



American
Airlines



American Airlines Passenger Service

Overview of December 2023 Tentative Agreement

The Tentative Agreement (TA) bargaining unit members are considering represents a \$1.4 billion increase in compensation over the five-year term.

TA Overview:

- Five-year term, with a 365-day early opener
- Immediate pay scale increase between 10-42%
 - *In four months, a 3% increase in the pay scales on May 1st, 2024*
 - *Additional 3% increases each May 1st through 2027*
- Signing bonus of \$200 per year of service, minimum of \$1,000 per employee
- Maximum employer contribution increased to 9% (current book max of 5.5%)
- Premium increases:
 - *CSC/PGSC - \$3.00/hr (current \$2.00/hr)*
 - *AAV - \$1.00/hr (current \$0.00/hr)*
- Overtime bypass pay
- Added a sixth week of vacation for employees with 29+ years of service
- Sick Bank increased to 1,600 hours (current book 1,400 max bank)
- Enhanced Sick Bank payout at retirement
- All mandatory overtime paid at 1.5x's pay or 2x's for second and subsequent consecutive days, regardless of part-time/full time status
- Mandatory overtime released in seniority order, regardless of part-time/full time status in reservations
- Protect days off from mandatory overtime for Reservations
- No station outsourcing for life of agreement
- A no furlough clause for all members on the seniority list at the date of signing
- Recall rights extended to 10 years (current book at 5 years)
- Bargaining unit members will be trained and qualified to cover 10% of CHAT work
- No HBR cap
- Maintain physical reservation locations in DFW, RDU, and PHX through May 2029
- Continue to cap healthcare premiums at 21%, with the ability for the Company to reduce employee contributions to the Core plan at Company discretion.
- Increase trade flexibility for Reservations:
 - *30-minute notice prior to trade*
 - *Trades allowed between desk system wide*
 - *Airport - 6pm trade deadline increased from 4pm*
 - *Airport - 15-minute increment for trades after minimum of 1 hour*
 - *6-month trade window increased flexibility from 3 months*
- 10% of domestic reservations calls to be outsourced in first two years of agreement, increased to 15% in third year (current book allows outsourcing if the abandon call rate exceeds 10%)

Steps to read a pay table:

- 1. Find your current Years of Service (YOS)** – You can do this two ways, the first of which is to simply find your current pay rate in the ‘Current’ column on the following slide and reference the ‘YOS’ in the same row. A second way is to manually calculate your years of service by counting the number of years since your date of hire (DOH) plus one and referencing the number of years in the ‘YOS’ column.
 - *ex., Assuming the TA is ratified, the new pay scales become effective on January 8th, 2024. So, an individual with a DOH of April 2016 has been an employee for six (7) years and would be paid at the ‘8 YOS’ pay rate when the new pay scale becomes effective.*
- 2. Movement through the Pay Table** – For individuals who have not reached the top of scale, there are **TWO** increases that happen within a pay scale:
 - a) Contract increase** – These are increases that happens on the same day for the everyone in the bargaining unit, and results in a horizontal move to the right within the scale. After the initial pay rates become effective on January 8th, 2024, contract increase would happen every May 1st through 2027.
 - b) Date of Hire Anniversary increases** – These increases are individually specific, as they happen every year on the employee’s DOH anniversary date, and result in a vertical move down on the wage scale until they reach the top of scale. Individuals who have reached the top of scale only receive the contract increase.

New Wage Tables in TA

Below are the both the current wage rates (in orange) and rates you will find in the TA (in green). The TA calls for a single pay table for CSA, OBR and HBR employees and another pay table for CAR employees. Assuming the TA is ratified, the new wage rates will become effective January 8th, 2024, with immediate hourly rate increases of between 10% and 41%. Just four months later, on May 1st, 2024, the scales will again increase by 3%, with addition 3% increases each May 1st through 2027.

Customer Service Agent & Reservations Representative							
YOS	Current		Jan-24	May-24	May-25	May-26	May-27
	CSA & OBR	HBR					
1	\$14.74	\$13.05	\$18.51	\$19.07	\$19.64	\$20.23	\$20.84
2	\$15.64	\$13.95	\$19.15	\$19.72	\$20.31	\$20.92	\$21.55
3	\$16.47	\$14.78	\$20.05	\$20.66	\$21.28	\$21.92	\$22.58
4	\$17.57	\$15.88	\$20.88	\$21.51	\$22.15	\$22.81	\$23.49
5	\$18.87	\$17.18	\$22.00	\$22.66	\$23.34	\$24.04	\$24.76
6	\$20.35	\$18.67	\$23.65	\$24.36	\$25.09	\$25.84	\$26.62
7	\$21.95	\$20.25	\$24.78	\$25.52	\$26.29	\$27.08	\$27.89
8	\$23.44	\$21.75	\$25.90	\$26.68	\$27.48	\$28.30	\$29.15
9	\$24.79	\$23.11	\$27.36	\$28.18	\$29.02	\$29.89	\$30.79
10	\$26.57	\$24.87	\$29.29	\$30.17	\$31.07	\$32.00	\$32.96
11	\$29.80	\$28.10	\$35.03	\$36.08	\$37.16	\$38.27	\$39.42
12	\$32.00	\$30.31	\$35.65	\$36.72	\$37.82	\$38.95	\$40.12

Customer Assistance Representative						
YOS	Current	Jan-24	May-24	May-25	May-26	May-27
1	\$12.08	\$15.17	\$15.63	\$16.10	\$16.58	\$17.08
2	\$12.41	\$15.20	\$15.66	\$16.13	\$16.61	\$17.11
3	\$12.70	\$15.46	\$15.92	\$16.40	\$16.89	\$17.40
4	\$13.08	\$15.54	\$16.01	\$16.49	\$16.98	\$17.49
5	\$13.64	\$15.90	\$16.38	\$16.87	\$17.38	\$17.90
6	\$16.99	\$19.75	\$20.34	\$20.95	\$21.58	\$22.23
7	\$17.51	\$19.77	\$20.36	\$20.97	\$21.60	\$22.25
8	\$17.99	\$19.88	\$20.48	\$21.09	\$21.72	\$22.37
9	\$18.41	\$20.32	\$20.93	\$21.56	\$22.21	\$22.88
10	\$19.02	\$20.97	\$21.60	\$22.25	\$22.92	\$23.61
11	\$19.50	\$21.72	\$22.37	\$23.04	\$23.73	\$24.44

Immediate Wage Scale Improvements

Below are the both the current wage rates (in orange) and January 8th, 2024, TA rates (in green). The right most columns (in yellow) show the hourly wage rate improvements for each job and year of service pay step that members would realize come January 8th if the TA is ratified. Immediate hourly wage improvements range from \$1.89 to \$6.93.

CSA, OBR and HBR					
YOS	Current		Jan-24	Jan-24 Rate Inc	
	CSA & OBR	HBR		CSA & OBR	HBR
1	\$14.74	\$13.05	\$18.51	\$3.77 (26%)	\$5.46 (42%)
2	\$15.64	\$13.95	\$19.15	\$3.51 (22%)	\$5.20 (37%)
3	\$16.47	\$14.78	\$20.05	\$3.58 (22%)	\$5.27 (36%)
4	\$17.57	\$15.88	\$20.88	\$3.31 (19%)	\$5.00 (31%)
5	\$18.87	\$17.18	\$22.00	\$3.13 (17%)	\$4.82 (28%)
6	\$20.35	\$18.67	\$23.65	\$3.30 (16%)	\$4.98 (27%)
7	\$21.95	\$20.25	\$24.78	\$2.83 (13%)	\$4.53 (22%)
8	\$23.44	\$21.75	\$25.90	\$2.46 (10%)	\$4.15 (19%)
9	\$24.79	\$23.11	\$27.36	\$2.57 (10%)	\$4.25 (18%)
10	\$26.57	\$24.87	\$29.29	\$2.72 (10%)	\$4.42 (18%)
11	\$29.80	\$28.10	\$35.03	\$5.23 (18%)	\$6.93 (25%)
12	\$32.00	\$30.31	\$35.65	\$3.65 (11%)	\$5.34 (18%)

CAR			
YOS	Current	Jan-24	Jan-24 Rate Inc
1	\$12.08	\$15.17	\$3.09 (26%)
2	\$12.41	\$15.20	\$2.79 (22%)
3	\$12.70	\$15.46	\$2.76 (22%)
4	\$13.08	\$15.54	\$2.46 (19%)
5	\$13.64	\$15.90	\$2.26 (17%)
6	\$16.99	\$19.75	\$2.76 (16%)
7	\$17.51	\$19.77	\$2.26 (13%)
8	\$17.99	\$19.88	\$1.89 (11%)
9	\$18.41	\$20.32	\$1.91 (10%)
10	\$19.02	\$20.97	\$1.95 (10%)
11	\$19.50	\$21.72	\$2.22 (11%)

Hourly Pay Improvements for CSAs, OBRs and HBRs over the life of the TA

The yellow highlights show the wage progressions of employees currently paid the at the YOS 1 and YOS 6 pay rates, mapping both the contract and date of hire increases, as well as the total increase in the hourly wage, through the five years of the TA. Note, an individual with a date of hire anniversary between January 8th and April 30th will receive their DOH anniversary increase before the May 1st, 2024 Contract Increase, and would therefore follow the light yellow highlight in the 'Jan-24' column. However, the total hourly increase over the life of the agreement will remain the same.

