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3/22/12

AMERICAN AIRLINES SECTION 1113(c) PROPOSAL TO  
THE ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS  
MARCH 22, 2012  
TERM SHEET

<b>OBJECTIVE</b>	<p>This Term Sheet sets forth the basic terms of the Company's Section 1113(c) Proposal on necessary modifications to the parties' existing Collective Bargaining Agreement between the APFA and American Airlines (the "Basic Agreement") in light of what the Company has determined is necessary to its successful reorganization. The parties will amend the Basic Agreement and related side letters of agreement, and execute such other documents as may be needed, to accomplish the following modifications.</p> <p>Items marked with an asterisk (*) in this term sheet are contingent upon a consensual collective bargaining agreement, i.e. they will become effective as described only upon the effective date of a new collective bargaining agreement between American and the APFA.</p>
<b>I. DURATION</b>  Article 38	Six (6) years from date of signing (DOS).
<b>II. COMPENSATION</b>  Hourly Pay Rates: Article 3.A. Appendix I, 3.A.          International Pay Rates: Appendix I, 3.A.	<ol style="list-style-type: none"><li>1. Eliminate International pay rates and replace with a single base rate for Domestic and International. The base rate will be the current Domestic hourly base rate of pay. Base Pay Rate increases:  DOS + 12 months: 1.5%* DOS + 24 months: 1.5%* DOS + 36 months: 1.5%* DOS + 48 months: 1.5%* DOS + 60 months: 1.5%*</li><li>2. Pay an override for International segments. An International flight is any flight which operates outside the contiguous forty-eight (48) states, Mexico, Canada and Alaska, which requires a flight attendant overwater qualification (e.g., raft ditching training). Override will be paid in the following manner based on classification seniority:  Years 1-5 \$1.00 Years 6-10 \$2.00 Years 11-15 \$3.00</li></ol> <p>No current flight attendant will be negatively impacted by the scaling of the International override.</p>

