-father, the employee's grandparents, the employee's grandchildren, **and** legal guardian or documented former legal guardian, or relative who is a resident of the household. To the extent that **Company** Policy provides more expansive **bereavement** leave benefits, those benefits will be applied to the TWU-represented employees.

(1) Upon request, up to two (2) **additional** days of **unpaid bereavement leave (BRU)** will be extended to an employee.

(i) An employee called for jury duty will be paid his regular hourly rate for all regularly scheduled hours less the fee received for jury services. The employee will promptly show his supervisor the jury summons and also show the court's validation of jury service when completed.

(1) An employee assigned to jury duty for five (5) or more consecutive days during day time hours will be assigned to the day shift with Saturday and Sunday as his scheduled days off, effective for the workweek in which jury duty starts. An employee assigned to other types of jury duty, e.g., telephone standby, single day jury duty, etc., will have his work schedule adjusted only to the extent necessary to accommodate the actual jury service requirement.

(2) If there is a question regarding the application of this provision, the employee's supervisor will contact Employee Relations who will establish a telephone conference with the TWU International and the local president to resolve the matter.

(j) Upon ratification and at local orientations of new employees, the Company will provide each employee with a pocketsize, copy of this Agreement as expeditiously as possible. Spiral bound copies of this Agreement will be provided to the Local Union Officers, upon request of the Local Union President.

(k) The Company will forward to the Director of the Air Transport Division copies of Company manuals and publications expressly referred to in the Agreement. Revisions to those manuals and publications will also be forwarded.

(l) The Company will forward to the ranking Local Union Representative a copy of the regular

crew list schedule for the station. The crew list schedule shall include scheduled shift hours and scheduled days off.

(m) No employee will be required to participate in a definite bomb scare investigation, as declared by Company SOC, against his wishes. The Company will provide death and permanent disability insurance coverage for employees, as set out below, applicable if a bomb explosion or hazardous material incident in or about American Airlines facilities or aircraft on the ground is the proximate cause of death or disability:

Death	\$500,000
Total Permanent Disability	500,000
Total Loss of Two Members	500,000
Total Loss of One Member	250,000

Member, as used in this Article, is defined as arm, leg, or eye.

Bomb explosion/hazardous material incident insurance will be handled by blanket coverage, and employees covered will not have to sign individual application forms, except for the designation of a beneficiary.

(n) In the event free parking facilities for employees are not available at airport locations, the Company will assume the monthly parking charge, assessed by the appropriate authority (airport, port, etc.) for parking in an area designated for employees. This provision will not apply to original or replacement charges to employees for parking decals, stickers, gate keys, or similar items. Also, where bus transportation to and from employee parking facilities is recognized by the Company as an integral part of the employee parking arrangements that transportation will be at Company expense.

(o) No employee will incur any cost associated with the initial issue or renewal of Company or associated Airport/Base required ID badges. When possible, an employee who is required to obtain or renew airport badges will be afforded that opportunity during his scheduled shift.

ARTICLE 28 - NO DISCRIMINATION, AND RECOGNITION OF RIGHTS AND COMPLIANCE

- (a) The Company and the Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees regardless of sex, color, race, creed, age, religious preferences, status as a veteran or military reservist, disability or national origin.
- (b) The Union recognizes that the Company will have sole jurisdiction of the management and operation of its business, the direction of its working force, the right to maintain discipline and efficiency in its hangars, stations, shops or other places of employment, and the right of the Company to hire, discipline and discharge employees for just cause, subject to the provisions of this Agreement. It is agreed that the rights enumerated in this Article will not be deemed to exclude other preexisting rights of management not enumerated which do not conflict with other provisions of this Agreement.
- (c) Any decisions or agreements relating to the interpretation or application of this Agreement made jointly by the Company and the Union will be binding on every individual employee claiming or entitled to the benefits of this Agreement.
- (d) Except as otherwise provided in this Agreement, and letters of discipline whether warning or suspension will be removed after a period of two (2) years from date of issuance, unless the Company and the Union agree to a shorter period. **However, it is agreed that any letters of discipline properly assessed in the event of an illegal sit-down, walkout, stoppage, strike, slowdown or curtailment of work will not be subject to the two (2) year provision.**
- (e) Copies of the Peak Performance through Commitment (PPC) Program will be available to all employees upon request. Any changes to the PPC Program will be provided and explained to the Union prior to implementation.
- (f) If the Company documents records of discussion or counseling held with an employee, the documentation will be on a form designed to ensure that the record accurately reflects the facts and the nature of the discussion or counseling held with the employee. The employee will indicate his acknowledgment of the discussion or counseling in the actual record or at his option he may place a rebuttal or statement in the actual record. The employee will be provided a copy of the final actual record.
- (g) Each employee will have a right to meet with his supervisor at a mutually agreeable time to discuss his performance and to review his personnel file. At that time, the supervisor and the employee will review the personnel file to ensure that the provisions of this Article have been complied with. Should the supervisor and the

employee agree to modifications or deletions to the counseling records, their request and recommendation will be forwarded to the supervisor's immediate manager, who will review the matter and respond to the supervisor and the employee.

(h) If there is an investigation of sexual harassment and the charged employee is exonerated of the charges, no entry regarding the charge or investigation will be made in the counseling records. Any entry previously made will be deleted from the counseling records. In other cases, a counseling record entry, if any, will reflect only the nature of the discussion with the employee. As always, the employee has the right to review the counseling record entry and provide any additional information desired.

ARTICLE 29 - REPRESENTATION

(a) The Union may select and designate such representatives in the respective fields, stations, shops, and other working units as may be necessary for the purpose of representing the employees under the terms of this Agreement, or in accordance with the Railway Labor Act, as amended. The number of Union Representatives that will confer with management at any one time on any issue, including meetings convened under Article 29(f), will not exceed the number of management representatives present. Under the provisions of 29(f), when there is more than one management representative present, one of the Union Representatives present will act as a scribe. However, when there is only one management representative present, the Union will have the option to have one additional Union Representative present to act as a scribe.

(b) The Union may designate a System Coordinator for the employees covered by the Agreements between the Company and the Union.

(c) The Union will notify the Company in writing of the names of its Accredited Representatives designated in paragraph (a) and (b) above and of any subsequent changes to those Representatives. The Company will inform the Union, in writing, of the supervisors with whom these Accredited Representatives will deal and of any subsequent changes to those supervisors.

International Officers, Local Union Officers and Local Union Representatives will, at any time during regular working hours, have access to the premises of the Company where employees covered by this Agreement are located, for the purpose of investigating grievances or other matters directly connected with the operation of this Agreement and its procedures for the settlement of any dispute. Notice of an intended visit will be given the ranking Company official or his designated representative. A visit will be subject to such reasonable regulations as may be made from time to time by the Company, but the Company will not impose regulations that will render ineffective the intent of this provision nor impair the privacy of any conference necessary to accomplish the purpose of the visit.

(d) An International Representative of the Union or designated Company official who believes that any provision of this Agreement has not been or is not being properly applied or interpreted and which has not yet become the subject of an actual grievance, will have the right within ten (10) calendar days after the alleged misapplication or misinterpretation has been ascertained to protest such violation, in writing, to the other party, who will evaluate such protest and render a decision in writing within fifteen (15) calendar days. Disputes in respect to actual grievances will be handled exclusively according to the provisions of Article 31, Grievance Procedure.

This provision will also apply to a Local President with respect to improper application or interpretation of this Agreement affecting a group of employees within the jurisdiction of his Local Union. The protest will be filed with the appropriate Chief Operating Officer of the Company.

When an actual grievance has been filed other than under this paragraph, the International or Local President may rescind the grievance and initiate a protest under this paragraph, within ten (10) calendar days after the decision to rescission.

(e) If no settlement is reached under Article 29(d), an appeal may be made, in writing, within thirty (30) calendar days to the System Board of Adjustment established under Article 32 of this Agreement.

(f) The Union does not question the right of the Company supervisors to manage and supervise the work force and make reasonable inquiries of employees, individually or collectively, in the normal course of work. In meetings for the purpose of investigation of any matter which may eventuate in the application of discipline or dismissal; or when written statements may be required; or of sufficient importance for the Company to have witnesses present, or to necessitate the presence of more than one Company supervisor; or during reasonable cause or post accident drug/alcohol testing as provided in Article 29(h), the Company will inform the employee of his right to have Union representation present. The supervisor's record will reflect if the employee does not desire Union representation.

(1) When the Company convenes a meeting under the provisions of Article 29(f), it will, except for rare or compelling reasons, indicate the purpose of the meeting and then provide the opportunity for an employee and Union representative to confer, for a reasonable period of time. Once the Article 29(f) meeting reconvenes it will continue until concluded by the supervisor.

(2) Before written notification of discipline or dismissal is given an employee, he will be afforded the opportunity to discuss the matter with his supervisor. If he so desires, he will have a Union representative in this discussion. Nothing in this Article will be construed as preventing the Company from holding an employee out of service pending an investigation, provided the employee will be paid as if working for all regularly scheduled hours while held out of service, except when he is withheld for:

(a) Action constituting a criminal offense, on or off duty.

(b) Refusal or adulteration of an alcohol/drug test or verified positive drug or confirmed positive alcohol test from the date on the letter of verification/confirmation.

(c) Failure to cooperate with an investigation.

(g) An employee covered by this Agreement who is interviewed by a Company Security Department representative as part of a Security Department investigation may, upon request, have a TWU representative present during the interview. If a local TWU official is not readily available after a request, the Company's Security Department will

not be required to wait his availability before conducting the interview. However, the employee may request the presence of another TWU represented employee (peer witness) during the interview. The role of the TWU representative or peer witness will be that of a silent observer only.—The representative or witness may in no way interfere nor impede the Security Department's investigation and/or interview.

(h) Employees who are required to take a reasonable cause or post accident drug/alcohol test by the Company may, upon request, have a Union Representative present as a witness during those parts of the specimen collection process indicated below:

(1) In those stations where a Local Union Representative is not readily available, the Company will delay the test for up to one (1) hour from the time the employee requests or is notified of this right to Union representation, whichever occurs first, in order to allow the first available representative to be present at the medical facility.

(2) If normal travel time to the medical collection facility exceeds one (1) hour, then the one (1) hour waiting period will be extended by the amount of travel time in excess of one (1) hour. This is in accordance with the FAA's directive of July 1990, which prohibits the presence or absence of a Union Representative from in any way hampering or delaying the collection process.

(3) Only one (1) Union Representative will be allowed to accompany an employee to the medical collection facility and into the area where the medical collector opens the drug testing kit, completes the relevant paperwork and secures the kit after completion of the collection process. The Union Representative will be allowed to witness the opening of the collection kit by the collector, the documentation of the chain of custody procedure by the collector and the employee, and the packaging and sealing of the kit for shipment following the collection. The Union Representative will not be allowed to accompany an employee or collector into a restroom.

(4) In accordance with the FAA's directive of July 1990, no Union Representative will engage in any activity, which disrupts the collection process. Should the Union Representative engage in disruptive activity, the Union Representative will be required by the Company's Supervisor to wait in the employee/patient waiting area until the collection process and paperwork has been completed. This is pursuant to the FAA's directive.

ARTICLE 30 - GRIEVANCE PROCEDURE FOR DISMISSAL/CORRECTIVE ACTION

(a) An employee who has passed his probationary period will not be dismissed from the service of the Company or be issued **corrective or disciplinary action** without written notification of that action. The notification will include the reason or reasons for his dismissal or **corrective or disciplinary action**.

An employee who believes that he has been unjustly dealt with as a result of dismissal or **corrective or disciplinary action** may submit his written grievance in person or through his representative within seven (7) calendar days of receiving the notification. Such grievance must be submitted to the Chief Operating Officer with a copy to the appropriate Human Resources Representative. The Chief Operating Officer will fully investigate the matter and render his written decision as soon as possible, but not later than twelve (12) calendar days following the receipt of the appeal, unless mutually agreed otherwise. A copy of the written decision will be provided to the Union.

The inability of the Chief Operating Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration, within the time limits prescribed in Article 30(b). For grievances related to corrective action, this will result in a monetary penalty of eight (8) hours additional pay, as if working, to the grievant. For dismissal cases, this will result in a monetary penalty equivalent to four (4) hours of pay as if working per day until the decision is issued.

Any monetary penalty paid does not cancel or render any judgment regarding the merits of the grievance.

(b) If the decision of the Chief Operating Officer is not satisfactory to the employee, the dismissal/**corrective or disciplinary action** and decision will be appealed in accordance with Article 30(c), provided, however, said appeal must be submitted within twenty (20) calendar days of receipt of the decision rendered by the Chief Operating Officer.

(c) An appeal from the decision of the Chief Operating Officer will be submitted to the appropriate Area Board of Adjustment in accordance with Article 32. The System Board of Adjustment will docket the case and, if the procedural requirements for the appeal have been satisfied, promptly transmit the appeal papers to the appropriate Area Board of Adjustment in accordance with Article 32. Any dispute as to whether all of the procedural requirements for the appeal have been satisfied, or whether the case is within the jurisdiction of an Area Board, will be determined by the System Board of Adjustment, except as provided in Article 32(c)(5).

(d) All grievances handled under the procedure provided above will be in writing and will be signed by the employee whose grievance is being handled. In cases in which the grievant authorizes his representative to handle his grievance for him, the

submission of the grievance or appeal will be accompanied by a statement signed by the employee fully authorizing his representative to act for him in the disposition of his grievance. Two (2) copies of all grievance answers will be given to the Local Union.

(e) If any decision made by the Company under the provisions of this **Article** is not appealed by the employee **affected** within the time limit prescribed for appeals, the decision of the **Company will** become final and binding.

(f) If, as a result of a decision in any of the steps of the grievance procedure, an employee is exonerated, all related corrective action records will be removed from the employee's personnel file. In addition, if he has been held out of service, he will be reinstated without loss of seniority and he will be paid at regular rates for his regularly scheduled hours as if working.

(g) **When it is mutually agreed that a stenographic report is to be taken of any hearing, in whole or in part, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings is to be taken, any written record available of the hearing made by either of the parties to the dispute will be furnished to the other party to the dispute upon request, provided that the cost of the written record requested will be borne equally by both parties to the dispute.**

(h) **The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.**

ATTACHMENT 30.1 –AREA BOARD OF ADJUSTMENT

September 12, 2012

**Robert F. Gless
International Representative
Assistant ATD Director
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Time Limits – Article 30 – Stores Agreement

Dear Robert,

This letter will serve to interpret the time limits referenced in Article 30 of the above referenced AA/TWU agreement. Specifically, what constitutes the meaning of seven (7), twelve (12), and twenty (20) calendar days as they apply to their respective steps of the grievance process.

Pursuant to our discussions on this topic, we have agreed that the calendar day referenced in Article 30 commences immediately upon receipt of a grievance or appeal to the Company. The time frame for the employee to appeal commences immediately upon receipt of an answer if placed in his/her hands or the date received if the answer is mailed. The following examples of the grievance process will clarify our understanding:

- 1. 1st Step Answer – A grievance is filed on October 18, 2007 with the Chief Operating Officer (COO). The response from the COO must be in the employee's hands or postmarked, if placed in the mail, no later than October 29, 2007. (12 days to render a decision – October 18 counts as Day one) Note: If the COO does not answer the 1st step appeal in a timely manner, monetary penalties as outlined in Article 30 will be incurred.**
- 2. Area Board Appeal – The employee receives his 1st step answer on October 29, 2007. If the employee is not satisfied with the COO's answer, he must appeal his grievance to the Area Board no later than November 17, 2007. (20 days to appeal to the Area Board from the date of his receipt)**

Furthermore, we have agreed that the same methodology shall be used to trigger the seven (7) calendar days in which a TWU represented employee has to file a grievance. The seven (7) calendar days commence from the time when he/she first has knowledge or should reasonably have had knowledge that they have been unjustly dealt with (discipline and/or discharge).

In addition, Article 30 does afford the Chief Operating Officer (COO), with agreement from the local TWU, an extension of time limits.

If the above accurately reflects our understanding, please indicate by signing below.

**Sincerely,
(Signed original on file)
James B. Weel
Managing Director
Employee Relations**

**Agreed to:
(Signed original on file)
Robert Gless
AA System Coordinator
Transport Workers Union, AFL-CIO**

ARTICLE 31 –GRIEVANCE PROCEDURE FOR CONTRACTUAL DISPUTES

(a) An employee who believes that he has been unjustly dealt with, or that any provision of this Agreement has not been properly applied or interpreted, may submit his grievance in person or through his representatives within seven (7) calendar days. The grievance will be presented to his immediate supervisor, who will evaluate the grievance or complaint and render a written decision as soon as possible, but not later than seven (7) calendar days following his receipt of the grievance. Inability of the immediate supervisor to complete the investigation and render his written decision within the respective time limits will permit the Union to move directly to the next step of the grievance process.

(b) If the written decision of the immediate supervisor is not satisfactory to the employee whose grievance is being considered, it may be appealed within ten (10) calendar days to the Chief Operating Officer, with a copy to the appropriate Human Resources **Representative**. The Chief Operating Officer will fully investigate the matter and will render a written decision as soon as possible, but not later than twelve (12) calendar days, unless mutually agreed otherwise, following his receipt of the appeal. A copy of the written decision will be provided to the Union.

Inability of the Chief Operating Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration **within the time limits as prescribed in Article 31(c). The written decision must be postmarked or hand delivered within twelve (12) calendar days. Failure to meet this requirement will** result in a monetary penalty of eight (8) hours additional pay to the grievant. Any monetary penalty paid does not cancel or render any judgment regarding the merits of the grievance.

