

Collective Bargaining Negotiations

Protocol Agreement  
by and between  
AMERICAN AIRLINES, INC.  
and  
The Airline Pilots in Service of  
AMERICAN AIRLINES, INC.  
as represented by the  
ALLIED PILOTS ASSOCIATION

WHEREAS, the current Collective Bargaining Agreement ("CBA") between AMERICAN AIRLINES, INC., hereinafter known as the "Company", and the airline pilots in the service of AMERICAN AIRLINES INC. as represented by the ALLIED PILOTS ASSOCIATION, hereinafter known as the "Association" became amendable May 1, 2008; and

WHEREAS, at any time following May 1, 2006, but prior to May 1, 2008, with sixty (60) days prior written notice by either party, the parties could commence negotiations in accordance with Section 6 of the Railway Labor Act ("RLA"); and

WHEREAS, the Company served notice of Section 6 negotiations on July 21, 2006 and direct negotiations commenced on September 20, 2006; and

WHEREAS, the Association applied for National Mediation Board ("NMB") mediation on April 18, 2008 and the parties have been in mediated negotiations from May 6, 2008 to October 20, 2010, when the NMB recessed mediation services; and

WHEREAS, the parties recognize the importance of their long term, interdependent relationship and that the continuation of negotiations is in their mutual best interests; and

WHEREAS, the parties jointly pledge to use their reasonable best efforts to understand each other's issues, engage in joint problem solving, and commit all necessary time and resources to achieve their mutual goal of a Successor CBA,

NOW, THEREFORE, the parties agree as follows:

- 1 Participants and Travel
  - A. The Company and the Association have designated negotiating committees to conduct negotiations with the authority to enter into tentative agreements, provided that (i) no tentative agreement already reached on any section or any subsequent tentative

agreements on any section shall be considered to be part of a full tentative agreement until tentative agreement has been reached as to all open sections, and (ii) no tentative agreement shall be considered to be a final agreement until it has been approved in accordance with each party's internal procedures.

- B. The Company will provide the necessary time off for the Association's Negotiating Committee as well as participants designated in paragraph 1.D. below.
- C. The Company will provide AA employees on the APA negotiating team with positive space travel utilizing the appropriate Business travel pass classification to and from negotiating sessions and in accordance with the Company's Union Business Travel Policy as outlined in the letter from Mark Burdette dated March 15, 2007. The Company shall provide to the Association a letter regarding pass travel, self-authorization for pass travel and a point of contact within the Company to resolve any travel issue(s) that may arise under the terms of this protocol agreement.
- D. The parties may designate experts, consultants, and attorneys to participate in the negotiations. The parties will to the extent reasonably possible notify each other in advance when such individuals are to attend. The Association will provide as much advance notice as possible of the need for pilots other than members of the Negotiating Committee.
- E. The parties shall notify the NMB of this Agreement.
- F. Except as provided for above, negotiating sessions are closed to non-participants, the public and press.

## 2. Communications

- A. All communications will be issued consistent with the spirit and intent of bargaining. The parties agree that all communications will be in a professional manner focused on issues and will avoid communications that denigrate or contain any derogatory language concerning the other party or individuals, or misrepresentations of the bargaining process underway.
- B. The right of each party to determine the content and timing of its communications shall not be abridged. The content of all communications shall be within the sole and exclusive discretion of the party issuing the communications, except that such

communications shall not violate confidentiality between the parties.

- C. The parties agree to direct correspondence relevant to negotiations to Denny Newgren, for the Company, and Neil Roghair, for the Association, or their designees.

### 3. Information

- A. Subject to legal requirements and confidentiality terms, the Company and the Association will, on a reasonable basis, exchange information in their possession that is relevant to analysis of negotiating proposals when the other party requests such information.
- B. The parties further agree to request and exchange such information in a timely manner for preparatory meetings as well as for joint sessions.
- C. The parties agree to discuss proposal costing assumptions and methodologies and make their best efforts to agree on the cost and other impact.
- D. Each and every participant in a negotiations session agrees to execute a mutually agreeable confidentiality statement when there is disclosure of proprietary or confidential information.
- E. All record keeping of negotiations sessions will be kept by hand or computer text for use by the respective party. Note taking activity should not interfere with the ongoing discussion.
- F. Notes taken during negotiating sessions may be used by the parties to help establish intent of the negotiators unless otherwise mutually agreed to.
- G. In the event that the NMB is not present at a session the parties will update the NMB on the status of discussions.

### 4. Agenda for Sessions

The parties shall confer no later than the Thursday before a negotiating session or block of sessions confirming the agenda for the upcoming session. If the parties cannot agree on the agenda, each party will notify the other party in advance of the session(s) as to what it intends to address.

5. Schedule, Locations, and Cost Sharing

- A. Scheduled sessions will normally be located at the American Airlines Training and Conference Center, a.k.a. Flagship University ("FSU"), in Ft. Worth, TX. The Company will reserve a suitable location within FSU for use as caucus rooms for the negotiating committees. The Company will pay all related facilities costs while negotiations are conducted at FSU.
- B. The cost associated with sessions held elsewhere will be equally borne among the Company and the Association.
- C. The parties may amend the schedule by mutual agreement or to accommodate the meeting schedule of the NMB.
- D. Notwithstanding the agreed upon schedule, neither party relinquishes its rights under the Railway Labor Act.
- E. Prior to March 15, 2011 the parties will meet to discuss the schedule of additional future meetings.
- F. The parties will meet on the dates set forth below.

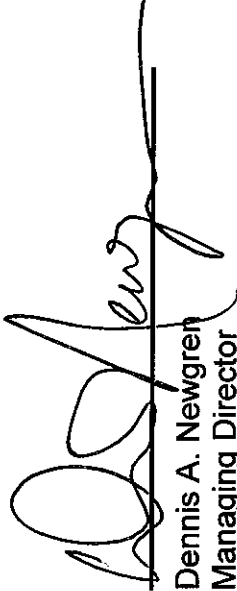
Date	Agenda
11-13 JAN	Supp L Drug Testing, Jumpseats, Moving Expenses Supp Q - Crew Rest Seats, Crew Rest Facilities,
18-20 JAN	Supp I, International, Sick, Vacation, Supp AA/BB-Fatigue
1-3 FEB	Training/Lock-ins/Distance Learning, Supp K Benefits, Supp F Pension, Supp Z Hostage/Terrorism
15-17 FEB	TBD
1-3 MAR	TBD
22-24 MAR	TBD
30 MAR-1 APR	TBD

Agreed this 7<sup>th</sup> day of December, 2010,

AMERICAN AIRLINES, INC



Mark L. Burdette  
Vice President  
Employee Relations

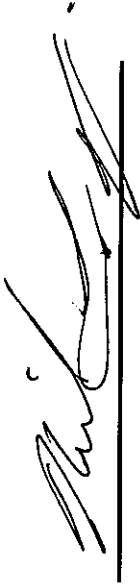


Dennis A. Newgren  
Managing Director  
Employee Relations

ALLIED PILOTS ASSOCIATION



Captain Dave Bates  
President



First Officer Neil Roghair  
Chairman  
Negotiating Committee