

FEBRUARY 2021 VOLUNTARY EARLY OUT PROGRAM (VEOP – No Lump Sum)
SEVERANCE AGREEMENT AND GENERAL RELEASE OF CLAIMS

American Airlines, Inc. (“American” or “Company”) has offered a February 2021 Voluntary Early Out Program with 12 months of severance payment (“VEOP”) in which the undersigned employee (“Employee”) has opted to participate. American and Employee thus agree to the following terms and conditions:

1. Employee hereby confirms that he/she has given his/her resignation from American by opting to take the VEOP and that he/she understands the resignation is irrevocable. Employee understands and agrees that for the purposes of receiving the benefits described in the VEOP and General Release of Claims (“General Release”) only, he/she will be placed on leave of absence status for the twelve (12) months following commencement of the VEOP. At the conclusion of the twelve (12) month leave of absence, Employee will be separated from American.
2. American will provide the following benefits under the VEOP:
 - a. 38:00 hours of pay per month at Employee’s applicable JCBA hourly rate at the time of the commencement of the VEOP only (i.e., Section 3.A), less applicable tax withholdings, for a period of twelve (12) months beginning on the date the VEOP commences. Such pay will be divided and paid out on the pay dates provided in Section 3.N.1 & 3 of the JCBA. Pay will be subject to tax withholding as required by law. The base rate of pay will not change during the course of the twelve (12) month payout period.
 - b. Medical, dental and vision benefits at active rates for twelve (12) months following the commencement of the VEOP.
 - c. Following the twelve (12) month period described in Paragraph 2.b., Employee will continue to receive medical, dental, and vision coverage at active employee rates administered through COBRA for a period of eighteen (18) additional months. If at any point during the period of COBRA eligibility Employee or her/his spouse becomes eligible for Medicare, Medicare will become the primary benefit.
 - d. A one-time allotment of eight (8) round trip positive space passes (E Inventory) to be used within five (5) years of the commencement of the VEOP.
 - e. For a period of twelve (12) months after the commencement of the VEOP, travel privileges as though active pursuant to Company policy.
 - i. If 65-point eligible as of the date of separation from the Company, retiree travel privileges in accordance with Company policy.
 - ii. If not 65-point eligible as of the date of separation from the Company, twenty-four (24) months of travel privileges at an amended D2R status, in accordance with Company policy, beginning on the date of separation from the Company. This includes D2R travel privileges for Employee, spouse/domestic partner/registered companion, and qualified children only. This does not include an allotment of D1s or D3s, OAL or parent travel.
 - f. Employee will not accrue vacation or sick time after commencement of the VEOP. Any accrued and unused vacation not used as a result of Employee’s VEOP will be paid out no later than the 15th of the subsequent month following Employee’s separation from the Company unless otherwise required by law. Payment for accrued and unused sick time, if at all, will be paid out pursuant to JCBA Section 26.D.5, if eligible.
 - g. For Flight Attendants With 65 Points ONLY – Retiree Health Reimbursement Arrangement (“RHRA”) – For those Flight Attendants who meet all eligibility requirements of the VEOP and who have 65 points under the 65-point plan as of the date of retirement from the Company, the Company will establish a

Retiree Health Reimbursement Arrangement (“RHRA”) for the Flight Attendant, as soon as is administratively practicable following the Flight Attendant’s retirement from the Company, and credit to a notional HRA the value indicated in the chart below. The RHRA credits may be used for qualified medical expenses, as that term is defined in Code Section 213(d), for any qualified medical plan. The RHRA credits may only be used to reimburse a Flight Attendant for unreimbursed, substantiated, qualified medical expenses, and qualified premiums as specified in Code Section 213(d) of the Flight Attendant and/or eligible dependents up to the Flight Attendant’s RHRA credit balance. Upon retiree’s death, the Flight Attendant’s surviving spouse is eligible to continue to use any remaining credits, and may use such credits for eligible dependent qualified expenses. All RHRA credits will be forfeited: (1) upon death of retiree Flight Attendant with no surviving spouse; (2) upon death of surviving spouse who became eligible to continue RHRA usage after death of retiree; and (3) if retiree Flight Attendant is rehired by American Airlines. The RHRA must comply with all applicable laws and regulations. The Company will be responsible for drafting and maintaining the RHRA plan documents(s), will have discretion over all plan-related items not addressed in this General Release, and will be responsible for any operating costs associated with the RHRA. The Company shall have the right to amend any provision of the HRA plan that is required by applicable law or is necessary to maintain the tax qualified status of the plan.