(c) If the decision of the Chief Operating Officer is not satisfactory to the employee, the grievance and the decision may be appealed to the System Board of Adjustment, as provided for in Article 32. The appeal must be submitted within twenty (20) calendar days of receipt of the decision rendered by the Chief Operating Officer.

(d) All grievances handled under the procedure provided above will be in writing and will be signed by the employee whose grievance is being handled. In cases in which the aggrieved employee authorizes his representative to handle his grievance for him, the submission of the grievance or appeal will be accompanied by a statement, signed by the employee, fully authorizing his representative to act for him in the disposition of his grievance. Two (2) copies of all grievance answers will be given to the Local Union.

(e) An employee who has a grievance may present his grievance to his immediate supervisor during regular work hours. An Accredited Representative of the Union may investigate, discuss, and present a grievance of an employee or employees during regular work hours without suffering loss of pay for time so spent.

(f) If any decision made by the Company under the provisions of this Article is not appealed by the employee affected within the time limit prescribed for appeals, the decision of the Company will become final and binding.

(g) When it is mutually agreed that a stenographic report is to be taken of any hearing, in whole or in part, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings is to be taken, any written record available of the hearing made by either of the parties to the dispute will be furnished to the other party to the dispute upon request, provided that the cost of the written record requested be borne equally by both parties to the dispute.

(h) Upon the request of an Accredited Union Representative, the Company will inform the Union of its decision on any grievance **involving** a formal hearing or investigation at which the **grievant** was not represented by his Accredited Union Representative.

(i) **The attachment on the following page is agreed to by the parties and is incorporated as part of the agreement.**

ATTACHMENT 31.1 – SYSTEM BOARDS OF ADJUSTMENT

**Robert F. Gless
International Representative
Assistant ATD Director
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

September 12, 2012

RE: Time Limits – Article 31-Grievance Procedure

Dear Robert,

This letter will serve to interpret the time limits referenced in Article 31 above, specifically, what constitutes the meaning of seven (7), ten (10), twelve (12), and twenty (20) calendar days as they apply to their respective steps of the grievance process.

Pursuant to our discussions on this topic, we have agreed that the calendar day referenced in Article 31 commences immediately upon receipt of a grievance or appeal to the Company. The time frame for the employee to appeal commences immediately upon receipt of an answer if placed in his hands or the date received if the answer is mailed. The following examples of the grievance process will clarify our understanding:

- 3. 1st Step Answer – A grievance is filed on October 3, 2007.
The response from the supervisor must be in the employee's hands or postmarked, if placed in the mail, no later than October 9, 2007. (7 days to render a decision – October 3 counts as Day one)**
- 4. 2nd Step Appeal – The employee receives an answer on October 9, 2007.
If the employee is not satisfied with the supervisor's answer, he must appeal his grievance to the Chief Operating Officer (COO) no later than October 18, 2007. (10 days to appeal to 2nd step from the date of his receipt).**
- 5. 2nd Step Answer – A grievance is appealed on October 18, 2007.
The response from the COO must be in the employee's hands or postmarked, if placed in the mail, no later than October 29, 2007. (12 days to render a decision – October 18 counts as day one) Note: If the COO does not answer the 2nd step appeal in a timely manner, monetary penalties as outlined in Article 31 will be incurred.**

- 4 System Board Appeal – The employee receives his 2nd step answer on October 29, 2007. If the employee is not satisfied with the COO's answer, he must appeal his grievance to the System Board no later than November 17, 2007. (20 days to appeal to the System Board from the date of his receipt).**

Furthermore, we have agreed that the same methodology shall be used to trigger the seven (7) calendar days in which a TWU represented employee has to file a grievance. The seven (7) calendar days commence from the time when he first has knowledge or should reasonably have had knowledge of the alleged contractual violation.

In addition, Article 31 does afford the Chief Operating Officer (COO), with agreement from the local TWU, an extension of time limits.

If the above accurately reflects our understanding, please indicate by signing below.

**Sincerely,
{Original Signed on file}**

**James B. Weel
Managing Director
Employee Relations American Airlines Inc.**

**Agreed to:
{Original Signed on file}**

**Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

ARTICLE 32 - BOARDS OF ADJUSTMENT

(a) Boards of Adjustment

(1) Pursuant to the provisions of the Railway Labor Act, as amended, the parties have established a System Board of Adjustment, and Area Boards of Adjustment for employees covered by this Agreement.

(2) The Boards will have jurisdiction only over disputes between the Company and the Union or any employee or employees governed by this Agreement growing out of grievances involving interpretation or application of this Agreement, including disputes over the content of an employees personnel file, whether hard copy or electronic, to the extent such information can be used for discipline. The Boards will have no jurisdiction, whatsoever, over proposals or disputes relating to general changes in hours of work, rates of pay, rules or working conditions. Proposals relating to general changes in hours of work, rates of pay, rules or working conditions will be handled in the manner provided for in Article 47 of this Agreement. Board Hearings may be postponed, in writing, by mutual agreement of the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees.

(b) System Board of Adjustment

(1) The System Board of Adjustment will be composed of a Company member, a Union member and a neutral referee, acting as Chairman. The neutral referee will serve for an indefinite term; however, either party may cause the services of the neutral referee to be terminated, except in cases already submitted to him that are pending a decision, by giving written notice to the other party and to the neutral referee.

(2) If a neutral vacancy occurs and the Company and the Union cannot agree on a successor within fifteen (15) calendar days, the American Arbitration Association will be requested to select a neutral in the manner described in Rule 12 of its Voluntary Labor Arbitration Rules, as amended.

(3) The System Board will hear and determine all disputes properly before it, which are not within the jurisdiction of the Area Boards.

(4) The System Board will meet in the city where the general offices of the Company are maintained, unless a different location is agreed upon by the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees.

(a) Any postponements must be submitted and approved in writing by both the Company and the Union board members at least

seven (7) calendar days prior to the scheduled hearing, unless the Board members agree otherwise.

(c) Area Boards of Adjustment, Discipline and Dismissal Cases

(1) Area Boards of Adjustment will be maintained in the city where the office of the appropriate Local Union is maintained, unless a different place of meeting is agreed upon by the parties to the dispute. The jurisdiction of each such Board will be limited to discipline and dismissal cases arising in the area in question, except as provided in Article 32(c)(5).

(2) Each Area Board will be composed of one member appointed by the Company, one member appointed by the Union, and a neutral referee acting as Chairman. However, by mutual agreement of the Local Union and the appropriate Human Resources Office, an additional neutral referee may be selected to hear Area Board cases scheduled in cities other than those designated in the above paragraph. Members of the Area Boards appointed by the parties will serve at the pleasure of the party making the appointment, except that a Board member will continue to serve until his successor has been appointed. Each neutral referee will serve for an indefinite term; however, either party may cause the services of a neutral referee to be terminated, except in cases already submitted to him that are pending a decision, by giving written notice to the other party and to the neutral referee.

(3) If the position of a neutral referee of an Area Board becomes vacant and the Company and the Union cannot agree on a successor within fifteen (15) calendar days, one will be selected in the same manner as the filling of a vacancy under Article 32(b)(2).

(4) Each Area Board will hold hearings at a location in its city, mutually agreed upon by the Local Union and the appropriate Human Resources Office.

(5) In order to expedite Area Board hearings, the parties may agree to hear procedural issues, such as alleged Article 29(f) violations, timeliness issues, or jurisdictional issues, prior to the presentation of the merits of the case.

(d) Procedures Generally Applicable to the Boards

(1) All disputes referable to the Boards will be sent to the appropriate Board based on the primary issue in dispute. Any disagreement as to which Board has jurisdiction will be resolved by the System Board.

(2) An appeal to a grievance decision arising out of Articles 29, 30, and/or 31 will be submitted in writing, as provided below, and will include the following information:

- (a) The name, personnel number, job classification, and the number of the Local Union for the employee(s) involved;
- (b) A statement that the provisions of Articles 29, 30, and/or 31 have been exhausted;
- (c) A statement of the nature of the dispute, including the articles in question, and whether the dispute involves discipline/discharge or a contract interpretation or application;
- (d) The position or contention of the party filing the submission;
- (e) The remedy sought.

(3) The written appeal will be sent to the International TWU in the form of a petition. The International TWU will assign a case number and forward the appeal and two (2) copies, with the case number noted on each, to the Employee Relations Department. The appeal must be received by the Company within the time limits described in Article 31. The scheduling of cases to be heard before the Boards is an administrative matter addressed by mutual agreement between the Union and the Company. Any disagreement as to which Board will be the appropriate board will be determined by the System Board.

(4) Unless the parties agree otherwise, the case with the lowest docket number pending before a Board will be scheduled first. The aforementioned scheduling procedure will be followed until there are a sufficient number of cases scheduled to insure full days of hearing. Cases so scheduled but not heard for lack of time will be rescheduled in accordance with the above scheduling procedure.

(5) If the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees, designated Company representative and the designated Union representative for any Board jointly consider a case of sufficient urgency and importance to warrant an expedited hearing, a hearing will be scheduled within fifteen (15) calendar days of the decision to expedite the case.

(6) Employees and the Company may be represented at Board hearings by such person or persons as they may choose and designate. Evidence may be presented either orally or in writing, or both. The advocates will exchange all documents they may enter and the names of witnesses they may call in their direct case no later than ten (10) calendar days prior to the date set for the hearing. Nothing in this paragraph will require either advocate to present the documents or the witnesses provided above during the course of the hearing. The advocates will not be restricted from entering documents or calling witnesses that become known subsequent to the ten (10) calendar day exchange. **The**

advocate will provide the document(s) or witness name(s) at least forty-eight (48) hours prior to the scheduled start time of the hearing. In the event of postponement, all associated cost will be borne equally by both parties. If advocate "A" presents additional documents and/or witnesses with less than 48 hours notice to the other party, advocate "B" can accept the documents and/or witness, and the case remains on schedule, or reject the documents and/or witness at which point advocate "A" may opt to continue without presenting the new documents and/or witness or postpone the case. In addition advocate "B" can accept the documents and/or witness and opt to postpone the case. All associated costs for postponement will be borne by the party introducing documents and/or witness with less than 48 hours.

(7) Upon the request of either party to the dispute, or of two (2) Board members, the neutral referee will summon witnesses to testify at Board hearings. The Company will cooperate to ensure that all witnesses summoned by the board will appear in a timely fashion. Reasonable requests by the Union for employee witnesses will be honored. The requests for witnesses will normally not be greater than the number, which can be spared without interference with the service of the Company. Disputes arising from this provision will be immediately referred to the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees, for resolution.

(8) A majority vote of all members of a Board will be sufficient to make a finding or a decision with respect to any dispute properly before it, and such finding or decision will be final and binding upon the parties to such dispute. The Union and Company will at all times have their respective Board members available at the convenience of the various neutral referees, and alternate members will be provided by the Union or Company, as the case may be, whenever its regular Board member is not available. If an alternate member is not provided within a reasonable period of time, the neutral referee will proceed with the hearing and decision of the matters before the Board without participation by the absent member. In that case, the decision of the neutral referee will constitute the decision of the Board.

(9) The failure of a Board to decide a dispute under the procedure established in this Agreement will not serve to foreclose any subsequent rights or procedures which the Railway Labor Act, as amended, may provide with respect to the settlement of those disputes, and nothing in this Agreement will be construed to limit, restrict or abridge the rights or privileges accorded to either the employees or to the employer, or to their duly Accredited Representatives, by said Act.

(10) Board findings and decisions will be stated in writing and will be rendered within thirty (30) calendar days from the close of hearing, unless the period is extended by agreement of the parties to the dispute. In each case a copy of the finding or decision will be furnished to the Company, the Union, and the

employee or employees that are parties to the dispute. If a dispute arises as to the interpretation of the finding or decision, then, upon request of the Company, the Union or the employee or employees that are parties to the dispute, the Board will interpret the finding or decision.

(11) The System Board and each Area Board will keep complete and accurate records of all matters submitted to it and of all findings and decisions made. A stenographic record at all Boards will be taken if requested by either party to the dispute. In that case, the cost of such record will be borne by the requesting party. The other party, upon request, will be furnished a copy of the record, in which case the cost of that record will be borne equally by both parties to the dispute.

(12) Each party will assume the compensation, travel expense and other expenses of its Board members or the witnesses it summons.

(13) So far as space is available, witnesses who are employees of the Company will receive free transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

(14) Each Board, upon agreement of a majority of its members, will have the authority to incur expenses necessary for the proper conduct of the business of the Board. Those expenses, as well as the expense of each neutral referee, will be shared equally by the parties. Union Board members who are employees of the Company will be granted necessary leaves of absence for the performance of their duties as Board members. So far as space is available, the Board members will be furnished free transportation over the lines of the Company for the purpose of attending Board meetings to the extent permitted by law.

(15) Every Board member will be free to discharge his duty in an independent manner, without fear that his individual relations with the Company, the Union or with the employees may be affected in any manner by any action taken by him in good faith in his capacity as a Board member. Each party will specifically instruct each Board member selected that he will at all times, while serving in that capacity, act not as a partisan or advocate of a partisan group or cause but will act and serve solely to render impartial findings and just decisions.

(e) Procedures for Finalizing Awards: The following procedures are provided in order to standardize the arbitration process and avoid any controversy regarding the deliberations and discussions associated with the publication of System and Area Board of Adjustment awards:

(1) Executive Sessions for every case should take place at the conclusion of the Hearing, or at such time as agreed upon by a majority of the Board at the conclusion of the Hearing. This postponed session may be necessary due to the

submission of briefs or other post-hearing issues, and should be the exception, not the rule.

(2) An arbitrator's draft decision, distributed to the Board unsigned, may be changed to any extent agreeable to a majority of the Board. A written decision, once executed and signed by the neutral arbitrator, may only be modified as to content by agreement of all Board members.

(3) The Board members are not to discuss the decision of the Board with anyone other than the Board members prior to the publication of the award by the Administrator of the System Board.

(4) No ex-parte communication concerning the case (that is, discussion held without the presence of the full Board) is permitted at any time.

(5) The details of the Board's deliberations must be held confidential by virtue of the Boards intended neutrality. No Board member should divulge the nature or content of the discussions held between the Board members in reaching their decision.

(f) In the interest of simplifying and streamlining the grievance tracking process, the parties agree to discuss and explore an automated grievance tracking system.

ARTICLE 33 - NO STRIKE - NO LOCKOUT

It is the intent of the parties to this Agreement that the procedures in this Agreement will serve as a means of amicable settlement of all disputes that may arise between them, and, therefore:

- (1) The Company will neither cause nor permit a lockout during the life of this Agreement, and
- (2) Neither the Union nor the employees will engage in a strike, sit-down, walkout, stoppage, slowdown, or curtailment of work for any reason during the life of this Agreement.

ARTICLE 34 - SICK LEAVE

- (a) An employee who completes six (6) months of service with the Company will be credited with two and one half (2.5) days of sick leave for the calendar year in which the six (6) months' period is completed.
- (b) Upon being credited with the initial six (6) months credit of sick leave, an employee will thereafter accrue five twelfths(5/12) of one (1) day of sick leave for each calendar month of service with the Company, up to a maximum of five (5) days in any calendar year. Sick leave accrued during a calendar year will not be used prior to January 1 of the following year.
- (c) Unused sick leave will be cumulative up to a maximum of one hundred and fifty (150) days.
- (d) Except as specified in this Article, only days absent due to illness or injury of the employee which are not compensable under the applicable Workmen's Compensation Laws will be paid for from his allowed sick leave. Payment will be based on the employee's regular hourly rate.
- (e) While it will not be the policy of the Company to require a slip from his doctor stating treatment for an illness or injury for all absences of one (1) to three (3) days in order for an employee to be eligible for sick leave pay, however, the Company reserves the right to require such doctor's slip whenever circumstances indicate suspected abuses of the sick leave policy.
 - (1) Any employee suspected of abusing sick leave may be required to furnish a doctor's slip stating that he was treated for an illness or injury will first have the circumstances leading to the suspicion fully discussed with him. He may, if he so desires, have a Union representative present during such discussion. Subsequent to this discussion, if the Company decides that a doctor's slip is required, he will be given written notice of this requirement. Upon request of the employee, the specific reasons for the suspected abuse will be supplied to him, in writing. The requirement for this slip from the doctor will expire ninety (90) calendar days from the effective date of the written notice.
 - (2) Upon request of the Local Union President, any employee claiming harassment as a result of being required to furnish a doctor's slip will have the opportunity to present his written claim for relief to a panel composed of the Vice President – Employee Relations and the Director of the Air Transport Division.
 - (3) In the event the employee's claim is determined to be valid, the employee will have eight (8) hours of sick pay added to his sick leave account. In the event it is determined to not be valid, the employee will forfeit eight (8) hours of sick pay from his sick leave account.

(f) When employees, including probationary employees, are absent due to illness or injury, **Pay** seniority will continue to accrue for a period not to exceed thirty (30) calendar days for any period of absence.

(g) During an employee's absence due to an occupational illness or injury compensable under the applicable Workers' Compensation Law, he will receive from the Company the following benefits:

- (1) for the first ten (10) workdays absent, the difference between his regular pay (including shift differential) and Worker's Compensation payments;

And

- (2) at the conclusion of the period referred to in (1) above, a disabled employee drawing Workmen's Compensation may, at his option, draw upon his accrued sick leave up to the extent of his accrual at the rate of up to one-half regular pay (including shift differential). Provided, however, the sum of such Workmen's Compensation weekly payments plus such sick pay benefits will not exceed the employee's regular base weekly pay (including shift differential). Corresponding deductions will be made from his available sick leave accrual. Deductions will be to the nearest 0.1 of a day up to a maximum of one-half day of sick leave.

