

LETTER OF AGREEMENT  
Between  
AMERICAN AIRLINES, INC.  
And the  
FLIGHT ATTENDANTS  
In the service of  
AMERICAN AIRLINES, INC.  
As represented by the  
ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS (APFA)

One-Time Ratification Bonus Letter of Agreement

This Letter of Agreement (“Letter” or “LOA”) is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between American Airlines, Inc. (“American,” “AA,” or the “Company”) and the Flight Attendants in the service of American Airlines, Inc., as represented by the Association of Professional Flight Attendants (the “APFA” or “Union”), together referred to as the “Parties.”

The Parties acknowledge and agree they have reached a Tentative Agreement on all open items in the collective bargaining agreement (“CBA”) pursuant to Section 6 of the Railway Labor Act. The APFA Board of Directors has approved the Tentative Agreement and will submit the Tentative Agreement to the membership for a ratification vote. If ratified, the Tentative Agreement will become the 2024 CBA. In recognition of their mutual interest in ratification of the Tentative Agreement and of the timing of such Tentative Agreement, the Parties have agreed to a one-time ratification bonus payment for American Flight Attendants, expressly conditioned on ratification of the Tentative Agreement (“One-Time Ratification Bonus”) on the following terms:

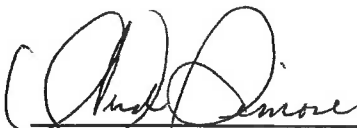
1. “One-Time Ratification Bonus” as used herein means the ratification-contingent bonus payment to an Eligible Flight Attendant computed based on the terms contained in this LOA.
2. “Relevant Period” as used herein means any time during calendar years 2020, 2021, 2022, 2023, and through August 2024.
3. “Eligible Flight Attendant” used herein means any individual who is on the Flight Attendant System Seniority List on the Effective Date of the CBA, was subject to the terms and conditions of the JCBA at any point during the Relevant Period and remains employed by American Airlines on the date of the payment of the One-Time Ratification Bonus.
4. “Eligible Earnings” for purposes of this LOA shall have the same meaning as “Eligible Earnings” as defined in the American Airlines Group, Inc. Global Profit-Sharing Plan and earned as a Flight Attendant as included in Paragraph 5 below:
  - a. Compensation, as that term is defined for purposes of employer contributions, in the qualified defined contribution plan that is intended to comply with Section 401(k) of the Code that is sponsored by the Employee's Participating Employer and in which such Employee is eligible to participate at the time the profit sharing award is paid; provided, however, that the annual limit on compensation under Code Section 401(a)(17) shall not be applied for purposes of this Plan; and

- b. In addition, Triple Play payouts and profit-sharing awards shall be excluded from Eligible Earnings.
5. The One-Time Ratification Bonus will have an aggregate total cost of \$514,000,000, which will be inclusive of all bonus payments made to Eligible Flight Attendants and any applicable employer payroll taxes (FICA) associated with these payments. APFA will have discretion to allocate the One-Time Ratification Bonus to Eligible Flight Attendants, in a manner generally consistent with the allocation methodology described in paragraph 6.
6. The One-Time Ratification Bonus paid to Eligible Flight Attendants who had Eligible Earnings during the Relevant Period will be computed as the sum of the following:
- a. 3.0% of Eligible Earnings paid during all or any portion of calendar year 2020;
  - b. 4.0% of Eligible Earnings paid during all or any portion of calendar year 2021;
  - c. 4.0% of Eligible Earnings paid during all or any portion of calendar year 2022;
  - d. 10.8% of Eligible Earnings paid during all or any portion of calendar year 2023;
  - e. 20.0% of Eligible Earnings paid during all or any portion of the time period from January 1, 2024 through August 31, 2024;
7. The One-Time Ratification Bonus under this LOA will not be considered as earnings or eligible compensation under the American Airlines, Inc. 401(k) Plan for Flight Attendants, or any other qualified or non-qualified retirement benefit plans sponsored by American in which the Eligible Flight Attendant participates or is eligible to participate to the extent consistent with applicable law.
8. The One-Time Ratification Bonus under this LOA will be considered "Eligible Earnings" for purposes of the AAG Profit Sharing Plan for Plan Year 2024.
9. The Company will pay the One-Time Ratification Bonus to all Eligible Flight Attendants as a single supplemental payment no later than sixty (60) days after ratification. Applicable federal, state, and local taxes will be withheld from the single payment at the applicable withholding rates.
10. This agreement is non-precedent setting and non-referable, except as may be necessary to enforce the terms of this LOA.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this July 18, 2024.

FOR AMERICAN AIRLINES

FOR THE ASSOCIATION OF  
PROFESSIONAL FLIGHT ATTENDANTS  
(APFA)

  
Cindi Simone  
Managing Director, Labor Relations

 08/06/2024  
Julie Hedrick  
APFA National President