

Three (3) Year Extension of the Agreement
between American Airlines, Inc.
and
Transport Workers Union of America, AFL-CIO and
International Association of Machinists and
Aerospace Workers, AFL-CIO,
certified by NMB case #R-7422 as the TWU/IAM Mechanics Association
covering
Flight Simulator Engineers
In Service of American Airlines, Inc.

THIS EXTENSION AGREEMENT (the “Agreement”) is entered into under the provisions of the Railway Labor Act, between American Airlines, Inc. (the Company or AA) and the Transport Workers Union of America, AFL-CIO and International Association of Machinists and Aerospace Workers, AFL-CIO certified by NMB case #R-7422 as the TWU/IAM Mechanics Association (the “Union”) as the representative of the employees within the United States in the classifications listed herein. in the service of AA. The Company and the Union are jointly referred to in this Agreement as the “Parties.”

WHEREAS, the Company and the Union are parties to a collective bargaining agreement with a duration of November 7, 2016, through November 7, 2021 (the “CBA”);

WHEREAS, Article 47 of the CBA provides that the CBA may be amended, at the earliest, 12 months prior to November 21, 2021, unless the Parties mutually agree otherwise;

WHEREAS, the Parties agree that it would be to their mutual benefit to amend the CBA;

NOW THEREFORE, the Parties agree as follows:

Article 4 – Compensation will be amended as follows (changes from the current CBA in bold):

- (a) Employees in the classification of Flight Simulator Engineer will be paid base rates per hour in accordance with length of service as follows:

<u>YOS</u>	<u>Effective Date</u>	<u>Effective Date +12 Months</u>	<u>Effective Date +24 Months</u>
<u>1</u>	42.06	42.90	43.76
<u>2</u>	46.81	47.75	48.70
<u>3</u>	51.26	52.29	53.33
<u>4</u>	55.72	56.84	57.97
<u>5</u>	56.28	57.41	58.55

<u>6</u>	57.11	58.25	59.42
<u>7</u>	57.67	58.82	60.00
<u>8</u>	58.51	59.68	60.87
<u>9</u>	59.06	60.24	61.45

Article 3 – Hours of Work/ Shift Assignment will be amended as follows (changes from the current CBA in bold):

(d) The Company will make every reasonable effort to arrange work schedules so that whenever practicable, days off will include either a Saturday or a Sunday in accord with the following chart: (This provision does not apply to Flight Simulator Development Engineers or Technical Coordinators.)

Number of Flight Simulator Engineers Assigned to the Training Center	Ratio of Employees Assigned First or Second Shifts: Number of Employees That May be Assigned Days Off Other Than Weekend Days	Number of Employees on Third Shift That May be Assigned Days Off Other Than Weekend Days
0-20	no requirement	0
21-50	3:1	0
More than 50	5:1	0

Article 40 (Retirement Benefits) will be amended and replaced in its entirety as follows:

- (A) The following represents the terms of the retirement benefits for eligible employees covered by this Agreement (FSE employees), and this coverage replaces and supersedes previous retirement provisions.
- (B) American Airlines, Inc. 401(k) Plan
1. All eligible FSE employees will participate in the American Airlines, Inc. 401(k) Plan (“American 401(k) Plan”), a tax qualified, defined-contribution retirement plan under Section 401(a) of the Internal Revenue Code (“Code”), with a cash or deferred arrangement that qualifies under Section 401(k) of the Code, that complies with the requirements of Section 404(c) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or an equivalent plan.
 2. Employer Contributions

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 provide contributions under the American 401(k) Plan, as follows:

FSE employees shall receive Non-Elective Employer Contributions in an amount equal to five percent (5%) of their Eligible Compensation, as defined in the American 401(k) Plan. FSE employees will also be eligible to receive Employer Matching Contributions in an amount equal to one hundred percent (100%) of the member's Employee Before-Tax Contributions and Employee Designated Roth Contributions up to a maximum Employer Matching Contribution equal to four percent (4.0%) of Eligible Compensation, as defined in the American 401(k) Plan.

3. Eligibility for Employer Contributions

(i) Employer Matching Contributions: All FSE employees must satisfy the one (1) year service requirement, as defined in the American 401(k) Plan, to be eligible to receive Employer Matching Contributions in the American 401(k) Plan. Provided, however, that all FSE employees who are on the American Airlines System Seniority List as of DOS and who are not eligible to receive Employer Matching Contributions as of DOS shall have all prior service with the Company and/or AAG recognized for purposes of determining eligibility for post-DOS Employer Matching Contributions to the American 401(k) Plan.

(ii) Non-Elective Employer Contributions: All FSE employees must satisfy the one (1) year service requirement, as defined in the American 401(k) Plan, to be eligible to receive Non-Elective Employer Contributions in the American 401(k) Plan. Provided, however, that all FSE employees who are on the American Airlines System Seniority List as of DOS and who are not eligible to receive Non-Elective Employer Contributions as of DOS shall have all prior service with the Company and/or AAG recognized for purposes of determining eligibility for post-DOS Non-Elective Employer Contributions to the American 401(k) Plan.

4. Vesting or Employer Contributions

(i) Employer Matching Contributions: All FSE employees with two (2) or more years of vesting service, as defined in the American 401(k) Plan, shall be one hundred percent (100%) vested in their Employer Matching Contributions. Provided, however, that all FSE employees who are on the American Airlines System Seniority List as of DOS and who are not vested in their Employer Matching Contributions as of DOS shall have all prior service with the Company and/or AAG recognized for purposes of determining vesting for post-DOS Employer Matching Contributions to the American 401(k) Plan.