Customer Service Agent & Reservations Representative									
YOS	Current		Jan-24	May-24	May-25	May-26	May-27	Hrly Wage Inc	
	CSA & OBR	HBR						CSA & OBR	HBR
1	\$14.74	\$13.05	\$18.51	\$19.07	\$19.64	\$20.23	\$20.84		
2	\$15.64	\$13.95	\$19.15	\$19.72	\$20.31	\$20.92	\$21.55		
3	\$16.47	\$14.78	\$20.05	\$20.66	\$21.28	\$21.92	\$22.58		
4	\$17.57	\$15.88	\$20.88	\$21.51	\$22.15	\$22.81	\$23.49		
5	\$18.87	\$17.18	\$22.00	\$22.66	\$23.34	\$24.04	\$24.76		
6	\$20.35	\$18.67	\$23.65	\$24.36	\$25.09	\$25.84	\$26.62	\$11.88 (81%)	\$13.57 (104%)
7	\$21.95	\$20.25	\$24.78	\$25.52	\$26.29	\$27.08	\$27.89	\$12.25 (78%)	\$13.94 (100%)
8	\$23.44	\$21.75	\$25.90	\$26.68	\$27.48	\$28.30	\$29.15	\$12.68 (77%)	\$14.37 (97%)
9	\$24.79	\$23.11	\$27.36	\$28.18	\$29.02	\$29.89	\$30.79	\$13.22 (75%)	\$14.91 (94%)
10	\$26.57	\$24.87	\$29.29	\$30.17	\$31.07	\$32.00	\$32.96	\$14.09 (75%)	\$15.78 (92%)
11	\$29.80	\$28.10	\$35.03	\$36.08	\$37.16	\$38.27	\$39.42	\$19.07 (94%)	\$20.75 (111%)
12	\$32.00	\$30.31	\$35.65	\$36.72	\$37.82	\$38.95	\$40.12	\$18.17 (83%)	\$19.87 (98%)
12*			\$35.65	\$36.72	\$37.82	\$38.95	\$40.12	\$16.68 (71%)	\$18.37 (84%)
12*				\$36.72	\$37.82	\$38.95	\$40.12	\$15.33 (62%)	\$17.01 (74%)
12*					\$37.82	\$38.95	\$40.12	\$13.55 (51%)	\$15.25 (61%)
12*						\$38.95	\$40.12	\$10.32 (35%)	\$12.02 (43%)
12*							\$40.12	\$8.12 (25%)	\$9.81 (32%)

* The additional YOS 12 rates are just for illustrative purposes for this table

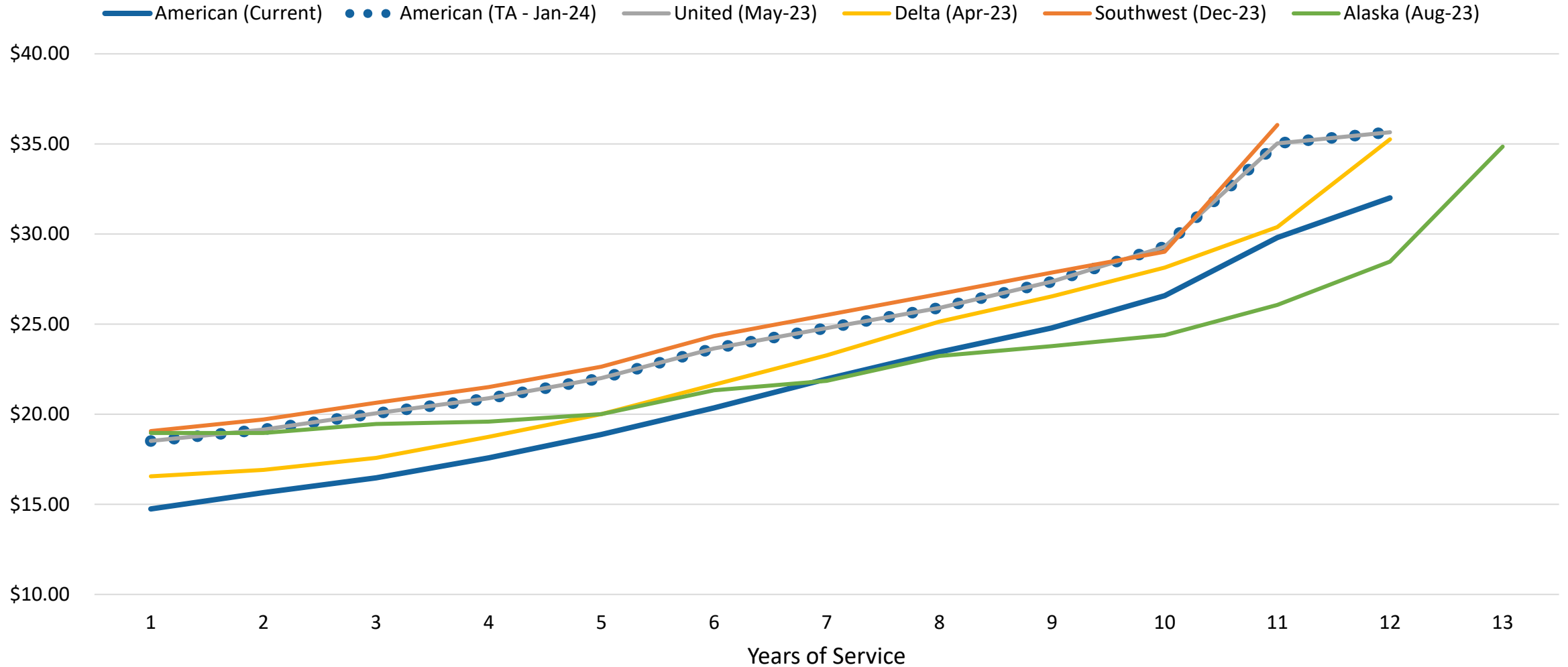
Hourly Pay Improvements for CARs over the life of the TA

The yellow highlights show the wage progressions of employees currently paid the at the YOS 1 and YOS 6 pay rates, mapping both the contract and date of hire increases, as well as the total increase in the hourly wage, through the five years of the TA. Note, an individual with a date of hire anniversary between January 8th and April 30th will receive their DOH anniversary increase before the May 1st, 2024 Contract Increase, and would therefore follow the light yellow highlight in the 'Jan-24' column. However, the total hourly increase over the life of the agreement will remain the same.

