

SECTION 1 - RECOGNITION AND SCOPE

A. RECOGNITION

In accordance with the American Airlines Flight Attendants' Certification Case Number R- 7401 made by the National Mediation Board on September 2, 2014, the Company hereby recognizes the Association of Professional Flight Attendants as the duly designated and authorized representative of the Flight Attendants in the employ of the Company for the purposes of the Railway Labor Act, as amended.

B. SCOPE

1. Only American Airlines employees shall be used as Flight Attendants in accordance with Definitions, Section 2.
2. Only regularly employed American Airlines Flight Attendants shall be entitled to bid and fly all operations outlined in Hours of Service, Section 11. As an exception, the Company may select Flight Attendants from the American Airlines System Seniority List to participate in FAA Proving Runs.
3. A Flight Attendant shall provide beverage and meal service as set forth in the Flight Attendant Manual and revisions thereto. Such service shall be rendered only in the cabin of the aircraft.

C. SUCCESSORSHIP

1. The Company shall require any Successor, including, without limitation, any assignee or purchaser, any merged company or companies, transferee, administrator, receiver, executor and/or trustee to cause the Company (i.e., the airline entity that was acquired) to continue to be bound by all the terms of this Agreement as a condition of any transaction that results in a Successor, subject to applicable procedures under the Railway Labor Act. For the purposes of Paragraph C, a Successor shall be defined as an entity that acquires or controls all or substantially all of the assets or equity American Airlines Group or the Company through a single transaction or multi-step related transactions ("Successorship Transaction"). The Company shall provide the Union with written notice of any Successorship Transaction no later than thirty (30) days prior to the closing of the transaction and such notice to be subject to any confidentiality restrictions that the Company in its discretion may impose on the Union or legal requirements that may apply.
2. The Company shall give written notice of the existence of this Agreement, and a copy of this Agreement, to any proposed Successor before the Company and the proposed Successor enter into any arrangement or agreement with respect to a potential Successor transaction.

D. LABOR PROTECTIVE PROVISIONS

1. In the event the Company is merged with another airline, the Flight Attendants covered hereunder shall, upon such merger of the airlines, be provided labor protective provisions no less favorable than the labor protective provisions specified by the Civil Aeronautics Board (CAB) in the Allegheny-Mohawk merger as specified in Section 1 (Introduction), Section 2 (Definitions), Section 4 (Displacement Allowance), Section 5 (Dismissal Allowance), Section 6 (Benefits), Section 7 (Lump Sum Payment in Lieu of Dismissal Allowances), Section 10 (Rearrangement of Forces in Anticipation of a Merger) and Section 12 (No Requirement for Employees to Accept Employment in a Different Craft or Class) of the Allegheny-Mohawk labor protective provisions. The moving expenses provided for in Section 8 of the Allegheny-Mohawk labor protective provisions, shall consist of the Moving Expenses

provided in Section 5 of this Agreement. In lieu of Section 11 of the Allegheny-Mohawk labor protective provisions, the provisions of Reduction in Force, Section 23, shall apply. If the Company is under Chapter 11 bankruptcy protection during the duration of this Agreement, the Association agrees that only Sections 3 and 13 of the Allegheny-Mohawk labor protective provisions will apply until one (1) year after the implementation of a confirmed plan of reorganization in such Chapter 11 case.

2. In addition to the protections specified in Paragraph D.1, in the event the Company is merged with another airline whose Flight Attendants are not represented by the Union, the Flight Attendants covered hereunder shall, upon such merger of the airlines, be provided labor protective provisions no less favorable than the labor protective provisions as contained in Sections 3 and 13 of the Allegheny-Mohawk merger.

E. PARTIAL TRANSACTIONS

In addition to all other protections under this Agreement, if, within any twelve (12) month period while the Agreement remains in effect, American Airlines Group or the Company sells, transfers or disposes of assets which, net of asset purchases or acquisitions during the same twelve (12) month period, constitute twenty percent (20%) or more of the value of the assets of the Company or American Airlines Group (the closing of any such transaction(s) which alone or in the aggregate satisfy the aforesaid percentage being referred to as a "Triggering Event"), then:

1. In the event another air carrier (a "Transferee") purchases or acquires any aircraft of the Company or American Airlines Group as part of any transaction that constitutes a Triggering Event, the Union shall determine, in its sole discretion, whether or not Flight Attendants from the American Airlines System Seniority List (the "Transferring Flight Attendants") shall transfer to the Transferee and which Flight Attendants shall transfer. The number of Transferring Flight Attendants shall be determined by calculating the average Flight Attendant staffing on a monthly basis over the prior twelve (12) months attributable to the aircraft transferred to the Transferee in connection with the Triggering Event; and
2. The Company and American Airlines Group shall require any Transferee to employ the Transferring Flight Attendants, with the integration of the Transferring Flight Attendants into the Transferee's seniority list to be governed by the Union Merger Policy if both pre-transaction flight attendant groups are represented by the Union and otherwise by Sections 3 and 13 of the Allegheny-Mohawk LPPs.

F. FORCE MAJEURE AND BANKRUPTCY PROTECTION

1. Paragraph E shall not apply to: (1) transactions made necessary by circumstances over which the Company has no control, as defined in Paragraph F.3; (2) the retirement of aged assets in the ordinary course of business; and, (3) financing transactions such as sale-leasebacks where the transferred assets continue to be used in the Company's operation.
2. If the Company is under Chapter 11 bankruptcy protection during the duration of this Agreement, the Union agrees that the provisions of Paragraph E, as amended, will not apply until one (1) year after the implementation of a confirmed plan of reorganization in such Chapter 11 case.
3. The Company will be excused from compliance with the provisions of Paragraph E to the extent that a circumstance over which the Company does not have control is the cause of an asset reduction below the levels guaranteed in Paragraph E. The term "circumstance over which the Company does not have control" includes, without limitation: a natural disaster; labor dispute grounding of a substantial number of the Company's aircraft by government agency or by voluntary action by the Company for safety reasons in lieu thereof, which in either case could not be cured or avoided by the Company; reduction in flying operations

because of suppliers being unable to provide sufficient critical materials for the Company's operations; revocation of the Company's operating certificate(s); war emergency; or acts of terrorism.

4. Notwithstanding the provisions of Amendments to the Agreement, Section 39, and Duration, Section 40, the Labor Protective Provisions provided for in Paragraphs D and E, herein shall not be reduced, delayed or otherwise diminished by American Airlines Group, the Company, the Union, nor any Successor to the Company or Union, for a period of up to and including three (3) years after the date of any merger, acquisition, or partial transaction as described herein.

G. SEVERABILITY

Should any part or provision of the Agreement be rendered invalid by reason of any existing or subsequently enacted legislation, such invalidation of any part or provision of this Agreement shall not invalidate the remaining portions thereof, and they shall remain in full force and effect.

H. REMEDIES

1. The Company specifically agrees to arbitrate any grievance filed by the Union alleging violation of this Section on an expedited basis directly before the System Board of Adjustment sitting with a neutral member.
2. The dispute shall be heard expeditiously no later than thirty (30) days following the submission to the System Board and decided expeditiously not later than thirty (30) days after the closing of the hearing, unless the parties agree otherwise in writing.