These benefits will be in lieu of any other payment provided for in this Article for all absences due to the same illness or injury.

(h) In the event that the Company challenges the payment of benefits under paragraph (g) above, occurring during the statutory waiting period under the applicable state Workmen's Compensation Laws, the employee will receive pay continuance (base pay, including shift differential) from the Company up to the maximum days provided in the waiting period.

The challenged payment by the Company will be resolved in the following manner:

- (1) The Company, or the employee, may within seven (7) calendar days, appeal through a review panel composed of a representative of the TWU International and the Vice President-Employee Relations which will hear and resolve the case. The panel will be limited to determining whether the pay continuance, made to the employee under this provision, will be considered a benefit under Article 34(d) or 34(g), or whether the employee should return to the Company the benefit he received under this provision. In the event the panel is unable to resolve the issue, the case may be submitted to the System Board of Adjustment for final and binding resolution.

(2) If the Company or the employee fails to appeal the challenged payment, the pay continuance benefit will be considered payment under Article 34(d) and will be charged to the sick leave benefit.

(i) The employees and the Union recognize their obligations to prevent absence for reasons other than illness or injury, or other abuse of the sick leave privilege, and pledge their wholehearted cooperation to the Company to prevent abuse.

(j) Effective January 1, 1981, a lump sum payment for unused sick leave days, if any, will be made to each employee entitled thereto upon the employee's effective date of retirement as defined in American Airlines regulations. If an employee dies prior to retirement the employee's beneficiary or estate will receive a lump sum payment for all unused sick leave. A day or days of unused sick leave referred to in this paragraph will mean those days credited or accrued in each calendar year and not used by the employee up to the date of retirement or death.

(k) For each such day of unused sick leave, the Company will pay an employee covered by this Agreement, twenty-five dollars (\$25.00). For example: An employee retires on January 1, 1981. He has a total accumulation of one hundred fifty (150) days of unused sick leave. On that date, said employee will receive a lump sum payment of three thousand seven hundred fifty dollars (\$3,750).

(l) A day or days of unused sick leave referred to in paragraphs (a) and (b) above will mean those days credited or accrued in each calendar year and limited to the cumulative maximum in the manner set forth under the provisions of Article 34 of this Agreement effective August 9, 1980 and not used by the employee up to the date of retirement.

(m) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

ATTACHMENT 34.1 - COMPENSATION CLAIM (ID) PANEL

AMERICAN AIRLINES, INC.
633 Third Avenue
New York, New York 10017

February 18, 1978

Mr. Ernest M. Mitchell
Director-Air Transport Division
Transport Workers Union, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Compensation Claim (ID) Panel

Dear Mr. Mitchell:

Procedures for the Company and employees to follow on occasions when injury-on-duty payments during statutory waiting periods are challenged, as outlined in Article 34(h), are as follows:

1. The Company will notify the employee in writing that payment for alleged injury on duty is being challenged.
2. The employee may appeal by a written protest jointly addressed to his supervisor and the local union ranking official.
3. The appeal may be submitted to the Special Injury On Duty Panel provided under Article 34 within thirty (30) days of notice of protest to the supervisor. If the issue is not resolved by the Special Injury On Duty Panel, it will be submitted to a designated permanent referee who will render an immediate decision, without a written opinion within twenty-four (24) hours of the hearing.
4. Expenses for the hearing before the special designated referee will be borne in the same manner as for grievances under the Agreement.

Very truly yours

Agreed:

Charles A. Pasciuto
Vice President
Employee Relations

Ernest M. Mitchell

Dated: February 18, 1978

ARTICLE 35 - TEMPORARY EMPLOYEES

- (a) Temporary employees will not be employed during the duration of this Agreement, unless there is a mutual consent between the Vice President-Employee Relations and the TWU Director Air Transport Division or his designee.
- (b) Temporary employees may be hired by the Company to accomplish and perform work of any emergency nature not to exceed forty-five (45) calendar days, but if qualified employees laid off due to a reduction in force are available at the station or locality where such work is to be performed, they will be given the first opportunity of such employment.
- (c) Notwithstanding the above, temporary employees may be hired at each airport/base to accomplish and perform work twice within the calendar year for periods not to exceed forty-five (45) calendar days for each occurrence. If qualified employees laid off due to a reduction in force are available at the station or locality where such work is to be performed, they will be given the first opportunity of such employment.
- (d) Any additional temporary employees hired under this Article not subject to paragraphs (a) and (b) above will be subject to mutual consent between the Vice President - Employee Relations and the TWU Director - Air Transport Division or their designees. In the event the Company needs full time temporary employees, regular part time employees at the location will be offered temporary full time opportunities prior to hiring full time temporary employees.
- (e) Temporary employees will not accrue occupational or **Pay** seniority, except that employees, who are on layoff status or formerly part time, will accrue occupational seniority during periods of temporary employment. When a temporary employee becomes a regular employee, without a break in service, occupational and **Pay** seniority will be retroactive to the original date of temporary employment. The employee will be subject to the provisions of Article 9(a).

ARTICLE 36 - MEAL PERIODS

(a) Meal periods will be thirty (30) minutes, except when a longer period is agreed upon between the parties.

(b) Meal periods will be scheduled to begin not earlier than three (3) hours after commencement of work that day and not later than five hours after commencement of work that day. The commencement of work is from the start of the employee's regular shift. If an employee is not scheduled for a meal period within the foregoing time span, the meal period will be provided immediately before or after it. In the event that a meal period has not been provided in accordance with the foregoing, the employee is then free, if he so desires, to take his meal period.

(c) In the event an employee is not provided a meal period as outlined in paragraph (b) above, the employee will be coded as No Meal by his Manager, and will be permitted to badge off shift 30 minutes prior to his scheduled off time.

ARTICLE 37 - SEVERANCE ALLOWANCE

(a) Any employee with one (1) year or more of service who is laid off for reasons other than those in paragraphs (b), (c) and (f) will receive severance allowance as provided in paragraph (e), subject to the limitations in this Article.

(b) Severance allowance will not be paid for layoffs of less than four-(4) months' duration which are due to seasonal schedule reductions.

(c) Severance allowance will not be paid if the layoff is the result of an Act of God, a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, dismissal for cause, resignation, retirement, or a strike or picketing causing a temporary cessation of work.

(d) At the time of layoff, the Company will advise the employee in writing of the reasons for his release and whether it is for reasons outlined in paragraphs (a), (b) or (c) above. If the employee is released for reasons in (a) above, he will be eligible for the immediate payment of the severance allowance as provided in this Article. If the employee is released for reasons set forth in paragraph (b), and if at the expiration of four (4) months from the date of layoff he is not offered reemployment in other than a temporary job in accordance with Article 16, his layoff will be presumed to have been caused by factors covered in paragraph (a) above, and he will become entitled at that time to severance allowance, as provided in this Article. Temporary work which does not exceed a continuous period of forty-five (45) calendar days will not be considered as breaking the four-month period of layoff.

(e) The amount of severance allowance payable under this Article to employees eligible is contained in the following table and will be based on length of compensated service with the Company from date of employment and will be in addition to all other benefits in this Agreement. **Severance payouts will be paid as a lump sum.**

(1) Severance for part-time employees will be based on the employee's Company seniority and the scheduled hours at the time of layoff. If the employee's scheduled hours have been reduced within sixty (60) calendar days of the layoff notice, an average of the previous six (6) months scheduled hours will be used to determine the "scheduled" hours for the purposes of pay.

(2) A week of severance allowance will be computed on the basis of the employee's regular straight-time hourly rate at the time of layoff, multiplied by forty (40) hours for full time but for part time hours as outlined above.

If employee has completed:	Severance Allowance
1 year of service	3 weeks
2 years of service	3 weeks
3 years of service	4 weeks

4 years of service	5 weeks
5 years of service	6 weeks
6 years of service	7 weeks
7 years of service	8 weeks
8 years of service	9 weeks
9 years of service	10 weeks
10 years of service	11 weeks
11 years of service	12 weeks
12 years of service	13 weeks

(f) If the employee is not reemployed by the Company within four (4) months from the effective date of his layoff, and he has at least one year's seniority as of the date of layoff, he will be entitled to an additional two-(2) weeks' severance allowance. **Payment of this provision is limited to one time.** In the event the employee is recalled to work under Article 16 before the expiration of four (4) months from the date of his layoff and is again laid off, he will be entitled to the additional two (2) weeks' severance allowance if he is not reemployed by the Company within four (4) months from the effective date of such subsequent layoff.

(g) Severance allowance will not be granted when (1) the employee elects to exercise his seniority to remain with the Company in his own or a lower classification in accordance with Article 15; (2) he has, within four (4) months of layoff, been offered a job in accordance with Article 16, and has refused such job; or (3) he accepts any other employment offered by the Company prior to the expiration of four (4) months from the date of layoff.

(h) An employee recalled to work under the terms of Article 16, who is again laid off under conditions that would entitle him to severance allowance, will be entitled to the amount specified for his years of compensated service with the Company in accordance with paragraph (e) of this Article, less the dollar amount received on the occasion of the previous severance's, provided that the dollar amount deduction will not be made if the employee completes at least one (1) additional year of compensated service with the Company from the date on which he reported for duty upon the occasion of the prior recall.

(i) An employee who has been given severance allowance at the time of layoff and who is rehired in less than the number of weeks covered by the severance allowance (plus an additional two (2) weeks if he also received two (2) weeks' pay in lieu of notice) will have the amount of overpayment deducted from his subsequent earnings.

(j) An employee who has been reemployed under the conditions outlined in Article 37(h) and (i) will retain all seniority and length of service credit for pay and other purposes accrued prior to the date of his severance.

ARTICLE 38 - UNION SECURITY

(a) All employees covered by this Agreement will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation fee and membership dues (not including fines and penalties), or agency fees in accordance with applicable law. An employee may have his membership dues deducted from his earnings by signing the form "Assignment and Authorization for Check-Off of Union Dues", also referred to as "Check-Off Form," or, if no such authorization is in effect, he must pay his initiation fee and membership dues directly to the Union.

(b) All new employees of the Company hired on or after the effective date of this Agreement will become members of the Union sixty (60) calendar days after the date of employment with the Company and will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying initiation fees and membership dues, or in lieu of maintenance of membership, agency fees in accordance with applicable law. The Company will supply each Local Union with the name, personnel number, and work location of any new employee or transferee covered under this Agreement within fifteen (15) calendar days of the actual report date of said employee. The Company will allow the Union an opportunity during local orientation to meet with new employees and transferees regarding Union matters.

(c) If any employee who has resigned from the Company or has been laid off is reemployed or recalled, he will be considered as a new employee for the purposes of this Article and will be governed by the provisions of paragraph (b).

(d) Employees who are or become members of the Union under paragraphs (a) or (b) above will pay membership dues as set forth in this Article, except that payment for membership dues will not be required as a condition of employment during leaves of absence without pay or during periods of transfer to a classification or position not covered by this Agreement.

(e) "Member of the Union", for the purpose of this Article, will mean any employee who is a member of the Union and is not more than sixty (60) calendar days in arrears in the payment of the initiation fee and membership dues as specified herein or agency fee payer not more than sixty (60) calendar days in arrears in the payment of his fees.

(f) When an employee who is a member of the Union becomes delinquent within the meaning of paragraph (e) above, the following procedure will apply:

(1) The Director of the Air Transport Division of the Union will notify the employee in writing, certified mail, return receipt requested, that he is delinquent in the payment of the initiation fee and membership dues or agency fees, as specified herein, and accordingly, is subject to discharge as an employee of the Company. The letter will also notify the employee that he must remit the required payment within fifteen (15) calendar days of the date of mailing of the notice, or

be subject to discharge. This provision will be deemed to be complied with if the Union sends, but the employee refuses the above mailing.

(2) If, upon the expiration of the fifteen (15) calendar day period, the employee still remains delinquent, the Director of the Air Transport Division of the Union will certify, in writing, to the Vice President-Employee Relations of the Company, copy to the employee, that the employee has failed to remit payment within the grace period allowed and is therefore to be discharged. The Vice President-Employee Relations, after being presented with the appropriate documentation, will then take proper steps to discharge such employee from the services of the Company.

(3) An employee discharged by the Company under the provisions of this paragraph will be deemed to have been discharged for cause within the meaning of the terms and provisions of this Agreement.

(g) Any discharge under the terms of this Article will be based solely upon the failure of the employee to pay or tender payment of initiation fee and membership dues or agency fees, as specified in this Article, and not because of denial or termination of membership in the Union upon any other ground.

(h) Any grievance by an employee concerning the interpretation or application of the provisions of this Article will be subject exclusively to the following procedure:

(1) An employee who believes that the provisions of this Article pertaining to him have not been properly interpreted or applied may submit his request for review, in writing, within five (5) calendar days from the date the grievance arises, except that a grievance arising under paragraph (f)(1) must be filed within the fifteen (15) calendar day period specified in that paragraph. The request will be submitted to his immediate supervisor who will review the grievance and render his decision, in writing, not later than five (5) calendar days following the receipt of the grievance.

(2) The immediate supervisor will forward his decision to the employee with a copy to the Local Union Accredited Representative. If the decision is not satisfactory to both the employee and the Union, then either may appeal the grievance directly to the System General Board of Adjustment, established under Article 32 of this Agreement, within ten (10) calendar days from the date of the decision. The terms and provisions of such Article will be applicable, except as otherwise specified in this Article.

(3) If the Union should appeal the decision to the System General Board of Adjustment, it will prepare a joint submission of the grievance setting forth the Union's and the employee's position and forward copies to the employee, the Vice President-Employee Relations of the Company and to the members of the System Board of Adjustment. If the employee should appeal the decision, he may request the Vice President-Employee Relations to prepare the submission

papers on his behalf for the System Board of Adjustment. In this event, the request will be made by the employee, in writing, to his immediate supervisor who will transmit, through the local City Manager all facts, data and information concerning the grievance, together with a copy of the decision from which appeal is taken. The Vice President-Employee Relations will forward copies of the employee's separate submission to the employee, the local City Manager, the Director of the Air Transport Division of the Union and to the members of the System Board of Adjustment.

(4) During the period a grievance is filed under the provisions of this paragraph and until after final award by the System Board of Adjustment, the employee will not be discharged from the Company because of noncompliance with the terms and provisions of this Article. In the event the employee's grievance is denied because he has not tendered dues owed under this Article, he will be considered discharged for cause. In any proceeding under this Article, the employee, the Company, and the Union will be allowed to present any facts or arguments supporting their positions concerning proper application of this Article.

(i) The Union agrees that it will indemnify the Company and save the Company harmless from any and all claims which may be made by the employee or employees against the Company by virtue of the wrongful application or misapplication of any of the terms of this Article.

(j) The Company will not interfere with, restrain or coerce employees because of membership or lawful activity in the Union, nor will it, by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the Union.

(k) The Union agrees that neither the Union nor its members will intimidate or coerce any employee in respect to his right to work, the proper exercise, performance, or implementation of his duties and responsibilities with the Company or in respect to Union activity or membership. Further there will be no solicitation of employees for Union membership on Company time. The Union further agrees that the Company may take disciplinary action for any violation of this provision.

(l) During the life of this Agreement, the Company agrees to deduct from the pay of each member of the Union and remit to the Union membership dues uniformly levied in accordance with the Constitution and By-laws of the Union and as prescribed by the Railway Labor Act, as amended, provided such member of the Union voluntarily executes the following agreed-upon Check-Off Form. This form will be prepared and furnished by the Union.

ASSIGNMENT AND AUTHORIZATION
FOR CHECK-OFF OF UNION DUES

To:

Internal Mail Address:

Manager – Payroll Customer Service
M.D. #790 **TUL**

U.S. Mail Address:

American Airlines, Inc
Manager – Payroll Customer Service
7645 East 63rd Street **Suite 600**
Tulsa, Oklahoma 74133-1252-**75**

I, _____,
(Name: Initials and last name)

hereby assign to the Transport Workers Union of America, AFL-CIO, my Union dues from any wages earned or to be earned by me as your employee. I authorize and direct you to deduct the flat sum of _____, which is the bi-weekly equivalent of my monthly membership dues, or such bi-weekly equivalent as may hereafter be established by the Union as my membership dues, from each bi-weekly paycheck and to remit the same to the Union.

This assignment, authorization, and direction may be revoked by me, in writing, after the expiration of one year from the date hereof, or upon the termination date of the labor agreement in effect at the time this is signed, whichever occurs sooner.

This authorization and direction is made subject to the provisions of the Railway Labor Act, as amended, and in accordance with the existing Agreement between the Union and the Company.

Employee Signature	_____
Employee Address	_____

Personnel Number	_____
Cost Center	_____/_____
Location	_____
Department	_____
Local Union Number	_____
Date	_____

(m) When a member of the Union properly executes such "Check-Off Form", the

Director of the Air Transport Division of the Union will forward an original copy to the American Airlines, Inc. **Manager – Payroll Customer Service: 7645 E 63rd ST STE 600, Tulsa, OK. 74133-1275.**

Any Check-Off Form which is incomplete or improperly executed will be returned to the Director. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and delivered by certified mail, addressed to their respective Local Union Office. Each Local Union Office will forward a copy to the American Airlines, Inc. **Manager – Payroll Customer Service M.D. 790; P.O. Box 582848; Tulsa, Oklahoma E 63rd ST STE 600, Tulsa, OK. 74133-1275,** for future Union dues withholding. Check-Off Forms and notices received by the Manager – Payroll Customer Service will be stamp-dated on the date received and will constitute notice to the Company on the date received, and not when mailed.