Years (Y) Until Employee Medicare Eligible (as of Retirement Date)	RHRA Credit Value
Y > 4	\$150,000
3 < Y <= 4	\$140,000
2 < Y <= 3	\$130,000
1 < Y <= 2	\$120,000
Y <= 1	\$110,000
Medicare Eligible as of Retirement Date	\$100,000

3. In exchange for the consideration described above, Employee releases and forever discharges, and covenants not to sue, American, its parent American Airlines Group, Inc. (“AAL”), its subsidiaries, affiliated corporations, successors and assigns, and each of their respective officers, directors, shareholders, employees and agents (“Releasees”), from any and all claims, grievances, liability, demands and causes of action of every nature, kind and character, known and unknown, which have or may have arisen or accrued prior to the date of execution of this General Release by reason of my employment with American Airlines, Inc., or by reason of the circumstances surrounding my separation from employment with American Airlines, Inc., including without limitation any and all claims in law or equity under federal, state or local authority including without limitation, claims for wrongful discharge, breach of contract, harassment, torts, fraud, negligence, personal injury, lost income, defamation, emotional distress, or discrimination based on age, sex, race, color, creed, religion, handicap, disability, national origin, or any other characteristic protected by law, as well as, without limitation any and all claims under the Age Discrimination in Employment Act (ADEA), the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Equal Pay Act, the Americans with Disabilities Act, the Rehabilitation Act, the Worker Adjustment and Retraining Notification Act, the Family and Medical Leave Act, the Employment Retirement Income Security Act (ERISA), Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR21), the Fair Labor Standards Act, the Employment Retirement Income Security Act, the Fair Credit Reporting Act; any claims for employment, back pay, salary continuation, seniority, or any other benefits except those specified herein, damages, attorneys’ fees and other costs; any claim under any other federal law, and applicable state or local laws or ordinances, any claim for breach of contract, breach of covenant of good faith and fair dealing, and any tort claim, as well as any other claim, whether known or unknown, arising by any reason up to the date of

this General Release unless otherwise prohibited by law or regulation. This General Release does not include claims for benefits under the workers' compensation laws or unemployment compensation laws of any state. Employee further agrees that this General Release shall be binding upon him/herself, his/her legal representatives, heirs, successors, and assigns.

4. Employee understands and acknowledges that:

- a. The consideration for this General Release is in addition to anything of value to which the Employees may already be entitled, and is not wages, a wage increase, a bonus, or any other form of compensation for services performed. Standard deductions will be made to the consideration for this General Release.
- b. Employee has had the opportunity to seek, and is advised in writing to seek, legal counsel prior to signing this General Release.
- c. Employee has been given at least 45 days from the date he/she received this General Release and any attached information to consider the terms of this General Release before signing it (Consideration Period). In the event Employee chooses to sign this General Release prior to the expiration of the Consideration Period, Employee represents that he/she is knowingly and voluntarily waiving the remainder of the Consideration Period. Employee understands that having waived some portion of the Consideration Period, the Company may expedite the processing of benefits provided to me in exchange for signing this General Release. Employee agrees with the Company that changes, whether material or immaterial, do not restart the running of the Consideration Period.
- d. If Employee signs this General Release, he/she can change his/her mind and revoke it within seven days after signing it by returning it (Revocation Period). Employee understands that this General Release will not be effective until after this Revocation Period has expired, and he/she will not be entitled to receive any benefits until after the General Release becomes effective. If the Revocation Period expires on a weekend or holiday, Employee understands he/she has until the end of the next business day to revoke.
- e. Employee will email any written revocation notice to the attention of Ashle Hollander at the following email address: People.Support@aa.com.
- f. Employee acknowledges that the Company made the following available to Employee: (a) the class, unit, or group of individuals covered by the employment termination program; the eligibility factors for the program and applicable time limits; and (b) the job titles and ages of all individuals eligible for the program as well as those in the same job classification or organizational unit who are not eligible.
- g. Employee has (i) received all compensation due as a result of services performed for the Company with the receipt of Employee's final paycheck; (ii) reported to the Company any and all work-related injuries or occupational disease incurred by Employee during Employee's employment by the Company; (iii) been properly provided any leave requested because of Employee's or a family member's health condition or military service and have not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave; and (iv) had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of any Released Party,