Customer Assistance Representative							
YOS	Current	Jan-24	May-24	May-25	May-26	May-27	Hrly Wage Inc
1	\$12.08	\$15.17	\$15.63	\$16.10	\$16.58	\$17.08	
2	\$12.41	\$15.20	\$15.66	\$16.13	\$16.61	\$17.11	
3	\$12.70	\$15.46	\$15.92	\$16.40	\$16.89	\$17.40	
4	\$13.08	\$15.54	\$16.01	\$16.49	\$16.98	\$17.49	
5	\$13.64	\$15.90	\$16.38	\$16.87	\$17.38	\$17.90	
6	\$16.99	\$19.75	\$20.34	\$20.95	\$21.58	\$22.23	\$10.15 (84%)
7	\$17.51	\$19.77	\$20.36	\$20.97	\$21.60	\$22.25	\$9.84 (79%)
8	\$17.99	\$19.88	\$20.48	\$21.09	\$21.72	\$22.37	\$9.67 (76%)
9	\$18.41	\$20.32	\$20.93	\$21.56	\$22.21	\$22.88	\$9.80 (75%)
10	\$19.02	\$20.97	\$21.60	\$22.25	\$22.92	\$23.61	\$9.97 (73%)
11	\$19.50	\$21.72	\$22.37	\$23.04	\$23.73	\$24.44	\$7.45 (44%)
11*		\$21.72	\$22.37	\$23.04	\$23.73	\$24.44	\$6.93 (40%)
11*			\$22.37	\$23.04	\$23.73	\$24.44	\$6.45 (36%)
11*				\$23.04	\$23.73	\$24.44	\$6.03 (33%)
11*					\$23.73	\$24.44	\$5.42 (28%)
11*						\$24.44	\$4.94 (25%)

* The additional YOS 11 rates are just for illustrative purposes for this table

Customer Service Agent - Industry Comparisons

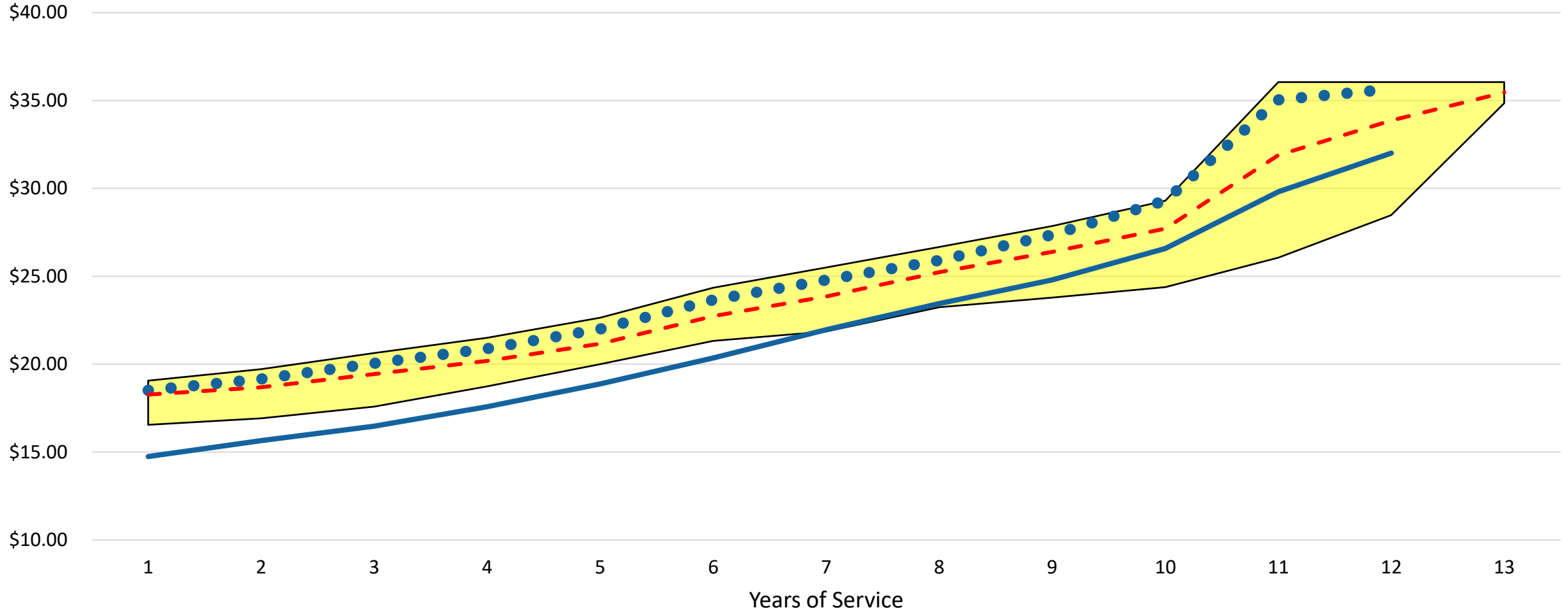


Source: CBAs and employee handbooks

* Job titles: American – Customer Service Agent, United - Customer Service Representative, Delta - Passenger Service Agent, Southwest - Customer Service Agent, Alaska – Customer Service Agent

Customer Service Agent - Industry Comparisons

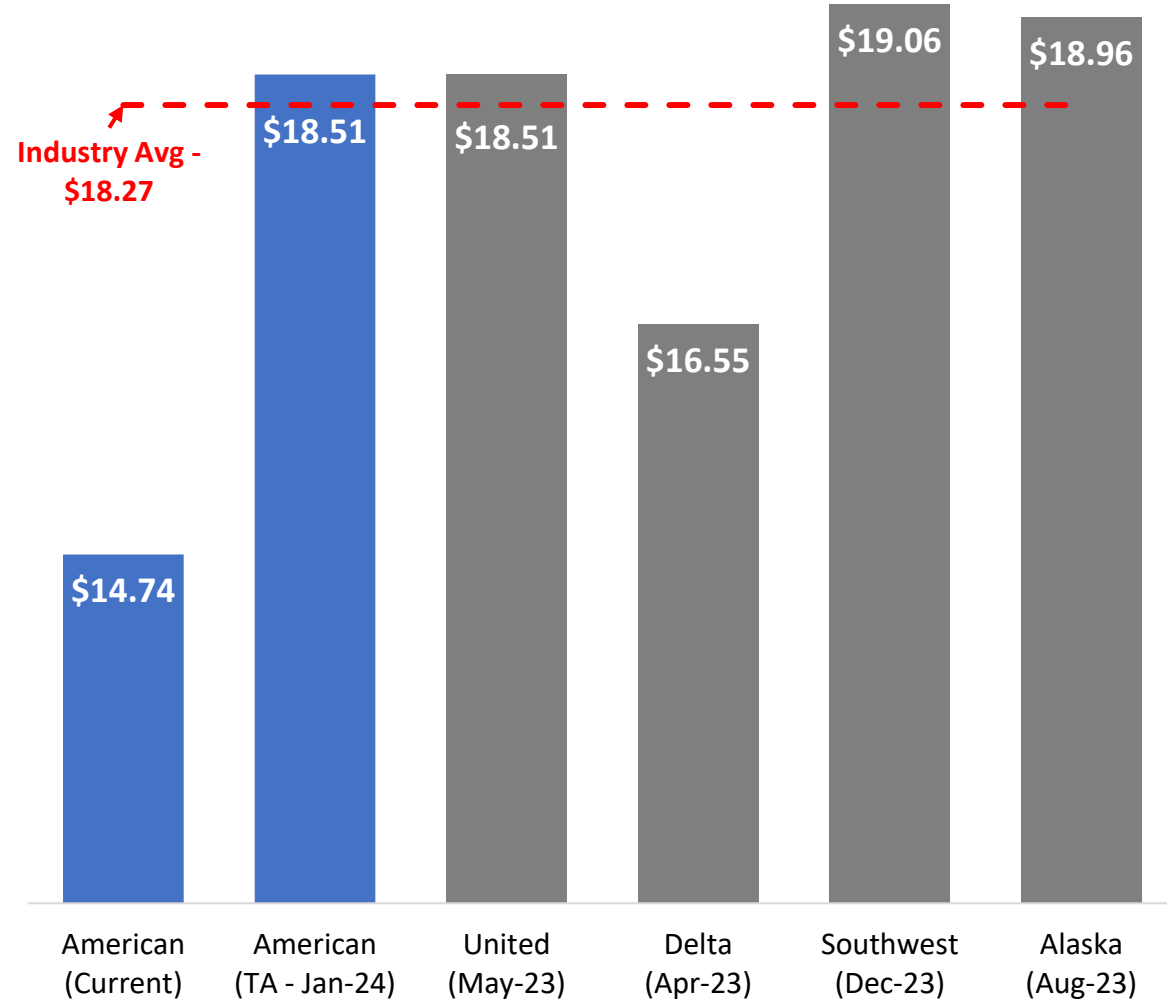
Industry Range American (Current) American (TA - Jan-24) Industry Average



