Recognition and Scope

Pursuant to the National Mediation Board's May 19, 2015 certification in NMB Case No. R-7422, the Company recognizes the Airline Mechanic and Related Employees Association TWU/IAM (the "Association") as the exclusive and sole collective bargaining agent with respect to rates of pay, rules, and working conditions for employees of American Airlines, Inc. within the United States or its territories, covered under this Agreement as described in Classifications, Article 7.

A. Except as otherwise provided for in this Article, all aircraft maintenance work, facilities maintenance work, and ground service equipment maintenance work on aircraft or ground equipment and facilities, performed for the Company is recognized as covered work under this Agreement and shall be performed by employees on the Association master seniority list(s). This includes:

1. The making, assembling, erecting, dismantling, and repairing of all machinery, mechanical equipment, engines and motors of all description, including all work involved in dismantling, overhauling, repairing, fabricating, assembling, welding, touch up painting, shot peening and erecting, testing, inspecting all parts of airplanes, airplane engines, avionics equipment, electrical system, heating system, hydraulic systems, radios, components, de-fueling, oiling, replenishing hydraulic and other fluids, accessories, furnishings and equipment and machine tool work in connection therewith, including all maintenance, construction and inspection work in and around all shops, hangars, buildings, and including the servicing, cleaning and polishing of airplanes and parts thereof, and the servicing and handling of all ground equipment performed in and about Company maintenance shops, maintenance bases, aircraft base maintenance bases, and line service/maintenance stations:

2. The servicing, maintaining, and repairing of tools and equipment, including hand tools, power tools, machine tools, and mobile equipment provided by the Company for the use of employees covered by this Agreement in the performance of their work and, when assigned by the Company, those tools and equipment provided by the Company for the use of employees not covered by this Agreement, including such work as fabricating, repairing, assembling, disassembling, testing, inspecting, fueling, oiling, and cleaning; and

3. The servicing, maintaining, and repairing of ground radio equipment (except on-the-job service, repairs, and installation of ground radios), including such work as fabricating, repairing, assembling, disassembling, testing, and inspecting.

B. Except as otherwise provided for in this Article, the scope of work for Aircraft Maintenance Planners, Senior Aircraft Maintenance Planners, Quality Assurance

Auditors, Senior Quality Assurance Auditors, Technical Documentation Specialists, Senior Technical Documentation Specialists, and Senior Bill of Work/EO/AD Planners is as described in Article 7 (Classifications).

Outsourcing of Aircraft, Engine and Component Maintenance

C. Company base maintenance employees will perform fifty (50%) percent or greater of all aircraft overhaul and modification base maintenance work, inclusive of narrow and wide-body aircraft, as follows: On an annualized basis, for every billable hour of work by aircraft base maintenance vendors performing Company overhaul and modification base maintenance work; modification work; scheduled drop-in maintenance; and any drop-in maintenance relating to fuselage damage or any other damage, there will be an equal or greater number of paid hours to Company base maintenance employees. This includes Crew Chief and Tech Crew Chief Aviation Maintenance Technicians, Aviation Maintenance Technicians, Inspectors, Overhaul Support Mechanics, Crew Chief Cleaners and Cleaners assigned to base maintenance in aircraft overhaul, modification and direct support shops as set forth in Section F of this Article below.

1. In making this calculation:

a. Livery work may be outsourced and the vendor's billable hours do not count as overhaul and modification base maintenance work, but other work performed by the vendor during the livery visit may be outsourced and the billable hours for such other work count as overhaul and modification base maintenance work.

b. Warranty work may be performed by the OEM or its contract agent and the vendor's billable hours do not count as overhaul and modification base maintenance work.

c. Aircraft lease return maintenance visits may be outsourced and the vendor's billable hours count as overhaul and modification base maintenance work.

d. Aircraft line maintenance work performed by base maintenance employees, including phase checks and lower level checks above a transit/daily check (e.g., A & B checks, service checks (SC), periodic service checks (PS) or an equivalent check by another name, and any unscheduled drop-in maintenance), does not count as overhaul and modification base maintenance work.

2. In any calendar year in which the vendor billed hours exceed fifty (50%) percent of the total combined vendor billed hours and the Company overhaul and modification base maintenance paid hours, such deficit hours will be added to the current calendar year required Company overhaul and

modification base maintenance paid hours.

