American Airlines

October 19, 2016

Captain Dan Carey President Allled Pilots Association 14600 Trinity Bivd., Suite 500 Ft. Worth, TX 76155-2512

Re: Elimination of limitations on retention and accrual of seniority for disabled pilots

Dear Captain Carey:

This will confirm the agreement between American Airlines, Inc. ("Company") and the Allied Pilots Association ("Association") (collectively the "Parties") regarding the elimination of the five (5) and eight (8) year limitations on the retention and accrual of seniority for LAA and LUS West pilots who have a medical disability as defined in Supplement F(1).5.a. The parties agree that these pilots (LAA and LUS) will continue to retain and accrue seniority while disabled.

The Parties agree to the following amendment to the Collective Bargaining Agreement ("CBA") to effect this agreement:

Supplement F(1).5.d

A pilot shall retain and continue to accrue his seniority for the purposes of this Supplement F while disabled. In the event such a pilot member recovers and returns to the Company as a pilot, his monthly disability pension shall cease. He will again become a participant in the Plan for the accrual of additional Basic and Variable Annuity benefits payable at Normal Retirement Date, subject to the eligibility provisions of the Plan. In the event such a pilot member works for the Company in a capacity other than as a pilot, his pilot benefits shall not be paid while he is employed in such a capacity. However, during such period he shall be eligible to participate in the pension programs applicable to his job category.

The parties agree that this amendment is prospective only. That is, this amendment has no application to pilots whose employment terminated prior to the effective date of this Agreement. The effective date of this agreement shall be September 30, 2016,

Please indicate your concurrence with the foregoing by execution in the space provided below.

Sincerely,

Captain Kimball Stone

Vice President, Flight Operations

Flight

American Airlines, Inc.

Beth Holdren

Managing Director Labor Relations,

American Airlines, Inc.



American Airlines

Allied Pilots Association:

Captain Dan Carey President