

## **SETTLEMENT AGREEMENT**

### **ETB/ISAP Presidential Grievance – SS-56-2015-APFA-3**

American Airlines, Inc. (the "Company") and Association of Professional Flight Attendants ("APFA") hereby agree to resolve ETB/ISAP Presidential Grievance SS-56-2015, pursuant to the terms herein ("Settlement Agreement"). On or about August 4, 2015, the APFA filed Presidential Grievance SS-56-2015-APFA-3 ("Presidential Grievance"). In the Presidential Grievance, APFA contends that the Company failed to comply with Sections 10.E, F, and G of the Joint Collective Bargaining Agreement with respect to certain functionality and reliability aspects of ISAP and ETB. Specifically, APFA claims: (1) although the Iterative Schedule Adjustment Process ("ISAP") programing was implemented on or about March 1, 2015, it did not operate in accordance with JCBA requirement, *e.g.* ISAP was unable to award a CSD pairing to a qualified CSD Flight Attendant; and (2) although implemented by March 1, 2015, the Electronic Trade Board ("ETB") stopped operating on several occasions and was not capable of performing operations required under the JCBA (collectively the "Dispute"). The Company denied the Presidential Grievance and further maintains that it consistently has worked to improve ISAP and ETB and that each system now complies with all JCBA requirements, in terms of both functionality and reliability. The Company and APFA now desire to avoid further controversy and fully settle and compromise any and all claims and disputed issues raised by the Presidential Grievance without admission of any fault or liability and by reserving their respective positions. The Company and APFA thus agree as follows:

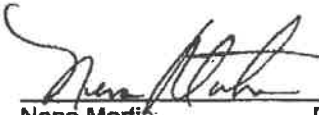
1. APFA agrees that the Electronic Trade Board ("ETB") and the Iterative Schedule Adjustment Process ("ISAP"), including all programing, functionality, and reliability, currently comply in all respects with the requirements of the JCBA. The terms of this Paragraph are precedential and specifically are excepted from Paragraph 7.
2. The Company and APFA agree that this Settlement is intended to resolve all disputes relating to ETB and ISAP and existing as of the date of this Agreement. The Parties further agree not to cite or refer, as evidence or otherwise, to any alleged ETB/ISAP functionality and reliability issues which occurred prior to the date of this Agreement. Moreover, without restricting APFA's right to file a grievance regarding any ETB/ISAP functionality and reliability issues that arise after the date of this Agreement, the Parties agree to use their best efforts to work through the APFA Scheduling Delegate (described in paragraph 4) to address any such concerns prior to the need for a grievance.
3. In addition to the Presidential Grievance, this Agreement fully and finally resolves any pending grievance which relates to the violations alleged in the Presidential grievance and the December 2015 PBS mis-award, including but not limited to the following grievances: SS-112-2015-CLT-21, SS-75-2015-PHL-39, SS-76-2015-PHL-38, SS-45-PHL-22 and SS-36-2015-DCU-3 ("related grievances"). APFA hereby withdraws the Related Grievances with prejudice, subject to the terms and conditions of this Agreement.
4. The Company agrees to provide thirty (30) hours of union business pay per month to a flight attendant designated by APFA to serve as APFA Scheduling Delegate, until Flight Operation Integration ("FOI"). The APFA Scheduling Delegate will: (1) act as the primary point of contact for the Parties for any functionality and reliability issues pertaining to ETB/ISAP/Crew Portal; and (2) participate in ongoing FOI efforts and meetings pertaining to ETB/ISAP and Preferential Bidding System ("PBS"). The APFA Scheduling Delegate will collaborate with the Company to address and avoid any further disputes relating to ETB/ISAP.

5. The Company agrees to pay (five) 5 hours pay (on pay/no-credit basis) to LUS flight attendants employed on the date of the payment at the hourly rate of each eligible Flight Attendant in effect on the date the payment is made. Except, the Parties agree that the following LUS flight attendants were not affected flight attendants for purposes of the Dispute and therefore are not eligible for and will not receive a payment: (1) flight attendants on a continuous unpaid leave of absence which commenced on or before March 1, 2015 and continued until or beyond June 30, 2016; and (2) LUS flight attendants hired after June 30, 2016. Payments made under this Agreement shall be considered taxable income and thus the Company shall include such amounts on the Form W-2 issued to each recipient. The payments shall be made within ninety (90) days from the effective date of this Agreement.
6. APFA hereby withdraws Presidential Grievance SS-056-2015, with prejudice.
7. Except for purposes of enforcement of this Settlement Agreement, the Company and APFA agree that this Settlement Agreement is made on a non-precedent/non-referable basis and thus that the Settlement Agreement, including the settlement discussions, shall not be considered evidence of a practice relative to the interpretation or application of the Flight Attendant Agreement and that neither the Company nor APFA will make reference to the subject matter of this Settlement Agreement in any other grievance proceeding, hearing or adjudication (except for the terms of paragraph 1, which are precedential).

Agreed to and accepted by:

  
Cindi Simone  
Managing Director Labor Relations  
American Airlines

4/13/17  
Date

  
Nena Martin  
National Vice President  
APFA

4/12/17  
Date