(n) When a Check-Off Form, as specified in this Article, is received by the Manager-Payroll Customer Service on or before a given payday, deductions will commence with the first regular paycheck following said payday, and will continue thereafter until revoked or cancelled as provided in this Article. The Company will remit to the Union a check in payment of all dues collected on a given payday, on or as soon after the payday as possible. These remittances will be subject to normal accounting practice with respect to adjustments necessary because of the methods involved in the deduction procedure. The Company remittance of Union membership dues to the Union will be accompanied by a list of names, personnel numbers and station numbers of the employees for whom deductions have been made in that particular period, arranged in order of their personnel numbers. Additionally, the Company will supply in duplicate to the office of the Union a listing of those employees who are on leave of absence; have accepted a position outside the bargaining unit; or have terminated employment with the Company.

(o) No deductions of Union dues will be made from the wages of any employee who has executed a Check-Off Form and who has been transferred to a job not covered by the Agreement, or who is on leave without pay. Upon return to work within a classification covered by this Agreement, deductions will be automatically resumed provided the employee has not revoked the assignment in accordance with this Article, and provided it is in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

(p) An employee who has executed a Check-Off Form and who resigns or is terminated from the employ of the Company for reasons other than layoff shall be deemed to have automatically revoked his assignment and if reemployed, further deductions of Union dues will be made only upon execution and receipt of a new Check-Off Form. Provided, however, that upon return from layoff, leave of absence, or reinstatement from disciplinary discharge to work within a classification covered by this Agreement, deductions shall be automatically resumed. In cases where Check-Off is not reinstated by the Company due to mechanical or software errors, the Company will

collect the back dues at a maximum of fifty (50) dollars per month and remit to the Union, provided the employee has not revoked the assignment in accordance with this Article, and such deductions are in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

(q) Collection of any back dues owed at the time of starting deductions for any employee, and collection of dues missed because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, will be the responsibility of the Union and will not be the subject of payroll deductions.

(r) Deductions of membership dues will be made in a flat sum from each paycheck provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the employee or required by law have been satisfied. In the event of termination of employment, the obligation of the Company to collect dues will not extend beyond the bi-weekly period in which his last day of work occurs.

ARTICLE 39 – FITNESS FOR DUTY

(a) If two or more members of management determine there is a serious question as to an employee's physical fitness to perform his assigned work, one or more of the following may be required of the employee. The employee will be notified in writing which will include an explanation of the reason(s) for the evaluation.

(1) If he is currently under the care of a physician, he may be required to provide medical documentation regarding such treatment.

(2) If he is not currently under the care of a physician or does not provide medical documentation to AA Medical from his own personal physician in timely manner, management may request a fitness for duty evaluation through the Company Medical department.

(3) As soon as the medical information is received either from the employee's treating physician or the company provided medical evaluation, it will be reviewed by an AA physician or the AA Medical Review Board (hereafter referred to as the MRB) at the next scheduled MRB (normally within two (2) weeks). The Company physician or MRB will consider the information provided by the treating physician or the medical evaluation as well as the employee's AA Medical file.

Note: During any time the employee is absent from work due to these situations, he will be compensated from his existing sick bank unless he is on "withhold with pay" status.

As a result of the Company physician and/or MRB review, one of the following will apply:

(a) The employee may be cleared to full duty;

(b) Temporary restrictions may be assigned: A temporary restriction is a restriction assigned by the employee's treating physician or AA Medical, until the employee's fitness for full duty can be established.

(c) Permanent restrictions may be assigned: A permanent medical restriction is a work restriction that is based on the presence of a medical condition which is unlikely to change substantially in the immediate or foreseeable future.

(b) Temporary Restrictions

If temporary restrictions are assigned, AA Medical will notify the employee and local management, **in writing**, of the temporary restrictions. Local Management will determine if the restrictions can be accommodated in the workplace, **and may seek input from Medical and the Union**. AA Medical will work with the employee and his treating physician to address the temporary restrictions. (In some cases, the temporary restrictions may become permanent restrictions.) **In the event the employee's treating physician disagrees with the temporary restrictions that have been assigned by AA Medical, the employee may initiate a second review by AA Medical; provided, the review process will not be initiated until the employee has provided his medical records to AA Medical and AA Medical continues to recommend temporary restrictions with which the employee's physician disagrees. The second review must be accompanied by newly available or additional medical information relating to the established restrictions (e.g. physician to physician review, if appropriate). AA Medical commits to a timely review of the medical facts.**

(c) Permanent Restrictions

If the employee is assigned permanent restrictions, AA Medical will notify the employee in writing of the permanent restrictions. (A form will be included in the MRB letter.) An employee who has been assigned permanent restrictions by the MRB is encouraged to seek local accommodation in his existing job with local management. If local management is unable to accommodate the restrictions, the employee may file an appeal as stated below, or request a broader accommodation or job search assistance from the Accommodation Review Board (hereafter referred to as the ARB). In the event that the employee's treating physician disagrees with the permanent restrictions that have been assigned by the MRB, the employee and his treating physician may appeal the MRB's decision within fifteen (15) calendar days of the date of written notification. The employee will be permitted to exercise his seniority in resuming his classification or any lower classification in work which he is qualified to perform or, at his option, have a review of his case in the following manner:

- (1) Once AA Medical has been notified of the appeal the Company will, at the written request of the employee or his Union representative, ask that the two medical examiners, the employee's treating physician, and the AA Medical physician agree upon and appoint a third qualified and neutral medical examiner for the purpose of conducting a further medical evaluation of the employee. AA Medical will research the qualifications and credentials of physicians qualified as medical examiners for the appropriate medical condition and/or restrictions to be reviewed. AA Medical will provide a written list of medical examiners to the employee's treating physician with a copy to the employee. AA Medical will also review a list of qualified medical examiners provided by the employee's treating physician if provided.
- (2) The employee's treating physician should notify AA Medical of the

choice of medical examiner within fifteen (15) calendar days of the date of the letter. The employee must provide a medical release to AA Medical prior to the scheduling of an appointment with the medical examiner. Provision and disclosure of the medical records will be in conformity with applicable government regulations. AA Medical will schedule the appointment, will notify the employee in writing and will provide all appropriate Company medical records to the medical examiner. Additionally, if the employee or the employee's treating physician has additional medical information, it must be submitted to AA Medical along with the medical release for forwarding to the medical examiner prior to the appointment.

(3) The three (3) doctors, one representing the Company, one representing the employee affected, and one as the neutral medical examiner (approved by the Company doctor and the employee's doctor), will constitute a board of three (3), the majority vote of which will decide the case.

(a) The expense of the third medical examiner will be borne by the Company including all expenses related to travel such as airfare and hotel. Copies of the medical examiner's report will be furnished to AA Medical and the employee's treating physician. If the employee fails to show for the scheduled appointment and has no justifiable reason, he will be responsible for any no-show fee.

(b) If the majority opinion of the Board of three (3) medical examiners upholds the employee's case, he will be restored to his former job. Back pay will apply from the date the employee files his Article 39 appeal. The employee will be compensated at his regular rate of pay, less any amount he may have received as compensation during the interim period. If the employee used sick leave or vacation allowance, his sick leave or vacation allowance will be replenished.

(c) Should the third party medical examiner agree with the permanent restrictions assigned by AA Medical, the employee may request accommodation through the ARB.

(d) The decision of the third party medical examiner is final and binding on all parties.

Note: This process will not supersede the Company's Alcohol/Drug Policy, FAA, or DOT rules.

(d) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

Attachment 39.1 – Accommodation Review Board

September 12, 2012

**Robert Gless
AA System Coordinator
Air Transport Division
Transport Workers Union of America, AFL-CIO**

Re: ACCOMMODATION REVIEW BOARD

Robert,

In follow up to today's conversation I am providing information on how your field representatives should handle employee requests regarding the process of the Accommodations Review Board and how it relates to their permanent medical restrictions.

If permanent restrictions are assigned, AA Medical will notify the employee and the TWU ATD Designees in writing of the permanent restrictions. Once an employee has exhausted the provisions of the contract and is still restricted from performing his job, the employee should forward to HR, in writing, with a copy to the Local Union President, a request for review by the ADA System Accommodations Committee.

HR is the designated contact point for such accommodation review requests. Employees who have been assigned permanent restrictions by the MRB are encouraged to seek local accommodation in their existing job with their local management. If local management is unable to accommodate the restrictions, the employee may request a broader accommodation or job search assistance from the Accommodation Review Board.

The ARB will consist of:

Human Resources (Chairperson)

Employee Relations

TWU ATD Designees

Legal

Medical

Local Management

Local Union Representative – Designated by the Local President

The function of the ARB is to discuss all aspects of the employee's request, his restrictions and ability to perform his essential job functions, and whether the Company can reasonably accommodate the restrictions without undue hardship, in an attempt to return the employee to his previously held position. The ARB works with management, union representatives and Human Resources prior to

making a recommendation. If the employee is unable to return to his previous position, a job search within AMR is recommended.

If a job search is recommended, the ARB Chairperson will assist the employee in an attempt to identify other open positions within all of AMR in which the employee will be able to work, with or without a reasonable accommodations, and for which he may be qualified (may include non-TWU represented positions). This assistance may include coordinating access to internal Company postings; resume writing techniques and skill assessment.

The ARB will do all possible to work with local management to implement the recommendation of the board.

**Sincerely,
{Original Signed on file}**

**James B. Weel
Managing Director
Employee Relations**

ARTICLE 40 – RETIREMENT BENEFIT

(a) The Company has maintained a retirement plan for the employees for a number of years. The full text of **“The Retirement Benefit Plan of American Airlines, Inc. for Employees Represented by the Transport Workers Union of America, AFL-CIO” (successor to “The American Airlines, Inc. Retirement Benefit Plan for Maintenance and Related Employees”) (“Plan”)** is on file with the Company and is available to the employees in accordance with government regulations. **The Plan** has been amended to enhance and clarify benefits over time. **The Plan is frozen effective 11:59 p.m. on October 31, 2012.**

(b) The following changes to the Plan were made by Letter dated 08/09/80.

(1) For an employee member who was first eligible to join the Plan prior to January 1, 1956, credited service will be counted from the January 1st or July 1st following his or her completion of one year of Company service.

(2) For the employee member who was first eligible to join the Plan between January 1, 1956 and April 1, 1978, credited service will be counted from the January 1st or July 1st following his or her completion of one year of Company service and the attainment of age twenty-five (25).

(3) For the employee member who was first eligible to join the Plan April 1, 1978 or later, credited service will be counted from the first of the month coincident with or next following his or her completion of one year of Company service.

(4) After December 31, 1976, credited service will not include periods of unpaid hours in excess of one hundred eighty (180) hours in a calendar year. A leave of absence for Union business for which the employee member has been paid by the Union will be counted as credited service for the Plan.

(c) The following changes to the Plan were made by Letter dated 08/01/85.

(1) Effective for employees who are on the active payroll on September 1, 1985, Credited Service under the Retirement Benefit Plan will include any periods of employment during which an employee would have accrued Credited Service if the age 25 eligibility restriction had not existed in prior years. Credited Service will be counted from the January 1st or July 1st following completion of one (1) year of Company service.

(2) For purposes of the preceding paragraph, "on the active payroll" means actually at work. It will also include employees who retire from the active payroll in the calendar month preceding September 01, 1985, those who are on a paid sick or vacation period, on an overage leave, or on a Union leave on September 01, 1985. It does not include employees who are on a personal leave of

absence, unpaid sick leave, or other unpaid absence from work on September 01, 1985, unless they actually return to work.

(d) The following changes to the Plan were made by Letter(s) dated 05/05/89.

(1) A new vesting schedule will apply to employees who perform at least one hour of service for which they are paid on or after January 1, 1990.

(2) The new vesting schedule will provide that such employees will become 100% vested after completing five years of vesting service as defined in the plan. Prior to completing five years of vesting service, employees will have 0% vested benefits.

(3) Rules for counting vesting service and for applying breaks in service remain unchanged from the current plan.

(4) The Company agreed to retroactively credit all pensionable hours worked past age 65 for TWU represented employees who retire from the active payroll after January 1989.

(e) The amendments covered in Article 40(e) will be applicable only for those members classified as "Maintenance & Related", who are on active payroll or on an approved leave of absence with recall rights as of 03/01/01 and whose benefits commence on or after the first day of the month following 03/01/01.

(1) Final Average Compensation

The compensation used for calculating a member's retirement benefit will be the average of the highest forty eight (48) consecutive months of pay out of the one hundred and twenty (120) consecutive months of pay preceding the date of retirement. The definition of the compensation used to determine the forty-eight (48) and one hundred and twenty (120) month periods is unchanged. Various formulas exist for benefits, e.g., $1.667 \times \text{Final Average Earnings} \times \text{Years of credited service}$, which are also unchanged.

(2) Eligibility For Benefits – Early Retirement

A member will be eligible for early retirement on or after attaining the earlier of:

(a) age 55 and fifteen (15) years of credited service; or

(b) age 60 and ten (10) years of credited service.

(3) Early Retirement Benefits

Pension benefits determined as of early retirement will be reduced 3% for each year that the member is less than age 60.

(f) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

(g) After October 31, 2012 no further benefits will accrue under the Plan. Benefits for current employees who are participants in the Plan will be determined based on their pension accrual calculated as of October 31, 2012 and no new participants will be added to the Plan after October 31, 2012. This pension freeze will not result in the loss of any pension benefits accrued through October 31, 2012. Service performed after October 31, 2012 will not be counted for any purpose except as otherwise required by law. The benefits accrued as of October 31, 2012, will remain obligations of the Plan and its related trust on behalf of existing Plan participants and will be paid in accordance with the terms of the Plan.

(h) Subject to paragraph (g), the Company will continue to maintain the Plan and its related trust. The Company may amend the Plan, from time to time, as it determines in its sole discretion to be necessary or appropriate to implement the pension freeze described in paragraph (g) or to maintain the Plan's tax-qualified status or otherwise comply with applicable Federal law.

(i) On November 1, 2012, the Company will enroll all current employees, except those described in paragraph (i)(1) below, and all future new-hire and transfer employees in the Super Saver - A 401(k) Capital Accumulation Plan for Employees of Participating AMR Corporation Subsidiaries ("Super Saver Plan"), a defined contribution plan, or equivalent plan.

(1) Employees who already have a Super Saver Plan, (or equivalent plan), contribution election on file as of the date they would otherwise be automatically enrolled will not be automatically enrolled in the Super Saver Plan (or equivalent plan) and their previous contribution election will remain in place.

(2) Employees who are automatically enrolled into the Super Saver Plan, will be enrolled at an employee-deferral rate of 3% pre-tax contribution.

(3) The Company, subject to any laws limiting the amount of benefit which can be contributed to or accrued under a plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time, and its regulations, will, for each employee who has at least one year of Eligibility Service, contribute to the Super Saver Plan on a pre-tax basis for each Plan Year as an Employer Matching Contribution 100% of the aggregated amount of the employee's Employee Before-tax Contributions and employee's Employee Designated Roth Contributions,

up to a total amount of 5.5% of an employee's Eligible Compensation (as defined in the \$uper \$aver Plan). Eligible Compensation for the purposes of determining any matching contribution or Company contribution, eligible compensation will be the sum of all 401(k) deferrable compensation, e.g. wages, overtime, CSW, etc. except for the following:

- Uniform Cleaning Allowance
- Overtime Meal Allowance
- Co-Terminal Expenses
- Expense reimbursements
- Approved expense allowances
- Company paid life insurance premiums
- Value of NRSA passes
- Pre-tax flexible benefit plan contributions
- Disability/Workers' Compensation payments
- Severance pay
- Termination Sick Premium
- Company paid employee expenses
- Benefit pay
- Tips
- Gain Sharing payments

(4) The \$uper \$aver Plan shall remain in effect and the benefit levels shall not be reduced during the term of this Agreement. However, the provisions of the \$uper \$aver Plan may be modified from time to time to maintain the plan's tax-qualified status or to otherwise comply with applicable Federal law and may also be amended at the Company's sole discretion, provided no such discretionary amendment shall reduce the benefit levels stated above in subsection (i)(3) during the term of this Agreement or be inconsistent with the terms of this paragraph (i) or its subparagraphs. The Company will provide the Union with a copy of any amendment.

(5) Capitalized terms in this paragraph (i) not otherwise defined in this Agreement, but defined in the \$uper \$aver Plan, will have the same meaning as set forth in the \$uper \$aver Plan.

ATTACHMENT 40.1 – PRE-RETIREMENT SURVIVOR BENEFIT CHARGE

From: Mark Johnson
To: John Orlando
Re: Pre-retirement Survivor Benefit Charge

Revised March 1, 2001
October 19, 1995

This letter follows up our conversation of today regarding the charge for the pre-retirement survivor benefit.

The Retirement Equity Act of 1984 mandated that pension plans provide a benefit for the surviving spouse of an employee who dies vested, but prior to retirement. This is known as the Qualified Pre-retirement Survivor Annuity (QPSA). Because this requirement adds to pension costs, employers are allowed to recover the cost by reducing the employee's pension at retirement. The AA reduction at retirement for QPSA coverage does not fully cover the cost of providing this benefit. QPSA coverage is still heavily subsidized by American.