D. The Company may elect to insource or outsource the maintenance, repair, servicing, overhaul, inspection or modification of aircraft engines and auxiliary power units (APUs). The Company, however, will continue to insource the work currently performed on the JT8D-200, CF6-80C2, CFM56-7B, and CFM56-5B engine types and the 131-9B, 36-280/DHF, and 331-500 APUs consistent with

APUs.

E. The Company may elect to insource or outsource the maintenance, repair, servicing, overhaul, inspection or modification of aircraft components; the servicing, maintaining, and repairing of tools and equipment; and the servicing, maintaining, and repairing of ground radio equipment. The Company, however, shall maintain a minimum headcount of active component shop employees equal to at least twenty (20%) of the active employees who are working in the aircraft overhaul, modification and direct support shops as set forth below in Section F. In making this calculation, the Company shall include Crew Chief and Tech Crew Chief Aviation Maintenance Technicians, Aviation Maintenance Technicians, Inspectors, Overhaul Support Mechanics, Crew Chief Cleaner, and Cleaner employees working in such shops.

current practices for as long as the Company continues to use such engines and

- F. In making the calculation provided for in Section E of this Article:
 - a. The headcount included for aircraft overhaul and modification will be those employees assigned to the aircraft overhaul, modification and special visit docks at all maintenance bases.
 - b. The headcount included for aircraft overhaul direct support shops will be those employees assigned to the following shops at TULE (these shop names are effective July 2018 and any change will be communicated to the Association prior to inclusion in the calculation methodology):
 - o Plastics
 - o Composite Repair Center
 - Paint and Fiberglass
 - Lavatory & Galley
 - Seats
 - Floorboard
 - Cleaning
 - Exteriors (Structures, Flight controls, Thrust reversers)
 - Hose, Tube & Cable
 - Duct

- o Interior (Sidewalls, Reveals, Shells)
- Manufacturing
- o AO Mill

Line Maintenance

- G. The Company, at a minimum, will utilize AMTs covered by this Agreement at the line maintenance stations at BOS, CLT, DCA, DFW, JFK, LAX, LGA, MIA, ORD, PHL, PHX, SFO, and STL and at least thirteen (13) other stations as determined by the Company. The Company may transfer or assign non-powered work performed by Line Maintenance to GSE at these locations where applicable. At locations covered by this Section G and any other line maintenance stations where the Company utilizes AMTs, when an out of service aircraft is in need of towing to an aircraft maintenance hangar or other non-terminal location for purposes of unplanned maintenance, such towing will be performed by AMTs, including brake riding, and connecting ground power and ground start units at the hangar. All other aircraft towing shall be as directed by the Company. The Company will meet and confer with the Union prior to the opening or closing of a location covered by this Section G.
- H. Except for at DWH, the Company shall not perform any scheduled line maintenance work at locations not covered by Section G above.
- I. At all locations not covered by Section G above, the following work may be performed by the Company or by a vendor:
 - 1. Mandatory ETOPS checks and unscheduled aircraft maintenance; and
 - 2. Line maintenance work associated with a Base Maintenance check or aircraft modification visit, subject to the requirements of Section C.1.d of this Article.
- J. At locations in Hawaii, the Company or a vendor may perform MEL/NEF work.
- K. At all locations, the following work may be performed by the Company or a vendor:
 - Automated operating software and/or content loads associated with inflight entertainment and connectivity (IFEC) or other aircraft systems with similar capabilities.
 - 2. Warranty work.
 - 3. Repair of fuel tank leaks and other out of service conditions requiring fuel tank entry, on the line; provided, however, if outsourced to a vendor, the vendor provides its own tools and equipment.

- L. At all locations, aircraft cleaning, including exterior cleaning/washing of aircraft, may be performed by the Company or a vendor.
- M. At all international locations, the Company may use vendors or other Company employees to perform scheduled line maintenance work; provided that, the total vendor/other Company employee labor hours associated with the scheduled line maintenance work at such international locations do not exceed 12% of the total Company paid line maintenance labor hours. Total Company paid line maintenance labor hours for purposes of this provision shall consist of the paid labor hours for: Line maintenance Tech Crew Chief and Crew Chief Aviation Maintenance Technicians, Aviation Maintenance Technicians, Inspectors, Interior Mechanics, Crew Chief Cleaner, and Cleaners assigned by the Company to line maintenance. Total vendor/other Company employee paid labor hours for purposes of this provision shall consist of the billable hours performed by vendors and the paid labor hours performed by non-Association employees for the equivalent job classifications who perform scheduled line maintenance at any international location. The Company shall perform this calculation in January and July of each year using the prior 12-months.