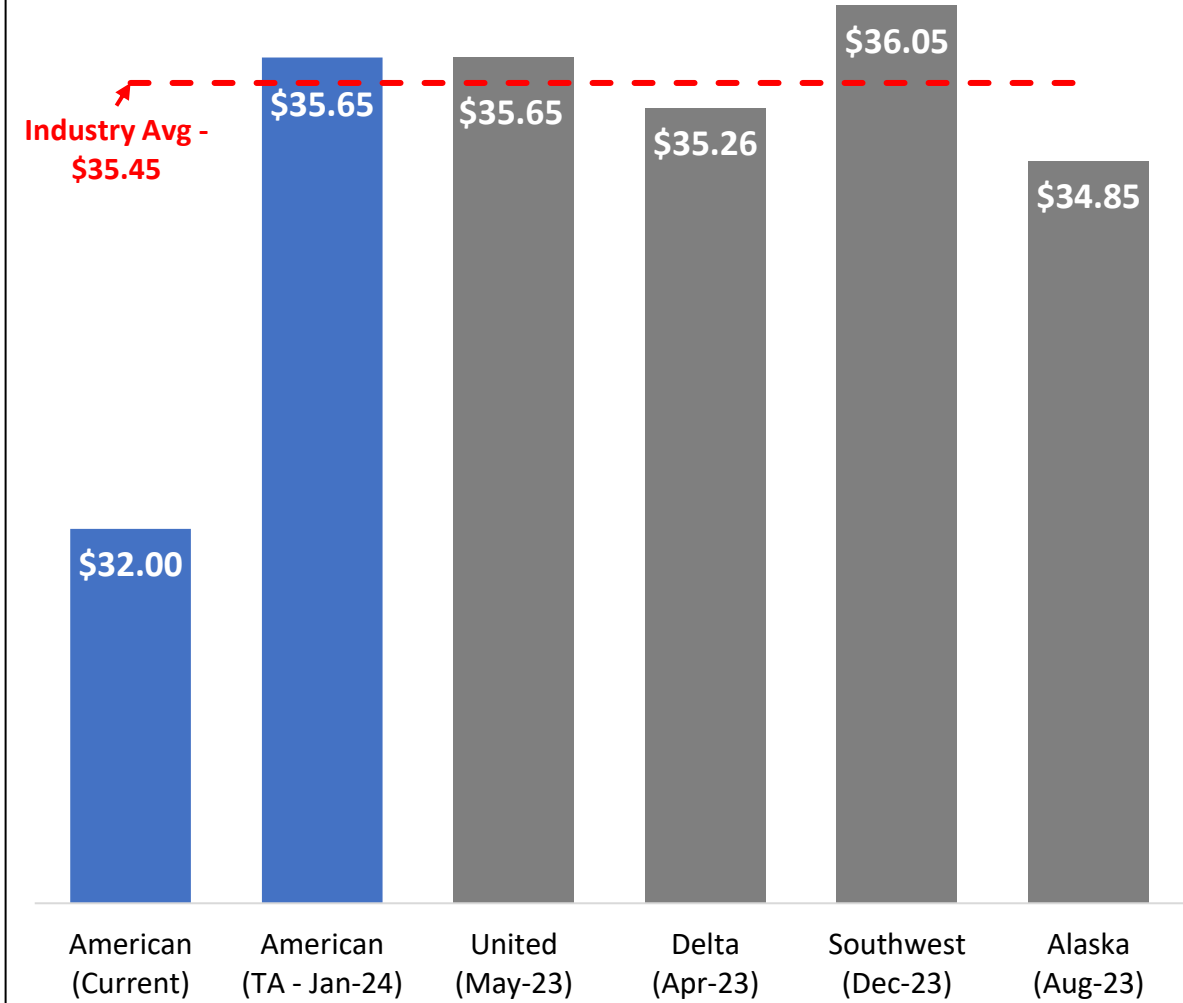
Source: CBAs and employee handbooks
* Carriers and Job titles include: American – Customer Service Agent, United - Customer Service Representative, Delta - Passenger Service Agent, Southwest - Customer Service Agent, Alaska – Customer Service Agent

American Airlines Pax Service TA Overview: Wage Comparisons (cont.)

Starting CSA Industry Rates



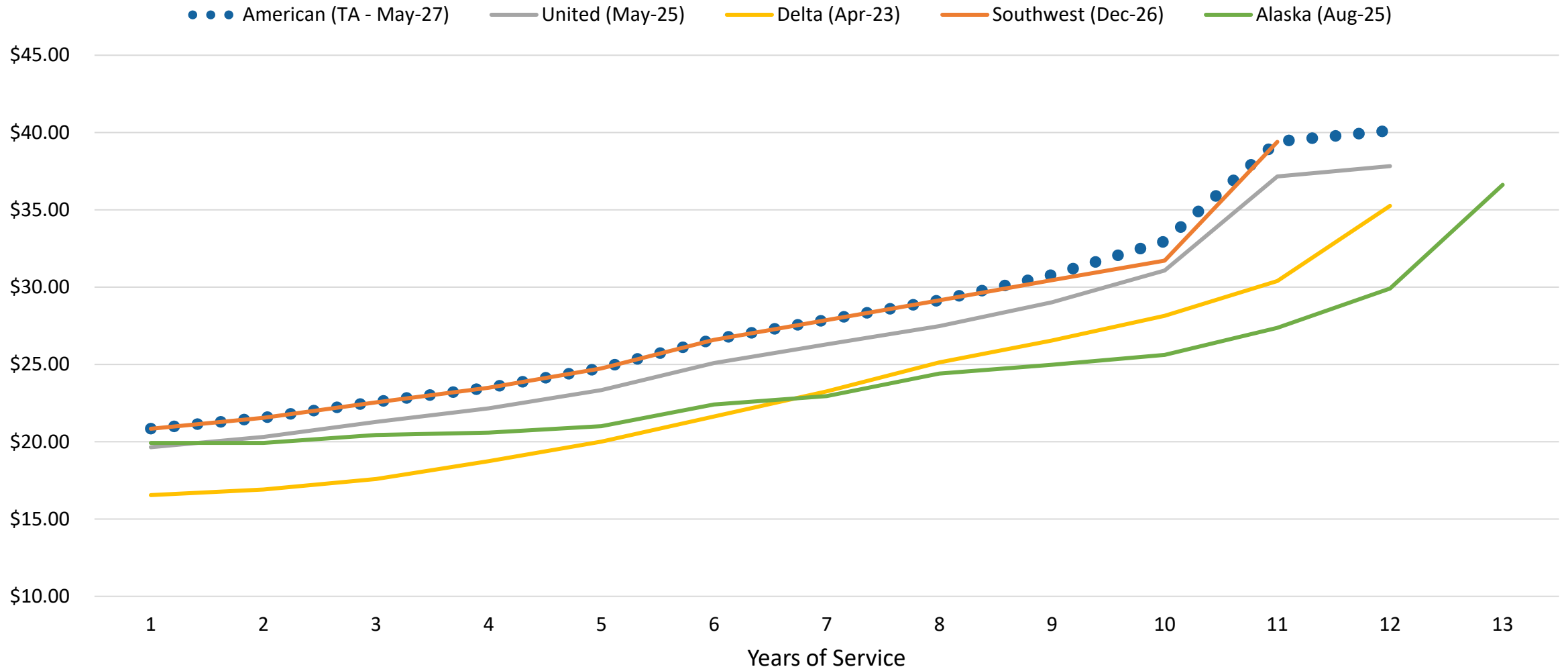
Top of Scale CSA Industry Rates



Source: CBAs and employee handbooks

* Job titles: American – Customer Service Agent, United - Customer Service Representative, Delta - Passenger Service Agent, Southwest - Customer Service Agent, Alaska – Customer Service Agent