QPSA coverage is mandatory and automatic unless the employee and spouse sign a waiver. The benefit and how the charge is calculated are explained in detail in the Summary Plan Description. The calculation is based upon a percentage by age for the number of years coverage was in effect. There is no charge for providing the coverage past age 65, although the employee is charged for those years under age 65. Once an employee is at least age 55 with 15 years of credited service or age 62 with 10 years of credited service, the charge also stops accumulating. The charge is based only on the mandatory 50% survivor benefit. Employees who have elected a larger survivor benefit are not charged more.

Since the actual QPSA calculation is complex and can only be done accurately when a exit date has been established, for estimate purposes only we show a uniform \$20 monthly reduction. We use \$20 because we rarely see a QPSA reduction of \$20 or more, for simplicity in preparing estimates, \$20 is shown on all estimates, even for employees who never had the coverage, or will not be charged this exact amount.

At retirement those employees who never had coverage will, of course, have no reduction. For those who were covered, the reduction will be individually calculated based on their age and years of coverage.

As we discussed, normally about 300 TWU members retire each year. However with the early out, we may be asking as many as 7,000 TWU members to take a close look at their pension plan. Although the QPSA explanation has been in the Summary Plan

Description, with this kind of scrutiny we are learning that we can improve how we communicate very important, but unfortunately often very technical pension information.

Thank you for bringing this issue to my attention and I hope this explanation is helpful. Please let me know if you have any questions.

(Signed original on file)

ARTICLE 41 – BENEFITS

(a) The parties recognize that controlling the spiraling costs of health care has become a national priority and a critical mutual objective for both the Company and the employees. In order to provide maximum flexibility and choice for individual employees, while helping to assure the Company's continued financial strength, effective **January 1, 2013**, the Company will implement **new plan design options**, which limits the impact of future health cost increases for both the Company and the employees as follows:

(1) The Company will provide **two medical plan options, a Standard medical plan option and a Core medical plan option, which is a Health Savings Account compatible medical option. With the exception of the Standard medical plan design features in the chart below, all other plan provisions are subject to change at Company discretion. Plan design features and other plan provisions in the Core medical plan option (which are not incorporated into this agreement) may change at Company discretion and advance notice of any changes will be provided to the TWU prior to implementation. To the extent the Company is offering the "Value" medical option in any Plan Year to employees, employees eligible to enroll in the Standard and Core medical options will be eligible to enroll in the Value option. The Company, at its sole discretion, may change plan design and contributions in the Value option or otherwise amend or eliminate the Value option.**

(2) **Aggregate employee contributions for the Standard and Core medical options for 2013 will be 18%, 2014 will be 19%, 2015 will be 20% and 2016 and thereafter will be 21% of the total projected cost of healthcare expenses (which include medical/Rx and administrative expenses) for the Standard and Core medical plan options. Contributions for the Standard and Core medical plan options will increase annually with projected inflation for all expenses related to these two (2) medical plan options.**

(3) **Coverage tiers for contribution rates will be as follows:**

New Coverage Tiers	Employee Premium Multiplier
Employee Only	1.0
Employee + Spouse/Domestic Partner	2.6
Employee + Child(ren)	1.8
Employee + Family	3.5

(4) **Part-time employees will be offered the same medical plan options as full-time employees at the same contribution rates.**

(5) **Notice of changes to the Value Plan will be provided to the TWU in advance of implementation.**

(6) The TWU and the Company have agreed that a review committee will be established to review planned administrative changes to the **Standard medical plan option**. This committee will have the right of appeal to the Sr. Vice President – Human Resources in the event of a dispute.

(7) The TWU and the Company will participate on a joint committee to develop programs and procedures which will reduce the rate of increase in costs in order to minimize the impact on employees.

- (b) The annual deductible under the **Standard medical plan option will be \$750 per individual with a maximum family deductible of \$2,250. The Standard medical option annual deductible will increase \$50 in 2015 and 2017 until the deductible reaches \$850 for employee only coverage, \$2550 for family coverage per calendar year for in-network services.**

Plan design features are listed below.

	Standard medical plan option	Core medical plan option
Plan Design Features	Contractual	Non-contractual
Spending Accounts	HRA	
Spending Account Funding (2013 only)	\$375 emp / \$375 spouse	
In Network Deductible (Single/Family)	\$750 / \$2,250	
Out of Network Deductible (Single/Family)	\$3,000 / \$9000	
Coinsurance (In/Out)	20% / 40%	
In Network Out of Pocket Max (Single/Family)	\$2,000 / \$5,000	
Out of Network Out of Pocket Max (Single/Family)	\$6,000 / \$15,000	
Primary Care Physician Copay (In/Out)	\$30*/40%	
Specialist Copay (In/Out)	20% / 40%	
Retail Clinics Copay (In/Out)	20% / 40%	
Preventive Care*	\$0	
Emergency Room	Deductible / Coinsurance \$100 CoPay	
Pharmacy (Retail)		
Generic	20% (\$10 min / \$40 max)	
Formulary Brand	30% (\$30 min / \$100 max)	
Non-Formulary Brand	50% (\$45 min / \$150 max)	
Pharmacy (Mail)		
Generic	20% (\$5 min / \$80 max)	
Formulary Brand	30% (\$60 min / \$200 max)	
Non-Formulary Brand	50% (\$90 min / \$300 max)	
2013 Full Time Monthly Contribution rates		
EE Only	\$70.69	\$57.40
EE + Spouse / Domestic Partner	\$183.81	\$149.25
EE + Child(ren)	\$127.25	\$103.33
EE + Family	\$247.43	\$200.91

***Not subject to deductible
For the Standard Option:**

- **Preventive Care is not subject to deductible if provider is in network; deductible and co-insurance apply if provider is out of network**
- **Deductibles do not apply toward Out of Pocket maximum**
- **Medical Coinsurance apply towards Out of Pocket maximums**
- **Pharmacy co-insurance (and min/max amounts) do not apply towards deductibles but do apply towards Out of Pocket maximums**

(c) Effective **September 12, 2012**, a newly hired employee will be subject to a one (1) calendar month service waiting period before the employee may be covered under the American Airlines Group Life and Health Benefits Plan as described in Article 41. The employee may not purchase coverage under the Group Life and Health Benefits Plan for the first month of employment with American Airlines, Inc. After one (1) month of service, the employee will automatically be placed in the American Airlines Group Life and Health Benefits Plan **in the Core medical plan option** with contributions in accordance with Article 41. Coverage will begin on the day that the employee has completed one (1) month of service with the Company, provided he is actively at work on that day, or on vacation, or on a scheduled day off. Otherwise, the employee will be covered on the date he returns to work.

(d) **To the extent the Company is offering incentives in any Plan Year to employees for participating in the Healthmatters wellness program, employees enrolled in the Standard and Core Plans will be eligible for those incentives provided they meet the criteria (as established by the Company at its discretion) for earning the incentive.**

(e) Dental Plan

Expenses under the Dental Plan 1, excluding Orthodontic and Preventive Expenses will be covered at 80% of reasonable and customary charges, after the deductible is met. Preventive Dental Care will be covered at 100% with no deductible for a maximum of two (2) annual visits per calendar year, subject to reasonable and customary charges. The annual individual plan maximum will be \$1,500. In addition, adult orthodontia will be added with a lifetime maximum of \$1,500.

(f) Life Insurance

The Company will provide several options regarding life insurance.

(1) For an employee whose base monthly salary is \$1,500 or over, his basic life insurance coverage will be two times his base annual salary taken to the next higher multiple of \$100, but not more than \$70,000.

(2) Coverage for an employee under Contributory Plan I will be 50% of his Basic Coverage.

(3) Coverage for an employee under Contributory Plan II will be an amount equal to his Basic Coverage, plus one times his base annual salary taken to the next higher multiple of \$100.

(4) In addition to the above Company provided plans, the TWU will offer an optional Whole Life Insurance Plan for its members. The Company will provide payroll deduction of premiums for employees electing this coverage.

(g) Optional Short Term Disability

The Company provides an Optional Short Term Disability Plan (OSTD). The OSTD plan provides salary replacement of 50%, except where a statutory plan meets or exceeds 50% of salary replacement. The OSTD plan is 100% employee paid. If the employee does not elect to participate when first solicited during open enrollment, evidence of insurability may be required by the carrier providing the coverage.

(h) Hearing Aid Coverage

Expenses incurred at the direction of a physician for hearing aids and examinations in connection therewith are covered under the Major Medical Expense Benefits portion of the Plan **in accordance with the network design outlined in (b) above.**

(i) Vision Plan

The Company **will continue to offer a voluntary vision plan at the same contributions as other workgroups**

(j) Donor Expenses

Expenses incurred for a donor and/or recipient in a transplant operation are covered under the Major Medical Expense Benefits portion of the Plan.

(k) Dependent Coverage

Dependent coverage is subject to the rules established by the Insurance Carrier and published in Company regulations.

(l) Retiree Medical - effective for retirements on or after November 1, 2012:

(1) Early retirees age 55 – 64 will have access to a Company sponsored retiree medical plan option. Contribution rates for this coverage will be 100% of projected annual expenses (which includes administrative

expenses) using data, assumptions, and methodologies for calculating future retiree healthcare costs.

(2) Retirees age 65 and over will be offered access to a guaranteed issue Medicare supplement plan through a third party administrator at the retirees' expense.

(3) The Retiree life insurance benefit will be discontinued.

(4) The Company shall not be required to maintain, fund, or provide for a Company sponsored retiree medical plan or retiree life insurance benefits.

(m) Monitoring Insurance Plan

In connection with the administration and processing of claims under the group insurance plan, the Company will continue to monitor and to urge the insurance company to improve claims processing under the plan.

(n) Company's Right to Modify Plan

Although it is the intention of American Airlines, Inc. to continue to make available to its employees a Group Insurance Plan of the type similar to that, which is now available, the Company will reserve the right to modify the Plan consistent with this Article.

ATTACHMENT 41.1 PREFUNDING

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

“Employee and Company Prefunding Contributions”

Dear Robert,

During the restructuring agreement negotiations, the parties agreed that upon implementation of the changes to the Retiree medical plan program an active employee who currently prefunds for retiree medical will be refunded the employee’s prefunding account (which reflects investment experience), excluding employees who have already received employee prefunding refunds.

In addition, the parties agreed that contingent on the successful resolution of the Section 1114 process, as soon as practicable after termination of the Trust Agreement for the Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries (Union Employees), the Company prefunding contributions for each participating active employee, and investment earnings attributable thereto, will be distributed to the employee (subject to applicable tax withholdings and/or excise tax), excluding employees who have already received refunds of their employee prefunding accounts. The refund will be made to the employee no later than 120 days following September 12, 2012.

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

**Sincerely,
(Signed original on file)**

**James B. Weel
Director
Employee Relations**

**Agreed to:
(Signed original on file)**

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
AA System Coordinator**

ARTICLE 42 – INTENTIONALLY LEFT BLANK

ARTICLE 43 – PART-TIME EMPLOYEES

The Company may utilize part-time employees in all classifications under this Agreement and at all stations/locations/bases where those classifications are assigned. The provisions of the Agreement will apply except as follows:

(a) Any full-time employee may volunteer in accordance with his seniority to fill a part-time vacancy. A part time employee may, in accordance with his seniority, fill a full-time vacancy at his station/location/base [12(lx)] or, in accordance with his seniority under the provisions of Article 12(l), fill a full-time or part-time vacancy at another station/location/base.

(b) Any vacancy(s) may be declared by the Company to be part time vacancy(s), without regard to pending transfer/upgrade request(s) to the station/location/base with the vacancy(s) and without regard to the existence of furloughed employee(s) with recall rights to the station/location/base with the vacancy(s), but as limited by subparagraph (1) below.

(1) The number of part-time employees will not exceed fifteen per cent (15%) of the employees covered by this agreement. This fifteen percent (15%) ratio will not apply to any particular classification, station, location, or base, but will be on a total system-wide basis

(c) Part-time vacancies may be filled by the Company with the most senior qualified employee requesting to fill the vacancy(s) in accordance with the following order of preference:

(1) System surplus employees (either full-time or part-time) in the same classification, provided they are senior to the most senior employee holding recall rights to that part-time classification;

(2) By an employee with recall rights to the station/location/base;

(3) The following blended in seniority order:

(a) Employees in a full-time or part-time bid classification status in the same city requesting a voluntary demotion under the provisions of Article 12(n) will be offered part-time vacancies;

(b) Transfer requests of employees currently on payroll in the same classification in other cities (Article 12(l) of the Maintenance Agreement blended in seniority order with full-time employees transfer requests in the same classification within the city with the vacancy;

(c) Active full-time employees in the same classification and city as the vacancy and have a transfer on file;

- (4) By employees with valid 12(m) requests on file;
- (5) By employees on layoff status with valid transfer requests on file to the station/location/base;
- (6) By new employee(s).

A full-time employee's refusal of part-time work will not affect that employee's seniority or recall rights under this Agreement.

- (d) A part-time employee will be scheduled in either of the following two (2) methods:
 - (1) No less than four (4) consecutive hours, but no more than six (6) consecutive hours in a work day and for a maximum of five (5) consecutive work days in a work week.
 - (2) For up to eight (8) consecutive hours in a work day, exclusive of a meal period, and up to a maximum of three (3) days in a work week.
 - (a) The employee may be scheduled to work up to a maximum of twenty-four (24) hours in a work week; and
 - (b) The employee may be scheduled to work up to a maximum of three (3) consecutive days which will include some combination of Friday, Saturday, Sunday, or Monday.

Provided, however, employees hired prior to February 11, 1983 will be scheduled for no less than twenty (20) hours per week; and all employees hired after February 11, 1983 and prior to January 1, 1984 will be scheduled for no less than sixteen (16) hours per week under either option above. However, such employees may, at their option, bid for work schedules containing fewer scheduled hours.

- (e) No two (2) part-time shifts in a work unit will be scheduled back-to-back within a nine (9) hour period (e.g., no two (2) four (4) hour, no four (4) and five (5) hour, and no two (2) four (4) hour shifts with one (1) hour break). No two (2) part-time shifts within a work unit will overlap for 30 minutes or less.
- (f) For a part-time employee scheduled to work in excess of five (5) hours, the Company will schedule a thirty (30) minute unpaid lunch period (if such period is required); and no part-time employee's lunch period will encompass his first hour or his final thirty (30) minutes of work. The provisions of Article 36(b) shall not apply. (1) At times, due to operational problems, a part-time employee may not receive a scheduled thirty (30) minute unpaid lunch period. We have agreed, therefore, that in those instances where a part-time employee who is scheduled in excess of five (5) hours and, for operational reasons, is not granted a lunch

period during his tour of duty, will be eligible for a "penalty lunch" in the form of thirty (30) minutes additional pay at straight-time rates. For example: An employee is scheduled for five (5) hours and forty-five (45) minutes, but due to off schedule operations, is unable to get away for a schedule lunch break during his tour of duty. He will be paid five (5) hours and forty-five (45) minutes for time worked, plus a thirty (30) minute penalty period for not receiving his entitled lunch period.

(2) This agreed-to "penalty lunch" will not be applicable to any employee scheduled to work less than five (5) hours, but whose hours are extended beyond the five (5) hour period. This employee may be scheduled a lunch period at management's option, if in management's view the operation permits. This lunch period may be given during the employee's final thirty (30) minutes of work or waived by the employee. In any case, this employee will not be eligible for a penalty lunch.

(g) (1) A part-time employee scheduled to work on a holiday will be paid one and one-half times (1.5X) for all hours worked and one –times (1X) for the difference between the hours actually worked and the hours normally scheduled on that work day.

(2) Part-time employees regularly scheduled to work five (5) or more days in a workweek will receive holiday payment on the same basis as full time employees.

(3) Part-time employees regularly scheduled to work less than five (5) days in a work week will be eligible for holiday pay for the day on which the holiday actually falls if scheduled to work on the actual holiday. If not scheduled to work on the holiday, he will be paid one-fifth (1/5th) of his regularly scheduled work hours for that work week at straight-time rates for the holiday.

(4) A monthly report of extended hours by shift for part-timers will be maintained at each station and shared with the local TWU President monthly.

(5) For purposes of day-to-day assignments, part time Crew Chiefs may have full-time employees on his/her crew, provided that such full time employees are not part of the basic bid or working a regular full time shift in a utility/support/"as assigned" group. (Vacation relief is not included in this restriction.)

(h) A part-time employee will accrue Company, Occupational and **Pay** seniority on the same basis as a full-time employee.

(i) A part-time employee will accrue Sick Leave, Vacation, Pension, and Group Life and Health Benefits in accordance with the provisions in the appropriate Articles. Injury on Duty benefits will be in accordance with Article 34. Vacation, Sick Leave and Injury on Duty pay will be based on a part-time employee's normal work schedule. In the case

of a part-time employee in Title Groups I and II, the payment of sick leave will be in accordance with the 50% application contained in Article 34.

(1) Equivalent full-time service is determined by hours paid, not to exceed 80 hours in a bi-weekly period, not to exceed 2080 hours annually, whether paid at straight-time or overtime rates. For example, hours during which overtime is paid are counted in the same manner as straight-time hours without reflecting overtime pay.