Facilities Maintenance:

Scope of Facilities Maintenance Work at Airport Terminals

N. The scope of work to be performed by employees covered by this Agreement at the DFW, MIA, and ORD Line Station airport terminals is maintaining, repairing, and servicing of bag systems, carousels, jet bridges, pre-conditioned air, and KVA units to the extent that the Company maintains control of such operational equipment. All other applicable tasks identified in Section A.1 and A.2 of this Article above are as assigned by the Company to employees covered by this Agreement based on the needs of the service or the Company may use a vendor to perform this work.

Scope of Facilities Maintenance Work at Maintenance Bases

O. The scope of work to be performed by employees covered by this Agreement at the TULE, DWH and CLT Base locations is maintaining, repairing, and servicing hangar infrastructure and docking, machinery, powerplants, and wastewater to the extent that the Company maintains controls of such facilities and equipment. The Company will assign skill specific work based upon the needs of service to employees covered by this Agreement or the Company may utilize a vendor to perform this work. Skill specific work may include work performed by carpenters, plumbers, and electricians, and electronics, lock and key, HVAC, millwright, stationary operating engineer, hazardous waste, wastewater treatment, and welding. All other applicable tasks identified in Section A.1 and A.2 of this Article above are also as assigned by the Company based on the needs of the service or the Company may use a vendor to perform this work.

Scope of Facilities Maintenance Work at Airport Hangars

P. The scope of work to be performed by employees covered by this Agreement at DFW, MIA, ORD, PHL and CLT hangars is maintaining, repairing, and servicing hangar infrastructure and docking, machinery, and powerplants to the extent that the Company maintains control of such facilities and equipment. All other applicable tasks identified in Section A.1 and A.2 of this Article above are as assigned by the Company to employees covered by this Agreement based on the needs of the service or the Company may use a vendor to perform these services.

Scope of Facilities Maintenance Work at Other Locations

Q. At any location not listed above in sections N, O, or P of this Article, the scope of work for Facilities Maintenance will be determined by the Company. Such work may be performed by employees covered by this Agreement or, at the Company's discretion, by vendors.

R. At all locations where the Company performs facilities maintenance, if employees of the Company covered by this Agreement are incapable, from the standpoint of skill or equipment, to perform construction, repair or installation of facilities, equipment, or machinery, the Company may outsource such work.

GSE Maintenance:

S. In CLT, DFW, DWH, JFK, LAX, MIA, ORD, PHL, PHX, TULE and at least two (2) other stations as determined by the Company, ground support equipment maintenance will continue to be performed by employees under the terms of this Agreement, and the Company will retain the necessary manpower and other resources in these locations in order to perform such maintenance. However, the scope of work covered by the terms of this Agreement does not include major overhaul or repair of engines/transmissions or painting of the equipment or any other work for which the Company lacks the equipment, skills or facilities.

T. In locations other than CLT, DFW, DWH, JFK, LAX, MIA, ORD, PHL, PHX, TULE and at least two (2) other stations as determined by the Company, ground support equipment maintenance may be performed by employees covered by this Agreement or, at the Company's discretion, by vendors.

<u>Miscellaneous</u>

U. The Company, no later than February 15th of each year, will provide to the Association and/or the Association's advisor, documentation necessary to verify the Company's compliance with the outsourcing provisions in Sections C, E, and

M of this Article. As to Section C of this Article, this documentation shall include a summary of the previous calendar year's base maintenance paid hours and vendor airframe base maintenance billed hours, and on an ongoing basis (no later than six weeks following the end of the month), a summary of the previous month's base maintenance vendor's billable hours including tail numbers of the aircraft.

V. The time limit for grievances that involve contracting out of work under Sections C, E, and M of this Article will be 90 days from the date that the Company provided the Union with the documentation.

W. A review committee consisting of equal numbers of Company and Association representatives, with a maximum of four members each, shall meet at least quarterly for the purpose of discussing the Company's current practice and future plan for contracting aircraft maintenance.

X. The Company may return to the manufacturer or its authorized agent, parts and subassemblies for repair or replacement that are under warranty.

Y. The work to be performed by employees covered by this Agreement does not include related indirect work performed by employees such as supervisors, management specialists, managers, analysts, professional employees, flight crews, dispatchers, office and clerical employees, agents, clerks, production assistants, staff assistants, and skycaps.