(ii) Non-Elective Employer Contributions: All FSE employees with two (2) or more years of vesting service, as defined in the American 401(k) Plan, shall be one hundred percent (100%) vested in their Non-Elective Employer Contributions. Provided, however, that all FSE employees who are on the American Airlines System Seniority List as of DOS and who are not vested in their Non-Elective Employer Contributions as of DOS shall have all prior service

with the Company and/or AAG recognized for purposes of determining vesting for post-DOS Non-Elective Employer Contributions to the American 401(k) Plan.

5. The Company reserves the right to amend the American 401(k) Plan, provided that no amendment may diminish the American 401(k) Plan benefits memorialized herein unless required by law.
6. The American 401(k) Plan is not incorporated in this Agreement.

Article 43 – Placeholder will be amended and replaced in its entirety as follows:

ARTICLE 43 – PROFIT SHARING

- (A) The terms of profit sharing benefits for employees covered by this Agreement (“FSE employees”) (which replace and supersede any previous profit sharing provisions) shall be as set forth in this Article 43.
- (B) FSE employees will be eligible for annual profit sharing award payments if, for the year that the profit sharing award payment is attributable, (i) the employee received eligible earnings (under the meaning used by the current AAG profit sharing plan) from the Company for that profit sharing year and (ii) remained employed on the last day of that profit sharing year, or whose employment terminated during the profit sharing year by reason of the employee’s retirement, involuntary furlough, disability, or death.
- (C) For each profit sharing year, the Company will calculate profit sharing award payments as follows:
 1. An amount equal to 10 percent (10%) of the dollar amount of American Airlines Group Inc.’s (“AAG”) Pre-Tax Earnings up to \$2.5B for that year, and, an amount equal to 20 percent (20%) of the dollar amount of AAG’s Pre-Tax Earnings above \$2.5B for that year will be attributed to a profit sharing pool (“Total Profit Sharing Pool”).
 2. A percentage of the Total Profit Sharing Pool will be allocated to FSE employees by dividing the total eligible earnings of FSE employees by the total eligible earnings of all participants in AAG’s profit sharing program(s) (“FSE Profit Sharing Pool”).
 3. The FSE Profit Sharing Pool will be divided by the amount of all FSE employees’ eligible earnings, and the resulting quotient shall be the “payout percentage.”
 4. The amount of the profit sharing award payment for each FSE employee who is eligible for a profit sharing award for a profit sharing year shall be the product of the payout percentage multiplied by such eligible employee’s eligible earnings from the Company for the applicable profit sharing year.
- (D) “AAG’s Pre-Tax Earnings” means the earnings of AAG provided that such “earnings” are determined (i) before any applicable income tax expense, and (ii) by excluding all accruals under

profit sharing plans and any other incentive compensation plan or agreement, and all extraordinary, unusual, one-time, restructuring, reorganization, integration, reduction in force, or other similar accounting adjustments as may be determined by the compensation committee of the Board of Directors in its discretion, after consultation with AAG's independent auditors; and provided, further, that AAG's Pre-Tax Earnings remain positive after accruals under profit sharing plans and all other incentive compensation plans or agreements are taken into account.

- (E) Profit sharing award payments shall generally be made by March 15 of the subsequent calendar year or other such date as required by applicable law
- (F) The 2022 profit sharing year will be defined as the 12-month period beginning on April 1, 2022 and ending on March 31, 2023. Profit sharing award payments for the 2022 profit sharing year shall be made by June 30, 2023.
- (G) There is no change to 2023 profit sharing calculation, i.e., the 2023 profit sharing year will continue to be defined as the 12-month period beginning January 1, 2023 and ending on December 31, 2023.
- (H) The Company retains discretion over all profit sharing related matters not specifically addressed in this Article.

Article 47 – Duration will be amended as follows (changes from the current CBA in bold):

THIS AGREEMENT will become effective as of May 6th, 2022 and will continue in full force and effect until and including May 6th, 2025 and will renew itself until each succeeding May 6th 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 November 6th, 2024 (6 months prior to the 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.

The parties also recognize that the Company has the right to create Work Sections, reassign, or combine work and duties of Work Sections, and to eliminate Work Sections under the CBA. The parties mutually agree that the Company has met all conditions necessary to eliminate the Audio/Visual Work Section

based on operational requirements. As a result of the Audio/Visual Work Section being eliminated, the duties described in Article 11.a.4. of the CBA will be performed by the Simulator Operational Support Work Section as assigned by the Company.

AGREED to this 9th day of May, 2022.

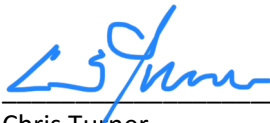
FOR TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO and INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS, AFL-CIO



Gary Peterson
International Vice President
Air Division Director
Transport Workers Union of America

Thomas Regan
Airline Coordinator
International Association of Machinists
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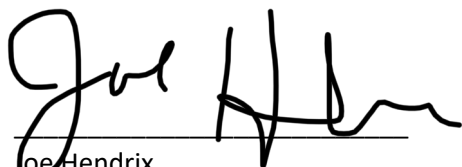
FOR TWU LOCAL 548



Chris Turner
President – Local 548



Rob Lenhart
Vice President – Local 548



Joe Hendrix
Vice President – Local 548

FOR AMERICAN AIRLINES, INC.



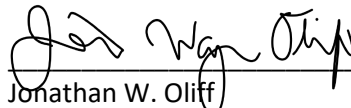
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