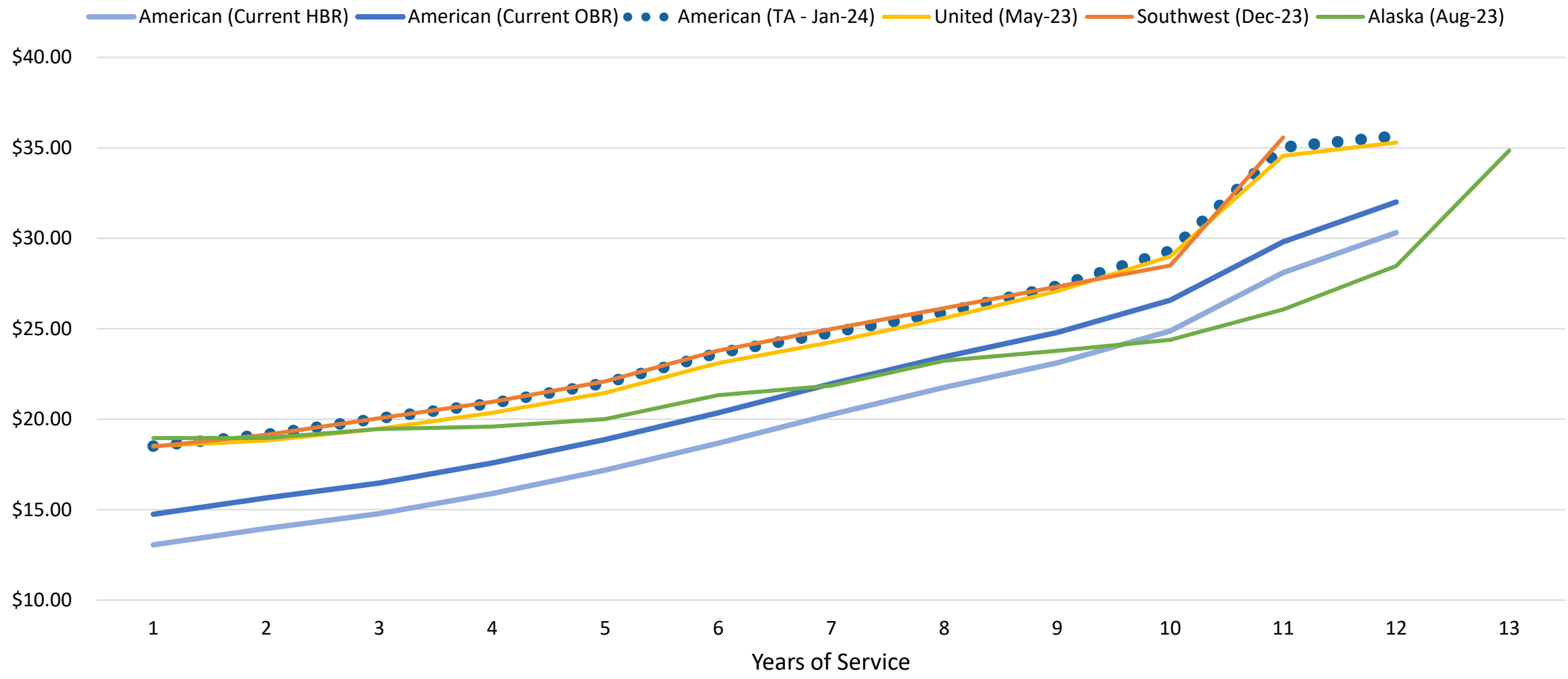
Customer Service Agent – Future Industry Comparisons



Source: CBAs and employee handbooks

* Job titles: American – Customer Service Agent, United - Customer Service Representative, Delta - Passenger Service Agent, Southwest - Customer Service Agent, Alaska – Customer Service Agent

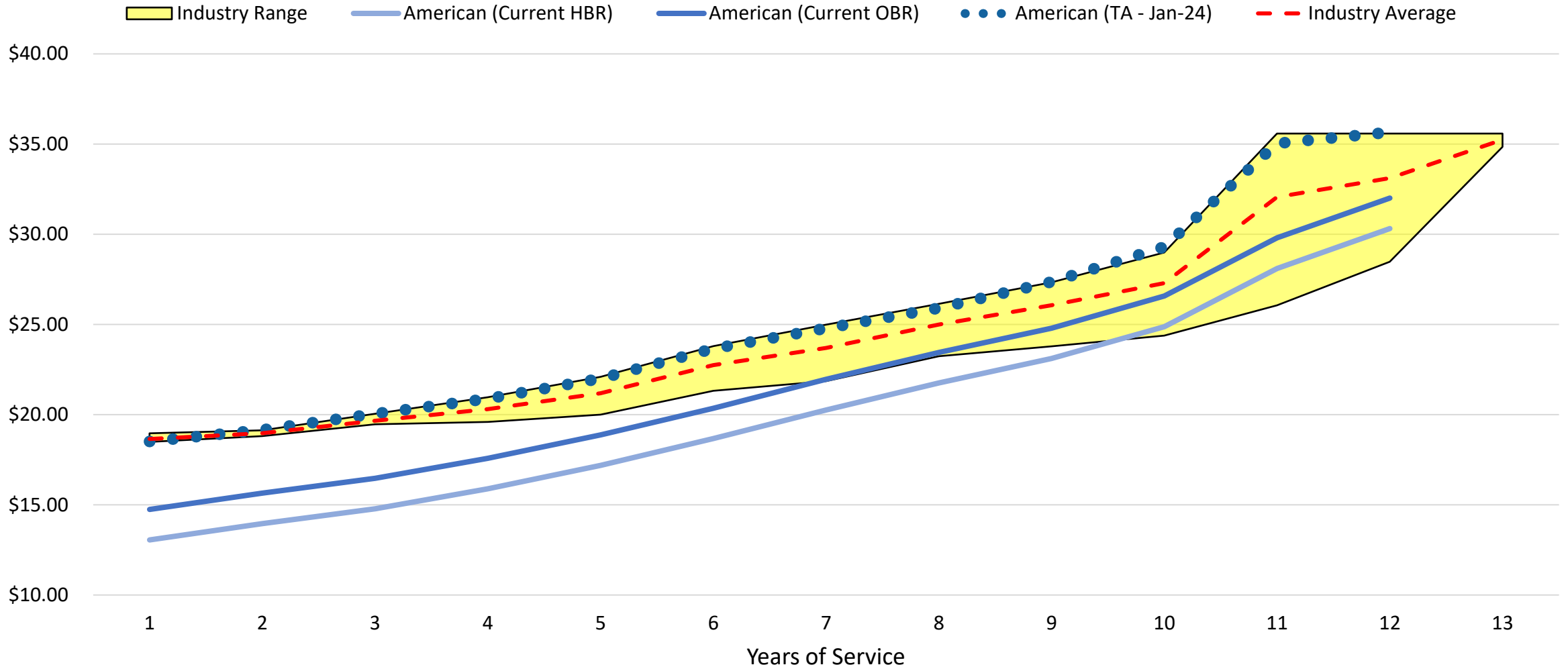
Reservations - Industry Comparisons



Source: CBAs and employee handbooks (no information available for Delta)

* Job titles: American – Reservations Office/Home Based Representative, United - Reservations Sales and Service Representative, Southwest - CS&S Customer Representatives, Alaska – Reservations Sales Agent

Reservations - Industry Comparisons

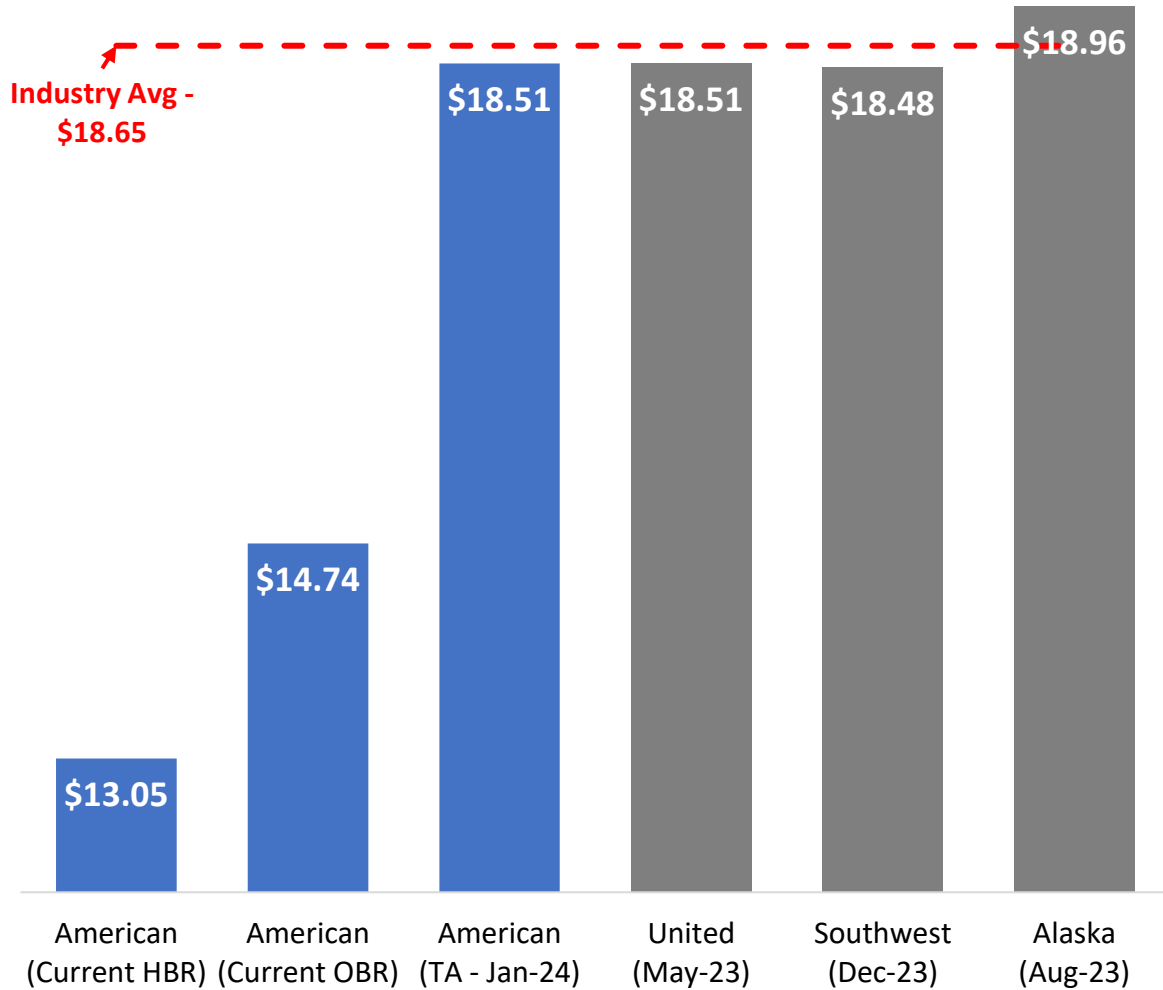


Source: CBAs and employee handbooks (no information available for Delta)