5. Employee understands that following the Revocation Period, this General Release will be final and binding. Employee represents that he/she has not filed (nor will file) any lawsuits, grievances, complaints, claims (including those filed with any administrative agency), charges, or other legal action with any court, government agency, or other forum relating to any claims being released in this General Release, and, to the extent such a lawsuit, grievance, complaint, claim, charge, or other legal action has been filed, it will be withdrawn, with prejudice, within 10 days of execution of this General Release by the Company. This General Release does not prevent Employee from filing a claim or charge with a federal, state, or local governmental agency charged with enforcing anti-discrimination laws or from participating in any such claim or charge already filed. This General Release, however, is in full satisfaction of, and a total and complete bar to, any remedy that any federal, state, or local governmental agency or any person may seek to impose (including any remedy sought to be imposed on Employee's behalf) against the Company or Releasees in any proceeding based on any alleged discrimination or other alleged unlawful conduct.
6. Employee understands that by selecting the February 2021 Voluntary Early Out Program, receiving the benefits outlined in Paragraph 2, and executing this General Release, he/she will not be eligible to be rehired, reemployed, or reinstated by American and agrees that American has no obligation, contractual or otherwise, to reemploy or reinstate Employee in the future. Employee also understand that he/she shall not be eligible for any other form of severance and shall be permanently separated from employment with the Company.
7. Employee agrees to return to the Company all Company property in his/her possession or control including, but not limited to, identification badges, manuals, tablets, equipment, keys, and all documents made or kept by relating to the business of the Company.
8. Employee agrees his/her execution and delivery of this General Release will be deemed to have occurred in Tarrant County, Texas; that the laws of the State of Texas, without regard to its conflicts of law principles, will govern the construction of and disputes related to this General Release; and that the venue for any legal action relating to this General Release shall be instituted and prosecuted in Tarrant County, Texas.
9. This General Release constitutes and contains the entire agreement and understanding between the Parties concerning Employee's participation in the VEOP and supersedes and replaces any prior negotiations and/or all agreements, proposed or otherwise, whether written or oral, concerning the VEOP and General Release.
10. Employee acknowledges and agrees that he/she has been advised that this General Release is a final and binding legal document, that he/she has had reasonable and sufficient time and opportunity to consult with an attorney of his/her own choosing before signing this General Release, and that in signing this General Release he/she has acted voluntarily and of his/her own free will and has not relied upon any representation made by American or any of its agents, employees or representatives regarding the subject matter or effect of this General Release.

Signatures on following page.

Employee Signature

Date

Print Name

Employee Number

AMERICAN AIRLINES, INC.

By:

Manager – Human Resources
Compliance

Date

STATE-SPECIFIC ADDENDUM TO FEBRUARY 2021 SPECIAL VOLUNTARY EARLY OUT PROGRAM (VEOP) SEVERANCE AGREEMENT AND GENERAL RELEASE OF CLAIMS

If you are an employee based in any of the following states, the February 2021 Special Voluntary Early Out Program (VEOP) Severance Agreement & General Release of Claims (General Release) is amended to further include the following language:

California: Employee is waiving and releasing all rights under section 1542 of the California Civil Code, which provides: A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that, if known by him or her would have materially affected his or her settlement with the debtor or released party. Employee understands that this General Release does not waive his/her right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of the Company, or on the part of the agents or employees of the Company, when Employee has been required or requested to attend such a proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature.

Illinois: Employee understands that the General Release does not apply to preclude him/her from testifying in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged unlawful employment practices regarding the Company, its agents, or employee, when Employee has been required or requested to do so pursuant to a court order, subpoena, or written request from an administrative agency or the legislature. Further, nothing in this General Release is intended to or will be used in any way to limit Employee's rights to make truthful statements or disclosures regarding unlawful employment practices.

Massachusetts: Employee is releasing all claims under the Massachusetts Fair Employment Practices Act, the Massachusetts Payment of Wages Law, the Massachusetts Overtime Law, the Massachusetts Civil Rights Act, the Massachusetts Equal Rights Act, the Massachusetts Equal Pay Act, the Massachusetts Labor and Industries Act, the Massachusetts Privacy Act, the Massachusetts Independent Contractor statute, and the Massachusetts Earned Sick Time Law.

Minnesota: Employees in Minnesota have fifteen (15) days to revoke the General Release.

Montana: Employee is releasing all rights under Montana Code Annotated Section 28-1-1602, which provides: A general release does not extend to claims that the creditor does not know or suspect to exist in the creditor's favor at the time of executing the release, which, if known by the creditor, must have materially affected the creditor's settlement with the debtor.

New Jersey: Employee is releasing all claims under the New Jersey Conscientious Employee Protection Act and the New Jersey Law Against Discrimination. Employee understands that this General Release does not have the purpose or effect of requiring Employee to conceal the details relating to any claim of discrimination, harassment, or retaliation, provided that Employee does not reveal proprietary information consisting of non-public trade secrets, business plans, and customer information.