(2) Sick Leave:

Upon completion of six (6) months equivalent full-time service (1,040 part-time hours paid), as defined in (1) above, the employee will be credited with twenty (20) hours Sick Leave for use during the balance of that calendar year. Thereafter, Sick Leave credit of three point three (3.3) hours for each 173.3 hours paid is accrued. If, after dividing part time hours by 173.3 the remaining hours are more than 86.6, credit the employee with an additional three and one half (3.5) hours Sick Leave. Remaining hours less than 86.6 are disregarded. The maximum credit in any calendar year is forty (40) hours. Sick Leave, other than the original twenty (20) hours credited, is not usable until January 1 of the year following its accrual.

(3) Vacations:

Vacation accrual is on the basis of equivalent full-time service as followed.

(a) Number of Vacation Days

The number of vacation hours accrued will be determined by length of service (as for full-time employees) adjusted for leave of absence.

(b) Number of Hours Per Day of Vacation

Compensation for a vacation period for part-time employees or employees changing from full-time status to part-time status or vice-versa either in the vacation accrual year or the vacation usage year, will be based on the following.

(1) Total hours worked in the accrual year (not to exceed 2080 hours (eighty (80) hours bi-weekly) divided by 173.3 hours = equivalent months of service (rounded to nearest whole number - 5/10 or above round up, 4/10 or below round down).

(2) Equivalent months of service times the following accrual schedule equals the number of equivalent workdays for pay accrual.

Length of Service as of December 31 or Any Year	Accrual Rate Per Month During The Year Ending Dec. 31	Maximum Vacation Accrual
Less than 5 years	0.5 work day	5 workdays
5 years but less than 10 years	1.0 work day	10 workdays
10 years but less than 17 years	1.5 work days	15 workdays
17 years but less than 25 years	2.0 work days	20 workdays
25 years but less than 30 years	2.5 work days	25 workdays
30 years and over	3.0 work days	30 workdays

(3) Number of workdays from (2) above x 8 hours = total hours of vacation pay.

(4) Total hours from (3) above divided by number of vacation days eligible based upon length of service will equal the hours per days of pay for a part-time employee.

(5) It is not intended that a part-time employee working less than a five (5) day workweek would be eligible for a longer vacation than a full-time employee with equivalent service.

(4) Group Life and Health Benefits Plan:

(a) Part-time employees will be covered by Article 41 with the following exceptions in coverage:

(1) Basic term life insurance coverage will be no less than equal to the basic term life insurance provided to any other part-time employee within American Airlines.

(2) Accidental Death and Dismemberment Insurance coverage is \$10,000.

(3) Weekly Income for Accident and Sickness benefits are based on the average of straight-time earnings in the last 6 months with a maximum benefit of 50% of such average weekly earnings. Maximum benefit will be \$100 per week.

(c) Full-time employees who convert to part-time status will continue to be eligible for all Group Term Life Insurance and Health benefits coverage held as a full-time employee.

(j) Overtime (call in contiguous or within one (1) hour of the beginning of a full-time employee's shift or holdover contiguous or within one (1) hour of the end of a full-time employee's shift) will first be proffered to full-time employees available at the time overtime is required. If those full-time employees are not available for the needed overtime, then the Company may require part-time employees to work beyond their scheduled hours at straight-time rates up to eight (8) hours in a workday. The Company will proffer day-off overtime, when day-off overtime is required by the Company to be worked, to full-time employees before such proffer is made to part-time employees. Part-time employees will be assigned overtime before full-time employees are assigned.

(1) Overtime rates will be paid to part-time employees after eight (8) consecutive hours in a workday have been worked and at the rates provided in this Agreement.

Part-time employees who work in excess of eight (8) hours (excluding lunch) are entitled to overtime in the same manner as full-time employees.

(2) Day off overtime. Time worked on an employee's regularly scheduled day off will be paid as follows:

(a) If an employee has not worked forty (40) hours or five (5) workdays during the workweek, he will receive straight-time pay (1X) for all hours up to eight (8) hours on an employee's day off. Any hours over eight (8) will be paid in accordance with Article 6(a) of this Agreement.

(b) If an employee has worked forty (40) hours or five (5) workdays during the workweek, he will receive one and one half times (1.5X) his regular hourly rate.

(d) The provisions of Article 6(b)(4), 6(b)(5), and Article 25(b) do not apply to part-time employees.

(k) Full-time employees who transfer to part-time status, and who are 57 years of age or over at the time of transfer, and who have at least five (5) years of credited service under the Retirement Benefit Plan, will accrue credited service under said Plan

on a prorated basis and final average salary for Retirement Benefit Plan purposes on a non-prorated basis, up to sixty (60) months following their transfer to part-time.

(l) Part-time Crew Chief positions will be bid in accordance with Article 12 of this Agreement. Part-time employees and part-time Crew Chiefs will be excluded from the ratio computation and ratio provisions of Article 11. Furthermore, a part-time Crew Chief will only have part-time employees assigned to his crew except as provided for in Article 43(g)(5).

(m) Part-Time Utilization and Part-Time Review Committee

(1) In connection with part-time utilization, the TWU and the Company have agreed that full-time employees would not be arbitrarily replaced with part-time employees. The intent of this agreement is to insure that flight schedules, volumes, and good business practice dictate the optimal split between full-time and part-time employees at a location.

(2) Further, it is agreed to maintain a joint AA-TWU Part Time Review Committee, composed of two (2) representatives from each party to review utilization of part-time staffing. This Committee will be a standing committee that meets on a predetermined periodic schedule, as well as an ad hoc basis. The Committee will have access to the information necessary for making determinations as to whether the part-time/full-time mix is and continues to be in accordance with the principles outlined above as well as those specific scheduling and staffing provisions outlined in the Agreement. This Committee will review part-time issues brought to its attention, and will take the necessary and appropriate action to resolve those issues.

(n) The attachments on the following pages are agreed to by the parties and are incorporated as part of the Agreement.

ATTACHMENT 43.1 – PART-TIME UTILIZATION

Re: Part-Time Utilization

During the recent negotiations, the TWU expressed a desire to prohibit the expansion of part-time employees under the Mechanic and Related Agreement. The Company recognizes that it has not utilized part-time employees historically in several classifications and very few in others. In an effort to resolve the matter, the Company does not intend to change its historical application, but at the same time must protect its contractual right in the event the operation requires its application. Therefore, the Company commits to the following:

During the life of this agreement, if the Company was to add part-time positions at locations where they do not exist today, the Company will notify and discuss the plans with the International TWU prior to the implementation of the part-time positions.

(Signed original on file)

ATTACHMENT 43.2 – PAYMENT OF OVERTIME ON C/S (CLARIFICATION)

Re: Payment of Overtime on C/S (Clarification)

A 1996 letter from Mary Fives to field HR Managers described the payment of overtime in conjunction with a C/S when a regular work period of eight hours was contiguous with the C/S. However, the letter did not address what rate was applicable when the regular shift and the C/S are not contiguous. Attached are three Part Time Review panel decisions which help us answer this question.

First, case number M-61-92 tells us that the regular shift and the C/S hours were contiguous. The decision was to pay overtime for hours worked exceeding the C/S. This confirms what is stated in the 1996 Five's letter and is consistent with language in Article 6(a)(1) and Article 6(j) which state:

Article 6

(a)(1) – One and one half times (1.5x) the regular hourly rate for each hour worked in excess of eight hours.

(j) – If overtime on any workday or work week is due to an authorized exchange of days off or shifts by employees (which must be approved in advance by the appropriate supervisor), said time will be compensated for at straight time rates; provided, however, any continuous work, exclusive of meal periods, in excess of eight (8) on any shift or tour of duty will be paid at the overtime rates provided in paragraph (a) and (b) of this Article.

Case numbers M-254-95 and M-425-94 tell us that if there is a break in service (time off between the regular tour of duty and the C/S) straight time rates would apply. This break in service interrupts the continuous nature of the work thereby breaking the time and one half-pay rate.

Example:

Employee works:

0600 - 1430 Regular tour of duty 8 hours	Straight time rates (1 hour break)
1530 - 1930 C/S work 4 hours	Straight time rates
1930 - 2190 Company extension 2 hours	Straight time rates

Given the complex nature of the C/S overtime issue, we recommend that, before authorizing a change of shift, ample consideration be given to the possibility of an extension beyond a C/S and what penalty might be assessed against the Company in the form of overtime when that extension occurs.

ATTACHMENT 43.3 – INTERPRETATION AND APPLICATION OF ARTICLE 43(j)

Re: Interpretation and Application of Article 43 (j)

The following procedure demonstrates the correct interpretation and application of the 43(j) provision and of the M-962-97 Opinion:

First, identify the beginning and end of the overtime need. Then determine the method that will be used to fill the need (Holdover or Call In). If Holdover is chosen, begin at step one. If Call in is chosen, begin at step two.

1. Identify the FT shifts that end within the one-hour window before the overtime need. If no FT, go to step two. If step two has already been completed, go to step three.
2. Identify the FT shifts that begin within the one-hour window after the overtime need. If no FT, go to step one. If step one has already been completed, go to step three.
3. If there are no FT employees in the window at either end, then look for the PT shift nearest the overtime need in either direction (Holdover or Call In, at management option). After identifying the PT shift nearest to the overtime need, the proposed extension of that PT shift redefines the need. Therefore, the one-hour window expands proportionally. Repeat step one (Holdover) or step two (Call in) with the newly defined overtime need and window. Again, management has the option of which method to use to fill the overtime. Therefore, if there are no FT found in the new window, it is not necessary to move to the subsequent step.

Step 3 – Example: Steps one and two were completed and no FT shifts were found on either side of the overtime need. The holdover option is chosen. The chart above shows the end of the PT shift nearest the overtime need is 1300. The overtime need is now redefined to be 1300 to 1600. The one hour window expands proportionally. Prior to proffering to PT, we look for the end of a FT shift within the new one hour window 1200 to 1300. If no FT shift ends within the window, you may proffer to PT. As a reminder, once you proffer an employee, whether it be hold over or call in, you are obligated to continue proffering that option until it has been exhausted.

In summary, in order to ensure you are in compliance with the provisions of Article 43(j), before you extend a PT employee, always look back one hour from the end of the PT shift you are extending. If a shift ends or begins within this window, you must proffer to FT first.

ATTACHMENT 43.4 – MISCELLANEOUS PART-TIME PROVISION APPLICATIONS

From: James Weel
To: James Little
Re: Miscellaneous Part Time Provision Applications

March 1, 2001

In the course of the 2001 Maintenance and Related contract negotiations, the parties sought to reduce the number of letters associated with the agreement by incorporating into relevant articles, attaching to relevant articles, modifying, or in some cases, deleting letters that were no longer applicable. In the course of doing this, more than twenty (20) letters pertaining to Article 43 were addressed. Most letters were eliminated, incorporated into the body of the article, or attached to the article; however this letter represents various important aspects of the application of the part time provision that could not be captured elsewhere. The items listed below represent our mutual understanding of the proper application of the aspects represented in each bullet.

1. First Vacation Eligibility (from letter dated 2/3/84):

Q. Must a part time employee have completed six months with the Company before being eligible to take his first vacation?

A. No. An employee is immediately eligible to take any vacation that has been accrued in the previous calendar year, even if he has not yet completed six (6) months.

2. Eight (8) hour part timers/ Holidays (from letter 10/14/85):

This will confirm our discussions on the provisions of Article 43 (d) (2) of the Labor Agreement effective September 1, 1985, pertaining to part time employees who may be scheduled for up to eight (8) hours on specified days. If any of these days should fall on a holiday and a reduced workforce is needed on these holidays, full time employees will have preference over such part time employees for eight (8) hour shifts on the actual holidays.

3. Part timer CS/ Holiday pay (from letter 12/16/96):

Q. If two part timers are scheduled to work the holiday and one part timer agrees to work for the other part timer (CS), how is each employee compensated?

A. All hours worked on a holiday, regardless if part of the employee's shift is the result of a CS, are paid at 1.5X his regular rate of pay. The holiday moves for the other employee who CS'd off to his next scheduled work day.

5. Part time Holidays and Vacations (from letter 11/17/83):

Holidays for the purposes of canvassing for volunteers, either full time or part time, and notification of those required to work on a holiday will be done on separate lists within the classifications and/or work units.

Vacations:

- A. Full time vacation selection and part time vacation selections will be administered as separate lists and vacation relief will be administered on separate schedules

The following is an alternative proposal that may be elected on a city-by-city basis:

- B. All vacation selections at a station/work unit/department will be posted for selections, full time and part time, as one common vacation list. Vacation relief selections will also be administered on one common vacation relief schedule. The Company will attempt to provide proper numbers of full time and part time vacation relief selections commensurate with scheduled vacations for the bidding period and whenever possible full time employees will relieve full time employees, and part time employees will only relieve part time employees. However, when necessary due to vacation selections not balancing with vacation relief employees (part time to part time, full time to full time) part time employees bidding and being awarded vacation relief selections may be assigned to relieve full time employees.

6. Cross utilization (from letter 11/17/83):

Available work in a higher classification which is planned to continue in excess of a four (4) week period for the appropriate work unit will be posted for bid and assigned to the most senior available employee bidding, subject to the classification qualifications including licenses.

7. Temporary upgrade (from letter 4/5/84):

- Q. Can a part time employee fill a locally posted temporary upgrade?
- A. If there are no full time volunteers, then the senior part time employee volunteering is entitled to fill the full time crew chief vacancy on a temporary basis. For that temporary period, he would be a full time crew chief eligible to supervise the work of full time and part time employees.

These excerpts have attempted to cover most of the areas of question that are not otherwise covered in the agreement.

(Signed original on file)

ARTICLE 44 – INTENTIONALLY LEFT BLANK

ARTICLE 45 - EFFECT ON PRIOR AGREEMENTS

(a) This Agreement will supersede and take precedence over prior Agreements, Letters, and similarly related documents executed between the Company and the Union prior to the signing of this Agreement. However, local or station work rules, which were previously negotiated and do not conflict with this Agreement will remain in effect. All rights and obligations, monetary or otherwise, which may have accrued because of services rendered prior to the effective date of this Agreement, will be satisfied or discharged.

(b) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

Attachment 45.1 Effect on Prior Agreements

AMERICAN AIRLINES, INC.
P.O. BOX 61616
DFW Airport, TX 75261

August 9, 1980

Mr. Ernest M. Mitchell
International Vice President
Director-Air Transport Division
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Local Agreements

Dear Mr. Mitchell:

During our negotiations on amendments to the current Basic Agreement, we have discussed problems regarding side agreements, practices and exceptions developed at local stations over the years.

This will confirm our agreement that, effective as of the date of ratification by TWU members of the amendments to the current Basic Agreement, all local side agreements, practices, and exceptions, whether written or unwritten, which conflict with the terms and conditions of the Basic Agreement (including the appendices, letters and memoranda attached thereto), or which are not expressly provided for in such Basic Agreement and limit the Company in the exercise of its management rights, shall be null and void unless such local agreement, practice, or exception has been approved in writing by the International Vice President, Air Transport Division, and the Vice President-Employee Relations of the Company, or their designees.

Any dispute as to the interpretation or application of this Agreement will be settled by following the grievance procedures specified in the Basic Agreement.

Very truly yours,

C. A. Pasciuto
Vice President
Employee Relations

Agreed to as of the date hereof:
E.M. Mitchell

ARTICLE 46 - ONE STATION AGREEMENT

(a) The following nine (9) sets of two (2) or more stations will be treated as one station per set:

(1) Houston Hobby Airport (HOU) and Houston Intercontinental Airport (IAH),
the combined stations known as 1HO

(2) John F. Kennedy Airport (JFK), LaGuardia Airport (LGA), Newark Airport (EWR), and Islip Airport (ISP), the combined stations known as 1NY.

(3) Chicago O'Hare Airport (ORD), Chicago Midway Airport (MDW), and Milwaukee Airport (MKE), the combined stations known as 1OR.

(4) Los Angeles Airport (LAX), Burbank Airport (BUR), Santa Ana Airport (SNA), Ontario Airport (ONT), and Long Beach (LGB), the combined stations known as 1LA.

(5) San Francisco Airport (SFO), San Jose Airport (SJC), and Oakland Airport (OAK), the combined stations known as 1SF.

(6) Washington Reagan Airport (DCA), Dulles International Airport (IAD), and Baltimore Washington International Airport (BWI), the combined stations known as 1WA

(7) Miami International Airport (MIA) and Fort Lauderdale Airport (FLL), the combined stations known as 1MI.

(8) Dallas Fort Worth Airport (DFW), Love Field Airport (DAL) and the Corporate office complex buildings of the Flight Academy, Learning Center, Centerport Headquarters, and SRO (GSW), the combined stations known as 1DF. **(In the event of a reduction in force at DFW or DWH see LOM 11.)**

(9) Tulsa Maintenance Base (TULE) and Tulsa Airport (TUL), the combined stations known as 1TU.

(b) An employee who is based at any of these One-Station Sets will be:

(1) Given preference over an employee from a station outside the one station set with respect to Bid Job Vacancies, Non-Bid Vacancies, and Reclassifications.

(2) Deemed to be based at the one station set in the event of:

(a) A surplus of employees at one station within the one station set when vacancies exist at other stations within the one station set.

- (b) A reduction in force at one station within the one station set when there are no vacancies available at other stations within the one station set.
- (c) A reduction in force at any or all of its stations.
- (d) A recall of laid-off employees to any or all of its stations.
- (e) Temporary assignments between stations within the one station set.

(c) BID JOB VACANCIES

A bid job vacancy will be filled by honoring requests of qualified employees for reassignment from one station to another station within the one station set. To be considered qualified, the employee must hold, as a result of having been selected as successful bidder, a job in the same classification as the vacancy and involving the same requirements, including qualifying tests and completion of trial period. The method for an employee to let his request be known is the same as outlined in paragraph "D" of this article, entitled Non-Bid Job Vacancies.