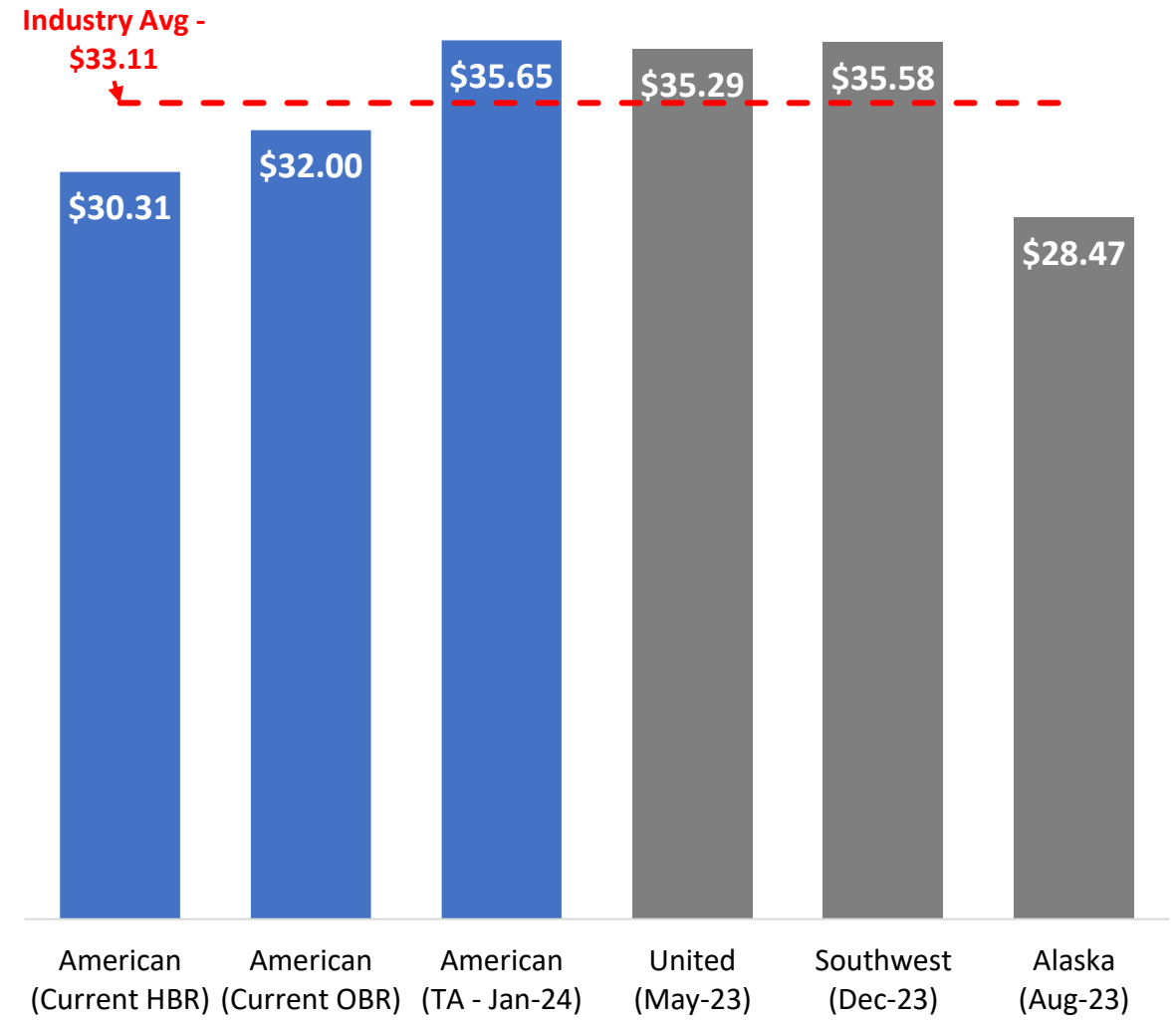
* Carriers and Job titles include : American – Reservations Office/Home Based Representative, United - Reservations Sales and Service Representative, Southwest - CS&S Customer Representatives, Alaska – Reservations Sales Agent

American Airlines Pax Service TA Overview: Wage Comparisons (cont.)

Starting HBR/OBR Industry Rates



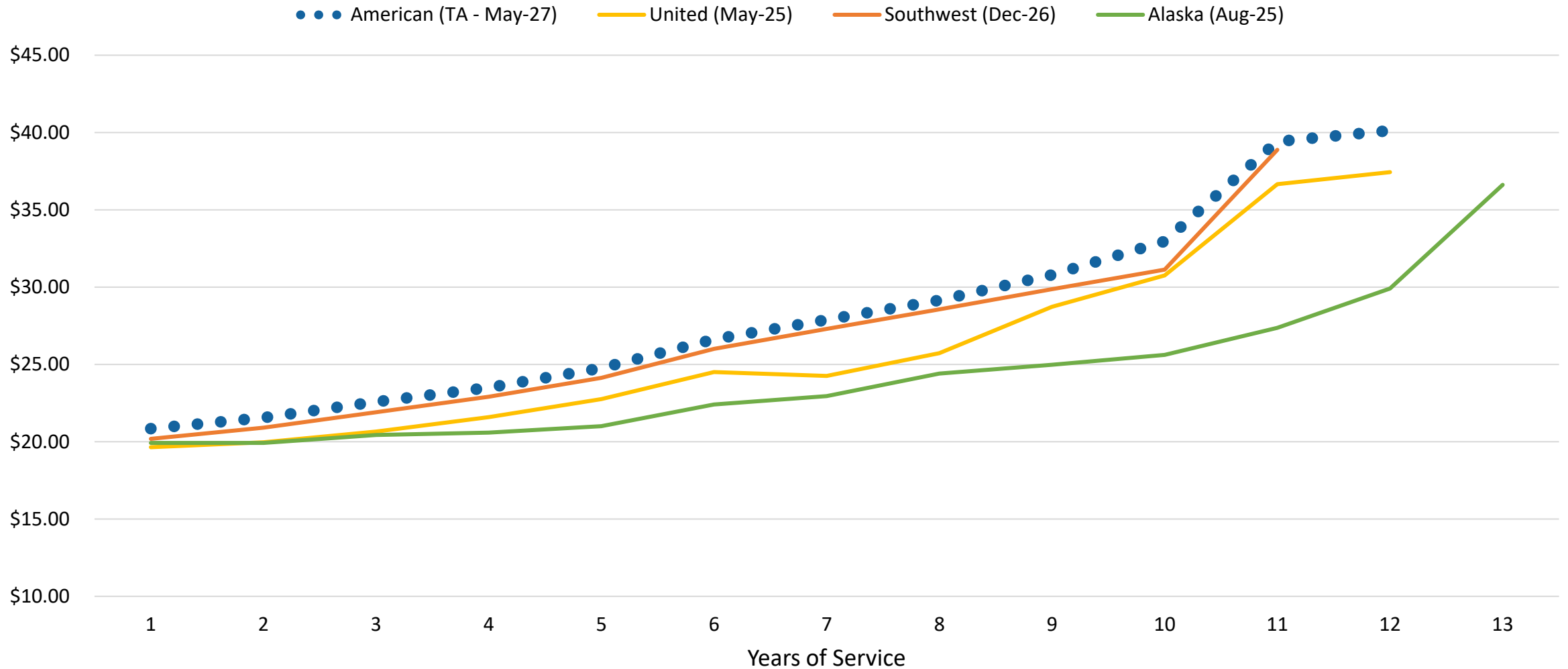
Top of Scale HBR/OBR Industry Rates



Source: CBAs and employee handbooks

* Job titles: American – Reservations Office/Home Based Representative, United - Reservations Sales and Service Representative, Southwest - CS&S Customer Representatives, Alaska – Reservations Sales Agent