North Dakota: Employee expressly waives any and all rights that Employee may have under any state or local statute, executive order, regulation, common law and/or public policy relating to unknown claims, including but not limited to North Dakota Century Code Section 9-13-02

South Dakota: Employee expressly waives any and all rights that Employee may have under any state or local statute, executive order, regulation, common law and/or public policy relating to unknown claims, including but not limited to South Dakota Codified Laws Section 20-7-11.

West Virginia: Employee is releasing all claims under the West Virginia Human Rights Act. Employee further acknowledges that the Company has provided the toll free number of the West Virginia Bar Association (866.989.8227). If Employee worked in West Virginia, the Company also made available to Employee the method and/or factors used or considered in arriving at the amount of the consideration offered.

ACKNOWLEDGMENT AND WAIVER

By signing this General Release, I acknowledge that I was given forty-five (45) days to consider the foregoing State-Specific Addendum to the Severance Agreement & General Release of Claims; that I have reviewed and understand the eligibility requirements of the VEOP and this addendum; that I have had an opportunity, and have been advised in writing, to have this General Release and the terms of the “Voluntary Early Out Program” explained to me by an attorney or financial advisor prior to signing; and I voluntarily choose to sign the Release.

_____	_____
Employee Signature	Date
_____	_____
Print Name	Employee Number

Exhibit A: OWBPA Disclosure

Business Rationale and Decisional Unit

The global COVID-19 pandemic continues to negatively impact the airline industry. Unfortunately, we find ourselves in a situation similar to much of 2020. As we closed out last year with the successful extension of the Payroll Support Program (PSP), we fully believed that we would be looking at a summer schedule where we'd fly all of our airplanes and need the full strength of our team. Regrettably, that is no longer the case. The vaccine is not being distributed as quickly as any of us believed, and new restrictions on international travel that require customers to have a negative COVID-19 test have dampened demand.

We currently expect to fly 45% less in the first quarter compared to what we flew for the same period in 2019, and it appears we will not be flying all of our aircraft this summer as planned. Consequently, like last fall, we will have more team members than the schedule requires after federal payroll support expires April 1.

We again will offer a Voluntary Early Out Program (VEOP), as well as a voluntary leave program in an attempt to reduce our workforce.

This VEOP is available to certain employees stated in the eligibility criteria below working for the Company in the following working groups, which is the decisional unit for the VEOP:

- Flight Attendants
- M&R and Fleet Service
- Passenger Service and Reservations
- Dispatchers
- FCTI/SIMP
- FSE

Program Eligibility

The VEOP is available to active U.S.-based represented mainline frontline team members with 10 or more years of workgroup seniority as of February 5, 2021, excluding pilots, who work within the decisional units stated above. Absent exceptions required by law, active status for the purpose of this VEOP is defined as a team member on payroll receiving pay from the Company, such as paid sick/vacation, salary continuance, a previously offered PVLOA or VLOA, FMLA, or military leave. Team members who are receiving severance continuation pursuant to a previous VEOP are not considered to be "active status" for purposes of this definition. Seniority is defined as follows:

- Flight Attendants: occupational seniority
- M&R and Fleet Service: classification seniority
- Passenger Service and Reservations: passenger service seniority
- Dispatchers: occupational seniority
- FCTI/SIMP: occupational seniority
- FSE: classification seniority

Eligible employees who receive and submit a VEOP application and are accepted by the Company

are eligible to receive VEOP benefits provided the employee signs, returns, and does not revoke the February 2021 Special Early Out Program Severance Agreement and General Release of Claims (Release). The Company reserves the right to reject applications for the VEOP and set or change the Separation Date based on the number of employees who apply for the VEOP, seniority of the employee, and the business needs of the Company.

Time Limits

Eligible employees who wish to volunteer for the VEOP have 21 days (February 5 – February 26, 2021) to submit an electronically signed application. Eligible employees have 45 days after receiving the VEOP information (February 5, 2021 – March 22, 2021) to submit an electronically signed Release. Employees have 7 days (15 in Minnesota) to revoke the signed Release. Employees who volunteer for the VEOP and are accepted by the Company, but who do not sign the Release or revoke the Release once signed, revoke participation in the VEOP. Once the Release is effective (after the revocation period has expired), employees cannot revoke participation in the VEOP.

Job Listing

Provided with this VEOP and Release is a chart showing the employees who are eligible and ineligible for the VEOP within the decisional unit by age and job title as of February 5, 2021. Employees are listed as “eligible” if they meet the above-stated eligibility criteria. Employees are listed as “ineligible” if they do not meet the above-stated eligibility criteria.