Vacancies remaining after such requests have been honored are to be posted for bid in accordance with the requirements of the Agreement.

(d) NON-BID VACANCIES

When a non-bid vacancy arises within the one station set, requests for lateral reassignment between its locations will be honored before transfer requests from stations outside of the one station set are considered, and before new employees are hired. An employee wishing to be reassigned should file a written request for such reassignment with his supervisor. All requests will be valid until the following January 1st and July 1st. Each January 1st and July 1st, a request for reassignment not submitted within the preceding thirty (30) calendar days will be voided, and it will be necessary for a new request to be submitted. Under this procedure, the Company will not require, as a condition of being eligible to request reassignment, that an employee have completed six (6) months of service in his current job; provided, that an employee will normally (except as set forth in the next sentence) be required to have completed his probationary period before being eligible to request such reassignment from one station to the other. It is agreed that the Company will recognize an approved (Union and Company) six-month waiting requirement waiver, if the Company is anticipating hiring off the street at the station or location.

- (1) Selection to fill a vacancy will be made on the basis of the most senior employee in the same status requesting the reassignment. Upon award, the employee will be reassigned within 15 calendar days unless otherwise agreed to

by the employee. Employees on medical restrictions are not eligible for reassignment to a vacancy under Article 45(d), unless qualified to perform all duties of the vacancy.

(2) If there are no requests, or an insufficient number of requests to fill all vacancies, requests for transfer on file from stations outside the one station set, as provided in Article 12(l).

(e) RECLASSIFICATION

If an employee is eligible for upgrading from one classification to another, in accordance with Article 12(m), this will be done within the one station set prior to offering the upgrade opportunity to an employee from a station outside of the one station set.

(f) SURPLUS EMPLOYEES AT ONE STATION, SHORTAGE AT ANOTHER STATION WITHIN THE ONE STATION SET

Where there is a surplus of employees at one station and a corresponding shortage of employees at another station within the one station set, the number of employees involved will be equalized through reassignment of volunteers, if any. Selection of volunteers will be made on the basis of the most senior volunteers. If no employee volunteers or an insufficient number volunteer, then the selection will be made on the basis of the most junior employee from the surplus at the one station to the shortage at the other station.

(1) If an employee who is the most junior of those who are surplus refuses reassignment to the station where there is a shortage, then the employee may accept layoff with recall rights to the original station of surplus, blended in seniority order with transfers from other stations within the one station set. An employee who accepts layoff as described above will not be afforded the provisions outlined in paragraph (g) or the provisions of Article 15 of this Agreement. The equalization of any employee surplus and/or shortage as between the stations of the one station set will precede the honoring of any requests for transfer to or reassignment between such stations as provided in Article 45(c) and 45(d).

(2) Any employee who has station protection will not be involuntarily assigned to another station unless the employee has voluntarily left the protected station thereby forfeiting his station protection.

(g) REDUCTION IN FORCE

If there is a surplus of employees at one station but no corresponding vacancy at the other stations, there is a surplus within the one station set, and a reduction in force becomes necessary to be made as follows:

- (1) Lay off the most junior employee who is surplus within the one station set.
- (2) The employee may accept layoff or exercise his seniority within the one station set or in the system, in accordance with the provisions of Article 15 of the Agreement.

It is understood between the parties that in the Crew Chief classification, the Crew Chief will have the option of displacing the lowest senior Crew Chief of the one station set or to exercise his seniority to displace a non-bid position/vacancy at his current station.

(h) RECALL

Employees, involuntarily moved from one station to another station within the one station set as a result of a reduction in force, will maintain recall rights back to the original station. This recall will not be applicable to any bid job that was affected by a reduction in force. Vacancies existing after the preceding recalls have been processed at any station are considered a vacancy within the one station set, and the recall of a laid-off employee (one who left the one station set or separated from the payroll) will be to that vacancy and in accordance with Article 16 – Recall.

(i) EXPENSES

Where an employee is reassigned from one station to another station within the one station set, whether by employee request or by direction of the Company, no expenses incurred as a result of that move will be paid by the Company.

(j) TEMPORARY ASSIGNMENTS BETWEEN STATIONS

Employees regularly based at one station will not be assigned to work at another station within the one station set, except in the event of an emergency.

- (1) When such assignments are made, employees will be regarded as working and will be paid their regular hourly rate while traveling from one station to another station within the one station set.
- (2) When an employee, regularly assigned to one station, is assigned to duty at the other station within the one station set, his transportation costs will be reimbursed in accordance with the applicable Company policy.
- (3) All assignments will be offered to the senior employee from the station and work unit from which the Company determines the manning will be sent. If there are not enough volunteers, the most junior employee will be assigned.

(k) NEW TWU STAFFED CITIES

During the course of the negotiations leading to the signing of the current agreement, the staffing of certain cities by TWU represented employees was raised by the Union.

As a result of these discussions, it is agreed that periodic meetings between the Company and the Union, represented by the International Vice President, Transport Workers Union, and the Senior Vice President-Maintenance and Engineering, American Airlines, will be held for the purpose of reviewing the long term implications of staffing of new cities by TWU represented employees.

ARTICLE 47 - DURATION OF AGREEMENT

THIS AGREEMENT will become effective as of **September 12, 2012** and will continue in full force and effect until and including, **September 12, 2018** and will renew itself until each succeeding **September 12th** thereafter, except that written notice of intended change may be served in accordance with Section 6, Title I, of the Railway Labor Act, as amended, by either party no earlier than **sixty (60)** calendar days **on or after September 12, 2016 [24 months prior to amendable date]**.

The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. It is agreed by the parties that the other will not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement, without serving written notice as provided for in the above paragraph.

IN WITNESS WHEREOF, the parties have entered this Agreement on the **September 12, 2012** and have signed this Agreement **XX 2012**.

FOR TRANSPORT WORKERS
UNION OF AMERICA

James C. Little
International President
Transport Workers Union

Garry L. Drummond
International Vice President
Director – ATD
Transport Workers Union

Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union

FOR AMERICAN
AIRLINES, INC.

Denise Lynn
Sr. Vice President
People

Laura Einspanier
Vice President
Employee Relations

James B. Weel
Managing Director
Employee Relations

Donald M. Videtich
International Representative
Transport Workers Union

Mark Nelson
Principal
Employee Relations

WITNESSES:
Steve Gukelberger
Pete Bloode
Mike Bush
Dan Mitchell
James Pratt
Robert Strebeck

WITNESSES:
Cathy Stukel

LETTER OF MEMORANDUM –1 - OPPORTUNITY FOR DISCUSSION OF STORES MATTERS

AMERICAN AIRLINES, INC.
633 Third Avenue
New York, New York 10017

September 29, 1966

Mr. James F. Horst
International Executive Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Opportunity for Discussion of Stores Matters

Dear Mr. Horst:

This is to reflect assurances given to you during recent negotiations with reference to Stores personnel.

Representatives of the Stores group, at each location where Stores personnel are based, will have the opportunity, upon request, of discussing problems peculiar to the Stores function with the appropriate members of management at their location.

Sincerely yours,

A. Di Pasquale
Asst. Vice President
Employee Relations

LETTER OF MEMORANDUM – 2- USE OF SICK LEAVE BENEFIT

REVISED MARCH 1, 2001

RE: Use of Sick Leave Benefit

AMERICAN AIRLINES, INC.
AND TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

This Memorandum expresses the understanding of the parties as to the application of a provision in the Maintenance and Stores Agreements, Article 27(b), all effective May 11, 1971, as follows:

"The Company acknowledges the right of an employee to use his sick leave benefit for the purpose intended in this Agreement as set forth in Article 34. Accordingly, no employee will be disciplined for the use of his sick leave benefit for such purpose."

By this provision, the Company pledged that no employee under the Maintenance, Stores and Communications Agreements will be disciplined for the use of his sick leave for the intended purpose.

The intended purpose of the sick leave benefit is to protect the earnings of the employee during necessary absence from work due to illness or injury; to aid the employee in meeting bills when sickness or injury have temporarily taken away the ability to work.

In August, 1969, the Company published and distributed a booklet entitled, "Attendance Control Guidelines and the Sick Leave Benefit". Company supervisors and Union officials received a copy. The Union acknowledges that the statements in this booklet do not conflict with the rights of employees under the Maintenance, Stores, and Communications Agreements.

Accordingly, it is agreed that:

I. The Company will take the following actions before issuing a disciplinary notice for unsatisfactory attendance to an employee with a sick leave balance when such disciplinary notice considers occasions of absence involving sick leave:

- a) Full discussion with the employee concerning his attendance record.
- b) If abuse of the sick leave policy referred to in the Sick Leave Article is suspected, the employee will be so advised of the reasons for suspected abuse; in writing if he so requests.
- c) Requiring the employee to provide a doctor's slip stating he was treated for an illness or injury for sick leave eligibility subject to the provisions of the Sick Leave Article.

2. A disciplinary notice issued subject to the conditions and actions herein shall include the charge of suspected abuse of sick leave in connection with absence.

This Memorandum shall not apply to any incident where an employee is charged with the fraudulent abuse of the sick leave benefit.

IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Understanding this 11th day of May 1971.

FOR AMERICAN AIRLINES, INC.

C.A. PASCIUTO
Vice President
Employee Relations

FOR TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

James F. Horst
International Executive
Vice President

LETTER OF MEMORANDUM - 3- STOCK CLERK IN SIMULATOR PARTS ROOM - GSWFA

AMERICAN AIRLINES, INC.
633 Third Avenue
New York, New York 10017

February 18, 1978

Mr. Ernest M. Mitchell
Director-Air Transport Division
Transport Workers Union, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Stock Clerk in Simulator Parts Room - GSWFA

Dear Mr. Mitchell:

This will confirm my assurance given during the discussions leading to the current Stores Agreement that the Company will, as soon as practical, following ratification of this Agreement, assign an employee(s) under the labor agreement to perform the Stock Clerk duties presently performed by an employee(s) of a subcontractor in the Flight Simulator Parts Room at the Flight Academy.

Very truly yours,

Charles A. Pasciuto
Vice President
Employee Relations

Agreed:

Ernest M. Mitchell
Dated: February 18, 1978

LETTER OF MEMORANDUM – 4 - COPE DEDUCTIONS

AMERICAN AIRLINES, INC.
P.O. BOX 61616
DFW Airport, TX 75261

August 9, 1980

Mr. Ernest M. Mitchell
International Vice President
Director-Air Transport Division
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: COPE Deductions

Dear Mr. Mitchell:

Effective thirty (30) days after ratification of the Agreement dated August 9, 1980 and during the life of that Agreement, the Company agrees to deduct contributions to a Union Fund known as the "Committee on Political Education" (COPE) from the pay of those employees under this Agreement who are Union members and who may voluntarily execute a form to authorize such deductions prepared and furnished by the Union. The content of such form shall be agreed upon between the Company and the Union, and the authorization for and remittance to the Union of such deductions shall be in conformance with all applicable laws.

Very truly yours,

Charles A. Pasciuto
Vice President
Employee Relations

TRANSPORT WORKERS UNION OF AMERICA
1980 Broadway
New York, New York 10023

LETTER OF MEMORANDUM –5- NEW HIRE CONSIDERATION BETWEEN AGREEMENTS

AMERICAN AIRLINES, INC.
P. O. BOX 619616
DFW Airport, Texas 75261-9616

August 15, 1995

Mr. Edward R. Koziatek
Director, Air Transport Division
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Re: New Hire Consideration Between Agreements

Dear Mr. Koziatek:

This will confirm our understanding reached during negotiations, that qualified employees under the Flight Simulator and Instructor Agreements with a valid transfer request on file will be considered for new hire vacancies in the Fleet Service, Maintenance, and Stores Agreements. The same understanding shall apply in reverse, i.e. a qualified employee covered by the Fleet Service, Maintenance or Stores Agreements with a valid transfer request on file will be considered for new hire vacancies in the Technician or Instructor Agreements.

Very truly yours,

Jane G. Allen
Vice President
Employee Relations

Agreed this date:
Edward R. Koziatek

LETTER OF MEMORANDUM –6– AFW, TUL, **DWH** CHRISTMAS BASE CLOSING

AMERICAN AIRLINES, INC.
P. O. Box 619616
DFW Airport, Texas 75261-9616

September 12, 2012

**Mr. Robert F. Gless
AA System Coordinator
Deputy Director - ATD
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Re: TUL, **DWH** and AFW Christmas Base Closing

Dear Mr. Little:

This will confirm our agreement that the TUL, **DWH and** AFW maintenance bases will be closed for one (1) week during the Christmas holiday period, requiring all employees to take vacation. (Except **Stores Warehouses**, the Central Utility Plant, Coffee Maker/Oven Shop, Slide Shop and the Battery shop at AFW/**DWH** and Central Utility Tulsa.)

Administrative details will be determined by mutual agreement. **The actual beginning and end dates of the base closures** will be determined by mutual agreement **between the parties.**

2012 TBD (includes Christmas Holiday off)
2013 TBD (includes Christmas Holiday off)
2014 TBD (includes Christmas Holiday off)
2015 TBD (includes Christmas Holiday off)
2016 TBD (includes Christmas Holiday off)
2017 TBD (includes Christmas Holiday off)

Due to operational requirements, employees may work during the Christmas Base closure period under the following procedures:

Prior to the start of vacation selection, the Company will identify the areas and the manning requirements needed for the following years-Base Closure period. The employees will be allowed to sign a volunteer sign-up sheet showing his desire to work during the following year's Base Closure Period.

a. Volunteer assignments will be awarded by occupational seniority and notified of their ability to work, by posting, no later than seven (7) calendar days prior to the start of the normal vacation selection.

b. Employees in those shops, docks, or work units identified for the base closure may volunteer to work, for option blocks available by seniority if operationally required, up to the number of employees needed within each shop, dock, or work unit.

c. Volunteers who are selected will be required to report for duty during the Period of Base Closure and, accordingly, will be guaranteed work or compensation in lieu of work, if work is not assigned.

1. An employee volunteering to work and then subsequently transferring to another shop/dock/work area will be allowed to volunteer in his new area if his seniority will allow, or the employee will be allowed to fulfill his obligation to work in the shop/dock/work area where he had previously volunteered.

2. Employees volunteering to work are volunteering to work any shift. Every attempt will be made to assign volunteers to work their normally scheduled shift; however, due to operational requirements, employees may be reassigned to other shifts by inverse seniority only.

3. Employees scheduled for vacation or FLEX vacation during the base closure period may volunteer to work and be compensated in accordance with Article 8 and applicable IRS laws. Employees who have selected either P.V. or P.O.H. may also volunteer to work; however, an employee who had selected P.V. and voluntarily working will not be charged with a P.V. and will not have the option of being paid for a vacation period, but will retain the vacation period for use in the following year.

Note: Current IRS guidelines do not allow for deferring Flex Vacation into the following year, regardless of what week your Flex vacation was scheduled.

4. All provisions of the current AA/TWU labor agreement will apply.

d. If additional employee's are needed to work base closure, the following will apply:

1. Employees in those shops, docks, or work units identified for the base closure may volunteer to work, if operationally required, up to the number of employees needed within each shop, dock, or work unit. If option blocks were offered prior to previous vacation selection a year in advance, the same offer must be maintained.

2. If an employee volunteered during the previous vacation selection a year in advance, he will be allowed to work additional days if available.

3. Volunteer lists will be posted and awarded in each shop, dock, or work unit thirty (30) days prior to the start of the base closure period.

4. Volunteers will be selected by Occupational Seniority to work within their own respective shop, dock, or work unit. Every attempt will be made to assign volunteers to work in their regularly assigned work area; however, due to operational requirements, volunteers may be reassigned to other work areas by inverse seniority only.

e. In the event of insufficient volunteers:

Employees with scheduled vacation, FLEX vacation, P.V., or P.O.H. and not volunteering will not be required to work.

On the Aircraft docks only, if additional volunteers are needed, they will be selected from within the appropriate product line (e.g. Business Units in Tulsa AO, 777, 767, 757, 737, MD80, etc...). In the event of insufficient volunteers, no employee will be required to work.

Employees not able to select vacation, Flex vacation, P.V., or P.O.H. will be allowed to work.

f. A separate volunteer list will be maintained and posted for each classification (e.g. Crew Chief, Inspector, Aviation Maintenance Technician, Plant Maintenance Mechanic, Overhaul Support Mechanic, etc...). Crew Chiefs may volunteer to work as a Crew Chief and may volunteer to work in their non-bid classification. Assignments will be made in accordance with the above procedures and Crew Chiefs volunteering to work in their non-bid classification will be allowed to work within each shop, dock, or work unit by operational seniority.

g. Unless otherwise noted, the holiday will be observed on the first day following the employee's vacation or days off in accordance with Article 7.

h. Overtime work required on the days off either preceding or following the base closure/vacation week (unless otherwise noted) will be solicited in accordance with the local overtime administrative guidelines within each shop, dock, or work unit.

i. Holiday work required on the designated Holiday Off (unless otherwise noted) will be solicited in accordance with the local holiday administrative guidelines within each shop, dock, or work

unit, provided that no employee will be required to work the holiday or days off preceding the base closure period.