Reservations – Future Industry Comparisons



Source: CBAs and employee handbooks (no information available for Delta)

* Job titles: American – Reservations Office/Home Based Representative, United - Reservations Sales and Service Representative, Southwest - CS&S Customer Representatives, Alaska – Reservations Sales Agent

Signing Bonus

Included in the TA is a signing bonus for all eligible bargaining unit members. The terms of the signing bonus are \$200 per completed year of service at the date of signing*, with a minimum payout of \$1,000. Assuming the TA is ratified, eligible bargaining unit members will receive their signing bonus as soon as practicable, but no later than 75 days following the date of signing of a ratified TA. See below for the signing bonus payout based each employees completed years of service at the date of signing.†

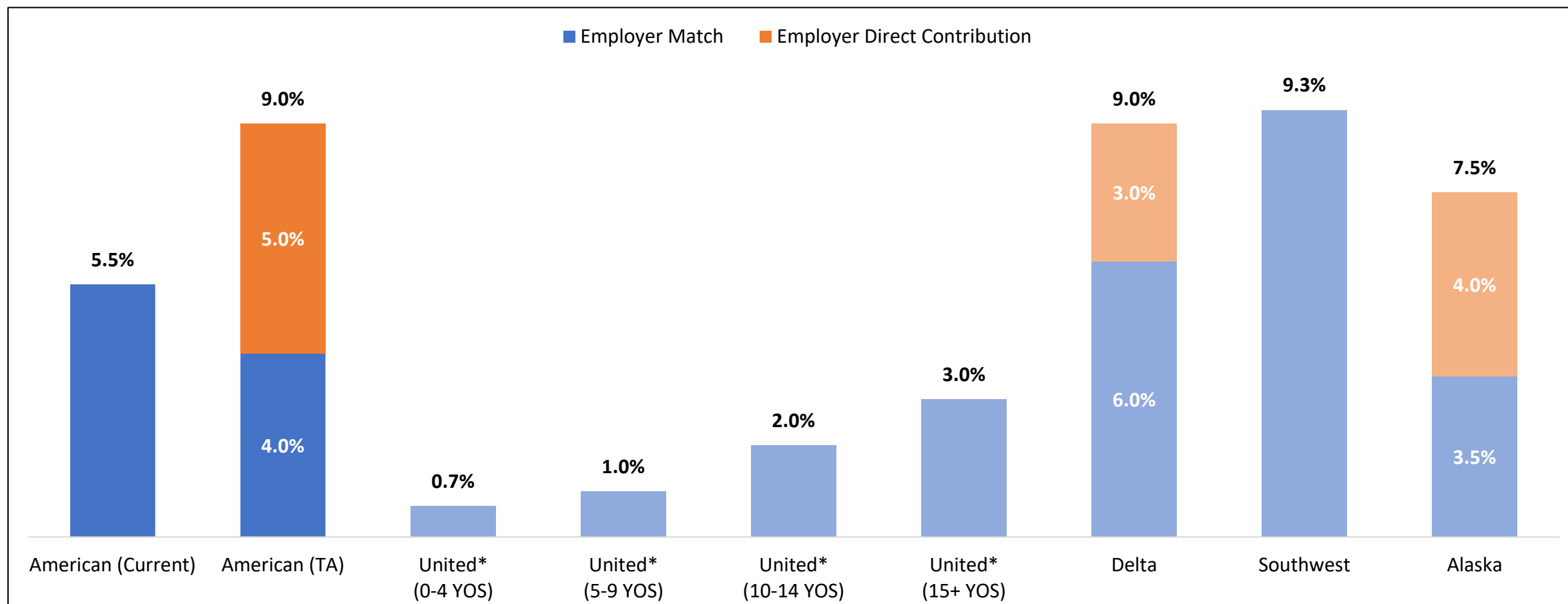
Completed YOS	Signing Bonus Payout	Completed YOS	Signing Bonus Payout	Completed YOS	Signing Bonus Payout	Completed YOS	Signing Bonus Payout	Completed YOS	Signing Bonus Payout
0	\$1,000	10	\$2,000	20	\$4,000	30	\$6,000	40	\$8,000
1	\$1,000	11	\$2,200	21	\$4,200	31	\$6,200	41	\$8,200
2	\$1,000	12	\$2,400	22	\$4,400	32	\$6,400	42	\$8,400
3	\$1,000	13	\$2,600	23	\$4,600	33	\$6,600	43	\$8,600
4	\$1,000	14	\$2,800	24	\$4,800	34	\$6,800	44	\$8,800
5	\$1,000	15	\$3,000	25	\$5,000	35	\$7,000	45	\$9,000
6	\$1,200	16	\$3,200	26	\$5,200	36	\$7,200	46	\$9,200
7	\$1,400	17	\$3,400	27	\$5,400	37	\$7,400	47	\$9,400
8	\$1,600	18	\$3,600	28	\$5,600	38	\$7,600	48	\$9,600
9	\$1,800	19	\$3,800	29	\$5,800	39	\$7,800	49	\$9,800

* Date of signing is anticipated to be January 12th, 2024, however that is subject to change.

† Completed years of service is calculated by counting the number of years since your date of hire to the date of signing. Ex. Assuming a date of signing of January 12, 2024, an employee with a date of hire of April 1st, 2016, would have 7 completed years of service at the date of signing.

Employer 401(k) Contributions

The TA calls for enhancements to the current 401(k) plan offered to bargaining unit members, increasing the maximum employer 401(k) contribution to bargaining unit members 9%. Under the current CBA, the employer offers a dollar-for-dollar match on employees 401(k) contributions up to 5.5%. The new TA calls for a direct employer contribution of 5%, which requires no employee contribution, plus a dollar-for-dollar match on employees 401(k) contributions up to 4%, for a maximum employer contribution of 9%.

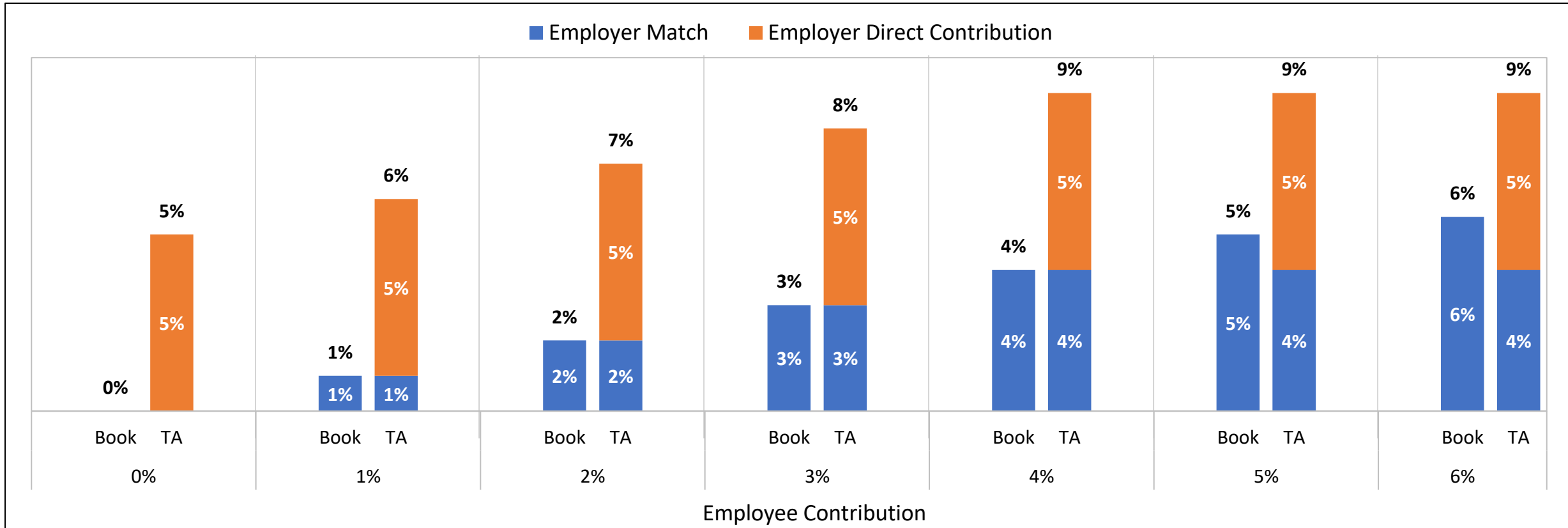


* United also offers a pension as well as an employer matching 401(k) contribution based on years of service (YOS)