Z. The Company may subcontract to vendors liquid service to aircraft limited to water, fuel, oil, A.D.I and water methanol at all locations. In addition, the Company may subcontract to vendors the fueling of ground equipment at all locations. When ground equipment fueling is not subcontracted, it will not be deemed a violation of this Agreement for an American Airlines, Inc. employee to fuel the equipment his is operating, provided there is no increase of this practice beyond what exists at DOS.

AA. No more than 50% of the Technical Documentation Specialists paid labor hours can be utilized towards vendors to perform Tech Doc work as covered by this Agreement. Given the variability in workload, and existing needs to supplement the full-time work force with contracted labor it is the intent of the Company only to outsource project related workload that could not be performed by the existing employees in the time required.

BB. Supervisory personnel may perform Quality Assurance work when required to meet the needs of service when Quality Assurance Auditors are not immediately available to perform such duties or to evaluate the initial scope and details of a non-conformance issue or as needed for urgent or sensitive high-level events.

- CC. Supervisory personnel may perform Planner/Technical Documentation work when required to meet the needs of service when Planner/Technical Documentation Specialists are not immediately available to perform such duties.
- DD. The types of maintenance audits being conducted by Quality Assurance Auditors as of DOS will continue to be accomplished by Quality Assurance Auditors. The types of audits being conducted by other Company employees and/or vendors as of DOS may continue to be accomplished by other Company employees and/or vendors.
- EE. Bill of Works/Decks for vendor heavy maintenance overhaul will continue to be built by Base Maintenance Planners.
- FF. When an aircraft that is owned and/or operated by American Airlines, Inc. is engaged in a charter flight off the Company system, the Company shall not schedule maintenance at locations where the Company does not have AMTs covered by this Agreement and major problems shall be handled by sending Association members from the appropriate field trip list unless prohibited by local laws.

Job Protection

GG. System Job Protection

- For the duration of this Agreement, no active employee or employee on a Company approved leave of absence who is covered by this Agreement and whose name appears on the Association master seniority list(s) on the date of ratification of this Agreement will be laid off to the street provided the employee exercises his seniority to the fullest extent in accordance with Article 12.
- 2. This provision does not guarantee Crew Chiefs protection to the Crew Chief classification, but does provide protection to the basic classification.
- 3. System job protection shall not apply in circumstances where the Company's non-compliance is caused in substantial part by conditions beyond the Company's control. Conditions beyond the Company's control shall include, but not be limited to: (1) an act of God; (2) a strike by any other Company employee group or the employees of a commuter air carrier operating pursuant to an authorized codeshare arrangement with the Company; (3) a national emergency; (4) involuntary revocation of the Company's operating certificate(s); (5) grounding of a substantial number of the Company's aircraft; (6) a reduction in the Company's operation resulting from a decrease in available fuel supply caused by either

governmental action or by commercial suppliers being unable to meet the Company's demands; and (7) the unavailability of aircraft scheduled for delivery.

HH. Station Job Protection

 1. For the duration of this Agreement, the Company will provide station job protection to all employees covered by this Agreement whose name appears on the Association master seniority list(s) and who are active or on a Company approved leave of absence as of the date of ratification of this Agreement. Station job protection will apply only to the station and basic classification that the employee holds on the date of ratification of the Agreement.

2. This provision does not guarantee Crew Chiefs protection to the Crew Chief classification, but does provide protection to the basic classification.

3. Station job protection will not apply in the event that all scheduled American Airlines, Inc. flight operations cease at a station. Station job protection shall also not apply in circumstances where the Company's non-compliance is caused in substantial part by conditions beyond the Company's control as set forth above in Section GG.3.

Parallel Operations

II. If the Company establishes any new airline or acquires a controlling interest in any carrier, which operates jet aircraft, and mainline pilots on the American Airlines, Inc. pilot seniority list perform revenue flying utilizing such aircraft, then all covered aircraft maintenance work on such aircraft shall be performed by employees covered by this Agreement list in accordance with the provisions of this Article.

JJ. If the Company allows its code to be placed on any flight and the flight utilizes jet aircraft and mainline pilots on the American Airlines, Inc. pilot seniority list perform revenue flying utilizing such aircraft, then all covered aircraft maintenance work on such aircraft shall be performed by employees covered by this Agreement in accordance with the provisions of this Article.