{signed original on file}

Letter of Memorandum – 7- HDQ Stock Clerks, ORD Facilities/Automotive Stock Clerks

March 31, 2003

Mr. James C. Little
International Administrative Vice President
Director Air Transport Division
Transport Workers Union of America, AFL–CIO
1791 Hurstview Drive
Hurst, Texas 76054

HDQ Aviation Stock Clerks
ORD Facilities/Automotive Stock Clerks

Dear Jim,

This will confirm our understanding reached during the recent negotiations regarding the relocation of the Stores headcount at HDQ and ORD Facilities and Automotive.

Currently, at DFW there are six (6) Stock Clerks located at the HDQ complex who are responsible for delivering mail, packages and other items deemed necessary for the operations of those buildings. As a result of these negotiations, these six (6) Stock Clerks will be handled in accordance with Article 46 – One Station Agreements, effective upon ratification of this agreement and those responsibilities will be contracted out by the Company.

Additionally, during the March 01, 2001 negotiations, four (4) Stock Clerks were relocated from the GEM building in ORD to the Facilities/Automotive operation at the terminal to remain there until February 29, 2004. As a result of these negotiations, those four (4) Stock Clerks will be immediately reassigned to the ORD M & E stockroom effective upon ratification of this agreement.

Nothing in the agreements will prevent a layoff from occurring as a result of the movement of the above identified employees. Any administrative procedures not addressed above will be handled on a local basis.

If the above accurately reflects your understanding, please indicate by signing below.

Sincerely,

{signed original on file}

James B. Weel
Managing Director
Employee Relations

{signed original on file}

Agreed to:

James C. Little
International Administrative Vice President
Director Air Transport Division
Transport Workers Union of America, AFL–CIO

LETTER OF MEMORANDUM – 8- DISPOSITION OF LETTERS OF AGREEMENT

March 1, 2001

RE: DISPOSITION OF LETTERS OF AGREEMENT

Mr. James C. Little
Air Transport Director
International Vice President
Transport Workers Union of America
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear Jim,

During the recent negotiations for the Mechanic and related agreement, the Company and the TWU established a mutual objective to review all letters of agreements, letters of memorandum or interpretative letters, whether included in the current agreement or were part of the side letters retained by either party for purposes of administration and application of the agreement. The objective was to mutually agree on a disposition for each and every letter. The disposition included either inclusion into the agreement via an Article or attachment, removal, or retention outside the agreement for purposes of future reference.

The parties have developed a Letter of Agreement Master Index which will be retained outside the agreement, yet understood as the final disposition on all the letters contained within. The disposition on the letter is exclusively for the Mechanic and related agreement. The terminology used for the disposition will be defined as follows:

1. Remove: The letter is no longer in force and effect and will not be used as a precedent for purposes of future contract application.
2. Remove/Incorporated into Article: The letter has been removed and the portions of substantive value, as agreed upon by the parties, have been included into the language of a specific Article. By inclusion of the letter, in whole or in part, into the Article it has the same force and effect as all other contract language.
3. Retain in the Contract: The letter retains its force and effect and is retained as an Attachment to a specific Article or in the Letter of Memorandum section, depending on its applicability. e.g. attached for historical value.
4. Retain outside the Contract: The letter will serve as a reference for the purpose of future application for either party; however, they are not binding and maybe modified or removed at a future date. e.g. explanation on Company policy or plans.

In the event of a dispute regarding the application of the above, the issue will be resolved by the Vice President – Employee Relations and the TWU Air Transport Director, or designee.

If the above accurately reflects your understanding, please indicate by signing below.

Sincerely,

Agreed to:

Date:

{signed original on file}

{signed original on file}

James B. Weel
Managing Director
Employee Relations

James C. Little
Air Transport Director
Transport Workers Union of America, AFL-CIO

LETTER OF MEMORANDUM – 9 – Vendor Management Inventory

September 12, 2012

**Mr. Robert F. Gless
AA System Coordinator
Deputy Director - ATD
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Vendor Managed Inventory (VMI)

Dear Robert,

As a part of the restructuring agreement negotiations, the Company proposed to expand upon its current practice of Vendor Managed Inventory (VMI). Not currently used in Stores but used in other departments.

Vendor-managed inventory (VMI) is a family of business models in which the buyer of a family of products provides certain information to a supplier of that product and the supplier takes full responsibility for maintaining an agreed inventory of the material, usually at the buyer's consumption location.

A third-party logistics provider can also be involved to make sure that the buyer has the required level of inventory by adjusting the demand and supply gaps. Provided any third-party logistics provider agrees that said third-party will not handle any parts where Material Logistic Specialist (MLS) employees currently handle AA inventory. The third-party logistics provider will deliver the parts to the receiving location of the station or location being supplied and the handling of the parts said third-party will end there. A third-party logistics provider will only be allowed "On Property"-to service, repair or upgrade any machines or equipment associated with inventory still belonging to said third-party. In the event a third-party logistics provider performs a count of inventory belonging to said third-party an audit will be conducted to verify the count as soon as practicable.

VMI makes it less likely that a business will unintentionally become out of stock of a good and reduces inventory in the supply chain.

The keys to making VMI work shared risk are;

- 1. If the inventory does not sell, the vendor (supplier) will repurchase the product from the buyer.**
- 2. The product may be in the possession of the Company but is not owned until the sale takes place, meaning that the Company simply houses the**

product in exchange for a predetermined commission or profit (sometimes referred to as consignment stock).

The Company benefits from reduced risk, better availability, and reduced display maintenance outlays.

In order to expand upon the proposed practice, the Company intends to implement VMI at locations across the AA system for high moving, lower cost products. The inventory will not contain rotatables, high value parts (anything over \$400.00 per piece) or rotatable tooling.

The Company commits that the implementation of VMI will not adversely affect Stores headcount at those locations. The Company also commits to provide the TWU with advance notice of when and where VMI will be utilized.

The Parties commit to a review of the provisions of this letter every twelve (12) months.

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

**Sincerely,
(Signed original on file)**

**James B. Weel
Managing Director
Employee Relations**

**Agreed to:
(Signed original on file)**

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

LETTER OF MEMORANDUM – 10 –Requesting of Parts

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Dear Robert,

During the restructuring agreement negotiations the parties briefly discussed some of the different technological opportunities becoming available for the requesting of parts; specifically AMT's requesting parts and the Company's desire to utilize some of those opportunities in the future.

While the requesting of parts has historically been primarily the work of Material Logistic Specialist (MLS) employees, the Company does commit to meeting and discussing with the TWU the technology the Company is planning on utilizing as means to accomplish the requesting of parts by other than MLS employees For example, electronic tablet technology could be utilized by the AMT on an aircraft to request a part from stores.

The electronic request is then processed by Stores personnel as to what is the best opportunity (i.e. closest location, qty at each location, time required to deliver part, resources available to deliver part, multiple locations, to name a few) to fulfill the request for the AMT.

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

**Sincerely,
(Signed original on file)
James B. Weel
Director
Employee Relations**

Agreed to:

**(Signed original on file)
Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

LETTER OF MEMORANDUM – 11 – DWH Operation

From: James B. Weel
To: Robert F. Gless
Re: DWH Operation

September 12, 2012

This will confirm our understanding reached during the discussions leading up to 1113C Bankruptcy proceedings.

- **DWH will be identified, in the Collective Bargaining Agreement and the Qualification Administration Manual (QAM), as a Base and a separate station from DFW.**
- **In the event of a reduction in force, permanent shutdown, or temporary station closure of DWH or DFW, any incumbent member of the TWU, at either station, on September 12, 2012 will be allowed an additional option “to exercise their Occupational Seniority to the other station, provided they have Occupational Seniority to do so,” all others will *only* be allowed to exercise their seniority in accordance with Article 15 and 16 respectively.**
- **DWH will maintain the following classifications. Examples of these classifications are:**
 - A. DFW Material Logistic Specialist**
 - B. DFW Material Logistic Specialist Crew Chief**
 - C. DFW Material Logistic Specialist Technical Crew Chief**
 - D. DWH Line Support & Modification Center Material Logistic Specialist**
 - E. DWH Line Support & Modification Center Material Logistic Specialist Crew Chief**
 - F. DWH Line Support & Modification Center Material Logistic Specialist Technical Crew Chief**
- **New hire employees and transfers into DWH will be restricted from moving outside the station in accordance with the provisions of Article 12.**
- **Vacation selections will be administered in accordance with Article 8.**
- **Base Closure will be administered in accordance with Letter of Memorandum #6.**

- Each work unit will have a separate overtime distribution list and overtime will be administered in accordance with the Overtime Guidelines.
- Shift start times will be kept to a minimum number consistent with efficient operations. Existing start times will not be adjusted, nor will new start times be established, until notice and discussion has taken place with the TWU Local.
- Under the Company Business Plan, upon the closure of the AFW Maintenance Base the following shops and appropriate headcount will be reassigned to DWH, as agreed upon by the company and union.
 - Slide Shop
 - Coffee Maker / Oven
 - Battery
- The Company will meet and confer with the TWU prior to any expansion of the facility, outside the items contained in this letter of agreement.

(Signed original on file)

LETTER OF MEMORANDUM – 12 – “Me Too Clause”

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

“Me, too provision”

Dear Robert,

During the negotiations that led to the signing of the Agreement between American Airlines, Inc. (“AA” or “the Company”) and the Transport Workers Union of America, AFL-CIO (“TWU”) covering the Stores Agreement, the Company and the TWU agreed to the following, effective upon ratification.

1) Notwithstanding any provision to the contrary in this Restructuring Agreement (“Agreement”), Company will continue to seek approval to implement, through binding agreement, and/or implemented by legal unilateral authority, revisions to (i) the labor contracts of the Company’s other non-TWU unionized employees and (ii) the wages, benefits and working conditions of the Company’s non-union hourly employees and (iii) the wages, benefits and working conditions of the non-union salaried and management employees so that the aggregate revisions in (i),(ii) and (iii) for each individual non-TWU union and non-union employee group are reasonably projected by the Company to produce the targets for labor cost savings specified in the Company’s Section 1113(c) motion.

2) The Company agrees that if the Company fails to implement the changes described in paragraph 1 for any other non-TWU union or non-union employee group, without implementing other changes that are reasonably projected by the Company to achieve equivalent labor cost savings, the Company will meet with TWU to discuss and agree upon a proportionate reduction in projected labor cost savings under the Agreement. This paragraph shall expire upon the earlier of 1) six (6) months after the date the Company emerges from the bankruptcy process; or 2) when the changes described in paragraph 1, or other changes that are reasonably projected by the Company to achieve equivalent labor cost savings, are implemented for all non-TWU union or non-union employee groups.

3) The Company further agrees that if it obtains modifications to agreements with other non-TWU union groups that result in labor cost savings to the Company from reduction in TWU represented employees working under TWU agreements,

it will meet with TWU to discuss and agree upon an appropriate credit to the TWU based on the level of labor cost savings realized by the Company from that reduction.

4) The Company will provide TWU with sufficient relevant information reasonably necessary for TWU to determine compliance with the terms of this agreement.

5) Any alleged violation of these provisions will be resolved pursuant to the grievance and arbitration procedures of the applicable TWU Agreement.

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

Sincerely,

{signed original on file}

James B. Weel
Director
Employee Relations

Agreed to:

{signed original on file}

Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO

LETTER OF MEMORANDUM – 13 – Early Out Incentive

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Early Out Incentive Allowance

Dear Robert,

During the 2012 restructuring negotiations, the TWU expressed an interest in reaching an agreement on an Early Out program that would provide a means to mitigate involuntary furloughs for TWU represented employees.

In the interest of reaching a consensual agreement for those TWU employee groups that will experience furloughs as a result of the terms and conditions agreed to within the respective AA/TWU restructuring agreements, the Company agrees to provide the following incentives on a one time basis:

- 1. Eligibility: Any TWU represented employee covered by the Mechanic and Related, Fleet Service, Stock Clerk, Dispatch or Maintenance Control Technician agreement who is on active payroll or an approved Leave of Absence as of September 12, 2012.**
- 2. For employees who were system or station protected prior to September 12, 2012 and who are subject to a reduction in force in accordance with Article 15 of the AA/TWU agreements in connection with implementation of the restructuring agreement:**
 - a. Provide regular severance in accordance with Article 37 of the AA/TWU agreement, except for the additional two (2) weeks under Article 37(f).**
 - b. Provide the \$12,500 special severance payment under Article 44**
 - c. In order to receive a. and b. above, the employee will be required to forfeit all seniority, and relinquish any and all claim for re-employment and recall.**

3. For all employees, whether affected by a reduction or force or not, who are willing to voluntarily separate from the Company to reduce the involuntary reductions at that station or on the system and who are 45 years of age or older and have 15 years or more of Company seniority, the Company will:
 - a. Provide regular severance in accordance with Article 37 of the AA/TWU agreement, except for the additional two (2) weeks under Article 37(f).
 - b. Provide the \$12,500 special severance payment under Article 44 (if the employee was system or station protected prior to September 12, 2012)
 - c. Provide a \$10,000 separation allowance for full time employees/\$5000 for part time employees
 - d. In order to receive a., b. and c. above, the employee will be required forfeit all seniority, and relinquish any and all claim for re-employment and recall.
 - e. The Company has committed to granting all Early-Out requests for eligible Stores employees. Employee's last day of work will be dependent on the operational requirements, but the Company will consider seniority and an individual's preference to the extent possible when awarding dates. The Company will commit to working with the Locals to assist with exit dates of those who select an Early-Out.

The above will result in employees electing lay off and receiving severance outside the normal operation of Article 15 and Occupational seniority, therefore this agreement requires the International TWU's agreement. If you agree with the above, please indicate by signing below.

Sincerely,
James B. Weel
Director
Employee Relations

Agreed to:

{signed original on file}

Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO

Examples of estimated pre-tax payout amounts by TWU classification

	<u>Regular Severance¹</u>	<u>Sys. Protection Special Severance</u>	<u>Special Incentive</u>	<u>Total</u>
AMT - Line	\$17,030	\$12,500	\$10,000	\$39,530
AMT - Base	\$16,744	\$12,500	\$10,000	\$39,244
OSM	\$11,450	\$12,500	\$10,000	\$33,950
PM Mech - Line	\$15,314	\$12,500	\$10,000	\$37,814
PM Mech - Base	\$15,028	\$12,500	\$10,000	\$37,528
PMM	\$9,989	\$12,500	\$10,000	\$32,489
A/C Cleaner	\$9,672	\$12,500	\$10,000	\$32,172
Parts Washer	\$9,937	\$12,500	\$10,000	\$32,437
Utility Person	\$9,209	\$12,500	\$10,000	\$31,709
Cabin Cleaner	\$4,290	\$12,500	\$10,000	\$26,790
Bldg Cleaner	\$4,290	\$12,500	\$10,000	\$26,790
FSC - FT	\$11,159	\$12,500	\$10,000	\$33,659
FSC - PT	\$7,811	\$12,500	\$5,000	\$25,311
Ground Svc.	\$11,159	\$12,500	\$10,000	\$33,659
Stock Clerk	\$11,159	\$12,500	\$10,000	\$33,659
MCT	\$21,788	\$12,500	\$10,000	\$44,288
Dispatch	\$25,548	\$12,500	\$10,000	\$48,048

¹Assumes 13 weeks severance at max. rate including applicable premiums

LETTER OF MEMORANDUM - 14- Profit Sharing Plan

**Robert F. Gless
Deputy Director
AA System Coordinator
Transport Workers Union of American, AFL – CIO
1791 Hurstview Drive
Hurst, TX 76054**

September 12, 2012

RE: Profit Sharing Plan

Dear Robert,

This letter will confirm our understanding reached during the negotiations leading up to the agreement signed on September 12, 2012.

American Airlines will establish a profit sharing arrangement (the “Profit Sharing Plan”) that will allow eligible employees, including TWU represented employees, the opportunity, as described below, to share in the financial success of American.

The effective date of the Profit Sharing Plan, as to TWU represented employees covered by this agreement, will be when it has been ratified by the membership, approved by the bankruptcy court, and signed by the parties. Performance will be measured by American’s Pre-Tax Earnings (as defined in the Profit Sharing Plan) with respect to the plan year covered by the Profit Sharing Plan and the fund from which all Profit Sharing awards for all eligible employees, including TWU represented employees, are distributed (“Fund”) will accumulate based on that performance and will be established as follows:

- Five percent (5%) of the dollar amount of American’s Pre-Tax Earnings.**
- For eligible participants, including TWU represented employees, individual awards under the Profit Sharing Plan will be distributed based on a predetermined formula for allocating on a pro-rata basis the contributions made to the Fund as determined by American and the participant’s Eligible Earnings (as defined in the Profit Sharing Plan).**

- Any payout under the Profit Sharing Plan will be made no later than March 15th of the year following the year's profits on which the payout is based.
- All other terms and conditions are covered under the Profit Sharing Plan document.

This Letter of Agreement shall supersede all prior LOAs establishing a profit sharing plan for TWU employees.

Sincerely,
{Original Signed on File}

James B. Weel
Managing Director
Employee Relations
American Airlines, Inc.

Agreed to:
{Original Signed on File}

Robert F. Gless
Deputy Director
AA System Coordinator
Transport Workers Union of
American, AFL-CIO

LETTER OF MEMORANDUM –15 – AFW Closure

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Dear Robert,

As a result of the bankruptcy filing on November 29, 2011, it was determined by the Company that the aircraft maintenance base at AFW would be closed. However, since the closure will not take place immediately, references to the AFW base have been left in various sections of the contract, to avoid any immediate confusion. These references will become null and void following the ultimate closure of AFW.

**Sincerely,
{Original Signed on file}**

**James B. Weel
Director
Employee Relations**