Employer 401(k) Contributions Improvement Examples

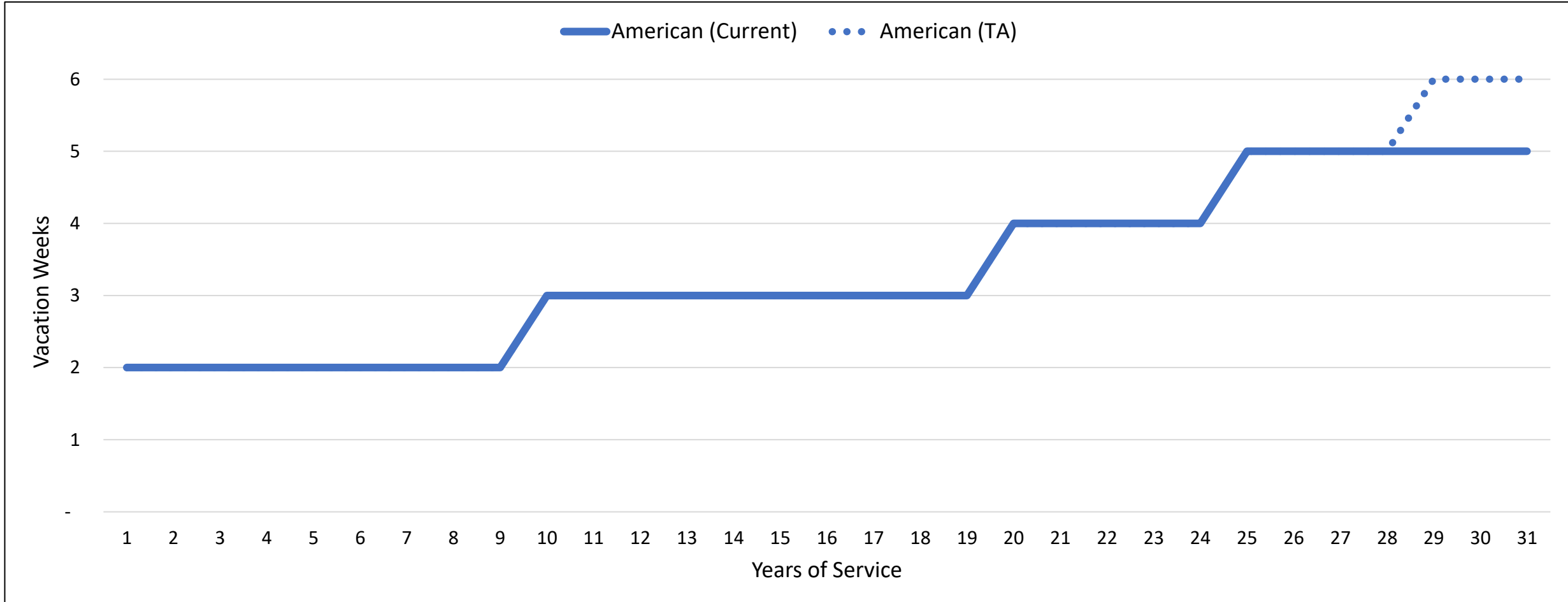
If the TA is ratified, bargaining unit members will see their employer 401(k) contributions increase by between 3.5% to 5%, assuming they continue to contribute to their 401(k) at the same level as they do today. Below are examples of employee elections under the current book ('Book') vs. the tentative agreement ('TA').

Ex. A member who is currently contribution 3% into their 401(k) receives a 3% employer match under current book. Assuming the TA is ratified, and that member continues to contribute 3%, they continue to receive a 3% employer match and will receive 5% direct employer contribution, for a total employer contribution of 8%.



Vacation Accrual

The TA calls for adding a sixth week of vacation accrual for those bargaining unit members with 29 or more years of service. That means that along with Holiday Vacations, the maximum number of vacation weeks an employee can accrue is eight weeks (current book is seven weeks).

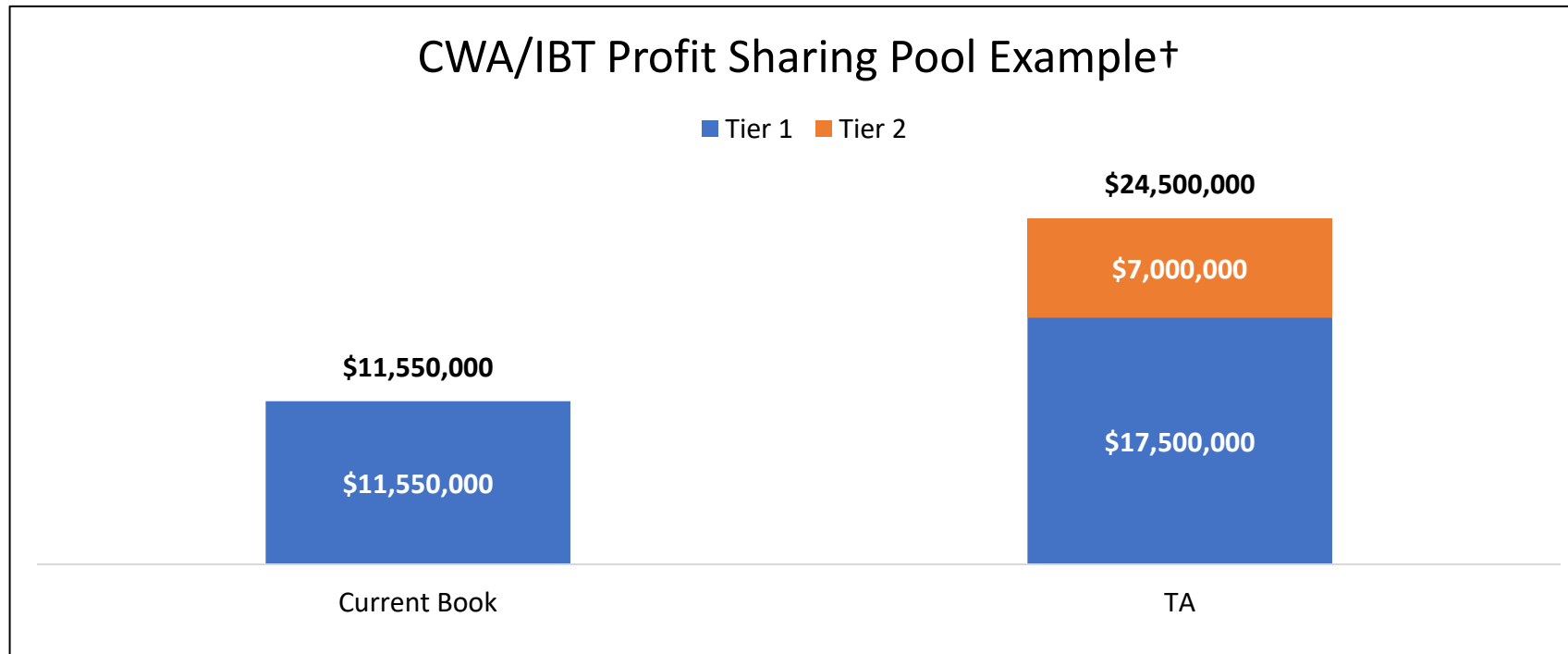


Profit Sharing Plan

Under the current book, the Total Profit-Sharing Pool for the bargaining unit is calculated by taking 5.5% of American Airlines Group, Inc. (AAG) pre-tax profit. The TA enhances the terms of the Total Profit-Sharing Pool as follows*:

- **Profit-Sharing Pool - Tier 1**: 10% of the AAG pre-tax profit up to \$2.5 billion for that year
- **Profit-Sharing Pool - Tier 2**: 20% of the AAG pre-tax profit above \$2.5 billion for that year

In both cases, the Total Profit-Sharing Pool is then multiplied by the quotient of the total eligible CWA/IBT Association represented employee's eligible earnings and the total eligible earnings of all participants in the AAG's Profit Sharing Pool, to give the CWA/IBT Profit Sharing Pool.



* The enhanced 'Total Profit-Sharing Pool' is the sum of Profit-Sharing Pool Tiers 1 and 2.

† The example assumes AAG's pre-tax profit of \$3.0 billion and the CWA/IBT Association represented employees represent 7.0% of all participants in the AAG's Profit Sharing Pool.