

AA PROPOSAL

Guaranteed Captain Positions Framework

June 14, 2011

1. American Airlines guarantees that American Airline pilots will hold the following minimum number of Captain positions on the dates specified below:

| <u>DATE</u> | <u>Minimum Captain Positions</u> |
|----------------------------|----------------------------------|
| Date of Ratification (DOR) | Current Captain number (Base) |
| DOR plus 12 months | Base plus X |
| DOR plus 24 months | Base plus Y |
| DOR plus 36 months | Base plus Z |
| DOR plus etc, etc | Base plus |

2. Beginning DOR plus 12 months and continuing on the first day of each following month, if the number of system-wide Captain bid positions and Check Airmen held by American pilots falls below the number specified above for that time period, the Company will create a Pay Protection Position for each Captain bid position short of the required goal. For example, if on DOR plus 12 months, the minimum number of American pilot system-wide Captain positions are (base plus X) and the actual number of Captain positions is (base plus X-50), the Company will create 50 pay protection positions.
3. The Pay Protection Positions created each month will be awarded in seniority order to American pilot First Officers who (to be determined after discussing with APA). FOs holding Pay Protection Positions must maintain their Captain bid preference on file and must qualify for Captain in turn.
4. Pilots awarded a Pay protection position will be paid a monthly Captain pay protection allowance of \$2083/month (\$25,000 per year) in addition to their regular FO earnings.
5. This provision terminates on DD/MM/YYYY (the amendable date of the new agreement).

6. The provisions of this Agreement pertaining to Guaranteed Captain Position shall not be applicable to the extent that the Company's failure to comply with the provision(s) is due to conditions beyond the Company's control, including, but not limited to, the following:

- Grounding of a fleet type or a substantial number of the Company's aircraft,
- The unavailability of aircraft scheduled for delivery,
- An Act of God,
- A strike by any other Company employee group or Affiliate,
- A national emergency,
- Involuntary revocation of the Company's operating certificate(s),
- A reduction in the Company's operation resulting from a decrease in available fuel supply caused by either governmental action or the suppliers being unable to meet the Company's demands.